

## **Demonetization and labour**

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In Marxian perspective the state is an instrument in the hands of the capitalists who use it to increase their profit through exploitation of labor. "Hatecariat" class has emerged in contemporary India as the result of an innovation strategy introduced by the rich and the powerful. The Nov 8, 2016 demonetization of higher denomination currency notes is taken as a case in point. Demonetization of 2016, offered double advantage to the capitalist class, on the one hand, the black money holders could convert their black money into white money and on the other hand they could further degrade the working class to further increase the exploitation of labor. The black money holder knew it was a ploy but the workers and other white money holders imagined that it was to remove black money and underwent all the hardships. Exploitation of labor went to the next higher level as informal sector collapsed and unemployment increased. The proletariat was degraded to become the precariat. The precariat was further degraded to become 'hatecariat'. These transformations were manufactured to promote the interest of the corporates in crony capitalism.

*Key Words:* Proletariat, Precariat, Hatecariat, Crony Capitalism

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## Introduction

Strategies are made and executed to get the desired results at different levels, starting from an individual entrepreneur, to a firm, an industry, a sector of the economy and the state. When big business joins hands with big government, for mutual benefit, crony capitalism emerges. Karl Marx could see in the middle of the 19<sup>th</sup> century that the proletariat would emerge as a powerful force to bring about a social revolution to replace capitalism with socialism and later communism. It was not to be. The proletariat was degraded to the level of the precariat. The present paper argues that the precariat is further degraded to become “hatecariat” for the benefit of crony capitalists and the political elite in contemporary India. It could be viewed that the rise of the “hatecariat” as a powerful and successful strategy carefully developed by the rich and the powerful in India

Marxism is a living intellectual tradition that experiences renewal and reconstruction as the world undergoes technological, economic and social changes. In a broad sense, western Marxism developed as a response to Soviet Marxism and the communists’ failure to make a proletarian revolution in the industrialized countries of the West. Third world Marxism developed in the background of colonial and post-colonial struggles and challenges of developing the backward countries of South America, Africa and Asia. Some observers see that the Third World Marxism has given way to the development of sociological Marxism. In the classical Marxism developed by Karl Marx (1818 - 1883) and Friedrich Engels (1820 - 1895), capitalism is doomed by its own logic to destroy itself, giving way to socialism to emerge. It was an irony that Russia, a feudal economy which became communist ahead of industrialized countries after the 1917 October Revolution. There were several counter measures in the form of government regulation of economies to avoid communism. In Germany and Italy, they took the form of Nazism and Fascism respectively, in the UK and Scandinavian countries social democracy and welfare state and in the USA, the New Deal.

Marxian theorists, activists and also revolutionaries ranging from Lenin, Leon Trotsky, Mao Zedong, Bernstein, Antonio Gramsci, Che Guevara, Herbert Marcuse, Louis Althusser, Paul Sweezy, Paul Baran, Frantz Fanon, M.N Roy, Palme Dutt, Jean Paul Sartre, Paulo Freire, Dallas Smythe, Harry Braverman and David Graeber to Guy Standing used Marxian concepts and categories to analyse the economic, social, political and cultural issues of their societies. In contemporary India, the Nov 8, 2016 demonetization had a devastating impact on the living conditions of the poor and the powerless while the rich and the powerful improved their economic

condition and political privilege. Informal sector collapsed, unemployment increased and wages decreased and the working class underwent other hardships and humiliations. The victims never realized that they were victims. In this paper a new concept 'hatecariat' is introduced to explain this paradoxical situation. Marxian intellectual tradition is extended to analyze social and economic realities observed in contemporary India.

### **Marx looks at the Grand Indian Demonetization and Crony Capitalism**

Let us imagine that Karl Marx looks at the long queues in front of ATM's during Dec 2016 in several Indian cities. He also looks at the results of May 2019 general election. People suffered and later they voted for the same political party which made them suffer. People first thought that they suffered for a noble purpose and later they thought they voted for a noble purpose. Karl Marx says, "I have already explained that people's social existence determines their consciousness." Then he quotes from the preface to his book "*The Critique of Political Economy*" (1859, 1911) the following famous passage -

"The mode of production in material life determines the general character of the social, political and spiritual process of life. It is not the consciousness of men that determines their existence, but, on the contrary, their social existence determines their consciousness." (Marx, K. 1911)

Marx developed his analysis of 19th century industrial capitalism on the basis of dialectical materialism, economic interpretation of history and the theory of surplus value. In his major work *Capital - A Critique of Political Economy* (1867, 1905) we find his outrage and anguish at the exploitation of the working class. Marxian analysis of the grand Indian demonetization can be understood in the following way.

