

**ECONOMIC EXCLUSION AND POVERTY:  
INDIAN EXPERIENCE OF REMEDIES AGAINST EXCLUSION**

**Sukhadeo Thorat**

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## **Economic Exclusion and Poverty: Indian Experience of Remedies against Exclusion**

*Sukhadeo Thorat\**

### **Executive Summary**

This paper develops an understanding of caste-based economic exclusion and its consequences on poverty of excluded groups, and discusses Indian government strategy against exclusion/discrimination and policy for empowerment. The caste system as an economic organization is based on the division of persons in social groups (castes) with fixed and unequal economic rights. Compulsory and unequal assignment of occupations and property rights implies exclusion of each caste from the occupation of other castes. Low caste untouchables suffer most as they are excluded from having any property rights except service to other castes. It is this exclusion of the low castes untouchables that lead to a high degree of economic deprivation and poverty. Exclusion and discrimination also adversely affects economic growth due to less than optimum use of Labour and other resources.

Correcting market exclusion/discrimination therefore is an issue of both equity (and poverty reduction) and economic growth. Theoretical insights also indicate that increasing market competitiveness and state interventions in form of affirmative action policies are necessary to correct market failure associated with caste based exclusion /discrimination.

Socio-economic sketch of Schedule castes (SC) show the adverse consequence of past and present economic exclusion on the SC. This is reflected in high degree of inequality between them and other section with respect to ownership of capital assets, employment, and wage earning education and health situation and others indicators of human development. In 2000 about two-third of SC rural households were landless and near landless, compared to one-third among others. Less than one-third of households have acquired access to capital assets, compared to 60% among others. About 60% of SC households have to depend on wage Labour, much higher than the one-fourth for others. Employment rate and wage earnings also tend to be low. Disparities of similar magnitude are observed in access to educational and health service. Studies also show evidence on discrimination in various market and non market transactions including access to social service like education, health and housing and in political participation. Cumulative impact of these disparities are reflected in high levels of poverty: about 36% among SCs as compared to only 21% among others Poverty was particularly high among the SC wage Labour households in rural (60%) and urban area (70 %). SC also suffered from human right violation and atrocities, during the twenty year period between 1980-2000, annually an average of 23000 cases of human right violation and atrocities were registered by the SC with the police.

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\* Director of the Indian Institute of Dalit Studies and Chairman of the University Grant Commission of India.

The Indian government has, since adoption of constitution in 1950, recognised this problem and developed specific anti-discriminatory and other policies for economic, educational, social and political empowerment of the SC. Policies include enactment of ant-untouchability or civil right Act, Prevention of Atrocities Act and reservation in states services and political bodies. Economic empowerment includes measures to increase access to private ownership of capital assets, education and social services like health, housing etc. In order to implement various schemes the government has developed a elaborate administrative machinery at the centre and in the states including separate Ministry at the centre and the states government and special bodies to monitor the programmes. It created a financial mechanism in the form of Special Component Plan for SC and separate financial institutions to allocate funds on the targeted programme for poor among the SC.

## **Economic Exclusion and Poverty: Indian Experience of Overcoming Consequences of Exclusion**

*Sukhadeo Thorat\**

### **Introduction**

In this paper the main purpose is to develop an understanding of caste-based exclusion/discrimination and its impact on lack of access to sources of income and poverty of excluded groups. **Firstly**, drawing from the theoretical interpretation we discuss the governing principles of the caste system that involve exclusion and discrimination, develop some insights on the concept of exclusion/discrimination—the way it has evolved in the modern economic literature, and the consequences of exclusion on poverty and economic growth. **Secondly**, we discuss the impact of exclusion and discrimination on economic deprivation of the schedule castes by presenting an empirical account of their present economic and social conditions including the evidence on continuing economic and social discrimination and exclusion. **Thirdly**, we discuss Indian government policy and strategy against discrimination and exclusion, and for economic and social empowerment. **Finally** in the light of these insights we make suggestions for groups facing similar situation.

### **Interpreting Caste and its Consequences: Insights from Theories**

In its essential form caste as system of the production organization and distribution is governed by certain customary rules and norms which are unique and distinct. In general the caste based economy is one in which occupations (or property rights) are hereditary, compulsory and endogamous. The organizational scheme of the caste system is based on division of people in social groups (or castes) in which the occupations and property rights of each individual caste are predetermined by birth and hereditary. The assignment or division of occupations and property rights across castes is unequal and hierarchal. Some occupations are also considered socially inferior (or polluting) with low social statue for those engaged in them. And lastly the caste economy is maintained or enforced through the instruments of social ostracism (system of social and economic penalties) with justification and support from philosophical elements in Hindu religion (Akerlof 1976, Scoville 1991, Romer 1984, Lal 1988, Ambedkar 1936 and 1987).

