

Paying the Social Debt

It is necessary to recognise the exclusionary and discriminatory character of our society and economy, a creation largely of differences arising from caste, ethnicity, religion and other group identities. But to design appropriate remedial policies, an understanding of contemporary forms of discrimination in multiple spheres and their consequences is very necessary. Policies adopted by other countries, such as Malaysia and South Africa, as a way of correcting centuries of historical discrimination could also serve as pointers.

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The government's initiative to bring the private sector under the ambit of reservation policy and to extend reservations to the other backward classes (OBCs) in public educational institutions has led to a renewed discussion on familiar themes, which include: Are separate policies necessary for the lower castes? If yes, what should be the nature of such policies? Why not use alternative policies, as reservations involve costs in terms of efficiency, merit and reverse discrimination. Drawing insights from theoretical and empirical literature, particularly from economics, I seek to address some of these issues in this article.

The problems of the lower castes (the scheduled castes – SCs – and the OBCs) are unique and distinct and as such have to be understood in terms of their being excluded from having equal rights in the “past”. Also, such forms of exclusion, even if not in all their original forms, continue to perpetuate themselves in the “present”.

In social sciences literature, there is reasonable agreement on the definitive features of social exclusion and the means

by which it perpetuates poverty and inequality. Social exclusion is conceived as a process, which unfavourably denies opportunities to certain groups. It is embedded in societal relations and manifests itself by “wholly” or “partially” excluding certain groups from full participation in the activities of a society. It is necessary to recognise that social exclusion based on identities is a process independent of income status, productivity or the merit of individuals. Identity-based exclusion pivots around the ethnic background of an individual and not on her economic characteristics. It is an altogether different matter that identity-based exclusion eventually leads to the economic and social deprivation.

In contextualising social exclusion in the Indian perspective, what comes to the fore is that the process revolves around certain social relations that discriminate, isolate, and deprive some groups on the basis of their identities such as caste and ethnicity. Among other things, exclusion in the Indian context is closely linked with the institution of caste. Caste, as a customary form of governance with its fundamental characteristics of fixed, unequal and hierarchal arrangement of rights, leads to

the “exclusion” of one caste from the rights that the other castes enjoy.

Past and Present Exclusion

The consequences of the historical denial of rights to the lower castes still remain as residual effects and are visible in the poorer representation of the lower castes with regard to ownership of land, business, and in education. The continuation of caste discrimination in modified forms, if not in its traditional forms, also persists.

This article attempts to capture the consequences of historical denial substantiating this with statistical inferences with respect to ownership of assets and education. In 2000, the National Sample Survey (NSS) data on livelihoods indicated that only 16 per cent of the total SC rural households pursued cultivation, while the similar figures for the STs and OBCs stood at 35 per cent. Correspondingly, the households pursuing cultivation for the “others” category stood at 41 per cent (Table 1).

Similar disparities persist in cases of ownership of businesses. The proportion of households involved in business was 12 per cent for SCs, 5 per cent for the STs, and 15 per cent for the OBCs others. In the urban areas, this proportion stood at 27, 22, 38 and 36 per cent for the SCs, the STs, and the OBCs and the others respectively. In the urban areas, the proportion of regular/salaried workers was 36-38 per cent for the SCs, the STs, and the OBCs in comparison to 46.5 per cent for the others. Also, the percentage of casual labours was the highest for the SC/STs (25 per cent) followed by the OBCs (17 per cent) and the others (7.4 per cent).

In 2000 with regard to education too, large-scale inter-group disparities were evident from the NSS figures. In 2000, for the rural areas, the percentage of literate adults stood at 52, 56.7, 68, and 80 per cent for the STs, the SCs, the OBCs, and the others in that order. Correspondingly, the figures for the urban areas stood at 77 per cent for the SC/STs, 86 per cent for the OBCs and a huge 93 per cent for the others.

Further in 2000, the attainment rate at the graduate/diploma level was 4.19 per cent for the SCs, 3.81 per cent for the STs, 4.55 per cent for the OBCs, and 13.37 per cent for the others. Equally stark was the share of the others in various levels of attainment: about 38.19 (intermediate and below), 53 (agriculture), 51.1 (engineering/technology) and 34.05 (medicine) per cent respectively – which was much higher

than the proportion of the others in the total population, which stood at 35.9 percentage points for the rural areas.

Conversely, the share of the SCs, the STs and the OBCs was lower than their respective proportions in the total population. The share of the SCs in various levels of attainment was about 4.8 (intermediate and below), 2.61 (agriculture), 2.06 (engineering/technology) and 0.91 (medicine) per cent respectively, which is much lower than their percentage share in the total population. Similarly, the share of the STs in similar levels of attainment worked out to be 15.09, 7.01, 8.74 and 0.06 per cent respectively. The attainment levels were low in agriculture, engineering and technology and medicine when compared to their respective share in the total population, which stood at 10.6 per cent for the rural population.

Likewise, the share of the OBCs in similar levels of attainment stood at 25.08, 18.18, 17.18 and 27.89 per cent. Again, the attainment rates at various levels were lower than their share in the rural population, which stood at 37 per cent (Table 2).

Persisting disparities in access to capital assets and education between the lower castes and the others provide an indirect evidence of the impact of past discrimination. Although systematic empirical research on the extent of economic discrimination in the “present” is meagre, studies do provide some evidence of economic discrimination in hiring and wage payment for SCs. Studies also suggest that SCs faced discrimination in various markets

in rural areas. Similarly, limited evidence also suggests that the industrial employment system has been exclusionary throughout the period of modern industrial development and even today the proportion of those securing jobs through informal and personalised channels is as high as 60-70 per cent. The social composition of those securing jobs through informal channels is generally tilted favourably towards the socially better-endowed sections of the society.