#### **1. Dialectical materialism:**

Georg Hegel (1770 - 1831) the famous German philosopher gave the philosophy of 'dialectical idealism'. Fundamental to Hegel is the view that ideas progress through the sequence of thesis being negated by antithesis which again is negated by synthesis. The synthesis becomes thesis and the process continues. Marx's dialectical method is the direct opposite of the Hegelian principle. In Marx's view dialectics worked in terms of material conditions of production. For example, in India, there was the thesis (democratic socialism and mixed economy during 1951 - 1991) was negated by anti - thesis (economic liberalization during 1991 - 2016) and again it was negated by

synthesis (crony capitalism especially from 2016 demonetization till date). There has been slow and uneven progress all these years in the Indian economy in the sense poverty declined, inequality increased and the working class was degraded and manipulated. Karl Marx can see these broad trends in contemporary India when mainstream liberal economists look the other way.

## **2. Economic interpretation of history**

Marx's economic interpretation of history must not be narrowly understood. The concept "mode of production" must be interpreted in a broad sense. The mode of production and relations of production determine the legal, political, economic and social conditions of a country. In his "*The Poverty of Philosophy*" (1847) Karl Marx says, "The windmill gives you society with feudal lord; the steam mill, society with the industrial capitalist." The mode of production and relations of production depend on the level of technology used in a society. A feudal lord would not exist in a society with a steam mill and an industrial capitalist would not exist in a society with a windmill. Withdrawing 86% of the currency notes by a sudden announcement, allowing 99.3% of withdrawn currency to return to the system, undermining informal sector, increasing unemployment, pushing people further down into poverty and winning subsequent elections are all possible because of misuse of modern technology, as Karl Marx would say. Television technology, ATM's, e-wallets, smart phones and social media made 2016 demonetization possible. This disruption would not have happened in 1950's and 1960's, for example. Nehru could only make land reforms and he could not make a sudden demonetization and win elections because there were no modern technologies in his time.

## **3. Theory of class struggle**

In the "*Communist Manifesto*" (1848), Karl Marx says "The history of all hitherto existing society is the history of class struggle." Writing in the middle of 19th century, Marx thought that there were only two social classes, the bourgeoisie and the proletariat and they were at war with each other. In the end, the proletariat would win to establish a communist society, where people would find, "paradise on this side of the grave." That was Karl Marx's dream. The German romantic dream ended in the Russian nightmare. Communism failed because communist party failed. Karl Marx observes lack of class struggle in the 21st century society. He finds that there are four classes in India instead of two. First, there is bourgeoisie class which is feudal and traditional in agricultural sector and capitalist and modern in manufacturing and service sectors.

Second, there is political elite class at local, regional and national levels amassing wealth and displaying political power. Third, there is managerial professional class and its members are relatively highly paid by the economic system because they perform an important function. The elite among this class successfully convince the poor and powerless that their low income and miserable condition are normal and justified. The poor and the powerless constitute the fourth class which Marx called the proletariat. The 19<sup>th</sup> century term 'proletariat' is not adequate to explain the Indian reality in the 21<sup>st</sup> century. After observing the Nov 2016 demonetization, and May 2019 general election results and the reaction to anti - CAA protests during Dec 2019 to Feb 2020, Karl Marx would introduce the term 'hatecariat' to explain the unfolding social reality in the country. This new term will be explained later in this paper.

#### **4. The labor theory of value**

Commodities and services are products of human labor and their value is realised as price in the market. Capital (both physical and financial) and technology contribute to value creation only through human labor, however indirect and away in time and place.

#### **5. Socially necessary labor**

In determining the price (exchange value) of a commodity or service, only socially necessary labor counts. Not only the present labor is socially necessary but also the 'past labor' in the form of raw materials, machinery, financial institutions and instruments and all technology used in the production of commodities and services.

#### **6. The value of laborpower**

The exchange value (wage) of labor power itself is determined by the labor time necessary to produce the means of subsistence (which include food, clothing, shelter, mobile phone recharge etc.) of the laborer and his family.