The caste system is based on a graded hierarchicy. Various castes are artfully interlined with each other (in their rights and duties) in a manner that the rights and privileges of higher castes become the disadvantages of the lower castes, particularly the untouchables. In this sense a caste in a single number cannot exist but only in plural numbers. Castes exist as a system of endogenous groups, which are interlinked with each other in unequal measure of rights and relations in all walks of life. Castes at the top of the order enjoy more rights, at the expense of those located at the bottom; untouchables at the bottom of caste hierarchy have much less

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\* Director of the Indian Institute of Dalit Studies and Chairman of the University Grant Commission of India.

economic and social rights. This is also due to a particular concept (or perspective) of “human hood” involve in caste system, under which the untouchables are considered as “inferior human being” and therefore not entitle to any individual social, religious, political and economic rights, while the high caste are considered as “superior human being” and entitled to more rights and privileges (Ambedkar first published in 1987).

### **Concept of Caste Based: Exclusion and Discrimination**

Since the occupation and property rights of each caste are fixed and compulsory it necessarily involves forced exclusion of one caste from the occupations of other castes. Determination of occupation by birth obviously restrict the freedom of occupation but does not necessarily lead to deprivation and poverty, provided it there are reasonable sources of livelihood for each caste. In the case of untouchables however exclusion lead to deprivations in so far as they are excluded from access to all sources of livelihood, except the manual labour and service to castes above them. Their exclusion is multiple, comprehensive and complete.

The concept of “exclusion and economic discrimination” in modern economic literature has been developed with respect to race, ethnicity and gender. At a general level social exclusion is considered as a “process through which individuals or groups are wholly or partially excluded from full participation in the society within which they live—in this sense social exclusion is opposite to social integration” (de Haan 1999). Sen (2000) also draw distinction between the situation where some people are being kept out (at least left out) and where some people are being included—may even be forced to be included—in deeply unfavorable terms and described two situation as (unfavorable) exclusion and unfavorable inclusion. The “unfavorable inclusion” particularly those with unequal treatment or unacceptable arrangement may carry the same adverse effects as the unfavorable exclusion does. This concept is quite close to concept of “economic discrimination” developed separately in recent economic literature related to race and gender, which recognized participation or access but with unequal treatment in the labour and other markets.

Discrimination in labour markets, for instance refers to a situation of unequal treatment of the workers possessing same productivity in hiring or in wage payment due to non economic group characteristics, such as race, colour or gender or caste. The real relevance of an exclusionary perspective is, thus conditional on the nature of the process of deprivation.

Some researchers on caste have applied the concept of labour market and occupation discrimination to caste (Banerjee and Knight 1991). While applying the concept developed in context of race and gender to the caste, it is necessary to recognise the uniqueness of caste discrimination. The normative framework of the caste system involves exclusion and discrimination in multiple market and non-market transactions and social relations. Untouchables also suffer from social exclusion due to the practice of untouchability, which brings an additional dimension to their discrimination and exclusion. Thus, exclusion and discrimination may involve (Thorat 2002):

- (1) Denial of some groups in hiring for jobs or in sale and purchase of factors of production, (like agriculture land, non-land capital assets and various factors inputs), consumers goods, social service like education, housing and health including common property resources (such as water bodies and land) etc.
- (2) Differences between price charged or received and the market prices. This can include price of factor inputs, and consumers goods, price of factors of productions such as wages for labour, price of land or rent on land, interest on capital, rent on residential houses, charges or fees on services such as water and electricity.
- (3) The former untouchables may also face exclusion and discrimination from participation in certain categories of jobs (the sweeper being excluded from inside household job such as cooking or others) and sale of certain consumer goods (such as vegetable or milk and similar items) because their occupation and physical touch is considered to be polluting.
- (4) The former untouchables may also face discrimination and exclusion in use of public services like road, temples, water bodies and other public services.
- (5) Due to the physical (or residential) segregation and social exclusion due to notion of untouchability (or touch-me-not-ism), they suffers from a general exclusion what Sen would described as “constitutive relevance” of exclusion, in which exclusion or deprivation is intrinsic importance in its own—for instance not bring able to relate to others and to take part in the life of the community can directly impoverish a persons’ life, in addition to the further deprivation it may generate.<sup>2</sup>

### **Consequences of Discrimination and Exclusion**

Economists maintain that efficient functioning of markets is of central importance in the development process, and can have a profound impact on economic growth and the distribution of income. Since in a private economy markets are the place where people get access to factors of productions, employment, consumers goods and service, the exclusion and discrimination of some groups in the markets transactions on the basic group characteristic is a serious case of market failure. Market discrimination adversely affect both economic efficiency and income distribution. Discrimination thus is an issue not only of equity but also economic growth (Birdsall and Sabot 1991).

The consequences of caste system however are pronounced in income distribution and poverty of the excluded groups. Since the property rights are assigned unequally across the castes the income distribution is generally skewed on caste line. The impact on the SC is far more serious as they are excluded from an access to property rights including education.

Restriction on mobility of labour also leads to unemployment among the SC. By not permitting readjustment of employment, caste becomes a direct cause of much of involuntary unemployment among the low castes (Ambedkar 1987, Akerlof 1980).

