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Beyond the Neoliberal Social Contract: Ambedkarite Constitutionalism and Buddhist Political Economics for Democratic Reconstruction



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EXECUTIVE SUMMARY

Democracy rests on the principle of political equality, emphasising *"one person, one vote"*; however, the value of that vote is shaped by socioeconomic disparity. In a market-driven economy, citizens face unequal access to financial resources, education, social networks, institutional support, and social capital, which weakens their bargaining power with the state. The concentration of wealth, caste privilege, and hereditary power further creates asymmetry in political influence and information. Driven by neoliberalism and political deregulation, the state abdicates its fundamental obligation to safeguard citizens. This paper therefore shifts the focus from a thin neoliberal social contract to a thicker contract that keeps human and community welfare at its centre. It focuses on social and economic democracy as necessary for marginalised minorities, the poor, and vulnerable groups (Scheduled Castes, Scheduled Tribes, Indigenous and Nomadic communities) to achieve genuine democratic governance. It argues that persistent disparities in bargaining power weaken the social contract, prioritise formal political equality over economic and social equity, and thereby create democratic deficits. To address this, the paper introduces an ideological fusion between Ambedkar constitutionalism, Buddhist ethics, and Western public policy. Drawing on Ambedkar's conception of fraternity and social democracy, it reconceptualises democracy through thicker democratic social contracts and Buddhist political-economic ideas.

INTRODUCTION

> Democracy is not merely a form of Government. It is primarily a mode of associated living, of conjoint communicated experience. -Dr. Babasaheb Ambedkar, Annihilation of Caste (1936)

Jeremy Bentham, a 19th century British philosopher, provides a utilitarian maxim, *"greatest happiness for the greatest number,"* suggesting that, with a sheer quantity of numbers, democracy can promote peace and social benefit for all, a collective political legitimacy. Modern democracy adds another promise that each citizen should possess an equal political voice, with the simple arithmetic of one person, one vote. However, this does not provide agency in a society that is unequal in terms of caste, social capital, institutional power, gender, and race. And thus, although voting is equal in counting, the capacity to make that vote for a citizen can remain unequal, making a social contract between state and citizens thin. Dr. Babasaheb Ambedkar therefore declared during his final address to the Constituent Assembly in India in 1949 is that of *"one man, one vote and one vote, one value."* The additional *"one value"* is important as it targets the inequality in economic and social power that determines how freely a citizen can actually exercise that political equality. It clamors that democracy should not merely be about selecting the government; rather, it should require a social foundation capable of sustaining equality among citizens.

However, regardless of the democratic promise of equal political voice, it is continually strained by the unequal distribution of resources and power. It can be said to be hierarchically structured by bargaining power.

"Here come the elections,"
"Here come the good times."
"Give me a drink, take my vote,"

These are famous street play verses sung in the remote northeastern Indian state of Arunachal Pradesh, where trading cash and gifts for votes is an open secret. Arunachal Pradesh is not an isolated case wherein democracy is sold for some cash or even a bottle of alcohol. According to Transparency International's Global Corruption Barometer- Asia, it was found that nearly one in seven citizens reported being offered a bribe in exchange for their vote, with the figure reaching 28% in Thailand and the Philippines. In Nigeria, the Associated Press reported that during the 2023 presidential election, a lawmaker, Chinyere Igwe, was arrested with $500,000 in cash and a distribution list shortly before the election.

These cases are not merely about cash transactions or one-time electoral buyouts; it is rather a socio-economic problem of the unequal distribution of bargaining power. A person or organisation with substantial economic advantage who gives out cash stands in a hierarchical position that gives them authority that can influence the political competition. This influence does not operate only through direct vote-buying. It can also operate through the practice of quid pro quo politics, where businesses fund a political party to secure advantage during and after the election. Such an unequal distribution of power undermines the one-person, one-vote principle. As Daron Acemoglu, James A. Robinson (2012), and Stuti Khemani (2015) argue, this distortion of power is a primary driver of poor governance. This is democracy's central paradox. In such a setting, democracy should not be viewed in isolation but should be understood from social, economic, and state lenses. Consequently, the backsliding of democracy cannot be understood with just the erosion of electoral or political institutions. It must contend with the elements of crony capitalism, rising neoliberalism, structural inequality like casteism, and the state deflecting its responsibility to secure its citizens that determine political agency.

This question of the modern democratic social contract is thin, as it treats freedom primarily as political and legal status rather than as materially and socially conditioned capabilities.

To resolve this central puzzle, this paper introduces Buddhist Political Economics as an ideological fusion of Ambedkarite constitutionalism, Western public policy, and Buddhist ethics. I employ this framework not as an exercise in religious adherence or to romanticise or glorify Buddhism as a historical predecessor to liberal democracy. Rather, I draw upon its profound philosophical meliorism, its inherent belief that deliberate human effort can actively improve the material world to construct a "thicker" social contract. As John Dewey argued in The Ethics of Democracy (1888), *"wherever a government is structured by birth, heredity, wealth, or superior social standing, society remains in a condition of unstable equilibrium."* Buddhist political economics offers a radical alternative to this instability by explicitly shifting the focus toward human flourishing, the reduction of suffering, and the socioeconomic emancipation of the poor and depressed. More than focusing on individualism, Buddhist Political Economics centers on collectivism as a core factor. In the *Mahāvagga I.11.1 Sutta* of the Vinaya Pitaka, the Buddha instructs monks, *"Caratha, bhikkhave, cārikaṁ bahujanahitāya bahujanasukhāya lokānukampāya,"* translated as, *"Go forth, monks, wandering for the welfare of the many, for the happiness of the many, out of compassion for the world."* This establishes a social responsibility in collective institutions, and actions are oriented beyond sectional or privileged interests. In a society with graded inequality, income disparity, and power imbalance, Buddhist political economics thus becomes a means of moving from democracy understood merely as a system of political