#### **7. Surplus Value**

The laborer, who does not own the means of production, sells his labor power to the employer (the organization) who pays a wage determined by the Human Resources (HR) manager and his team. The laborer, for instance, gets a wage equal to two labor hours, if two hours are needed to produce the daily sustenance for the laborer and his family. But the organization has purchased

the whole day's labor power (for example, 10 hours). So the laborer works two hours for himself and the remaining eight hours for the employer. The exchange value of the commodities and services produced during the eight hours of labor power is the value of unpaid labor which becomes the surplus value. The employer keeps the surplus value for himself. The HR manager and members of his team are also laborers of the organization. In India about seven percent of the labor force is employed in organized sector (central and state government employees, employees of quasi-government organizations, public sector enterprises, registered companies, employees of government aided schools and colleges, cooperative societies etc.) and the remaining 93% is employed in unorganised sector (agriculture and allied activities, unregistered small and medium scale industries, private educational institutions, retail trade, hotels, hospital, transport companies etc). There has been an increasing trend of informal contract employment in the formal organised sector in recent years. These contract workers are paid much less than the regular workers in organised sector. Karl Marx finds that the minimum wages rules in India remain mostly on paper and not in practice. The Nov 2016 demonetization undermined informal sector, increased unemployment, depressed wages and pushed the labor class further down in the matter of economic and social status. That was a good news for bourgeoisie and the elite managerial professional class because surplus value (unpaid labor) could be increased. It was electoral advantage (apart from other advantages) for the elite political class because the proletariat class supported the ruling party in the subsequent elections. This trend needs further analysis in the terms of hatecariat concept, which is explained later in this paper.

## **8. Constant capital and variable capital**

The value of a commodity consists of three parts, namely, constant capital (c), variable capital (v) and surplus value (s). Constant capital consists of the value of physical capital and raw materials. Variable capital (v) consists of the value of labor power. It is called variable capital because it alone produces surplus value (s), which is called profit in mainstream liberal economics and management studies.

## **9. Role of technology**

The organic composition of capital is the ratio of constant capital to variable capital (c/v). The rate of profit is the ratio of surplus value to the total capital (s/c + v). Since the organic composition of capital undergoes continuous change in favour of constant capital, the rate of profit falls. There is a contradiction. As more and better machines are introduced constant capital increases

and profit falls because only variable capital (the value of labor power) can produce surplus value. Here arises the crucial role of technology. Also arises the crucial function of management techniques and practices. The terms Fourth Industrial Revolution and Artificial Intelligence are increasingly used in recent times. Steam engine was the defining feature of the first industrial revolution, diesel engine and electricity defined the second industrial revolution and computer and robotics were the defining features of the third industrial revolution. Artificial Intelligence, big data, internet of things etc. define the on-going Fourth Industrial Revolution. Management experts came up with new techniques and practices like management by objective, total quality management, business process engineering, core competence, 360-degree feedback, six sigma, emotional intelligence, open office etc. to get better results in men and material management. Education, both technical and non-technical, is framed to increase surplus value generation in the economic system.

#### **10. The antagonistic conditions of distribution**

Distribution of income and wealth becomes more and more unequal and economists and other social scientists consider increasing inequality as a major challenge in modern societies. In his study of 19<sup>th</sup> century capitalism, Karl Marx considered the bourgeoisie and the proletariat as the only two classes representing two hostile camps. He thought that the antagonistic condition of distribution will lead to periodic crises in the economy. There would be immiserization of labor and breakdown of capitalist system after a social revolution. There was immiserization of labor but no breakdown of capitalist system. Observing the 19<sup>th</sup> century capitalism, Karl Marx said, “Workers have nothing to lose except their chains.” Now in 21<sup>st</sup> century, he would say “the workers’ chains have become stronger and more invisible.” He finds no two hostile camps represented by the bourgeoisie and the proletariat. The possibility of hostility and revolution is effectively prevented by the elite political class (who make suitable policies and manipulate the implementation of the policies) and the elite managerial- professional class (who make suitable technologies and management techniques). The proletariat suffers because of hostile economic policies (made by the elite political class) and unhelpful explanations and justification of their misery (made by the managerial-professional class which includes media). A recent example of this process is the grand Indian demonetization of Nov. 2016. The poor and the powerless suffered during the demonetization period. They were made to think that their suffering was for the great mission of removing black money, corruption, counterfeit currency and terrorism. But nothing happened. Nobody told them effectively that it was carefully planned and executed ploy.

On May 5, 2018 admirers of Karl Marx celebrated his 200<sup>th</sup> birthday. His critics pointed out that tens of millions of people were killed, at different points of time, during the regimes of Joseph Stalin (in the erstwhile USSR), Mao Zedong (in China) and Pol Pot (in Cambodia) because of the catastrophic economic blunders done in the name of Marxism. However Marx's powerful ideas inspired reforms which have established successful welfare states based on democracy and capitalism in the developed countries of the West, Japan, Australia and New Zealand. There are other progressive democracies also. For the sake of the narrative, we imagine Karl Marx to visit India in 2021. He finds downturns in democracy due to communalism and populism and slowdowns in the economic systems due to rise of crony capitalism. It is a global phenomenon, but Indian downturn is different and cruel. One would say that demonetization is a recent example of Innovation strategies by the rich and the powerful.