Labour market discrimination slows down economic growth due to less than optimal allocation of labour among firms and economy, by reducing job commitment and efforts of workers who perceive themselves to be victims of discrimination and by reducing the magnitude of investment

in human capital by discriminated groups and return on this investment (Birdsall and Sabot 1991).

Further the occupations of some castes are considered polluting and socially degrading. Forced into these occupations on account of their caste origin, people do not derive job satisfaction. In fact such occupations constantly provoke them to aversion, ill will and desire to evade which also affect their efficiency.

Finally exacerbating current inequality between groups, and by contributing to its perpetuation across generations discrimination and exclusion may foster conflict. Caste based discrimination in access to sources income and human development as well as discrimination in civil and political of subordinate groups thus has potential for conflict.

### **Remedies against Discrimination and Exclusion**

Reducing economic discrimination is thus a worthwhile strategy as it is likely to increase economic growth, reduce inequality and poverty among groups and also minimise the potential for conflict. One strand in economic theory argues that in highly competitive markets, discrimination will prove to be a transitory phenomenon as there are costs associated with discrimination to the firm/employer, which results in lowering the profits. However, others observed that for several reasons market discrimination might persist over long periods, because not all markets are highly competitive and monopoly power is quite significant feature of both in developed and developing economies. Even in competitive markets discrimination may persist if all firms practice discrimination. Therefore, correcting discrimination requires both improvement in market competitiveness and direct measures to overcome market failure. It calls for state interventions in various markets and non-market transactions to provide protection against exclusion and discrimination. It also demand strategies to improve the ownership of fixed capital assets including human capital which is remarkably deficient due to exclusion and discrimination in the past. Therefore various measures including compensation or reparation for exclusion in the past figured prominently in discussion on remedies.

### **Economic Situation of Schedule Castes**

Thus, the caste economy involves exclusion of low caste untouchables (or scheduled castes) in multiple spheres, and high levels of economic deprivation and poverty. Based on official data, we present a brief sketch of the socio-economic condition of the SCs: with respect to occupation, ownership of agricultural land and non-land capital assets access, education and health, employment and poverty.

The Schedule Caste constitutes about 17 percent (equivalent to 138.2 million) of India's population in 1991, (estimate for 2001 put this figures at 18%) 81% live in rural areas, spread all over the country.

### **Occupation Pattern**

Data on occupation patterns capture the access of SC households to sources of income. The NSS provide data on economic activities or occupations in terms of proportion of self-employed and

wage labour households. While the former is a measure of access to capital assets like agricultural land and non-land capital assets (from which historically SCs have been debarred), the latter indicate continuing dependence on the traditional occupation of wage labour (Table 1).

In 2000 of the total SC household in rural area, about 17% pursued cultivation as an independent (self-employed) occupation. About 12% was employed in some kind of non-farm self-employment activities (or business). In rural areas thus, about 28% of SC households had acquired some access to fixed capital assets, (agricultural land and non land asset). This was still a very low proportion compared with 56% for other households (non sc/st households). In urban area also as compared to other households (35.5%) the access to capital assets to SC was low (27%) (Table 1).

Inadequate access to fixed capital assets, lead to exceptionally high dependence of the SC household on manual wage labour. In 2000 the wage labour household account for 61.40 % of all SC households in rural area and 26% in urban area, compared to 25.50% and 7.45% for other households. In urban areas 38% of SC households also depend on regular wage and salaried jobs (Table 3). Thus about 62% of the SC household in rural and 63% in urban area continue to depend on wage employment and only about 28% had acquired some access to fixed capital assets. As we shall see latter although close to one-third has acquired access to fixed capital assets, most of them are small and marginal farmers and petty business holders.

Information on the ownership of agricultural land by the SC in rural area provides some insights for low proportion of self-employed cultivators among the SC household in rural area. In 1991 about 13% of SC households were landless and 87% own some land. Among the latter (that is land owning household), about 56% owned less than one acre (of which 47.50% own less than half acre). Thus the landless and near landless (that is those owning less than one acre) account nearly 70% of the total SC household in 1991. Evidence for more recent year, 1999-2000 from alternative source namely NSS Employment survey put the figures of landless and near land less ness among the SC in vicinity of 75 percent (Table 2).

### **Employment/Unemployment**

Since more than 60 percent of the SC workers in rural and urban areas depend on wage employment, their earnings are determined by level of employment and wage earning, daily or regular. The SC worker seems to suffer from possible discrimination both in employment and wage earning in the labour market. The NSS data on employment for 2000 indicate that the SC worker suffered from low employment. The differences in the employment rate based on usual principal status (which capture open employment/unemployment) between the SC and others are not large. However differences emerge clearly for employment rate based on current daily status (CDS) which capture the underemployment of the employed workers. In 2000 the CDS employment rate in rural area was 46% for SC male workers, compared with 48.40% for other male worker. Similarly the CDS employment rate for SC workers in urban area was 45.8%, compared to 49.9% for other households (Table 4). Disparities between the SC and Others are reflected in the unemployment rate. Unemployment rates based on CDS for SC was about 5.0% as compared to about 3.5% for other worker in rural and urban area (Tables 5 & 6).