representation towards democracy understood as an ethical and socio-economic project which is necessary for human flourishing. Nonetheless, Buddhism here is presented for its political and economic philosophy used as critical resources for constructing a thicker social contract that connects political equality with social welfare, economic justice, collective responsibility and human agency, while opening a theoretical space for engaging with state socialist principles of social ownership, redistribution and the de-privileging of concentrated economic power.

Finally, this paper suggests policies by proposing measures aimed at addressing structural social and economic inequalities that constrain political agencies and weaken the democratic social contract.

SOCIAL CONTRACTS: A WAY TOWARDS STATE SOCIALISM

"Pāpakā vata bho dhammā sattesu pātubhūtā, yatra hi nāma adinnādānaṃ paññāyissati, garahā paññāyissati, musāvādo paññāyissati, daṇḍādānaṃ paññāyissati. Yan nūna mayaṃ ekaṃ sattaṃ sammanneyyāma, yo no khīyitabbaṃ khīyeyya, garahitabbaṃ garaheyya, pabbājetabbaṃ pabbājeyya. Mayaṃ panassa sālīnaṃ bhāgaṃ anuppadassāmāti."
Dīgha Nikāya 27, Aggañña Sutta (DN 27)

Then those beings gathered together and bemoaned, 'Oh, how wicked things have appeared among beings, in that stealing is found, and blaming and lying and the taking up of rods!
Why don't we elect one being who would rightly accuse those who deserve it, blame those who deserve it, and expel those who deserve it.
We shall pay them with a share of rice.'
- Agganna Sutta (D. N 27)

In this sutta, the Buddha presents a radical vision of political transformation to Vāseṭṭha and Bhāradvāja. He argues that citizens must decide for themselves who will manage their society. They should act as an active agent, and the primary decision should be by election *(sammata)*, a form of democracy. This emerges as a quasi-contractual agreement in which people collectively choose a ruler, or "Great Elect" *(Mahasammata),* to maintain order. In return, the citizens give them rice; here, it is not coerced but voluntarily offered in recognition of their service. This was a truly groundbreaking act, as opposed to the Brahminical system, where it is perceived that rulers are god's men. This political and social exchange is the earliest version of social contract theory. Here the ruler is not divine but elected by the community to safeguard its citizens. His powers are limited because the authority comes from the people, and so he must ensure welfare and not his own enrichment. This is what, in the modern sense, we call democracy.

This quid pro quo between the state and citizens puts a substantial responsibility on the state to ensure the welfare of all citizens, not just law and order, but also to shape the socio-economic conditions so they can exercise meaningful freedom. In his 1947 memorandum, *States and Minorities*, Dr. Babasaheb Ambedkar explicitly argued for State Socialism, proposing that the state must be responsible for ensuring the equitable distribution of wealth, providing resources, and executing vital economic planning. He warned that, if the state is unable to perform its duty, private enterprise will capture the industry and produce inequality of wealth, as it has produced in other parts of the world, which can be witnessed now. Such violations of economic rights are violations of fundamental rights and therefore violate the democratic principles of any economy.

Yet the contemporary political economic order has aggressively moved in the opposite direction of the memorandum proposed by Dr. Ambedkar. The rise of neoliberalism has redefined the

relationship between the state, market, and citizen by shifting the burden of economic security from collective institutions towards individual market participation. Consequently, the undue burden is shifted towards the public, who have to navigate within an inherently unequal market dominated by private entities. The state, abdicating its core obligations of safeguarding citizens, has exacerbated systemic inequality.

This dynamic aligns closely with Karl Polanyi's critique in *The Great Transformation* (1944). Polanyi argues that, when a society is organised around a self-regulating market, it treats labour, land and money as commodities, even though they are not ordinary commodities. Separating labour from human life creates social dislocation. So, when the market is expanded, it produces a corresponding demand for social protection, what he describes as a "double movement". Thus, neoliberalism does not merely stimulate an economic divide; it actively reproduces structural inequality. When enterprises are run by the state, employment becomes an active mechanism for ongoing reparative justice, such as the reservation system in India for Scheduled Castes (SC), Scheduled Tribes (ST), and Nomadic Tribes (NT) and other backward communities. Because the private sector is not compelled to uphold these obligations, it does not provide the same reparative function. Although the government can require private enterprises to include provisions for reparative justice within their companies, doing so can create additional problems: first, legal and operational friction; and second, the risk that such employees will be restricted to low-tier or menial work, making them vulnerable to corporate casteism. Even so, I believe that such provisions could allow the state to retreat from its own obligations, resulting in the erosion of social safety nets for marginalized communities and forcing them to remain on the economic peripheries where they already were, leading to not just economic vulnerability but also social distance and unequal relationships that undermine fraternity.

