

Graded Caste Inequality and Poverty

Recent Evidence on Role of Economic Discrimination

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For Caste and Class, so to say, are next door neighbours, and it is only a span that separates the two. A caste is an enclosed class--- Endogamy self-enclosed Class -- (Ambedkar 1916).

--It is a local problem, but capable of much wider mischief, for 'as long as Caste in India does exist, Hindus will hardly intermarry or have any social intercourse with outsiders, and if Hindus migrate to other regions on earth, Indian caste would become a world problem"

(Ambedkar (1916) quote Ketkar ----)

Issue

The problem of graded caste inequality still persists in a modified form- as codified in Hindu legal and philosophical texts- despite countervailing forces operating against it for very long time. The graded caste inequality is the most stubborn ancient feature of the caste system which continue with some of its worse features even today.

The graded inequality is different from straight forward category of poor and non-poor or haves and non-have. *Ambedkar observed: one striking feature of the caste system is that the different castes do not stand as an horizontal series all on the same plane .It is system in which the different castes are placed in a vertical series one above the others – the principle of gradation and rank.(Ambedkar first in 1987) .The gradation is founded on the principle of unequal assignment of economic, education and civic rights in a graded manner across the castes . The Bahamians who occupy the top place in caste hierarchy, are privilege with all rights, and the right reduces in graded manners as we move from Brahmin to higher caste, to other backword castes and to the untouchables .The Brahmin have more rights than all caste below them , the Khatriya who are next to Brahmin have less rights than Brahmins , but more than three castes below them , the Vaishya have less rights than Brahmin/ Khatriya but more than Shudra/untouchables, and the Shudra have less right than /Brahmin/Khatriya /Vishya , but have more than untouchables .The untouchables have no right to property , education and civic rights, except obligatory services to four castes above them. Thus, a uniqueness of graded caste inequality is that it involves narrowing down in entitlement to economic and social rights, as we move from the top of caste hierarchy to the bottom. This also means that*

every caste suffers from loss of some rights, except the Brahmin. But all caste (below Brahmin) do not suffer equally from loss of rights, some suffer more than others. The untouchables who are placed at the bottom of caste hierarchy suffered the most as they do not have any rights except to serve the four castes above them. The graded caste inequality was the master *stroke of Brahmin imaginative scholarship, which took away the basic and fundamental requirements necessary for development of human being*. This denial of the basic rights fundamental for the social growth of human being completely crippled the former untouchables from which they could never recover for many centuries till today.¹

This raised questions: Why does graded caste inequality still persist? What are its consequences on access to sources of income and their effects on income and poverty for those who are located at the bottom of caste hierarchy, particularly the former untouchables?

While graded caste inequality has thrown up new challenges, but it does not match with equal concern in mainstream research on inter-caste inequality.

In 2009, a group of researchers (Thorat and Katherine 2009) in a volume, *Block by Caste: Economic discrimination in Modern India*, came with an evidence on economic discrimination of former untouchables in markets and nonmarket institutions, where goods and services are accessed by people. The researchers came with empirical evidence on market discrimination of the scheduled castes in employment, wages, in purchase of input and sale of output by farmer and entrepreneurs, including the discrimination in non-market institutions in education, health services, and food from the schools, primary health centres and fair price shops. The studies argued that, low income and high poverty of scheduled castes, among other reasons is due to exclusion and discrimination. Subsequently this research induced studies on economic discrimination in employment, wages, business/ production and their consequences on income and poverty.

It is in this context the present paper looks at the persistence of graded caste inequality and the role of economic discrimination, drawing mainly from the recent empirical and theoretical research. It examines three interrelated aspects of the caste graded inequality:

(a) the nature of (graded) inequality in income and poverty and other indicators of human development, like malnutrition and education with a particular three castes, former untouchables, other backward and higher castes.

(b) the empirical evidence from the recent studies on market and nonmarket discrimination faced by the former untouchables (scheduled caste), and

(c) impact of discrimination on income and poverty of scheduled caste, other backward caste and high caste in a graded manner.

Graded Caste inequality in Human Development :2012 -2014

We first present the caste graded inequality in indicators of Human Development and Human poverty, in term of income, poverty, malnutrition, and education for recent years 2012 -2014/15. We take the indicator of per capita income (monthly per capita income expenditure (MPCE) as substitute to income, given the availability of data for social groups), percentage of poor people, enrolment ratio at secondary/higher secondary and higher education level. Table 1 shows the values for 2012 and 2014.

In 2012 the average per capita income (current pieces) is Rs 1645 at India level, however it is Rs 2413 for high caste, Rs 1531 for OBC and 1294 for Sc. The per capita income decline as we move from high caste to OBC and to the scheduled caste, indicating the persistence of graded inequality in income.

The graded inequality in consumption expenditure is reflected in poverty also (percentage of people below a certain critical minimum defined as poverty line) . As against the poverty ratio of 22 percent at all India level in 2012, only 9 percent of high caste are poor, and the poverty increases as we go down in caste hierarchy to lower middle caste, OBC with 20 percent to 30 percent for SC located at bottom of caste gradation.

The poverty affects the nutrition and health status. In 2015/16 about 36 percent of children age 5 and below were underweight. The ratio was high with 39 percent for SC, 36 percent for OBC and 29 percent for high caste (which also include minorities) .

Similar graded inequality persists in educational attainment. In 2014 about 78 percent of student entered into secondary /higher secondary, and 27 percent in higher education at the at India level. The rate is high for high caste followed by OBC and SC in that graded order. The enrolment rate at higher secondary level is 97 percent for high caste, followed by 80 percent for OBC and 73 percent for SC. Similarly, the enrolment rate for higher education is 43 percent for high caste, followed by 29 percent for OBC and 20 percent for SC.

Thus, in case of all indicators of human development, or human poverty namely per capita consumption expenditure, percentage of poor people, malnutrition and educational attainment the graded inequality is still persists,- the high caste do better, than OBC and SC, the OBC lack behind the high caste, but are better than SC, while the SC who are located at the bottom of caste hierarchy are worse than both high caste and OBC, and suffered most from low human development.

Table 1 : Different parameters of Human Development by caste group in India: 2012, 2014

Socio-religious groups	Population %	Average MPCE (in Rs)	Poverty ratio (in %)	Average asset (in Rs lakh)	GER in class I-VIII	GER in class IX-XII	GER in higher education	Unemployment rate (in%)
SC	18.6	1294	29.6	6.2	95.9	73.0	20.2	7.3
OBC	36.2	1531	19.9	13.1	99.2	80.6	28.7	5.2
HC	21.2	2413	9.1	29.4	100.5	96.9	43.5	4.3
Rest	24	1415	30.7	10.7	93.7	64.8	17.2	6.0
Total	100	1645	22.0	15.1	97.2	77.9	26.9	5.6

Prepared by author from relevant official sources of data for 2012, 2014 and 2015

depending on the indicators , GER : Gross Enrolment Ratio ,MPCE :Monthly Per capita Consumption Expenditure

Reasons for persistence of Graded caste inequality

Thus, whichever indicators of human development we take, income per capita, poverty, malnutrition or education the graded caste inequality become quite obvious.

Recent empirical evidence brings out the, reasons for graded inequality, in terms of graded ownership and access of capital assets, regular salaried employment and education by the low castes. In case of former untouchables (or scheduled castes) , beside the deficiency of these endowment factors, as mentioned above the discrimination in markets and non-market institutions function as reasons for low income and poverty. The denial of equal economic, and social and political rights, and use of excommunication or other coercive methods by the high caste in the event of violation (the traditional community level mechanism designed to maintain the graded inequality system) serve as most powerful and effective -more effective than laws -instrument in hand of higher caste retaining the graded inequality in Hindu society. If any things, it is the community level system of social ostracism and punishment, which defy the forces in favour of equality before law. It is the caste discrimination in the market which enclosed the class and free flow of economic exchange in economic based on private ownership with its logic of capitalism.