The NSS data on the wage earning revealed disparities between SC wage labour and other labour. For instance in 1999-2000 the average weekly wage earning of an SC worker (at 1993-94 prices) was Rs.174.50 compared to Rs.197.05 for other workers (estimate by Dubey 2003, DFID study).

### **Poverty**

With high incidence of wage labour associated with high rate of under-employment and low wage earning, the SCs household suffer from low income, and high incidences of poverty. This is reflected in the proportion of persons falling below a critical minimum level of consumption expenditure, what is called the poverty line. In 1999-2000 about 35.43% of SC person were below the poverty line in rural areas as compared to 21% among others; in urban areas the gap was slightly larger 39% of SC and only 15% among others (Table 7).

The variation in poverty ratio across household types or occupational groups is striking. In 1993-94 the incidence of poverty was about 60 per cent among agricultural labour followed by 41.44 per cent among non-agricultural labour. The level was relatively low for persons engaged in self-employed activities in agriculture (37.71 per cent) and in the non-agricultural sector (38.19 per cent). Poor SC household were over-represented in these groups. In urban area the incidence was astonishingly high among the casual labour (69.48 per cent). The poverty was also high among the self-employed households (54%). High incidence of poverty among those SC households engaged in self-employment in agriculture and in non-agriculture indicates that they are normally concentrated in small farm and low income petty businesses (Table 8). The recent data on monthly per capita expenditure (MPCE) for more recent year, 1999-2000 also bring out disparities between the two groups; practically for all household types the MPCE for the SC was lower than the other households (Table 9).

### **Access to Education and Health**

In addition to property rights SCs have been denied right to education. There are large gaps in literacy rate and level of education between them and others. High drop out in school, poor quality of education, discrimination in education, are some of the educational problems faced by SC. In 1991 (latest census year for which data are available) literacy rate among SCs was 37% compared to 58% among the non Sc/St. The literacy rate was particularly low among the female (23%), two time less compared with other women. School attendance is about 10% point less among SC boys than other boys, while the difference is about 5% among the girls. Number of studies also observed discrimination in the school in various forms (Nambissan and Sedwal) (Table 10).

Evidence based on National Family Health Survey data for 1998-99 revealed wide gap between SC and others in health status and access to health services (Tables 11, 12 & 13). Early marriage and high fertility characterized the SC population. The difference in the total fertility rate between them and others is by more than a year. The percentages of SC women using any method and their exposure to family planning messages or media is comparatively low. Infant (83%) and child mortality (39%) among the SC is higher than others, 61% and 22% respectively.

In 1998-99 at least 56% of SC women suffered from the anaemia. More than 70% women's delivery took place at home and only one-fifth took place in institution and more than 40% of these are delivered by TBA (Village Dias).

The incidence of morbidity among the children is high, more than three-fourth of SC children are anaemic, one-fifth to one-third suffered from fever, and another one-fourth by ARI and diarrhoea. The extent of malnutrition and under nutrition among the SC children is high, as more than half of them suffered from this problem. High morbidity and child mortality among SCs is closely linked with poverty and low educational status, and with discrimination in access to health services. High incidence of illiteracy, poverty discrimination reduce the capacity of SC to demand and utilize the public health services.

### **Economic Discrimination**

Preceding sections show the disparities in ownership of capital assets, employment, education and access to health services between the SC and other households. Although there has been some improvement in the ownership of capital assets still a large proportion of SC households continue to depend on the traditional occupation of wage labour. To what extent are the disparities and segregation into traditional occupations the legacy of the past exclusion, and to what extent is it conditioned by continuing discrimination and exclusion in the market and non market transactions or both is an important question? The issue of economic discrimination, particularly the market exclusion and discrimination has been almost neglected in the Indian social science research.

Very few studies have empirically examined the nature and magnitude of economic discrimination. Limited evidence points towards the presence of discrimination against the Scheduled Caste in labour and other factor markets. Studies observed that high landlessness could be due to weak resource position but also due to the discriminatory working of the land market which reduce the access of SC to purchase and leasing of agricultural land (Nanchariah, 1988). Studies also provide evidence that discriminatory working of the labour market may explain low employment rate and wage earning of the SC workers Banergee and Knight (1991) observed that: "there is indeed discrimination by caste, particularly job discrimination" and that "discrimination appears to operate at least in part through traditional mechanism, with untouchables disproportionately represented in poorly-paid dead-end jobs." Even if discrimination is no longer practised, the effects of past discrimination could carry over to the present. This may help to explain why discrimination is greatest in operative jobs, in which contracts are more important for recruitment, and not in white-collar jobs in which recruitment involves formal methods. The economic function which the system performs for favoured castes suggests that taste for discrimination is based, consciously, or unconsciously, on economic interest, so making prejudice more difficult to eradicate".