### **“Demonetization and the dog that did not bark”**

The Nov 2016 demonetization was announced to reduce black money and corruption which amounted to a direct attack on the rich and the powerful who had amassed wealth through illegal means. There should have been panic among the target group. There should have been huge media efforts, high profile lobbying and court cases to challenge the move or at least to get some concessions from government agencies. There is an interesting conversation between Sherlock Holmes and inspector Gregory in Arthur Conan Doyle's short story "*The Adventure of Silver Blaze*" (1892) which goes as follows-

“Is there any point to which you would wish to draw my attention?”

“To the curious incident of the dog in the night time.”

“The dog did nothing in the night-time”

“That was the curious incident” remarked Sherlock Holmes.

The fact that the dog did not bark helps Sherlock Holmes to solve the murder case and the disappearance of the racehorse Silver Blaze. After demonetization, the rich and the powerful black money holders were silent and polite. They were not affected. Actually they could get benefits. Those who depended on informal sector employment (about 93% of the labor force) among the other millions of white money holders in country were worst affected. It was widely acknowledged that demonetization derailed the economy, killed the MSME sector, destroyed informal sector jobs and aggravated the rural crisis.



Rural distress forced farmers to suicide and the recent NSSO survey reported unemployment rate highest in 45 years (*Financial Express*, May 12, 2019). Ordinary people's businesses and livelihood of informal sector workers collapsed. *Financial Times* reported, "There are a lot of perfectly legal, convenient bits of economic activity that are not being able to be conducted now... The disruption is particularly acute in rural areas." (*Financial Times*, Nov 22, 2016). The real consumption expenditure in rural areas declined from Rs. 1587 per person per month in 2014 to Rs.1524 in 2017-18 and the decline in urban areas was from Rs. 2926 to Rs. 2909 during the same period. Rural wages declined at 0.3 per cent per annum and urban wages declined at 1.7 per cent per annum. Unemployment rate increased and there was "jobless growth" (*Mint*, Nov 21, 2019). In 2016-17, the CEO of ICICI bank (who went on indefinite leave on corruption charges) received remuneration, excluding performance bonus, a sum of Rs. 5.58 crores. (*Mint*, June 20, 2018). The reason why the dog that did not bark was a clue is clear.

### **When the Proletariat is downgraded as the Precariat**

Karl Marx wrote that the bourgeoisie and the proletariat are the only two classes left to face each other. He thought that society was split up into the two great hostile camps; there would be class war, social revolution and finally communism. This did not happen. The bourgeoisie joined hands with the political elite to protect each other's interest and together they developed crony capitalism. The bourgeoisie created and developed the 'managerial class' under the pretext of increasing efficiency and productivity in the economic system. This managerial class did increase efficiency in the economic system. But the major purpose was to suppress the workers interests and promote the interests of the economic and political elite. This mission could be achieved through transforming the proletariat into precariat and this process could be observed at different levels across societies.

Harry Braverman, an American Marxist sociologist, in his book "*Labor and Monopoly Capital-The Degradation of Work in the Twentieth Century.*" (1974) extends Marx's analysis of class antagonism. Braverman emphasizes the degradation of work and the worker as a fact of monopoly capitalism. The late 20<sup>th</sup> century organization created an illusion that modern capitalism was about enhancing human freedom and progress when the reality was the opposite. Braverman showed how modern capitalism created (because of the need for its survival and expansion) a few elite managerial positions which require a lot of conceptualization and display of power. On the other hand, it created a large number of jobs that require no or very little conceptualization and a lot of

execution. The separation of conceptualization and execution is described by Braverman as “degradation of the work”.