We provide empirical evidence on the economic discrimination which serve as a functional instrument in the hand of high caste to maintain graded inequality in ownership of assets, employment and education, for 2012 and 2014, -latest years for which the data are available.

We provide evidence on two aspects, namely ownership of capital assets and education.

Unequal ownership of wealth: The unequal ownership of wealth is the main reason for graded inequality. As it is, the inequality in ownership of wealth in India is high. In 2013 latest wealth survey, indicate that the top 20 percent of person owned almost 76 percent of the wealth in the country and bottom 20 percent owned less than 1 percent, and 20 to 40 quintile owned 2.7 percent.

Table 2 Wealth ownership by quantile group population: India, 2013

Asset quantile group	% share in wealth
0-20	0.6
20-40	2.7
40-60	6.3
60-80	13.9
80-100	76.5
Total	100.0

Debt and Investment and Survey, NSS, 2013

The caste inequality in ownership of wealth is measured, by taking the share of SC, OBC and high caste in total wealth owned by the Hindus (The Hindu here are taken consisting Hindu, Buddhist and Sikh) who constitute about 75 percent and rest 25 percent) in the country, in relation to their population based on the latest Wealth census 2013. The share of the population of Sc (Hindu, Sikh and Buddhists), is 18.6 percent, OBC 36 percent and high caste 21 percent, and the rest 24 percent)

Table 3 : Share of asset by socio-religious groups in each asset type in India in 2013

Social groups	Asset Type							Total asset
	Land	Building	Livestock & farm equipment	Non-farm equipment	Transport equipment	Financial asset	Gold	
SC	7.3	7.2	11.7	3.8	7.3	8.7	10.0	7.4
OBC	35.3	23.7	43.8	39.1	30.5	26.3	39.2	31.3
HC	41.2	53.1	25.5	40.4	46.0	48.5	32.6	45.0
Rest	16.3	16.1	18.9	16.6	16.2	16.6	18.3	16.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Debt and Investment and Survey, NSS, 2013

In 2013 almost 45 percent of the country's wealth is owned by high caste, which exceed their population share of 21 percent – almost twice their population share. The OBC owned about 31 percent which is less than population share, but fairly close to their population share of 36 percent. The Sc however owned, only 7 percent of country's share, which is much less than their population share of 18 percent. The graded inequality in ownership of wealth still persists despite policies to improve the ownership of wealth.

Of the total wealth, land account about 56 percent followed 33 percent building, about 4 percent by financial assets and gold each, and transport equipment 2 percent and livestock and farm equipment and non-farm equipment less than 1 percent each.

Of the total wealth in land 41 percent is owned by high caste, followed by 35 percent by OBC and 7 percent SC. Thus, while it exceeds the population share for high caste - almost double- it is on par with population share for OBC, but much less for SC.

In case of building the high caste owned 53 percent of the wealth in building. The share of OBC is 23 percent and of SC 7 percent. In case of both OBC and SC the share is less than their population share. Since the share of high caste in building is much high, they would receive high capital gains in terms of rental income.

Similar disparities are observed in case of financial assets (shares and deposit) . The high caste account about 48 percent of the total financial assets in the country, while their population share is 21 percent, followed by 26 percent by OBC and 8 percent by SC percent. Like building the high caste would also receive or earn more capital gains on shares and deposit than OBC and SC.

In case of livestock and farm equipment, the OBC's share is highest, with 49 percent which exceed their population share of 36 percent, followed by high caste with 25 percent and SC with 11 percent. We have also seen that share of OBC in land is on par with their population share, agriculture being the main pre-occupation of OBC.

In case of non-farm equipment the high caste and OBC owned about 40 percent each, so two together owned almost 80 percent of the wealth in non-farm equipment , which exceed their population share 57 percent . On the other hand the share of SC is only 4 percent, which shows a total lack of ownership of non-farm enterprises .

Finally, in case of gold similar pattern is observed. the OBC 's share is high with 39 percent, followed by 32 percent by high caste and 10 percent by SC .

Similar inter caste disparities are observed in average value of assets or wealth per household. The average value of wealth at all India level is Rs 15 lakhs, .It is Rs 29 lakhs lakhs for higher caste, followed by Rs 13 lakhs for OBC, and Rs 6 lakhs for SC. The Sc owned almost six time less compared to high caste and two time less compared to OBC. The OBC owned more than SC, but almost two time less than high caste. Thus the graded inequality which is the core feature of caste inequality has not broken despite equal rights to property to all.

In case of individual assets, the same pattern is observed for all assets (except OBC for land, it is higher than high caste).

Thus, the ownership of main assets, namely building, land and financial assets is heavily concentrated in the hand of high castes. In case of OBC except the building and financial assets, in the case of other assets, the share is in proportion to their population

share. In case of SC, their share at overall level and for all assets is much less than their population share.

Occupation Pattern: Owner of capital assets (Self-employed) and wage labour

The unequal ownership of capital assets is reflected in employment or occupational pattern. The National Sample Survey, on the basis of main source of income classify the occupation of household in to self-employed (assets owners), and wage worker, latter are divided into regular salaried and casual wage labour.(the allocation of household/worker in two occupations is decided, if more than fifty percent of household income earning from the particular occupation)

Households Occupation: In 2012, of the total household among the Sc about 15 percent are land owning farmers, compared to 27 percent for OBC and 23 for higher caste. Similarly, about 17 percent of SC owned non-farm enterprises, lower than 21 percent for OBC and 25 percent for high caste.

Due to low ownership of land and non-land capital assets a higher proportion of SC depends on wage labour, about 44 percent, followed by 26 percent from OBC compared to only 11 percent by high caste. The shared in the regular salaried is also low for SC/OBC that is 17 percent compared to 30 percent for high caste.

If we take the share of self-employed, regular salaried and casual wage labour of three castes in India's total, the concentration of SC in wage labour is quite obvious. The SC account about 31 percent of the wage labour in the state, almost twice their population share. The share of OBC is also high with 35 percent, while it is only 9 percent for high caste. The opposite is the case for self-employed and regular salaried. The share in India's total regular salaried is high for OBC (32%) and high caste (34 %) , and low for SC (15%) .In case of self-employed farmers it is much high for OBC with 44 percent, followed by 22 percent by high caste, and 12 percent for SC. Same is the pattern for non-farm employed household.

Worker's Occupation: Similar inter caste disparities are found in worker. Of the total SC worker about 37 percent are self-employed, which is lower than about 57 percent for OBC and high caste each. Due to low employment in self-employment and regular salaried a higher proportion of SC depends on wage labour, about 47 percent, compared to 28 for OBC and 12 percent for high caste. The share of casual wage labour among the Sc is almost four time higher than high caste. In fact of the total casual wage labour in India, SC wage labour account about 30 percent, two time higher than their share in population, followed by 35 percent by OBC. But the share of high caste is only 9 percent.

Thus the restriction on the ownership of property, farm and non-farm on the Sc in the past, is reflected in the present, in low ownership of capital assets, and high dependence on casual wage labour.

The unemployment rate also assumes graded inequality. In 2012 about 5.86 percent worker were unemployed. But the unemployment was high for SC with 7.3 percent compared with 5.2 percent for OBC and 4.3 percent for high caste.