Beside land and labour markets some studies also found discrimination in occupation, credit and other market transactions. An Andhra Pradesh study (Venketeswarlu, 1990) observed social ostracism being used against SC in changes of occupation. In Karnataka, Khan (1995) revealed

that nearly 85 per cent of the respondents continued with their traditional occupation and only 15 per cent could make a switch over. In the urban areas, however, 56 per cent had experienced a shift away from traditional occupation. An Orissa study (Tripathy 1994) observed discrimination in land lease, credit and labour markets in rural areas. Nearly 96 per cent of untouchable respondents in one village and all untouchable respondents in the second village were discriminated against in wage payment; 28 per cent in one village and 20 per cent in the other faced discrimination in the share of rent; and discrimination in interest rate charged by moneylenders was found in both villages. A Coimbatore study (Harriss Kannan and Rodger 1990) observed that caste contact played a major role in sources of information and means of access to first jobs.

### **How has caste changed?**

How dynamic is the caste system? And what determines the continuity and change in caste economy? Theoretical literature by the economists underlined three elements involved in the dynamics of caste system. The changes in caste system will be influenced by the magnitude of social costs (in terms of social isolation/standing), economic cost (in terms of transaction and enforcement costs of enforcing the system), economic gains (in term of profit and surplus appropriation to enforcer of the system) and to what extent the modern ideas about human rights and equality support or contradict the one involved in the caste system. If changes in the caste system involve low social and economic costs and high economic gains and also if a recognition and pursuit of modern concept of human rights based on equality and justice is predominant then impulses and condition for change would be much stronger. Conversely traditional rules would persist or change partially if the alternative rules involve high social and economic cost, yield less economic gains to the higher caste and that recognition and pursuits of modern idea about human rights based on justice and equality are weak.

The caste economy has undergone changes but at the same time there is continuity in some of its traditional aspects. Empirical evidence revealed that about one-third of SC household in rural and urban area have acquired access to land and non land capital assets, from which they were prohibited. In urban area about 38% were also employed in regular/salaried job. The literacy rate has improved three fold, from 10% in 1961 to 37% in 1991. This little gains needs to be seen in the background of traditional restrictions for SCs in the ownership of capital assets and education. The cumulative impact of this and other improvements is reflected in decline in poverty, from 59% in 1983-84 to 35% in 1999-2000 in rural area areas.

Notwithstanding these gains, the disparities between them and other section of Indian society still continue as they lag behind with respect to number of development indicators. The access of SC to fixed capital assets is still very low and as result, large majority depend for employment on their traditional occupation, namely the wage labour. The employment rate and wage earnings are however low compared with other sections as they face discrimination in the labour market. Disparities of similar magnitude are observed in the case of education and access to health service. Cumulative impact of these deprivation was such that although level of poverty among them had declined the gap between them and other section (that is non sc/st) still continue. In order to reduce the disparities in poverty between SC and others the poverty among the SC

should necessarily decline at a faster rate than other. During 1983/2000 the poverty among the SC had declined at lower per annum rate (-2.50%) compared to the others (-3.02%) (preliminary calculation by Dubey and de Hann DFID, 2003).

### **Government Strategy**

Government approach towards the SC draws primarily from the provisions in constitution. This guarantees equality before the law (article 14) (over turning the customary rules of the caste system), makes provisions to promote the educational and economic interest of the SC and to protect them from social injustice and all forms of exploitations (articles 46), provides for special measures through reservation in government services, and seats in democratic political institutions (articles 330 and 335). It legally abolished the practice of untouchability and discrimination arising out of untouchability (article 17). Finally it provides for an establishment of a permanent Body to investigate and monitor social and economic progress of the Schedule castes on annual basis.

Generally the approach and strategy of the government towards the SC has been influenced by two main considerations, namely (a) to overcome the multiple deprivations of the SC inherited from exclusion in the past, and to the extent possible bring them on par with others and (b) to provide protection against continuing exclusion and discrimination in the present, by encouraging their effective participation in general social, economic, and political process in the country. Towards that end the government has used two fold strategy, namely (a) Anti-discriminatory or protective measures and (b) developmental and empowering measures.

**Anti-discriminatory measures include** enactment of Ant-untouchability act of 1955 (renamed as protection of Civil rights Act) and Schedule Caste/Tribe (Prevention of Atrocities) Act 1989 under which practice of untouchability and discrimination in public places and services is treated as offence. The second Act provide legal protection to the SC against violence and atrocities by the high castes.

**Reservation** (Affirmative Action policy) in governments services, state run and supported educational institutions and in various political democratic bodies also falls under anti-discriminatory and protective measures. These “Positive Discrimination” measures have been used by the government to ensure proportional participation of the SC in various public spheres, which otherwise may not have been possible due to practice of exclusion and discrimination.