Governments may promote entrepreneurship, private investment, and market participation as a way of achieving economic growth, but these policies cannot replace the responsibility of the state to provide decent working conditions, employment protection, and economic security. Promoting market participation without eradicating the structural graded inequality produces managed inclusions (Dupte, 2026b), a system where marginalised groups are brought into the market, but only on predatory, unequal terms. In terms of India, this systematic failure is vividly visible. The public sector enterprises that historically provided secure jobs with SC/ST focused affirmative actions are being aggressively privatised; Dalits are being shifted to informal employment. Today, Dalits and Adivasis account for over 40% of seasonal migrants, despite making up just 25% of the total population. Their short-term labor migration is seven times more common than permanent relocation, and this gap widens to 16 times for these specific communities. Furthermore, these workers are frequently forced into the most dangerous, physically demanding, and toxic jobs in the country. Furthermore, a lack of government responsibility to provide quality education, as documented by Dupte (2026a), alongside a failure to ensure economic security and employment protection, actively locks these communities out of social resources and resists substantive democratic freedom.

As a result, the formal equal market makes citizens radically unequal in capacities and thus influences their bargaining power. According to the *People at Work 2026* report, India has the highest global share of unpaid labor, with 24% of the population working 16 or more unpaid hours each week (compared to 23% in Turkey, 21% in Austria, and 20% in the USA). India is also characterised by a predominantly informal and unorganised labour force, with approximately 80–87% of workers engaged in informal employment, leaving large sections of workers without adequate job security or effective grievance mechanisms. On the

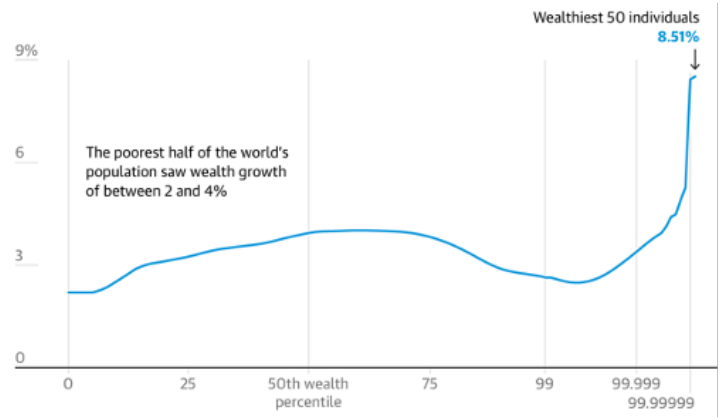
other hand, there is a rise in contractual employment, reportedly reaching 42%, the highest in 25 years. This reflects increasing precariousness of work where contractual workers perform the same job as permanent workers but receive considerably lower wages and employment protections.

When these responsibilities of government are weakened, the social contract between the state and its citizens also becomes weaker. H.T. Marshall in *Citizenship & Social Class* (1950) mentions that, even if citizens possess formal political rights, if the social and economic circumstances prevent them from effectively exercising them, then citizenship is incomplete. The idea of economic liberty can then have a different meaning. Instead of increasing the freedom of workers, it can increase the freedom of owners and employers to decide working hours, wages, and working conditions, particularly when workers have limited bargaining power. When economic power is unequal, it can give greater freedom to those who already possess resources and power. Dr Ambedkar argues on the incompetence of laissez-faire governance that when the state refrains from intervening in private economic and social relations, remaining *"residue"* of liberty can effectively favour those who have the power to determine these relations. Herein, economic freedom is substituted with the citizen's actual capacity to exercise that freedom, with economic domination or dependency making social contracts too thin.

ECONOMICS

A healthy economy focused on the development of its citizens is the foundational bedrock of a stable democracy. John Rawls, in *A Theory of Justice (1971)*, argues that citizens require social and institutional conditions that allow them to regard themselves, and be regarded by others, as free and equal members of society. His difference principle says, *"social and economic inequalities are to be arranged so that they are to the greatest benefit of the least advantaged…"* This principle requires society to institute the economic system that would make the least advantaged class better off than they would be in any other feasible economic system, compatible with maintaining citizens' equal basic liberties and fair equality of opportunity. When an economy struggles, the implicit "social contract" between citizens and democratic institutions erodes, making the system vulnerable to collapse or authoritarian takeovers. A recent study done by Rau and Stokes, 2024 examining the risk factors of democratic erosion through a large cross-national statistical study, asserts that economic inequality is one of the strongest predictors of where and when democracy erodes, affecting even wealthy and longstanding democracies. Globally, the richest 10% of the population takes home over 52% of total income and owns about 75% to 76% of all wealth, while the poorest 50% earn roughly 8% of income and own just 2% of total wealth (Chancel et al., 2026). Data from Figure 1 illustrates the annual wealth expansion rate over the last three decades, showing that the world's 50 wealthiest people command 8.51% of total global assets. The ultra-elite top 0.001% holds three times the wealth of the poorest half of humanity.