Table 4 : Distribution of workers age 15+ by activity status in each socio-religious groups in India in 2011-12

Socio-religious groups	Activity Status			
	Self-employed	Regular salaried	Casual worker	Total
SC	36.9	15.9	47.3	100.0
OBC	56.0	16.1	28.0	100.0
HC	57.9	29.7	12.4	100.0
Rest	53.7	14.7	31.6	100.0
Total	52.2	18.5	29.3	100.0

Employment Survey ,NSS ,2011/12 ,

Determinants of Income; Role of Wealth, Employment and Education

We have seen that there are substantial number of persons who have low per capita consumption expenditure. The income in turn is low because of the lack of ownership of income earning assets, secure employment, and education. The income is also low because the productivity or economic return on these factors is low. Some yield more income than others.

In 2011/12, the income of the casual labour is the lowest among the households. Therefore, we take the income of casual labour, (who is illiterate and without assets) and look at the positive increase in income with the addition of educated adult (Medium and high education) in the household. We also see the increase in the consumption expenditure with switch over from casual wage labour occupation to self-employed farmers/self-employed owners of private enterprise, and employment as regular salaried worker. Thus we take capital assets (land and non-land), education medium, employment in regular salaried jobs , and as wage labour.

The medium and higher all education, capital assets (land and non-land assets_ and regular salaried all improve consumption expenditure positively for Sc , OBC and high caste

Although all factors, have positive impact on income, however, the return differs among the caste groups. First point is that the casual wage labour's consumption expenditure is relatively high for high caste, followed by OBC and least for SC. Second, all four factors, capital assets, education and regular employment positively increase the per capita consumption for SC,OBC and high caste .Third , however ,the relative increase (or return) is high for high caste, followed by the OBC and low for SC for all factors .

For instance, in 2011/12, the per capita consumption expenditure of casual labor is Rs 1300 for high caste, Rs 1216 for OBC and 1115 for Rs for Sc . The presence of educated person in the family with high level of education bring a maximum increase in income, Rs. 1257 for high caste, but Rs 758 for OBC and Rs 703 for Sc . Thus the educated adult belonging to high caste earn more than SC and OBC . Similarly the regular salaried job by high caste bring Rs 1137 , but Rs 852 for OBC and Rs 764 for SC .The self-employment as farmer or non-farm entrepreneur bring Rs 417 for high caste entrepreneurs , but less to OBC (Rs 234) and Sc (Rs 166) .Thus high caste earn two and half time more than SC self-employed persons

Thus higher education along with regular salaried jobs add more to the income. The ownership of assets also make difference, but add less than education and regular salaried job to income. The return on all factors are for high caste , followed by OBC but lowest for SC.

Estimating share of unequal ownership of Assets and Discrimination in inter-caste disparity in income: 2012

The preceding section we have seen that inter -caste differences in per capita consumption expenditure between the SC, OBC and high caste are due to disparities in *rates of return on assets*: education, agricultural land, non-farm enterprises/business, regular salaried employment and casual wage employment. However, another reason for such inter-caste disparities is the systematic differences in *assets ownership, quality of employment and education between* households in the different caste groups. For instance, high caste households own more capital assets, land and non-land, have more educated adults, greater regular salaried employees than OBC, and SC but low proportion of wage labour.

We therefore look at the differences in the per capita expenditure between SC and high caste, SC and OBC and also between OBC and high caste due to these factors. This is call the *difference due to asset ownership* or the *explained difference*. Then the *observed* difference less the *explained difference* (due to asset ownership) is the *residual* or *unexplained* difference, which is attributed to discrimination

Disparities between Scheduled castes and High Caste

In case of SC and HC, of the total difference of Rs. 1118 in per capita expenditure between HC and SC households, Rs. **678** (60 percent) are explained by differences in asset endowments between the two groups of households and 40 percent attributed to caste discrimination.

Of the total *explained difference* (that 60 percent), about 32 percent is caused by differences between HHC and SC groups in higher education, and 10 percent by

differences in proportion of self-employed farmer/land possessed and 6 percent by regular salaried.

Disparities between Scheduled caste and other backward caste

The difference in per capita consumption expenditure between SC and OBC is less (Rs 299) , compared with difference between SC and high caste (Rs 1118) . Of the total difference of Rs. 299 , about 65 percent is explained by five factors, and 35 percent is due discrimination . Most of explained portion is accounted by higher education, (32 percent) self-employed farmers/land possessed (24 percent)

Disparities between Other Backward caste and High caste

The difference in per capita consumption expenditure between high caste OBC is less Rs 819, of which 50 percent is due to endowment factors and remaining half is due to discrimination. Of the total difference of Rs. 819 , about 25 percent is accounted by higher education , and 15 percent by self-employed farmers and land ownership .

We have seen that much of the inequality in per capita consumption expenditure is due to inequality in assets ownership (agricultural land and enterprise), and higher education. These factors explained about 60 percent differences in per capita consumption expenditure between the high caste and scheduled caste, and 65 percent between SC and OBC. Most of the explained difference is mainly due to higher education/regular salaried jobs and assets ownership in the form land and enterprises .Alternatively about 39 percent difference between the high caste and SC, and 35 percent between OBC and Sc is due to caste discrimination. As regard high caste and OBC about half of difference in income is due to endowment factors, which mainly include higher education and capital assets, land and enterprises .

Caste Discrimination in wages, jobs and employment: 2012

We have seen above that about 39 percent difference between the high caste and SC , and 35 percent between OBC and SC are due to caste discrimination. In case of SC it is due to caste discrimination faced by them in market and nonmarket spheres. We present the evidence based on the National Sample survey for 2012 on the discrimination in wage earning, jobs and employment

Wage Discrimination: In the urban regular labour market, there exists wage gap between SC, OBC and forward Caste workers. In 2012 the average real daily wage of SC regular worker wage was Rs 146, Rs 163 of OBC worker and Rs 229 for high caste worker. Thus, the wage received by SC worker was lower than OBC and high castes. Among other reasons for wage gap between SC and OBC and high caste, the discrimination is such factor. Table--- gives the discrimination by alternative methods of measuring wage discrimination (Reimer (1983, 1985), Cotton (1988), Neumark (1988), and Oaxaca and Ransom (1994). The least objectionable method of estimates of discrimination (**Oaxaca and Ransom method**) indicate clear and substantial evidence of discrimination against

SC and OBC in the labour market. We find that human capital difference between SCs/OBCs and FCs contributes much to the earnings differential between them. In 2012, the wage difference between SCs and FCs due to skill is 71.5 per cent in the regular labour market; it is 80.6 per cent in the public sector and 68.3 per cent in the private sector, respectively. In other words, the contribution of discrimination to wage differential between SCs and FCs is 28.5 per cent in the regular labour market and it is 19.4 and 31.7 per cent for public and private sectors, respectively.

The discrimination component is decomposed into overpayment to FCs and underpayment to SCs in the labour market. We find that the over payment or treatment advantage to FCs (benefit of being FC in the labour market) is 8.3 per cent in the regular labour market; and it is 5.3 per cent in the public sector and 8.1 per cent in the private sector, respectively. *This is the difference between current wages of FCs and what they would receive in the absence of discrimination.* It also reflects nepotism towards forward castes. On the other hand, the underpayment or treatment disadvantage to SCs (cost of being SC in the labour market) is 20.1 per cent in the regular labour market; it is 14.1 per cent in the public sector and 23.6 per cent in the private sector, respectively. This is the difference in the current SC wage and the wage they would receive in the absence of discrimination. The cost of being SCs in the labour market is very high. They are hugely underpaid in the labour market.

Similarly, in 2012 about 61 per cent of the wage gap between high caste and OBCs is on account of endowment difference. While the wage gap between OBCs and SCs that is attributable to endowment difference is 92.6 per cent.

Table 11 depict the relative contribution of each independent variable to the observed wage gap between FC and SC workers. We find that higher education contributes more than 50 percent of the wage gap between SCs and high Caste s in both public and private sector.