### **Strategy of Economic Empowerment:**

The affirmative actions policy is confined to state run and state supported sectors and the private sector where more than 90% of the SC workers are engaged indeed are excluded and therefore remained unprotected from possible discrimination. In the absence of (legal) provision for affirmative action policy in the private sectors the state has used “general programmes” for economic, educational and social empowerment of the SC. The focus has been to improve the private ownership of fixed capital assets, human resource capabilities, and access of SC to social and basic services like housing, health, drinking water, electricity and others. The strategy for improving or building the private ownership of capital assets and human resources capabilities

has been primarily undertaken as a part of anti-poverty and other economic and social programmes for the poor, by targeting or fixing specific quotas for SC households in the case of divisible schemes. About one-third of the total funds of the central government are allocated to economic empowerment, about half to education and the remaining one-fifth to social services like housing. Measures for Economic empowerment include

- to improve ownership of capital assets, enhance the business capabilities and skills of SC persons to enable them to under take self-employed business activities and finally to provide wage employment for labour household.
- surplus land from the ceiling and government land is distributed to the landless household with supplementary schemes of supply of credit and inputs at subsidized rates to the SC households in rural area.
- the schemes to provide financial capital, training and information to undertakes new business or improve existing business are developed. Integrated Rural Development Programme (IRDP) is the earliest self-employment programme to enable identified rural poor families to augment their income through acquisition of credit based productive assets.
- wage employment, focused on wage labour household to ensure minimum employment particularly during the lean season
- Schedule castes constitutes about 61 percent of bonded labour in the country. Separate programme to release and rehabilitate the bounded labour are designed by the government.
- There are also special Schemes for some occupational groups such as Sweeper, Mining worker, Bedi worker for education, health, and housing.

Educational development constitute the major programme of the government (about half of the central government spending on the SC). The main educational problem of SC relates to low literacy rate, high drop out at school and higher level, low quality education and discrimination and exclusion including the admission in educational institution. Government educational schemes therefore include measures (a) to improve educational infrastructure particularly in area populated predominantly by SC, (b) admission in educational institutions through reservation of seats and other measures, (c) financial supports at various level of education, including scholarships/fellowship national and international, (d) remedial coaching to improve quality of education and capabilities, (d) special hostel for boys and girls and (e) in all these schemes special focus on girls education.

Government have also developed the schemes to improve the access of SC to civic amenities like drinking water, housing, sanitation, electricity, road and public distribution of food. Since the settlement of the SCs in rural area are mostly segregated often the civic amenities failed to reach to their localities. A special assistance is given to the state (under the special central assistance to special component plan for SC) to ensure the supply of these amenities.

Problems faced by SC women occupy a special place in the government programmes. While the Dalit women share common problems of gender discrimination with their high caste counterpart, they also suffer from problems specific to them. These relate to extremely low literacy and education level, heavy dependence on wage labour, discrimination in employment and wages, heavy concentration in unskilled low paid and some time hazardous manual job, violence and sexual exploitation, particularly the victim of religious and social superstitions (devadasi and

similar institutions of religious prostitution). Therefore in each of the programmes of economic empowerment, educational development and gender related issues special focus is given to the SC women. Specific legislations have been enacted and the schemes developed to overcome the specific problems of SC women.

### **Administrative Set up**

An elaborate Administrative Machinery has been developed in the Centre and the State/Union Territories for Scheduled Castes. The nodal ministry at the centre is the “Ministry of Social Justice and Empowerment” which support and supplement financially efforts of others Union Ministries, states governments/Union Territories and NGOs. The Ministry is entrusted with the work of policy framing, monitoring and evaluation of central government programmes, which are mainly implemented through the individual states. The ministry works closely with Planning Commission, in Ministry of Planning in formulation of Special Component Plan for SC and evaluation of programmes through “Programme Evaluation Organisation” in the Planning Commission. In the centre most of the ministries have a division or sections, which looks after specific schemes of the Scheduled Caste. The Ministry also has Research and Training programme which undertake research and evaluation, which focuses on evaluation and studying the efficacy of the on going programmes to improve their implementation.

The other important independent administrative institutions which oversee, monitor and make suggestion for effective implementation of laws and schemes are the National Commission for SC and ST, Commission for Safai Karmacharis and Standing Committee of the Parliamentarian on SC and ST. The National commission for SC/ST is statutory body which oversees the development of the SC, prepare annual report about the progress of the SC which are discuss in the Parliament every year from its inception in 1950.

A similar administrative set-up also exists at the state level although there is a considerable variation across the state. Generally most of the states have a separate ministry for Scheduled Caste, whose function is to formulate policies, implement, monitoring and evaluate the programmes. The programmes are generally implemented through the special department—at the state, division, and district and in many cases Taluk level. Many states have Commissions for Scheduled Caste and Scheduled Tribe like at the centre.

### **Financial Mechanism**

Over a period of time the central and the states government have developed a specific mechanism for allocation of funds for schemes of the SC. Till the end of fourth Plan (1979-80) the only funds available for the development of SC were under the general head of “Backward class sectors.” In the Sixth plan onward new mechanism of allocation from general sectors for development of SC was developed. The present mechanism or strategy of financial allocation is operationalised through three channels.