FIGURE 1: AVERAGE ANNUAL WEALTH GROWTH OVER THE PAST 30 YEARS, %

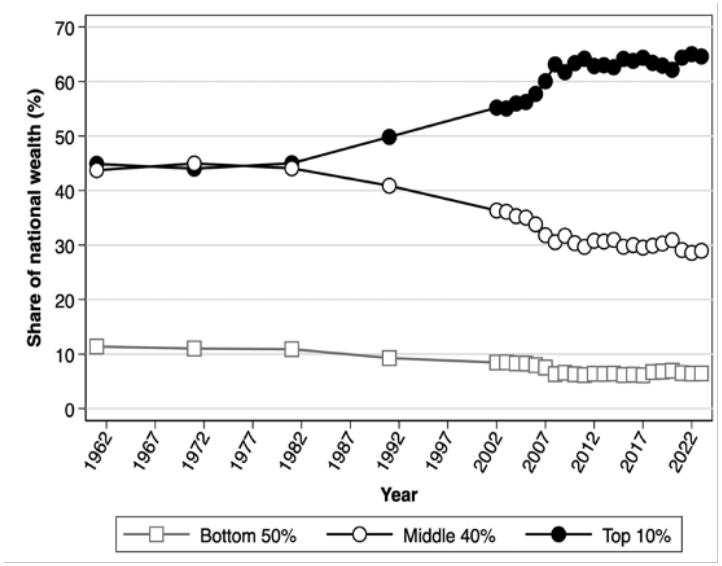


Guardian (Henley, 2025)

The doctrine of democracy of "*one person, one vote*" guarantees formal equality on paper by assuring that everyone is an equal participant before the law. However, these reports indicate that wealth inequality extends beyond fiscal distributions; rather, it signals a systematic imbalance of power. Concentrated economic privileges give elites the power to secure disproportionate bargaining power, negotiation leverage, and corporate lobbying access that shapes state policies in their favour, keeping the political influence with them. This dynamic was studied by Martin Gilens and Benjamin Page in their 2014 study, "*Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens*." By analysing 1,779 policy issues, they found that economic elites and business-oriented interest groups have substantial independent impact on government policy, whereas average citizens have little to no influence. This empirical finding demonstrates a significant political asymmetry in formal democratic equality being effectively hijacked by the influence of concentrated wealth that ramifies the breaking of social contracts. Subsequently, it also decreases the representation of working-class representatives on the civic board who make decisions. This was seen in the parliaments of France, the United Kingdom, and the United States. Such structural mismatch between the social composition of legislative bodies and the broader electorate exposes a core dimension of institutional inequality. This creates a vicious cycle of inequality in society, and as noted by the International Growth Centre, "*growing inequalities can not only slow down growth, but also generate instability and disorder in society, posing a threat to the very foundation of liberal democracy.*"

While this political asymmetry is a documented global phenomenon, its destabilising effects are uniquely magnified and vividly apparent in India, the world's largest democracy. According to *The World Bank Economic Review* (2026), India is experiencing highly volatile household net wealth distributed with stark disparity. Specifically, as indicated in *Figure 2*, the bottom 50% of the population holds just 6.4% of the nation's wealth; the middle 40% holds 28.6%, while the top 10% commands 65%, with the top 1% alone controlling a staggering 40.1%.

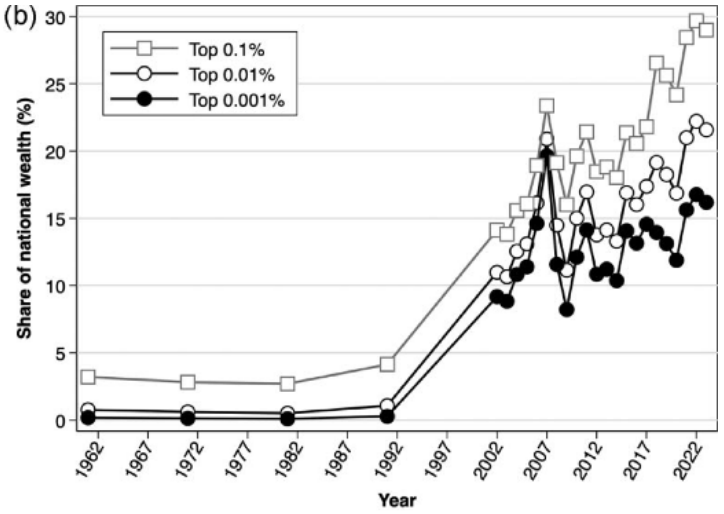
FIGURE 2: LONG-RUN WEALTH INEQUALITY IN INDIA, 1961-2023



The World Bank Economic Review (2026)

Furthermore, substantial disparities exist even within the top 1%; a 2025 report by Bernstein highlights that a mere 0.31% of Indian households possess a net worth of ₹9 crore and over.