Moreover, with respect to sources of discrimination in public and private sector of the regular urban labour market, we find that in the public sector, education variable is favourable for SCs; where as in private sector beside education , the variables like nature of employment, marital status are favourable for higher castes and these variables contribute positively to discrimination against SCs in the labour market.

We also find that in the regular labour market, the extent of *caste-based wage gap as well as discrimination varies significantly across the quantiles of the wage* distribution. The wage gap between SCs and FCs that is attributable to discrimination is *higher at top quantiles than at bottom quantiles of the wage distribution.* We also find that irrespective of the wage quantiles, the wage gap attributable to discrimination is higher in the private sector than in the public sector. Besides, the wage gap attributable to discrimination decreases within the public sector when we move along the wage distribution, whereas wage gap attributable to discrimination increases within the private sector when we move along the wage distribution. This reflects the fact that SCs and forward castes have different jobs.

Wage and Job Discrimination in the Urban Labor Market: We find that discrimination against Scheduled Castes, and OBCs partially operates through occupational segregation. In the regular labour market, job discrimination against SCs pronounces more than wage discrimination in almost all occupations except in service and elementary occupation. The prevalence of job discrimination against SCs in administrative and professional's occupation implies that job discrimination against SCs is high in white-collar jobs.

In the public sector, job discrimination against SCs is more pronounced than wage discrimination in all categories of occupations, except in elementary occupation. In the private sector, job discrimination against SCs is more pronounced than wage discrimination in all categories of occupations except in clerical and elementary occupation. The magnitude of job discrimination is higher in the private sector than in the public sector in almost all occupations except in clerical, production, and trade related occupations. In other words, job discrimination against SCs is more in high paid administrative and professional jobs in the private sector.

Further, we have decomposed the wage discrimination component into wage overpayment to FCs and wage underpayment to SCs. It is observed that the treatment disadvantage (cost of being SCs in the labour market) component for SCs is higher than the treatment advantage of FCs irrespective of type of occupation and sector excepting elementary occupation of the public sector.

Similarly, the extent of job discrimination against OBCs is more than that wage discrimination in almost all occupations except in service, production and elementary occupations.

In summary, we find that in the regular labour market, discrimination accounts for a substantial part of the gross earnings differential between SCs/OBCs and FCs, with occupational discrimination (inequality in access to certain occupations) being considerably more important than wage discrimination (unequal pay within a given occupation, given one's educational and skill level). The pattern remains same for both public and private sectors.

Employment Discrimination in the labour Market: We also look at the issue of unequal access to employment by social groups in the labour market. The gross difference in employment rate between SCs and FCs in 2012, is decomposed in to those attributable to differences in human capital endowment between them and those attributable to discrimination in the labour market. We find that there exists unequal access to employment in the labour market. The decomposition of gross difference in employment rate between SCs and high caste shows that discrimination accounts for 71 per cent of the differences in employment due to discrimination, whereas endowment difference accounts for 29 per cent. Further out of the total unexplained difference, 25 per cent is accounted for the advantage to forward castes and 46 per cent is accounted for the disadvantage of being SCs in the labour market. In the private sector the high difference

in employment rate between SC and high caste is largely due to prevalence of discrimination in the labour market.

Evidence from Primary Survey on market discrimination in rural area, 2013 and other studies

There are some primary survey on the caste discrimination faced by scheduled caste. Finding of the *primary survey* of 1992 household, from 80 villages of four states, namely Maharashtra, Tamil Nadu, Haryana, and Uttar Pradesh done in 2013, gives us insight into the nature of discrimination in employment and wages. It also provides insight on discrimination faced by SC farmers and entrepreneurs/business in purchase of inputs, including land and the sale of goods and services. The SC wage labour faced restrictions on hiring and wages, both in regular salaried and casual labour. The SC business person engaged in grocery, restaurant/eatery and transport service faced discrimination in which their goods on sale and transport services are less used by the high caste which affects their income and profitability. Farmers faced discrimination in purchase of inputs and sale of output and in credit, including agricultural land. These experiences of discrimination are faced by many SC persons, if not all. We provide empirical finding from this survey.

Discrimination in Hiring: The survey includes 441 farm wage labour, 389 nonfarm wage labour and 314 regular salaried workers regular salaried, farm wage labour and nonfarm wage labour. We only report the discrimination in employment or hiring and wages.

Farm wage laborer's faced discrimination in employment and wage earning. About 41 per cent were denied work by the high castes due to caste background. About 76 percent in grain harvesting, 20 percent in vegetable cultivation and 12 percent in drying of grains and chilly and 11 percent in domestic work were denied, due to their polluting status. The SC are also engaged in hard manual, (72 per cent say 'yes') hazardous (47 per cent say 'yes') and risky work (36 per cent say 'yes'). Due to discrimination the SC farm wage labour lost on average 33 days of employment. About 44 attributed the loss of employment to caste discrimination.

About 14 per cent reported less wages compared to the high caste for similar work. About 24 per cent reported work for more than eight hours for which they are not paid. About 36 per cent attributed lower wages to caste discrimination. About 24 per cent of SC farm workers reported wages being paid late. Among them who received late payment, 57 per cent received wages after three weeks.

The caste discrimination results in to low employment and wage earning. About 71 percent of Sc farm wage labour reported loss employment due to discrimination in hiring. The average loss of employment days in a years is about 43 days. The average loss of wage income is about Rs 5761 in a year.

Similar discrimination is faced by the SC non-farm wage labourers. All together 389 nonfarm wage labour were interviewed. About 52 per cent reported denial of work due to caste background. The caste restrictions are mostly in domestic work such as cooking at high caste home, serving food in restaurant, occasional work in construction of temple and cultural and religious ceremony or activities. Like farm wage labourers, SC labourer are (compared to non-SC wage labour) the ones who are mostly engaged in hard manual, (65 per cent say 'yes') hazardous, (60 per cent say 'yes') risky (45 per cent say 'yes') and traditional caste work (36 per cent say 'yes'). About 40 per cent reported reduction in employment due to caste discrimination. The average annual loss of employment in number of days in the survey year was about 28 days. Similarly, about 48 percent received lower wages compared to the non-SC non-farm wage labourers for same work. The caste discrimination is reported as a reason by 19 percent. About 14 per cent reported over work for which they are not paid wages. About 27 percent reported wages being paid with long gap. This ratio is only 4 percent for non-sc wage labour. The average loss of wage income due to less employment is Rs 7162.

Similar pattern is observed in case of SC regular salaried worker in the private sector. All together 314 regular salaried workers were interviewed. About 18 percent SC persons reported discrimination in selection, in the form of high caste person being selected with less education (compared to SC person), 22 percent reported high employers giving preference for high caste person in employment and about 23 percent said high caste person being selected with less qualification. Discrimination is reported in salary, and about 30 per cent SC employees said that they receive less salary as compared to the high caste for similar work. About 84 per cent said caste prejudice was the reason for low salary. The discrimination in hiring results in less employment, living on low income, reduced food consumption, clothing, health, education of children, forced to do odd jobs and borrowing. The discrimination and humiliation has many consequences, and one of which is leaving jobs (about 15 per cent mentioned this consequence).

Discrimination in Business: In case of business, 336 business household were interviewed. Three business activities were studied which include grocery shop, restaurant, or eatery and transport. (auto, car, jeep and Rakshaw). In case of grocery, a very small proportion of high caste make purchased from SC grocery owners. About 37 percent of the respondent reported high caste's unwillingness to buy from their shop. Some only buy some specific goods such as packed goods. About 28 percent of the SC grocery owners attribute caste background as a reason for high caste refusal to buy from SC owned grocery shops. About 12 per cent of SC persons reported restriction on buying from the high caste grocery shops.

The SC restaurant or eatery operators reported that bulk of their or customers person from their own caste and low castes. The proportion of high caste customers was much less. About 44 per cent SC restaurant /eatery owners reported caste background as reason for refusal by high caste to eat from their restaurant/eateries.