Special Component plan: The Special Component Plan is designed to canalise the flow of funds (and hence the benefits) from the general sectors in the plans of States and Central Ministries for development of Scheduled Castes both in physical and financial terms. The Special Component

Plan aims at identification of schemes in the general sectors of development which would be of benefit to Scheduled Castes, quantification of funds from all divisible programmes under each sector (generally in proportion of the share in population or poor) and determination of specific targets in terms of number of families which are to be benefited from those programmes under each sector. The practice followed so far is to finalise sectoral outlays at the time of finalisation of the annual plan of a particular State, share under Special Component Plan from each sector is determined there after. The Special Central Assistance to SCP is to supplement the states efforts for additional thrust for speedy development of the SC by providing additional support to the SC families to enhance their productivity and income to bring about occupational diversification.

**Specialised Financial Agencies:** The main function of the Scheduled Caste Development Corporations in the states is to mobilise the institutional credit for economic development schemes of Scheduled Castes entrepreneurs by functioning as catalysts, promoters and guarantors. These Corporations were to help in two ways: first, in encouraging the financial institutions, particularly, the commercial banks, to give out on a sufficiently large scale to assist the Scheduled Castes and secondly, by making schemes more viable for Scheduled Caste entrepreneurs. Under the priority sectors guidelines Nationalised banks are also required to provide at least 10% of their total advances to the weaker sections which include SC/ST borrower by the Public sector banks. The guidelines give high priority to SC/ST in bank advance.

### **Political Representation**

The provision of reservation for SC in Parliament and state assemblies in proportion to their population is the principle method which ensure representation and participation in the political decision making process. At present there are about 82 members of parliament. By virtue of this representation, the SC M.P. are also represented on various bodies of the government. The Parliamentary Committee on SC/ST is one such important committee. The political participation in the state power along with the identical share in bureaucracy through reservation in government jobs has provided decisive position to the SC in the decision-making and governance to use it to their advantage.

Despite their share and participation in the parliament and state legislation, it is perceived that they have not been able to participate and make effective contribution in the decision making, monitoring the implementation of the programmes, particularly those concerning the poor. Due to the paucity of the studies on role of the SC political representative, it is difficult to understand the reasons for their lack of effective role. Isolated research (Narayana, G 1980) on this theme, however indicate that this relates to lack of single political organisation in the centre and in state governments, division in to too many fragmented groups, lack of united forum centring around the common issues concerning SC, inability to understand the complicated issue and policy and planning mechanism and absence of institutional support to enhance the knowledge base and capacity of the representatives to enable them to effectively participate in political decision making.

Outside the political arena, there are number of civil society initiatives, in terms of social organisation, mobilisation and NGO network. The NGO movement among the SC has a regional character, with a history of thirty–forty years in the south, but weak and of recent origin in the north and east. Western India is ahead of north and the eastern India in many respect. Recently, however there have been attempts to develop the network of dalit NGO in to a national federation in the form of National Campaign on Dalit Human Rights. This network is a federation of dalit NGO that are active at the grass root level. Dalit NGOs particularly in south and west India are fairly active at grass root level and focus on economic empowerment (land, employment, wages, credit, accessing government programmes, education), political empowerment ,and gender and human right issues, particularly concerning untouchability and atrocities (Bernward Causemann and Thorat, Sukhadeo, 2001). Some of these NGOs receive selective support from government. However many of this civil society initiatives by SC are faced with problems. While the grass root level knowledge and sensitivity is their strength they, however lacks in terms of information, working methods, resources and general capacity to link with the larger outside world of resource and opportunities.

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Table 1  
 Occupational Pattern: Scheduled Caste and Other (in Percentage)

Occupational Category	1987-88		1993-94		1999-00	
	SC	OTHER	SC	OTHER	SC	OTHER
<b>Rural</b>						
Self-employed in Agriculture	18.90	43.3	19.12	42.42	16.4	41.1
Self employed in Non-Agriculture	11.0	13.8	10.32	13.89	12.0	14.8
Self-employed (Total)	29.8	57.1	29.49	56.31	28.4	55.9
Agricultural Wage Labour	51.7	23.2	50.6	22.37	51.4	19.0
Non-Agricultural Wage Labour	11.4	09.7	10.22	6.67	10.0	6.3
Rural Wage Labour Total	63.1	31.1	60.28	29.14	61.4	25.3
Others	06.9	11.5	9.67	14.62	10.2	18.7
<b>Urban</b>						
Self-employed	28.0	35.2	24.08	35.05	27.3	35.5
Regular Wage/Salaries	39.4	45.0	39.27	43.11	37.6	46.5
Casual Labour	26.0	10.3	26.96	10.57	26.5	7.4
Others Wage	08.5	09.2	9.67	11.25	8.5	10.5

Source: NSS Employment/Unemployment Survey, 1987-88, and 1993-94 CSO, Delhi.