It means good jobs are a few and bad ones are plentiful. Scientific management, in a way, makes the industrial worker powerless, helpless and ‘skill-less’ controlled from above by the managerial class. This is the situation in the case of the modern office worker who is progressively reduced to being a cog in a giant organizational wheel. Job roles are routinized and degraded. The alienated worker is forced to do meaningless and mindless tasks in his work place. With low wages and degrading work, the proletariat loses his creativity and capacity to think for himself. He comes out of his factory or office and stands at ATM’s for hours during demonetization period. He finds so many other people (some of them above him the economic and social ladder) standing along with him. He is forced to believe in the wisdom of the crowd. Black money would be destroyed and he would get Rs. 15 lakhs deposited in his bank account. He starts chasing the rainbow and in the course of the chase he also votes for the ruling party in the subsequent elections. The managerial-professional class also did not act significantly differently during demonetization period and during the subsequent elections. Members of this class are educated and knowledgeable. Most of them were holding white money and paying personal income tax regularly. They also did not see that black money holders were gaining at the cost of white money holders during demonetization period. Psychology offers some kind of an explanation to this paradox. We shall now focus on David Graeber, an American anthropologist and activist, who has extended Braverman’s thesis of “degradation of work” to analyze the psychology of the elite among the workers of a 21<sup>st</sup> century organization. It may be mentioned that WillaimBaumol (2007) predicted the emergence and spread of “unproductive work and unproductive businesses” in the larger interest of the modern economy. David Graeber in his recent book “ *Bullshit Jobs- A Theory*” (2018) explains how many educated and knowledgeable people are made to work in well- paid jobs which are entirely pointless and useless to the economy and society. He elaborates the bullshitization of, especially financial sector and its adverse consequences to the economy. Among his other examples are HR consultants, communication coordinators, PR executives, financial strategists and members of committees that discuss the problems of earlier unnecessary committees. For example, there was no academic Dean in reputed Business School for months and nobody missed anything. Students, faculty and other staff were doing their work. One can see the creation of whole new set of industries like financial services, telemarketing etc. and unprecedented expansion of sectors like corporate law, academic and health administration, human resources and public relations. Actually there is an inverse relationship

between the social value of work and the amount of money one is paid for it. School teachers and nurses are paid low wages and corporate lawyers and HR consultant are paid high compensations. Graeber explains the difference between partly bullshit jobs, mostly bullshit jobs and entirely bullshit jobs in a modern economy. There is profound psychological violence in the mind when one secretly feels that he or she is doing a pointless and useless job. When 99.3 per cent of the banned currency notes returned to the system after a few months, it was clear that the demonetization was a pointless and useless exercise. Many educated and knowledgeable people defended their bullshit jobs and also a pointless demonetization. Pretending to justify a pointless, useless and even harmful activity becomes a habit.

Guy Standing, a British economist, is best known for his analysis of the rise of the “*precariat*” class in modern societies. He developed this concept in his books, “*The Precariat-The New Dangerous Class*” (2011), “*A Precariat Charter*” (2014) and “*The Corruption of Capitalism*” (2016). According to Guy Standing, precarious existence is the norm rather than the exception for the working class because of job insecurity, low wages, vulnerability, degradation and exploitation. Existential precariousness of the working class is an essential feature of the capitalism of contemporary liberal era. Due to decades of neo-liberal policy’s assaults on trade unions and progressive de-unionization of labor, Marxian proletariat descended to become *aprecaraiat*. With the growth of gig economy, the *precariat* becomes further powerless and helpless. In India we find the ‘*hatecariat*’ and this new concept needs explanation.

### **Dawn of the Hatecariat in India**

Karl Marx famously said, “The bourgeoisie produces, above all, its own grave diggers, its fall and the victory of the proletariat are equally inevitable” (Marx, K. 1848). He expected that the antagonisms between the bourgeoisie and the proletariat would finally lead to a social resolution out of which the proletariat would emerge victorious. In the context of India of 2021, Marx’s expectations look like social science fiction. Guy Standing finds that the proletariat of neo-liberal capitalist regimes of the western countries getting degenerated into *precariat*, who is powerless, helpless and degraded. In India, the situation is still worse. The *precariat* of India is transformed into *hatecariat* by the elite political class and elite economic class for their advantage. The *hatecariat* class happily supports a devastating demonetization and elects the political party in power in the subsequent elections.

A large section of the *precariat*s is programmed to hate a small section of fellow *precariat*s on the basis of the food they eat and dress they wear. The economic elite could transform its black money

into white money and the political elite could win elections with the active support of the hatecariat class which suffered unemployment, fall in income, poverty and insecurity. Hate becomes the bread and butter of the hatecariat. He does not mind missing actual bread and butter. Karl Marx would never have imagined such a situation arising in an emerging market economy. Proletariat revolution is out of question. It is only hatecarian evolution going on for the advantage of the rich and the powerful. Jay Gould, an American financier and railway developer of the 19<sup>th</sup> century, infamously said, “I can hire half of the working class to kill the other half.” We imagine Gould becomes a political leader in India. Instead of hiring one half to kill the other half, he could spread hate in the 21<sup>st</sup> century democracy, through both print and electronic media and also social media, and get the results.