In case of transport, about 65 per cent mentioned that high caste avoids using their transport, and the average annual loss of income is about Rs 11200. According to the

respondents the discrimination has negative consequences that include closing down the business, operating business with low profit margin, and often it results in to high loan.

The scheduled castes engaged in production and service enterprises faced a similar discrimination. On the basis of the life histories of 90 Dalit entrepreneurs from 13 districts in 6 states of India, Aseem Prakash (2015) observed caste barriers faced by SC entrepreneurs/businesspersons in renting or buying a strategically important physical space for their businesses, resulting in their having to shift the shop to their own caste locality and cater to consumers of their own caste; difficulties in securing initial orders for business; compulsion to sell goods (particularly in the case of retailers of food and beverages) at lower prices than their higher caste counterparts; the threat of their caste identity being invoked, resulting in negative publicity against them as impure sellers by higher caste traders to prevent competition from them; discrimination from the State in the procurement of State resources like licenses and other approvals; and lack of access to the social or caste network. Thus, while Dalits are able to enter the markets as owners of capital, they experience numerous forms of discrimination, resulting in poor economic outcomes (Prakash, 2015). This market-based discrimination affects the income of the erstwhile untouchables resulting from the barriers to their economic engagement.

Discrimination in farming: The SC farmer also faced discrimination in purchase and sale of land, farm output and also purchase of input for operations and credit in market and non-market transition. A total of 512 farmer households were interviewed. In case of purchase of various inputs used in agriculture survey indicate discrimination faced by SC farmers,

In case of seeds nearly 21 percent reported purchasing from government and cooperative society and remaining 79 percent from private dealers .Among general reasons for low purchases from government/cooperatives , like non availability of seeds,non membership of cooperatives , untimely availability of seeds, and distance , about 10 percent of the SC cultivators also reported their lower caste background as the reason for not having enough access to government /cooperative seeds shops. Among those SC cultivators (about 21 percent) who had purchased seeds from government/cooperative society, some of them complained of differential treatment from these sources. Nearly 12 percent reported paying more prices, 51 percent did not get the seeds on time and 19 percent considered receiving poor quality of the seeds. However, 53 percent of the SC cultivators felt treatment like any other buyer. Much high proportion of SC farmers land up in buying from private sellers.

In case of market purchase from *private persons*, 20 percent of the SC cultivators reported high caste background for refusal to sell the seeds -with 12 percent reporting it sometimes, five percent rarely and 3 percent most of the time. In a separate question, about 11 percent of the SC cultivators reported caste discrimination as reason for refusal and nearly 81 percent of the cultivators never felt such unfair denial from high caste. Some of the SC cultivators, who purchased seeds from high caste, reported differential

treatment -about 20 percent of the cultivators felt paying higher prices, 16 percent got lesser quantity than demanded and untimely supply by 14 percent. High proportion of SC cultivators reported same treatment as with others by the high caste persons.

In case of fertilizers and pesticides, nearly 40 percent of the SC cultivators reported purchase from *government and cooperative societies* and rest from private sellers. The unavailability of the stock was the most common reason cited by 52 percent of the cultivators. About 11 percent also reported their caste background as the reason for denial of input products. However, some of the SC cultivators who had access to the purchase of fertilizers and pesticides also reported differential treatment by the government and cooperative societies. Around eight percent of the cultivators complained of paying higher prices, 36 percent did not receive on time and 11 percent received poor quality of input. About 62 percent of the cultivators felt equal treatment by government and cooperative societies in the purchase of inputs.

In case of purchases of fertilizers from the open markets/individuals sellers in the market, , nearly 77 percent of the SC cultivators never felt unfair denial from the high caste people while remaining 23 percent felt discriminated .Of this 23 percent about , 14 percent felt it sometimes, 6 percent rarely and 3 percent on most of the time. The SC cultivators who purchased the inputs from high caste reported differential treatment in one form or another. About 20 percent of the cultivators complained of charging higher prices by high caste people, 13 percent lesser quantity than demanded, 15 percent untimely supply and 13 percent reported supply of bad quality inputs.

Finding of the *primary survey* done in 2013 in villages of India, gives us insight in to the nature of discrimination in employment and wages, business and farming operation. The SC wage labour faced restrictions on hiring and wages, both in regular salaried and casual labour. The SC business person engaged in grocery, restaurant/eatery and transport service faced discrimination in which their goods on sale and transport services are less used by the high caste which affects their income and profitability. Farmers faced discrimination in purchase of inputs. While the input and employment are fairly open to SC, they also experience discrimination - by some SC persons, if not all. These obviously affect the income of SC wage worker, farmers and business, and land them in situation of poverty.

Why Discrimination persists despite law? Insights from Theories

We return to the question posed at the beginning of this paper, namely, as to why graded inequality persist? We have seen that scheduled caste lack in endowment and also faced discrimination. The discrimination becomes one of the important cause of low access to assets, employment and education, which results in low income and high poverty for the scheduled caste and OBC. The question is what are the motives behind discrimination? Way back in 1956, Nobel laureate economist Becker (1956) provided the reason in response to a similar question, that the white males discriminate against their black counterparts because they have a test for discrimination from which they derive utility,

and this test emanates from prejudices that an individual from one group holds against individuals of another group, in this case blacks and women. Another Nobel laureate, Arrow came with an alternative explanation in 1973, that people discriminate because they perceive that people from another group are, on an average, less productive and therefore, they make their decisions about the hiring and wages for the other group members on the basis of that belief, which may be wrong and may result in a discriminatory outcome. Yet another Nobel laureate, Akerlof and his colleague Kranton (2010) brings in social categories or social identities and their norms into the realm of economic decisions. The Identity Theory postulates that social categories and their norms would determine how individuals in the social category would behave towards others, as individual decisions are socially framed. The Identity Theory implies that the behaviour of whites towards blacks is determined by group norms, which perpetuate a distinction of 'us' and 'them'. The whites think of blacks as 'them' rather than including them in the category of 'us all'. This division of norms on the basis of 'us' and 'them', or what authors call 'oppositional identity', results in discrimination.

In the Test, Belief and Identity theory, the discrimination results from prejudice, which is embedded in the individual psychology. Social psychologists have also provided more insights on the causes of prejudice and motive of discrimination. Allport (1954) treats prejudice primarily as something which is rooted in an individual's psychology. A psychology of prejudice, which produces stereotypical (false) beliefs by the dominant group, and which yields discriminatory behavior towards the subordinate group, a view that is similar to the Test theory. Blumer (1958) questions Allport's theoretical construct of prejudice, as a set of individual feelings and argues that "race prejudice exists in sense of group position rather than in a set of individual feelings which members of one racial group have toward members of another racial group" (Blumer, 1958, p. 3). Blumer shifts the locus of the origin of prejudice from individual beliefs to "*attitudes of group about the relative status and material benefits associated with membership in the group harboring stereotypical beliefs toward the 'other'. The extent to which the dominant groups perpetuate advantage for their own and disadvantage for subordinate groups is a key factor for group outcomes*" (Blumer, 1958, pp. 3-4). In Blumer's notion of prejudice, there are four basic types of feelings or attitudes that always seem to be present in (race) prejudice by the dominant group: "*a feeling of superiority, a feeling that the subordinate race is intrinsically different and alien, a feeling of proprietary claim to certain areas of privilege and advantage, and perhaps the most important, a feeling of fear that the subordinate race harbors designs on the prerogatives of dominant race*" (Blumer, 1958, p. 4). Thus, Blumer shifts the axis of prejudice away from individual sentiments toward collective interests in maintaining a relative group interest. The focus is on group position and group efforts (rather than on individual efforts) for material interest and high social status. Prejudice becomes an operative, mobilizing instrument for preserving the advantaged position of the dominant group. There are real (material) interests at stake in the efforts of the dominant group to preserve its privileged position, and also the more intangible, and psychic benefit of a high-status advantage.