FIGURE 3: INEQUALITY WITHIN THE WEALTHIEST 1PERCENT



The World Bank Economic Review (2026)

This positive correlation between income inequality, wealth inequality and democracy backsliding can also be witnessed as a hyperpolarisation of resources and wealth among the citizens, impacting fraternity and social contracts. In addition, such influences are not independent of just economic wealth, but in countries like India, it is dependent on the caste system. The caste system acts as a structural barrier that regulates economic upward mobility (Dupte, 2026). Dr Babasaheb Ambedkar mentions that "*the Caste System is not merely a division of labour. It is also a division of labourers.*" It can be witnessed in this 1% of wealth, as it is highly concentrated among *Savarnas*/upper castes. Wamandada Kardak a renowned Dalit poet said, *"सांगा आम्हाला बिर्ला, बाटा, टाटा कुठाय हो? सांगा धनाचा साठा, आमचा वाटा कुठाय हो?"* Translated as, *"Tell us where Birla, Bata, and Tata are; Tell us where the wealth is stored, and where our share is."* These verses show the ground reality of the working class, especially Dalits, who gave their sweat and blood to build capitalist industries and

empires but are left in poverty, while the owners accumulated immense wealth. *Towards Tax Justice and Wealth Redistribution in India*, a report by the World Inequality Lab in 2024 highlights that 88.4% of billionaire wealth is with *Savarnas* (upper caste); Scheduled Caste (SC) is around 2%, and Scheduled Tribe (ST) are zero. Ironically, these underrepresented SC and ST make up a massive portion of the labour force, yet an Oxfam report estimates it would take a minimum-wage labourer 941 years to reach income parity with a top executive in the textile sector. Therefore, this massive economic gap, maintained by caste lines, directly shapes the nation's political landscape, fracturing democratic fraternity.

Because unregulated markets naturally reproduce and entrench these historical hierarchies rather than dissolving them, a constitutional democracy cannot survive by merely modifying political frameworks while leaving its underlying economic engine untouched. Dr Amartya Sen, in Development as Freedom (1999), shifted the global focus from GDP- or growth-centric parameters towards development that should be according to what people are actually able to do and be. He named it the *"capability approach."* But if there is agglomeration of capital, individuals are denied resources necessary to realise their full capabilities. It is simply not an economic issue but is controlled by elite minorities who influence institutions. The inequitable wealth distribution gives rise to a predatory form of neoliberalism that focuses extensively on monetary growth, which right-wing governments support (Meyenburg, 2025). Neoliberalism through governmental intervention promotes entrepreneurship. However, it begins with highly unequal assets, divided social networks, social capital, and differing levels of dependency. Because of the pre-existing inequalities like wealth gaps, systemic biases, and racism, people enter the market on unequal terms. Market participation can expand individual choice, but when access to markets is itself structured by inherited wealth, caste, social networks and unequal bargaining power, the market can reproduce rather than dissolve existing hierarchies. According to Andrew Fischer (2020), such a paradox creates hierarchical adverse inclusion. In States and Minorities (1947), Dr Ambedkar argues that constitutional democracy could not be secured by regulating structure while leaving the economic structure untouched. His proposal for *State Socialism* and economic safeguards was precisely an attempt to prevent the concentration of economic power from undermining political democracy.

FRATERNITY: A MEANS OF SOCIAL DEMOCRACY

Fraternity is not a new concept; it existed long before the French Revolution, before Aristotle, and even before Plato. The early instances of fraternity can be seen in Buddhist texts, where Buddha focuses on *metta* (loving-kindness) among fellow citizens. According to Dr. Ambedkar, his social philosophy of three words- liberty, equality, and fraternity was derived from his master, the Buddha. The Buddha gave the highest place to fraternity as the only real safeguard against the denial of liberty, equality, or fraternity, framing it as another name for humanity, which was again another name for true religion. Fraternity is therefore the very root of democracy. In the *Karaniya Metta Sutta (Sn 1.8),* the Buddha asks individuals to extend their concern beyond kinship and social boundaries toward all living beings. In the verses, he says,

Even as a mother protects with her life
Her child, her only child,
So, with a boundless heart
Should one cherish all living beings;
Radiating kindness over the entire world:
Spreading upwards to the skies,

And downwards to the depths;
Outwards and unbounded,

The traces of democracy and political movements gave substantial prominence to equality and liberty, and some even to justice. However, fraternity received considerably less attention. I find two plausible reasons for it to be difficult to institutionalise: it is both conceptually vulnerable to exclusion and practically difficult to enforce.

However, democratic fraternity is essential for democracy to uphold social relations that cannot be fulfilled with just equality and liberty. This democratic fraternity does not require affection, agreement, or even friendship between citizens as the narrow definition seeks. Democracy must also be understood through social relationships among the people who constitute society. It relies heavily on how people treat one another every day. In an ideal society with few hiccups, equality and liberty can coexist with fraternity; however, realistically, it is not possible. The famous pragmatist philosopher John Dewey, who deeply influenced Dr. B.R. Ambedkar, believed that democracy is much more than just voting or picking leaders. To Dewey, it is a daily habit of how citizens live and converse together as a community. However, Indian society is not just a simple group of individuals. Instead, it is divided into countless separate caste groups that live isolated lives as endogamous groups. These groups rarely share common experiences or feel deeply for one another. This lack of equal interaction among diverse communities ultimately elevates fraternity from a moral ideal to a structural necessity for social democracy. Because the demand for fraternity is a sensible desire to create sustainable and pluralistic communities of freely interacting groups. In *BAWS vol 17, Part 3,* Dr. Babasaheb Ambedkar mentions that the caste system is a standing denial of the experience of those ideals of society and therefore democracy. In a society with such graded and structural inequality, the attitude and reverence towards fellowmen can happen only due to fraternity.