Antonio Gramsci (1891-1937) an influential Italian Marxian philosopher and activist has given his views on the political use of religion in his elaboration of the famous concept ‘hegemony’ which means domination. Gramsci categorically emphasis the fact that the same religion carries different meanings to different sections of the population. He says, “there is a Catholicism for the peasants, a Catholicism for the petty bourgeoisie and urban workers, a Catholicism for women, and a Catholicism for the intellectuals.” (Gramsci, A.1948). Gramsci’s views may be helpful in understanding the dawn of the hatecariat in India. One of the well-known observations of Karl Marx on religion may be mentioned. Marx said, “Religion is the sigh of the oppressed creature, the heart of a heartless world, and the soul of soulless conditions. It is the opium of the people.” (Marx, K, 1843). This is one of the most misinterpreted statements of Karl Marx. One popular interpretation is that people go to intellectual sleep because religion acts as opium. One is intoxicated with religion and his mind does not work rationally. The capitalist can effectively divide, fool and rule the masses for his profit making through exploitation of labor. The capitalists can join hands with the political elite to continue and expand exploitative practices even in a democracy. Mao Zedong, (1893-1976), famously said the following about a revolution, “A revolution is not a dinner party, or writing an essay, or painting a picture, or doing embroidery.” Creating and expanding a hatecariat class out of precariat class in a developing country with a functioning democracy is not a dinner party. The political and economic elite have taken a lot of efforts over the years to develop a hatecariat class because rewards are high and a possible place in history.

### **Rise of Hatecariat explained in terms of Thymos, Isothymos and Megathymia**

For decades sustained efforts were made to develop a class of hatecariats in subtle and indirect ways. During the second decade of the 21st century these efforts started paying rich

dividends in India. Defining or redefining the 'identity' of a group is crucial in the efforts to develop a hatecariat class for the political and economic advantages of the elite. The issue of identity based on 'fear and hate' influences greatly the dimensions of behavior in politics at regional and national levels. The precarious among the proletariat have become the precariat. The 'hatecarious' among the precariat have become the 'hatecariat'. The hatecariats are the miserable masses of the labor force who are programmed to hate the 'other' among the precariat. Along with the precariatization process, there is 'hatecariatization' process also going on in India. Precariatization + hate = hatecariatization, as is precariat + hate = hatecariat. The hatecariats are made to forget their misery and victimhood and support populist political leaders and exploitative capitalists. Hate is not an option. Hate becomes the reality based on one's identity. Descartes said, "I think, therefore I am." The hatecariat is made to say, "I hate, therefore, I am". The 'hatecariateness' gets internalised. Hatecariateness of the masses is for the huge advantage of the elite class. A new vocabulary in English language is necessary to understand and explain the unfolding social reality in contemporary India.

The rise of the hatecariat is a recent phenomenon and it can be explained in terms of the western mainstream political philosophy tradition also apart from Marxian tradition. Political philosophy begins in Greece, especially in the writings of Plato (427-347BC) and Aristotle (384-322 BC). The Greek terms *Thymos*, *Isotymos*, *Megalothymia* are useful in explaining political trends at national and global levels. Francis Fukuyama, the celebrated author in his major work, "*The End of History*" (1992) and his recent book "*Identity*" (2018) makes use of the term *Thymos* to explain disruptive political phenomena caused mainly by growing populism and nationalism. An attempt is made here to analyse the dawn of the hatecariat in India and its political and economic consequences against the backdrop of other similar global trends.

Nationalism and religion have emerged as powerful forces in national and global politics today. Many thinkers in the past and in recent times thought that both would decline in influence on human thought and action as science and technology progress. The growing power of nationalism and religion can be explained in terms of the Greek word *thymos*. *Thymos* is the part of the soul that seeks for recognition and dignity. *Isotymosis* the demand by one to be respected on an equal basis with other people. *Megalothymia* is the desire to be recognised and established that one is superior to others. The big problem in recent times is *Megalothymia*. In the last chapter of '*The End of History*', Fukuyama raises the question whether the modern system of liberal democracy functioning in a market economy would provide sufficient outlet for *megalothymia*. The global trend towards

democracy began in the mid 1970's and the great acceleration came from 1989 to 1991, when the collapse of communism in Eastern Europe and disintegration of former Soviet Union led to a great democratic wave throughout the region. However, since 2000's the trend has reversed itself. Authoritarian countries like China have grown faster and have become more assertive. A number of countries which seemed to be successful liberal democracies during the 1990's, began showing authoritarian trends, including Hungary, Turkey, Thailand and Poland. The Arab Spring of 2011 which challenged dictatorships in the Middle East, disappointed hopes for greater democracy in the region and countries like Libya, Yemen, Iraq and Syria descended into civil war. The international financial crisis of 2007-09 showed that the liberal market capitalist model had dangerous defects. The crisis in politics and economics at national and global levels can be explained in terms of *thymos*, *isothymia* and *megalothymia*. One should mention the growth of western political thought in a selective and brief manner to understand the significance of these concepts.