Building on this, Darity, *et al.* (2006) brought further insights on the role of economic or material interest in shaping the (racial) identity norms. Racial identity norms are shaped by the relative income gains from racial or non-racial or mixed strategy in social interaction. Identity norms are determined by the relative income gains (or what authors called the productivity of identity norms in social interaction) from each of the identity norms. It brings the relative income gains into the norm formation of racist, secular, and mixed identity in social interactions.

What are the lessons of these theoretical insights for the institution of caste? In Test, Belief, and Identity theories, individual prejudice becomes the basic for discrimination. The prejudice as an individual psychological feeling produces stereotypical (false) beliefs about the others, which results in discriminatory behavior. The group-based theory shifts the focus from individual psychological feelings to group feelings in order to constitute prejudice. This prejudice is treated as an amalgam of attitudes of the dominant group towards a subordinate group, developed with the purpose to derive material benefits and high social status. The racial identity norms would persist as long as it brings income gains and high social status for the whites in social interactions; this high social status also provides an avenue for material gains. The discriminatory behavior of the dominant group towards the subordinate group thus assumes a functional or instrumental role for the derivation of greater material benefit by the dominant groups at the cost of the subordinate groups. Group-based theory shifts the focus from an individual's prejudicial feelings to the group's prejudicial norms and also from the utility and psychological gains to more tangible material gains and high social status emanating from discrimination. The shift is twofold, from individual (psychological) feeling to group feeling, and in purpose from utility and psychological satisfaction to material and social status through discrimination. These are the most valuable insights from the efforts made by social scientists to identify the motive for caste-based discrimination.

Ambedkar's analysis of caste squarely falls in the group-based theoretical perspective. It not only presents the caste system as an empirical case for the group theory of prejudice, but also brings in new insights on the role of religious ideology in the formation of norms or beliefs that form group prejudice and discrimination (1987).¹ In Ambedkar's view, the caste system entails the division of the Hindus into five social groups called 'castes', (with several sub castes), with each of them being isolated through the rule of endogamy or marriage within one's caste, and restriction on social relations, making caste a separate, isolated and exclusive entity, with some inter-caste obligations. It involves the fixation of economic rights (pertaining to occupations or property), civic and religious rights of each caste well in advance and making it hereditary by birth. The rights are, however, assigned in an unequal and graded manner among castes, making "Graded Inequality" the foundation of the caste system. The castes consisting of members other than the untouchables form the dominant groups, perpetuating a hierarchy of dominance by placing the Brahmins at the top with all rights and privileges. The untouchables located at the bottom, on the other hand, have no rights and bear the stigma of pollution, which makes them the subordinate group. The most unique feature of the caste system is the provision of a mechanism to enforce the system that involves

excommunication and penalties for any deviation from the caste codes. The fear of losing the privileges, which Blumer mentioned as the key feature of prejudice, is not left to chance, but is fully protected through the use of a community level mechanism of social ostracism. Added to that is the protected cover from Hindu religious philosophy. Caste is thus made up of divine origin, receiving a solid backing from Hindu ethics and morality. The moral principle of graded inequality forms the basis of the observance of customary and formal laws by everyone. It is this double injection of moral and legal philosophy which imparts solidity to the institution of caste. The principle of graded inequality with privileges accruing to the dominant groups and disabilities or disadvantages being imposed on the subordinate group constitute the very foundation on which the structure of the caste system is erected, “sanctified by the Hindu religious ethical, moral and legal philosophy, and made sacred, eternal, and inviolate”, as observed by Ambedkar (1987 , p. 129).

Akerlof highlights the role of ideology in the formation of norms. Ambedkar provided evidence on how religious philosophy, both moral and legal, is used as a means to justify the privileges and superior economic and social rights of the higher castes at the cost of denial of the same to the lower castes. Caste-based prejudice is ideologically grounded to serve the material interests and high social status of the high castes. It is in this sense that caste discrimination becomes functional and an instrument in the hands of the higher castes to hold on to traditional economic and social privileges. Since discrimination serves the economic and social purpose of high castes, at the cost of denial to lower castes in, the inter-caste inequality continues to persist.

Discussion on Findings

Graded Inequality: The empirical evidence shows that the ancient code of graded inequality still persists in 2012. The aggregate measure of wellbeing, the per capita consumption expenditure is Rs 2413 for high caste, Rs 1531 for OBC and 1294 for Sc. The graded inequality in consumption expenditure is reflected in poverty, only 9 percent of high caste are poor, and the poverty increases to 20 percent for OBC and further to 30 percent for SC located at bottom of caste hierarchy .

Causes of graded inequality: The poverty is high among the Sc because they owned less of wealth and human capital. *The ownership of wealth is heavily concentrated in the hand of high castes, followed by OBC and SC.* In 2013 almost, 45 percent of the country’s wealth is owned by high caste, – almost twice their population share of 21 percent . The OBC owned about 31 percent which is fairly close to their population share of 36 percent .The Sc however owned, only 7 percent of country’s share , much less than their population share of 18 percent .

Similar inter caste disparities are observed in average value of assets or wealth per household. The average value of wealth at all India level is Rs 15 lakhs, .It is Rs 29 lakhs for higher caste, followed by Rs 13 lakhs for OBC, and Rs 6 lakhs for SC. The Sc average value of wealth is almost six times less compared to high caste and two times less

compare to OBC. The OBC owned more than SC , but almost two time less than high caste. Thus, the graded inequality which is the core feature of caste inequality has not broken despite equal rights to property to all.

The graded inequality in wealth also bring inequality in occupation pattern, that is economic activity from which the worker derives their main portion of income. (that is more than fifty percent of the income) *In* 2012, about 52 percent were self-employed farmers and entrepreneurs, and the rest 48 percent were wage worker without much access to capital assets. The Sc depends more on wage labour, about 44 percent, compared to 26 percent for OBC and 11 percent by high caste.

Contribution of Endowment factors and Discrimination

All factors, the capital assets, education and regular salaried employment improve income for all. However, as mentioned above the disparities between high caste, OBC and SC in per capita consumption expenditure are not only due to systematic differences in the same factors, which improve income , namely in ownership of capital assets (land and enterprises), employment and education , but also discrimination faced by SC and OBC in accessing these resources .In 2012 inequality in assets ownership (agricultural land and enterprise), and higher education explained about 60 percent of differences in per capita consumption expenditure between the high caste and scheduled caste, and 65 percent between SC and OBC. Most of the explained difference are mainly due to higher education/regular salaried jobs and assets ownership in the form land and enterprises. Alternatively about 39 percent difference between the SC and high caste, and 35 percent between SC an OBC are due to caste discrimination. As regard high caste and OBC about half of difference in income is due to endowment factors, which mainly include higher education and capital assets, land and enterprises.

It should be mentioned that the large part endowment difference, observed in the case of low caste, particularly the SC, suggests that pre market discriminatory practices in land , business ,employment and education are more crucial in explaining differentials, than present market discrimination (Madheswaran & Attewell 2007). The unequal market and nonmarket outcomes have their roots in pat discrimination that has caused more harm to deprived social groups .In case of labour market discrimination, pre-labour market discrimination affects earnings indirectly by means of lower out of school investments, poor quality of education, field of study, accessibility to higher education, poor nutrition, health status and lower social capital. These factors may result in lower human capital endowment of workers and persistent employment and wage differentials, over time (Madheswaran & Attewell, 2007; Das & Dutta, 2007).