While submitting the Draft Constitution to the President of the Constituent Assembly, Rajendra Prasad, on 21 February 1948, Dr. Ambedkar wrote that the drafting committee had added a clause on *"fraternity"* in the Preamble (even though it was not part of the Objective Resolution) because *"the need for fraternal concord and goodwill in India was never greater than now."* It mentions, *"FRATERNITY assuring the dignity of the individual and the unity and integrity of the Nation."* On 25th November 1949, in front of the Constituent Assembly, Dr. Babasaheb Ambedkar said, *"... Political democracy cannot last unless there lies at the base of its social democracy. What does social democracy mean? It means a way of life which recognizes liberty, equality, and fraternity as the principles of life. These principles of liberty, equality, and fraternity are not to be treated as separate items in a trinity... Without equality, liberty would produce the supremacy of the few over the many. Equality without liberty would kill individual initiative. Without fraternity, liberty and equality could not become a natural course of things. It would require a constable to enforce them… For fraternity can be a fact only when there is a nation. Without fraternity, equality and liberty will be no deeper than coats of paint."* Analysing this foundational framework, Scott Stroud, in his 2023 book, *The Evolution of Pragmatism in India,* mentions that "*Ambedkar's Navayana Pragmatism posits fraternity as an important consideration for social democracy, both in terms of the means to achieve it and what it looks like once the end-in-view is realised in a specific political community."* This directly bridges Deweyan pragmatism with the Buddha's ancient message of social compassion and non-attachment. Furthermore, this idea was translated into an explicit civic obligation under Article 51A(e) that states it is the duty of every citizen *"to promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional or*

sectional diversities." However, even after so much emphasis, fraternity remains the least understood, least discussed, and least practiced pillar of constitutional morality.

N.C. Williams, in *The Idea of Fraternity in America (1973),* mentions that the integral value system is the foundation of fraternity. In the Western world, fraternity grew with the privileged idea of community and moral values associated with it. However, in India, caste is a major factor in voting and therefore in establishing a fair democracy. When it comes to the hierarchy in voting, Dr. Ambedkar describes it as *an ascending scale of hatred and a descending scale of contempt*. This social mathematical sequencing decides how communal majority in voting exceeds political majority. The consequence, within a social system of graded inequality, is that the voter of a higher (majority) community can be hesitant to give a vote to the candidate of a minority community. But a voter from a minority will proudly give votes to the candidate of a higher (majority) community. This communal majority establishes a hereditary government that distorts the fraternity in a society. The absence of fraternity among citizens deforms the democratic idea of society, escalating the already established inequality and upsurging the animosity towards *"them"*.

BUDDHIST POLITICAL ECONOMICS: *A WAY TOWARDS THICKER SOCIAL CONTRACT*

Buddhism is not just a religion; it is a scientific philosophy that focuses on interconnectedness, kindness, righteousness, and the collective benefit of society. Siddhartha Gautama *(The Buddha)* focused less on abstract spirituality and more about social concerns, including economic relations, social inequalities, gender relations, political authority, and the responsibilities of individuals towards society.

Buddhist teaching puts great emphasis on *"Dhamma,"* also known as *"the universal truth"* or *"the law of nature"*. Practicing *Dhamma* is not just a way to live ethically or a blueprint to attain *nirvana* (enlightenment); when used in political realms, utilisation of these can ensure the welfare of society. These are not just a utopian articulation of principles but offer ethical principles through which political and economic institutions can be evaluated according to whether they reduce suffering, prevent domination, and promote collective well-being. Buddha was explicitly against the caste system; thus, the Dhamma was not concentrated towards a few, but applies equally to everyone regardless of class, social status, or economic circumstances. He said that citizens and rulers are equal under the law of *Dhamma.*

Buddha teaches extensively about equality, morality, ethics, and social welfare even when prescribing it to monarchs. The *Dasa-Raja Dhamma* (The Ten Royal Virtues to Ten Duties of a King) mentioned in *Nandiyamiga Jataka, No. 385,* and *Maha-Hamsa Jataka, No. 534*, provides expected guidelines and responsibilities of a ruler (present-day state) to ensure the welfare of every citizen. It states: *Dāna* (Generosity and charity); *Sīla* (High moral character); *Pariccāga*(Self-sacrifice for the public good); *Ājjava* (Honesty and integrity); *Maddava* (Gentleness and kindness); *Tapa* (Self-control and simple living); *Akkodha* (Freedom from anger and hatred); *Avihimsā* (non-violence and commitment to peace); *Khanti* (Patience and tolerance); *Avirodhana* (Non-opposition to the public will). This is a form of public welfare theory that a ruler is expected to keep in mind as an objective to achieve welfare. *In the Cakkavatti Sihanada Sutta (D.N 26)* (The Wheel-Turning Monarch Discourse), to ensure the safety of citizens, a ruler must *"Dhammikam Rakkhavaranam Guttim,"* translated as righteous watch, ward, and protect; all citizens, the military, spiritual persons, animals, birds, and plants.