Theories of human behavior are built on theories of human nature. Early modern political thinkers such as Thomas Hobbes, John Locke and Jean Jacques Rousseau theorized human behavior in the 'state of nature' before the emergence of civil society. Human life was 'nasty, brutish and short' before order was established by the state. State emerged on the basis of a 'social contract' between the people and the sovereign. John Locke in his famous book "*An Essay Concerning Human Understanding*" (1689), gives his theory of *Tabula rasa* which says that all knowledge comes out of experience. He is considered to be the father of modern empiricism and representative liberal democracy. He says that there are no innate ideas but there are inherent rights.

John Locke says that individuals surrender some of their rights and get in return security of life and property from the sovereign through entering a social contract. The government / ruler cannot interfere with certain freedoms of the individuals under the pretext of social contract. Individuals are free to exercise their reason and conscience to seek eternal truth and justice. The ruler should be as away from this exercise of individuals, as possible. This is the gist of the idea of secularism. All citizens, including the poor and the powerless should be free to exercise their reason and conscience to find out their perception of truth and justice. It follows that a representative liberal democracy and the practice of secularism go together. Desire and reason are the first two parts of the human soul (psyche), but the third and final part *thymos* is independent of the other parts and also very powerful. Plato's *Republic* is a dialogue between the Greek philosopher Socrates and two young aristocratic Athenians. An elaborate account of *thymos* emerges in the *Republic*. *Thymos* is

the seat of the judgements of worth. Human beings seek positive judgement about their worth or dignity or status. If they receive positive judgement, they feel pride and if they do not receive it, they feel either shame or anger. This third part of the soul, *thymos* is the basis of today's identity politics, according to Fukuyama. Take for example, the gay marriage movement which has spread like wild fire across the developed world. The gay and lesbian unions have grown in many countries including India. Similarly, the massive anger of woman displayed in the *#MeToo* movement is another example. There is growing influence of *thymos* on identity and hatecariousness.

Authoritarian governments deliberately refuse to recognize the equal dignity of all their citizens. In most dictatorships, such as those of Hitler and Stalin, large groups of people like Kulaks (in the erstwhile Soviet Union) Jews, the disabled and non-aryans (in Hitler's Germany) were regarded as subhuman beings who should be eliminated in the name of building a 'better tomorrow'. Rights are taken away, law applies to the poor and the weak and not to the rich and the powerful and citizens start thinking whether they live in a liberal democratic system. Nationalism and religion are increasingly used to come to power in liberal democracies. Religion is radicalized to achieve political benefits. What happens, in a broad sense, is not radicalization of Islam, but the Islamization of radicalism. One of the main features of global politics in the 21st century is the rise of nationalist and religious political parties which make successful attempts to come to power.

Nationalism which grew with industrialization and modernization and seemed to moderate with growing prosperity and knowledge seems to have come back with a vengeance. A number of new populist nationalist leaders claiming democratic legitimacy through elections have emerged and make divisive policy announcements in the interest of "the people". These include Russia's Putin, Turkey's Erdogan, Hungary's Orban, Poland's Kaczynski and Donald Trump in the United States. The campaign slogans in the last US Presidential elections were 'Make America Great Again' and 'America First'. Donald Trump's racist and xenophobic attacks on Democratic Congresswomen make a few observers to comment that his slogan is really 'Make America White Again'. The chaos and violence made by Trump's supporters in Capital building in Washington on January 6, 2021 shocked the world. The Brexit movement in the United Kingdom is built on the reassertion of national sovereignty. Populist parties are waiting to dominate in France, the Netherlands and all over Scandinavia. Nationalist rhetoric is found in the discourses of a few political leaders of India, Shinzo Abe of Japan and Xi Jinping of China. At a time when populist nationalist leaders are gaining electoral victories, religion has been on the upswing as a political phenomenon. The 2011 Arab

Spring was derailed by Islamist groups. A militant form of political Buddhism has been expanding in South and Southeast Asian countries such as Sri Lanka and Myanmar. It is not difficult to observe that a Hindu understanding of Indian national identity influences political outcomes in the country in recent times. Samuel Huntington, historian and author of the famous book “*The Clash of Civilizations and the Remaking of World Order*” (1997) also wrote another book “*Who are We? The challenge to America’s National Identity*” (2004). In this book, Huntington asks the debatable question “Would America be the America it is today if in the seventeenth and eighteenth centuries it had been settled not by British Protestants but by French, Spanish, and Portuguese Catholics? The answer is No. It would not be America; it would be Quebec, Mexico, Brazil”. (P. 59). He talks about Anglo-Protestant work ethic and culture as the basis of American identity and success. However, Huntington is denounced as a racist and as an academic precursor to Donald Trump.