Caste Discrimination in wages, jobs and employment: 2012

We have seen above that about 39 percent difference between the high caste and SC, and 35 percent between OBC and SC are due to caste discrimination. It is mainly due discrimination faced by SC in employment, farming, and non-farm enterprises. The

analysis based on NSS employment, wage and job data and results from primary studies bring this out.

Wage Discrimination: In the regular labour market, in 2012, of the total wage difference between SCs and FCs, 71.5 per cent are due endowment and 28.5 per cent due to discrimination. (19.4 and 31.7 per cent for public and private sectors, respectively) .

Similarly, in 2012 about 61 per cent of the wage gap between high caste and OBCs is due to endowment difference and 39 percent due to caste discrimination. The wage gap between SCs and high caste that is attributable to discrimination is *higher at top quantiles than at bottom quantiles of the wage distribution*. We also find that irrespective of the wage quantiles, the wage gap attributable to discrimination is higher in the private sector than in the public sector. Besides, the wage gap attributable to discrimination in public sector is lower at higher level of wage distribution, whereas wage gap attributable to discrimination increases within the private sector at higher wage distribution.

Wage and Job Discrimination: We find that discrimination against Scheduled Castes, and OBCs partially operates through occupational segregation. The job discrimination (inequality in access to certain types of jobs jobs) against SCs is more pronounced than wage discrimination (unequal pay within a given occupation, given one's educational and skill level).and it is high in white-collar jobs, particularly in high paid administrative and professional jobs in the private sector.

Employment Discrimination in the labour Market: We also find that discrimination is very high in employment, about 71 per cent of the difference in employment, is due to discrimination while endowment accounts for 29 per cent. Discrimination is particularly high in private sector.

Finding of the *primary survey* done in 2013 in villages of India, shows that the SC wage labour faced restrictions on hiring and wages, both in regular salaried and casual labour in selective works. The SC business person engaged in grocery, restaurant/eatery and transport service faced discrimination in which their goods on sale and transport services are less used by the high caste which affects their income and profitability. Farmers faced discrimination in purchase of inputs. While the access to inputs and employment is fairly open to SC, they also experience discrimination in many spheres, if not all. These obviously affect the income of SC wage worker, farmers and business, and land them in situation of poverty.

Motive behind discrimination: The theories of Discrimination of neo- classical orientation and political economy theories of left orientation capture the motive behind economic discrimination in their contrasting ways .For the neo-classical theories, the motive behind discrimination is individual utility maximization. The group-based theories of left political economy orientation on the other hand shifts the focus of motive of discrimination from individual utility maximization to more tangible material gains and high social status. The shift is twofold, from individual (psychological) feeling to group

feeling, and in purpose from utility and psychological satisfaction to material and social status gains through discrimination.

Ambedkar's analysis of caste which falls in the group-based theoretical perspective, argued that the motive behind the legal codes and moral codes of caste system has purpose to serve the economic interest and high social status of the high castes. To quote Ambedkar:

To the question what is right and what is good the answer which the philosophy of Hinduism gives is remarkable. It holds that to be right and good, the act must serve the interest of this class of supermen, namely, the Brahmins. (Ambedkar first time 1987).

Ambedkar believe that Hindu religious philosophy, both moral and legal, is used as a means to justify the privileges and superior economic and social rights for the higher castes, at the cost of denial of the same to the lower castes. It is in this sense that caste discrimination serves as an instrument and social weapon in the hands of the higher castes to hold on to traditional economic and social privileges. It is precisely because of this functional utility of caste discrimination, it persist despite laws against it . Most importantly the use of social weapon of social ostracism that involve excommunication, combined with other penalties for violation of caste codes both for the high caste and low caste help to maintain the ancient system in modified from in the modern time, more effectively than formal laws .

1 It is this feature which has lead demand for reservation by caste above the scheduled caste like OBC or Shudra, and now some caste above Shurda also ask for reservation, as they feel that although they are better off with some respect, in another they think they lack behind compared with caste above them.

2 Thorat Sukhadeo and Katherine Newmen (2010) Block by Caste “Economic Discrimination in Modern India,

3 Ambedkar placed the date of Mansmuriti to 186 BC when the caste become the legal code, although it must have started earlier.

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Annexures

Annexure 1

Poverty by Household type

Table 1: Poverty ratio by socio-religious groups and household type in Rural India in 2011-12

Socio-religious group	SEA	SENA	Regular	CLA	CLNA	Others	Total
Scheduled castes (SC)	29.6	24.2	12.7	41.9	33.4	28.7	32.1
Other Backward castes (OBC)	20.4	18.4	10.7	33.2	28.2	18.8	22.2
Higher castes (HC)	11.0	8.8	6.7	27.3	20.1	5.8	12.3
Rest	34.1	23.0	15.9	52.6	42.6	21.7	35.1
Total	22.5	19.1	11.3	40.2	33.6	18.5	25.8

Annexure 1 (a) : Poverty ratio by socio-religious groups and household type in Urban India in 2011-12

Socio-religious group	SE	Regular	CL	Others	Total
SC	23.2	11.8	37.7	16.8	21.6
OBC	14.6	5.9	29.7	9.4	13.5
HC	6.2	3.4	21.1	4.0	5.4
Rest	21.9	12.2	35.3	9.4	20.3
Total	14.9	7.0	32.3	8.2	13.7

Annexure 1 (b) : Poverty ratio by socio-religious groups and household type in Rural India in 2011-12

Socio-religious group	SEA	SENA	Regular	CLA	CLNA	Others	Total
Hindu SC	29.8	24.8	13.4	42.7	34.0	30.2	32.8
Hindu OBC	20.6	18.6	10.8	33.3	28.4	18.9	22.4
Muslim OBC	21.1	24.9	9.8	51.9	39.6	13.8	29.0
Hindu HC	11.7	9.0	7.0	27.5	21.1	6.0	12.8
Muslim HC	27.6	20.2	13.2	38.5	28.4	17.9	26.3
Total	22.5	19.1	11.3	40.2	33.6	18.5	25.8

Annexure 1(c) : Poverty ratio by socio-religious groups and household type in Urban India in 2011-12

Socio-religious group	SE	Regular	CL	Others	Total
Hindu SC	23.7	11.8	36.9	15.6	21.5
Hindu OBC	14.7	5.9	29.7	9.5	13.6
Muslim OBC	24.9	16.4	30.6	8.7	23.1
Hindu HC	6.4	3.4	20.8	4.0	5.5
Muslim HC	21.3	15.1	40.5	9.1	21.0
Total	14.9	7.0	32.3	8.2	13.7

Annexure 2

Nutritional Status of Children under 5 years in India: 2015-16 (%)

	Underweight (Weight for Age)	Stunted (Height for Age)
Scheduled Caste	39	43
Scheduled Tribe	45	44
Other Backward Classes	36	39
Others	29	31
Total	36	38

Source: NFHS-4 Fact Sheet, IIPS, Mumbai (GoI), 2017

Annexure 3

Asset Ownership by asset type in India in 2013

Socio-religious groups	Asset Type							Total asset
	Land	Building	Livestock & farm Equipment	Non-farm equipment	Transport equipment	Financial asset	Gold	
SC	55.4	31.8	1.5	0.3	2.2	3.9	5.0	100.0
OBC	63.5	24.9	1.4	0.6	2.2	2.8	4.6	100.0
HC	51.6	38.8	0.5	0.5	2.3	3.6	2.7	100.0
Rest	56.2	32.4	1.1	0.5	2.2	3.4	4.1	100.0
Total	56.4	32.9	1.0	0.5	2.2	3.3	3.7	100.0

Annexure 4 (a) Distribution of household by asset by quintile group

Table: Distribution of household by Asset quintile groups in each socio-religious groups in India in 2013