SC= SCHEDULED CASTE; OTHERS = NON SC/ST. (excluding, Scheduled Caste and Scheduled Tribe)

Table-2  
 Percentage of Landless and Near Landless Household Among Scheduled Castes  
 (% to total Rural households) **All India**

1982					1992					1999				
Land Less	Less than Half Acre	Between half and One Acre	Up to One Acre	Land Less and up to one Acre	Land Less	Less than Half Acre	Between half and One Acre	Upto One Acre	Land Less and upto one Acre	Land Less	Less than Half Acre	Between half and One Acre	Upto One Acre	Land Less and upto one Acre
12.62	47.97	9.53	57.50	70.12	13.34	47.50	8.89	56.39	69.73	10.0	65.0	14.7	6.50	2.80

**Sources:** figures for 1982 and 1992 are based on NSS landholding survey, and 1999- Employment/ Unemployment Survey NSS

Table- 4  
 Employment Rate 1999-2000 – All India

	Schedule Caste		Other	
	Male	Female	Male	Female
<b><i>Rural</i></b>				
Usual Principal Status	52.4	25.5	50.9	15.5
Usual Principal and Subsidiary	53.1	32.5	52.0	22.3
Current Weekly	50.5	27.0	50.1	19.1
Current Daily	46.2	21.2	47.6	149.0
<b><i>Urban</i></b>				
Usual Principal Status	49.8	15.2	51.4	9.0
Usual Principal and Subsidiary	50.3	18.5	51.8	10.8
Current Weekly	48.6	16.7	51.3	10.0
Current Daily	45.8	14.0	49.9	8.9

*Source: Employment / Unemployment Survey, 1999-2000*

Table-9

Average MPCE of rural households classified by household type, social group (in rupees)  
 1999-2000

Household Type	RURAL			
	Average MPCE (Rs) of households of Social Groups			
	SC	OBC	others	all
Self-employed in Agriculture	435.46	495.09	557.19	502.28
Agricultural Labour	378.31	397.08	419.35	385.98
Other Labour	438.09	496.18	554.31	482.74
Self-employed in agriculture	442.22	488.02	602.81	519.53
Other Households	581.87	591.23	733.68	652.05
All household	418.51	473.65	577.22	485.88

Average MPCE of urban households classified by household type and social groups (in Rupees)

house hold type	URBAN			
	Average MPCE (Rs) of households of Social Groups			
	SC	OBC	Others	all
self-employed	542.68	674.97	953.00	812.96
regular wage/salaried	754.69	859.34	1101.05	981.49
casual labour	463.58	608.23	548.65	540.66
other households	649.49	860.69	1207.74	1030.82
all households	608.79	734.82	1004.75	854.70

Source: NSS, Consumption Expenditure Survey 55<sup>th</sup> Round –1999-2000

Table -11

Infant Mortality – 1998-99 (in percentage)

Indicators	Scheduled Caste	Other Backward Caste	Others
	1998-99	1998-99	1998-99
1. Infant Mortality	83.00 (88.0)	76.00 (82)	61.8 (69)
2. Child Mortality	39.5	29.00	22.2
3. Under five Mortality	119	103	82

**Source: National Family Health Survey – 1998-99***Figure in the Bracket indicate the Infant Mortality in Rural Area*

Table- 12

Morbidity – 1998-99(in percentage)

Indicators	Scheduled Caste	Other Backward Caste	Others
	1998-99	1998-99	1998-99
1. Prevalence of			
(i) ARI (in percentage)	19.6	19.1	18.7
(ii) Fever (in percentage)	29.4	28.1	30.40
(iii) Diarrhea (in percentage)	19.8	18.3	19.10
2. Percentage of Children with Anemia	78.3	72.00	72.7
3. Percentage of children vaccinated			
4. Percentage of Public Medical Services as sources of childhood vaccination	87.2	83.0	77.3
5. Treatment of Diarrhea from Public Health Facilities (In Percentage)	64.6	63.8	66.10
6. Weight for age	21.2	18.30	13.80
(i) % below -3SD	53.5	47.3	41.1
(ii) % below – 2SD			

*Source: NFHS- 1998-1999*

Table -13  
 Women Health – 1998-99 (in percentage)

<b>Indicators</b>	<i>Scheduled Caste</i>	<b>Other Backward Caste</b>	<b>Others</b>
	<b>1998-99</b>	<b>1998-99</b>	<b>1998-99</b>
1. Percentage of women with Anemia	56.00	50.7	47.6
2. Percentage of women with Antenatal checkup	61.80	65.2	72.1
3. Percentage of those received tetanus vaccination	74.2	76.8	80.0
4. Place of delivery at Home (in Percentage)	72.1	62.00	59.00
5. Assistance during delivery			
(a) From TAB (Dia) (In Percentage)	37.7	34.9	31.4
(b) From public health service (In Percentage)	36.00	44.9	48.9
6. Postpartum check-up (within two month) (In Percentage)	17.0	15.6	18.30

**Source: National Family Health Survey – 1998-99**