During the Buddha's lifetime, the *Vajji confederacy* and the *Shakya republic* represented forms of collective political

organisation in which assemblies, deliberation, and shared decision-making played an important role. However, he did not expressly endorse any particular form of government. Given this, the main purpose was good governance that maximises the individual happiness of its citizens and minimises their suffering. He advised the rulers to ensure they rule according to the *Law of Dhamma*. As per Long (2021), *"Buddha's political teachings are a tolerance for different political configurations and a pragmatic and non-doctrinaire ("liberal" or "pluralistic" in this sense) approach to political questions."* However, his preference for democracy and a representative form of governance can be seen in different suttas. In the *Mahaparinibbana Sutta* (D.N 16), he outlines *"Satta Aparihaniya Dhamma"* (Seven Principles of a Nation's Welfare). He states that to have a prosperous society, nations should hold frequent public assemblies, should have transparent meetings and deliberations, and should uphold established laws by avoiding arbitrary rules. In modern terms, this is what democracy is supposed to be. Furthermore, Buddha's own political creation, the *sangha* (the order of monks and nuns), is paramount in democratic principles. *Sangha* is governed by strict equality in its rules for admission, participation, administration, and dispute resolution. In addition to this structural arrangement of governance, the Buddha's teaching also had a spiritual dimension of social association. To illustrate, in the *Kūṭadanta Sutta* (D.N 5), for the welfare of the kingdom of *Khanumata*, when a Brahmin high priest named Kūṭadanta came to the Buddha for advice on how to perform a massive animal sacrifice, the Buddha instead advises, *"So let the king provide seed and fodder for those in the realm who work in growing crops and raising cattle. Let the king provide funding for those who work in trade. Let the king guarantee food and wages for those in government service. Then the people, occupied with their own work, will not harass the realm. The king's revenues will be great."* It signifies that apart from considering welfare, the Buddha was preaching spiritual progression, here through sacrifice by the king to give up his attachments and invest in public welfare. The Buddha's teachings are directly relevant to contemporary political discourse and modern democratic states, where equality and freedom should be institutionalised by the state, to eradicate graded inequality, wealth appropriation, and structural dependency. This aligns with John Dewey's 1916 exposition, *Democracy and Education,* which argues that *"democracy, in a word, is a social, that is to say, an ethical conception, and upon its ethical significance is based its significance as governmental. Democracy is a form of government only because it is a form of moral and spiritual association."*

Nonetheless, scholars have made a distinction between the Buddha's democracy (Dhamma democracy) and Western liberal contemporary democracy. The major difference is how responsibility and freedom are shared. Western democracy speaks of equality and following the law; however, as the preceding discussion shows, these principles alone may not be sufficient in a deeply unequal and irrational society. The Buddhist democratic idea goes beyond by stating that it is a moral duty of citizens to care for each other. This is what fraternity is about. It suggests that the state should actively try to take care of all human beings and the environment (Garfield, 2001). Furthermore, rather than being individualistic, it encourages people to look out for others as we look out for ourselves. And this is what a true sense of democracy is according to Buddha's vision; a share responsibility and the collective well-being of society. Thich Nhat Hanh, capturing the difference in the context of the USA, said, *"We have the Statue of Liberty on the East Coast. I think we have to make a Statute of Responsibility on the West Coast to counterbalance Liberty. Liberty without responsibility is not real liberty"*

Buddha's political theories were not confined to scriptural teachings but, over the centuries, were actively implemented by successive rulers to create a robust public welfare system and effective social contracts. For instance, Cakkavatti Samrath

Ashoka (304 BCE- 232 BCE), in his Rock Edict 3, mentions the propagation of *Dhamma.* In his reign, Ashoka created the world's first state-funded hospital for humans and animals. He imported medicinal plants to ensure a free supply of medicines. He started a prisoners' welfare program and banned animal sacrifices. For traders and travelers, he planted banyan trees, dug water wells, and constructed *dharmshalas* (places to stay). Similarly, King Harshavardhana (590 CE- 647 CE), every 5 years, used to hold a massive 75-day *Mahamokshaparishad,* a charity festival where he would empty the entire royal treasury to give food, clothes, and valuables to the poor, orphans, monks, and scholars of all religions. He installed *Punyashala* (dispensaries) to give free food, shelter, and medical care. In the East, Dowager Empress Ling (d. 528 CE) ruled China during the most patriarchal era. She created monasteries for nuns and promoted female scholars in top court positions. During her reign, a legendary 9-story-tall golden pagoda was created at the Yongning Temple. Later, Empress Wu Zetian (624 CE- 705 CE), the only independent female ruler in China's history, expanded the imperial exam system, selecting candidates based on merit and not aristocratic family connections. She promoted Buddhism as stabilising state philosophy. Similarly, in Southeast Asia, King Mongkut (Rama IV) of Thailand (1804 CE -1868 CE) was a Buddhist monk for 27 years before ascending the throne. He used Buddhist political principles to modernise his country by improving the rights of women and children. Notably, he banned the practice of husbands selling their wives. He set up a bell at the palace gates so that ordinary citizens facing injustice could ring it and appeal directly for help to the king for redress. There are many more such kings and queens who have practically applied the Buddhist political and economic ideas for the welfare of their people.

These political and economic doctrines originating from the Buddha are still highly relevant in the modern era. In Bhutan, the state implemented the *Gross National Happiness* framework to evaluate societal well-being and life satisfaction of people. This framework is in a pilot program in Brazil. In Thailand, Cambodia, and Laos, a concept of Dharma Socialism *(Dhamma Sangkhomniyam)* is established and promoted, where Buddhist ethics are used to support state-funded healthcare, public education, environment protection. Buddhadasa Bhikku, a major promoter of this initiative, argued that it is the state's main responsibility to provide basic needs of its people. Furthermore, Taiwan's *Tzu Chi* program, Sri Lanka's *Sarvodaya movement*, and Thailand's *self-sufficiency* model reflect the contemporary applicability of Buddhist principles and political-economic ideas as a form of guidelines for running a community, and even society.