Socio-religious groups	Asset quintile group					Total
	0-20	20-40	40-60	60-80	80-100	
SC	25.5	26.3	24.0	16.3	7.9	100.0
OBC	17.4	18.8	20.8	23.0	20.0	100.0
HC	17.0	12.3	14.9	21.0	34.9	100.0
Rest	22.8	24.7	20.7	17.1	14.7	100.0
Total	20.0	20.0	20.0	20.0	20.0	100.0

Annexure 4 (b) Table: Distribution of household by socio-religious groups in each Asset quintile groups in India in 2013

Socio-religious groups	Asset quintile group					Total
	0-20	20-40	40-60	60-80	80-100	
SC	23.0	23.7	21.6	14.7	7.1	18.0
OBC	31.3	33.8	37.4	41.4	35.9	35.9
HC	19.5	14.1	17.2	24.2	40.2	23.1
Rest	26.2	28.4	23.8	19.7	16.9	23.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Annexure 5
Occupation : Share in total households

Table: Share of household by household type in each socio-religious groups in India in 2011-12

Socio-religious groups	Household type					Total
	SEA	SENA	Regular	CL	Others	
SC	14.9	17.5	17.2	44.5	5.9	100.0
OBC	27.6	21.4	18.2	25.9	7.0	100.0
HC	22.8	25.0	30.6	10.9	10.7	100.0
Rest	22.6	24.5	15.7	29.5	7.7	100.0
Total	23.0	22.2	20.3	26.7	7.8	100.0

Annexure 6

Share of household by socio-religious groups in each household type in India in 2011-12

Socio-religious groups	Household type					Total
	SEA	SENA	Regular	CL	Others	
SC	11.9	14.6	15.7	30.7	13.9	18.4
OBC	43.6	35.0	32.6	35.2	32.8	36.4
HC	22.4	25.5	34.2	9.2	31.1	22.6
Rest	22.1	24.9	17.5	24.9	22.3	22.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

Annexure 7
Employment status: Workers by activity status

Table: Distribution of workers age 15+ by activity status in each socio-religious groups in India in 2011-12

Socio-religious groups	Activity Status			
	Self-employed	Regular salaried	Casual worker	Total
SC	36.9	15.9	47.3	100.0
OBC	56.0	16.1	28.0	100.0
HC	57.9	29.7	12.4	100.0
Rest	53.7	14.7	31.6	100.0
Total	52.2	18.5	29.3	100.0

Annexure 8
Distribution of workers age 15+ by activity status in each socio-religious groups in India in 2011-12

Socio-religious groups	Activity Status			
	Self-employed	Regular salaried	Casual worker	Total
SC	13.4	16.3	30.7	19.0
OBC	39.7	32.1	35.4	37.0
HC	22.9	33.1	8.8	20.7
Rest	24.0	18.6	25.2	23.3
Total	100.0	100.0	100.0	100.0

Annexure 9

Annexure 9 (a) Determinants of income

MPCE	Coef.	Std. Err.	t	P>t	[95% Conf. Interval]	
SC	1115	26.64	41.9	0.000	1062.8	1167.3
OBC	1216	24.59	49.5	0.000	1168.1	1264.5
HC	1300	43.59	29.8	0.000	1215.0	1385.8
Highest education of adult member of household						
Low*						
Medium	287	39.83	7.2	0.000	208.8	364.9
High	1257	31.28	40.2	0.000	1195.2	1317.8
Social group and Education						
SC # Medium edu	-67	61.81	-1.1	0.281	-187.8	54.5
SC # High edu	-553	51.20	-10.8	0.000	-653.8	-453.1
OBC # Medium edu	-56	50.23	-1.1	0.266	-154.4	42.5
OBC # High edu	-499	40.32	-12.4	0.000	-577.7	-419.6
Household type						
Casual labour*						
Self-employed	417	47.42	8.8	0.000	324.2	510.1
Regular	1137	50.20	22.7	0.000	1038.4	1235.2
Social group and Household type						
SC # Self-employed	-251	60.12	-4.2	0.000	-368.9	-133.3
SC # Regular	-373	66.49	-5.6	0.000	-503.1	-242.5
OBC # Self-employed	-184	55.29	-3.3	0.001	-291.9	-75.2
OBC # Regular	-285	60.70	-4.7	0.000	-404.0	-166.0

Number of obs = 67,158

R-squared = 0.5804

Annexure 9 (b) Determinant's of Income

	HC	OBC	SC
Intercept*	1300	1216	1115
Medium education	287	231	220
High education	1257	758	703
Self-employed	417	234	166
Regular salaried	1137	852	764

Note: * Casual labour household with low education

Annexure 10
Blinder-Oaxaca Decomposition Result” 2012

High Caste vs Scheduled Caste

Decomposition in MPCE between High Caste and Scheduled Caste households

Average MPCE	Coef.	Std. Err.	P>z
Differential			
HC	2692	16.9	0.000
SC	1573	11.9	0.000
Difference	1118	20.6	0.000
Decomposition			
Explained	678 (60.6%)	14.4	0.000
Unexplained	440 (39.4%)	20.1	0.000

Individual Contributions to the decomposition of the difference in MPCE between High Caste and Scheduled Caste households: Pooled Estimates

Average MPCE	Coef.	z	P>z
Differential			
HC	2692	159.7	0.000
SC	1573	132.1	0.000
Difference	1118	54.2	0.000
Explained			
Medium education	9	6.7	0.000
High education	359	38.9	0.000
Self-employed	35	11.2	0.000
Regular salaried	67	16.7	0.000
Land possess	50	9.1	0.000
Family size	47	7.9	0.000
Sector	112	22.2	0.000
Total	678	47.0	0.000
Unexplained	440	21.9	0.000

Other Backward Class vs Scheduled Caste

Decomposition in MPCE between Other Backward Class and Scheduled Caste households

Average MPCE	Coef.	Std. Err.	P>z
Differential			
OBC	1873	10.1	0.000
SC	1573	11.9	0.000
Difference	299	15.6	0.000
Decomposition			
Explained	195 (65.1%)	8.1	0.000
Unexplained	104 (34.9%)	14.6	0.000

Annexure 11

Individual Contributions to the decomposition of the difference in MPCE between Other Backward Class and Scheduled Caste households: Pooled Estimates

Average MPCE	Coef.	Std. Err.	P>z
Differential			
OBC	1873	10.1	0.000
SC	1573	11.9	0.000
Difference	299	15.6	0.000
Explained			
Medium education	9	1.2	0.000
High education	96	4.3	0.000
Self-employed	40	2.3	0.000
Regular salaried	-1	2.7	0.744
Land possess	34	2.9	0.000
Family size	1	4.3	0.732
Sector	15	2.2	0.000
Total	195	8.1	0.000
Unexplained	104	14.6	0.000

High Caste vs Other Backward Class

Decomposition in MPCE between High Caste and Other Backward Class households

Average MPCE	Coef.	Std. Err.	P>z
Differential			
HC	2692	16.9	0.000
OBC	1873	10.1	0.000
Difference	819	19.7	0.000
Decomposition			
Explained	410 (50.1%)	9.2	0.000
Unexplained	409 (49.9%)	17.6	0.000

Individual Contributions to the decomposition of the difference in MPCE between High Caste and Other Backward Class households: Pooled Estimates

Average MPCE	Coef.	Std. Err.	P>z
Differential			
HC	2692	16.9	0.000
OBC	1873	10.1	0.000
Difference	819	19.7	0.000
Explained			
Medium education	-1	1.0	0.167
High education	200	5.7	0.000
Self-employed	-1	1.4	0.693
Regular salaried	78	3.8	0.000
Land possess	9	2.0	0.000
Family size	44	4.9	0.000
Sector	83	3.6	0.000
Total	410	9.2	0.000
Unexplained	409	17.6	0.000