At the time when nationalist and religious political parties are on the upswing, the old class-based left has been in decline globally. Communism collapsed in 1989-1991 and a shadow of it still continues in North Korea and Cuba. The Left parties of Europe shifted their agenda to the centre in the 1990’s and had to accept the efficiency of the market economy. Left-wing populism had a great performance in large parts of Latin America in the 1990’s and 2000’s but this wave has already retreated. The electoral defeat of the left parties in India is very visible to all. It is an irony that the left becomes weak when there is a rise in economic inequality at national and global levels. French economist, Thomas Piketty has shown that income and wealth inequality has been increasing since 1980’s. When unemployment is the highest in the past 45 years period and farm distress drives farmer to commit suicide, left and left of centre political parties are defeated in elections in India. It shows the powerful role *thymos* plays in electoral outcomes in liberal democracies.

There are no signs of a French Revolution (1789) or a Russian Revolution (1917) happening anywhere in the world. Instead there is upswing of nationalist populist parties which use religious narratives to gain political power. Fukuyama (2018) uses a metaphor of a letter getting delivered to a wrong address. He quotes Ernest Gellner who said, “Marxists basically like to think that the spirit of history or human consciousness made a terrible boob. The awakening message was intended for classes, but by some terrible postal error was delivered to nations.” (P.80). In the contemporary developing countries (including India) the letter addressed to classes is being delivered instead to religious and ethnic political parties. The rise of the *hatecariat* can be explained in terms of *megalothymia*. As mentioned earlier, *megalothymia* is a human desire to be recognized as superior



to other humans. The perceived threats to precariat (due to unemployment, low income and lack of opportunity) and the rise of populist nationalism go together in many parts of the world especially in the second decade of the 21st century. Economic distress is often perceived by individuals as a loss of identity. A clever nationalist politician can translate loss of relative (and even absolute) economic condition into loss of identity and status. He tells people “you have always been a core member of our great nation, but foreigners, immigrants and people of other cultures have been conspiring to hold you down; your country is no longer your own and you are not respected in your own land.” When he happens to be a religious partisan, the effects on the people are deeper and more emotional. He would say in a rhetorical way that this betrayal has led not just to your impoverishment, but a crime against god himself. That is why immigration has become such a neuralgic issue and political debate in many countries around the world. The anti-CAA and pro-CAA protests in India in recent months show the political nature of immigration debates. In November 2016, it was demonetization and in December 2019, it was CAA. The *thymos* was stoked at both the occasions for political advantage. This is the major reason why the nationalist right is able to capture voters who had formerly voted for the left or left-of-center parties in India in recent years.

Identity is a powerful moral idea built on the universal human psychology of *thymos*. Confusion over identity arises as a condition of living in the modern world. We have identities defined by our race, religion, language, education, income and gender within a nation. Liberal democracies and market economies benefit greatly from diversity and positive use of identity. Polarization and dysfunction of the political system are the major outcomes of the negative use of identity by a few nationalist and religious political parties. George Orwell’s *1984* foresaw Big Brother controlling individuals through tele-screen and Aldous Huxley’s *Brave New World* saw the state using biotechnology to stratify and control society. The nice thing about dystopian fiction is that it gives warnings. India needs a George Orwell to tell us what is happening.

## **Conclusion:**

Five years have gone since demonetization. The major objectives of the policy did not materialize in a significant way. Labour as a class suffered. The Covid-19 related lockdowns hit labour and migrant labourers suffered the most. Precariat is globalization's child. Hatecariat is ultra-nationalism's child. In the 21<sup>st</sup> century nationalism has come back with a vengeance. When nationalism joins with religion it becomes toxic. The rise of hatecariat is the outcome of the ingenious innovation strategies of the political and economic elites in their attempts to increase exploitation of resources of the country, mainly human resources. The precariat experiences four A's – anger, anomie, anxiety and alienation (Standing, G. 2016). In addition to these four A's, the hatecariat experiences hate. The precariat is not fooled. The hatecariat is fooled by the political elite. The precariat knows that his economic condition is on the downward movement. The hatecariat thinks that his 'social, national and spiritual' condition is on the upward movement. The precariat tries to listen to the voice of his reason. The hatecariat listens eagerly to the sirens of neo-fascist populism. The precariat undergoes economic exploitation because he experiences only 4A's mentioned above. The hatecariat undergoes both economic exploitation and political exploitation because he experiences 4A's and also hate. The precariat is sad and the hatecariat is happy. That makes all the difference.

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