As referenced throughout this section, the normative moral guidelines of the social contract proposed by the Buddha ensure the public well-being by bridging the gap between the state and its citizens. This framework empowers individuals to maximise their capabilities and overcome systemic inequality. It does not put an undue burden on citizens but rather on the state to guarantee the safeguarding of its citizens and treat everyone equally. Ultimately, it fosters a vital sense of unity and fraternity, which are absolutely essential for the collective good and democracy.

POLICY RECOMMENDATION

As discussed throughout the various sections of this paper, the pressing challenges of neoliberalism, graded inequality, and a fractured sense of fraternity make urgent structural changes necessary. By blending Buddhist political economics with the framework of a socialist social contract, I propose several policy actions to resolve these deep-rooted democratic issues. These measures are intended to empower public institutions, maximise individual capabilities, increase collective sense, and systematically reduce inequality.

State-Owned Enterprises and State Control

The elected government must take full accountability for public welfare by providing stable jobs, physical and social security, basic life necessities, and systemic reparations. For this, I propose three enterprises where the state should restrict private enterprises to capture the market.

Access to free Education

Dr Babasaheb Ambedkar said, *"Education is the milk of a tigress, and he who drinks it will not fail to roar."* But what happens when that milk is filtered by income, caste, and market access? To make milk healthy for all, a free and high-quality education should be guaranteed by the state from primary through university levels. Mahatma Jyotirao Phule, in his 1882 deposition to the Hunter Commission, asked for free and compulsory education, rejecting the colonial government's elitist "Downward Filtration Theory". To ensure that everyone, irrespective of caste, gender and income, receives equal and quality education, the state must expand public schools and limit private schools. This will create substantive equality and help in capability formation.

De-commodifying basic shelter

Access to affordable housing is a critical global issue, with around 1.8 billion people currently living in inadequate housing. The United Nations High Commissioner for Human Rights (UNHRC) calls housing a right and not a commodity. Housing concentrates wealth because it heavily leverages financial assets that outpace normal savings. The state must ensure comprehensive social housing networks for all citizens. Following China's contemporary housing interventions, where state-funded social housing is provided through *Gongzu Fang* (Public Rental Housing), *Baozu Fang* (Affordable Rental Housing) and *GontongChanquan* (State Ownership Housing), it protects citizens from market predation. Such an authoritarian top-down command system can be implemented within a constitutional democratic federal framework. The state can provide public rental houses to vulnerable and marginalised groups; affordable rentals to the urban working class and shared ownership housing to low-middle income groups. Furthermore, renting houses should be heavily subsidised, and through restricting and capping the rents from private owners. In India, through existing mechanisms like Article 21(Right to Life) and the LARR Act 2013, it can be constitutionalised.

Private Sector Reservation

In a society with more privatisation and a marginalised population, private sector reservation should be a fundamental obligation as a mechanism of substantive democratic equality. Reservation is not a one-person benefit policy, but it has a tendency to lift the entire generation of that family upward in terms of class, economy, and social status. Norway have 40% reservation for women; South Africa's Employment Equity Act requires private companies to implement affirmative action for blacks, women and disabled people; and Malaysia's New Economic Policy is structurally incentivising corporate ownership and employment favouring Bumiputera (indigenous group). With the shrinking of public enterprises, the Indian government should direct the private sector to have quotas for marginalised communities like SC, STs, NT and OBCs based on their population. As with the 93rd Constitutional Amendment Act (2005), which allowed the government to make special provisions for SC/ST/OBCs in private, unaided educational institutions, keeping the validity of Article 14 (Right to Equality), it can be extended to private employment.

Democratising Market

Limiting corporate accumulation and monopoly

A private conglomerate forming monopolies dominates the market by dictating terms and manipulating democratic government policies, necessitating state intervention to control private expansion. Vladimir Lenin proposed the concept of *'Commanding Heights',* which referred the state retaining control over key strategic sectors while regulating the rest of the economy. However, I propose a strict legal ceiling over all sectors with corporate ownership. In India, *Article 38 and 39 (c)* of Directive Principles of State Policy explicitly state that the operation of the economic system must *not result in the concentration of wealth and means of production to the common detriment.* Furthermore, monopoly ceilings must be enforced so that any private company whose assets exceed a specific limit cannot expand or acquire other companies. Corporates with existing excessive conglomeration and monopoly should be held accountable and punished as per the constitution.

Private land ceiling and redistribution

Substantive democracy cannot exist when the land is monopolised by corporate conglomerates and historical feudal elites. Land is not merely an economic asset; it is the ultimate source of physical power, social status, and generational wealth. To restrict the concentration, the state must put a cap on private land ownership. Because no land is accumulated just through merit; it is the result of extensive exploitation over generations. Corporations and elites who have systematically taken forests or ancestral lands from SC, ST, and NT communities must be legally compelled to repatriate these territories. All surplus land seized under the ceiling must vest in the state, transforming the government into an active vehicle for agrarian justice that transfers titles directly to landless, marginalised groups.

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