Thus, the cumulative impact of the exclusion of lower castes is clearly visible in their lack of ownership of assets and low education. If the lower castes possess few land and business assets and education it is because they do not have access to property rights and education. And if the higher castes are seen to have more of both, it is because access to assets and education was artificially “reserved” for them at the cost of the lower castes.

International Experience

Given the evidence on inter-social group inequality and discrimination, a policy for overcoming the consequences of past discrimination and providing legal safeguards against present discrimination is inevitable. There are lessons to be drawn from international experiences, which have often been quoted for the issue of private sector reservation in India, particularly with respect to two aspects: (a) type of the economic sectors and (b) the methods used.

Table 1: Ownership of Agricultural Land and Business – 2000

	SC	ST	OBC	Others
Rural				
1 Self-employed Cultivators	16.4	36.2	34.7	41.1
2 Self-employed Businesses	12	5.2	15.5	14.8
3 Wage Labours	61.4	48.5	37.1	25.3
Urban				
1 Self-employed businesses	27.3	21.6	37.6	35.6
2 Regular/Salaried	37.1	38	36.3	46.5
3 Casual Labours	26.5	25.6	17.4	7.4

Source: NSS – Employment/Unemployment Survey – 1999-2000.

Table 2 : Current Attendance Rates (19-25 Age Group)
(In per cent)

	SC	ST	OBC	Others
1 Currently not attending	93.17	92.6	91.73	50.66
3 Graduate/Diploma	4.19	3.81	4.55	13.37
Share in Total Graduates by Faculty				
1 Intermediate and below	4.8	15.09	25.08	38.19
2 Agriculture	2.61	7.01	18.18	53
3 Engineering/technology	2.06	8.74	17.18	51.1
4 Medicine	0.91	0.06	27.89	34.05

Source: NSS Employment/Unemployment Survey – 2000.

First, with regard to the economic sphere, most countries have developed legal and equal access policies through affirmative action/reservation for the discriminated groups in multiple economic and social spheres.

Second, with regard to the method, at least three kinds of “procedures” are used. The first method incorporates legal protection against discrimination in the form of “anti-discrimination laws”. The second method utilises equal access measures of various types known by different names such as affirmative action/reservation/fair access policies and involves proactive measures to ensure fair access to the discriminated groups. In some countries, formal and informal quota systems are incorporated to achieve equity in access to resources. However, in both aspects, the population or labour force is used as an indicator to measure and ensure the fair share of representation.

The third method is known as “reparation or compensation”. It is important to understand that affirmative action/reservation policy programmes are largely designed to address the problems of present discrimination and does address the issue of cumulative impact of historical discrimination in the past. The instruments of “compensation”, on the other hand, are specifically designed to compensate for the denial of property rights and education to the discriminated groups as a one-time settlement and through continuous efforts in compensatory modes.

Lessons

Adoption of these three-tier measures for the lower castes in the public and private spheres in India will largely depend on the nature of discrimination and the degree of deprivation faced by them. The residual impact of the caste system and continuing forms of discrimination in the present are not in question; there is sufficient evidence on the ill-effects of the caste system, but the question centres around the nature of interventions for securing equal rights to lower castes.

The strategy of “compensation” is possibly necessary to repay for the denial of property rights in agricultural land, business and education. Essentially, the “compensation” principle is justified on the basis of the need to repay the lower castes for the historical material losses suffered by them.

Policies for increasing the ownership of agricultural land for lower castes should

be incorporated within the framework of “compensation” principles. Among other countries, the Malaysian programme to improve the ownership of agriculture land of the indigenous Malay community is an example under which large tracts of agricultural lands were acquired and distributed to the Malays as a one-time settlement. Similarly, the government in India too, should group together government land and land acquired under ceiling laws, as well as land free from legal problems and classify them together as a “pool of common land” and redistribute it to the low castes to compensate for the historical denial of land rights as a one-time settlement.

Like in agriculture land, the lower castes, particularly the SCs were also debarred from undertaking any business activity on account of the notions of purity and pollution. It is important therefore, that the policies for improving business ownership by the lower castes be treated mainly in a compensatory mode – developing programmes to improve the ownership of businesses and their share in private capital.

The measures for the promotion of low caste businesses may include reservations in government and private contracts of various types and reservations in the purchases of agricultural and other products by the government and private sector. This is necessary to provide safeguards against the exclusion faced by the low caste businesses in sale of goods and services.

There is also a need to increase the ownership of corporate capital among the lower castes. In this respect, again there is a lot to be learnt from the Malaysian and the South African experience. The systematic redistribution of private capital ownership to a minority community was undertaken in Malaysia, whereby, the share of the Malay community rose from 2 per cent to 30 per cent over three decades. For this purpose, the Malaysian government fixed the quotas in the share capital of private companies and set up special institutions to finance the equity participation of the Malaya minority. The Malaysian experience, therefore, could guide the efforts of the Indian government to ensure that the share in the private capital of the lower castes increases.

Coming to employment policy, the pattern of employment among lower castes is such that a majority of them are primarily casual wage labourers. As a vast majority of these casual labourers are

adequately represented, there seems to be no need of developing a reservation policy, but legal safeguards against selective discrimination in hiring and wage payments in the form of anti-discrimination law is necessary. In the non-farm sector (industrial and service sectors), the discrimination in employment is possibly of a high order in certain categories of jobs, if not all. Therefore, it is imperative that a strategy of legal safeguards along with reservations be developed for the non-farm sector.

Lastly, educational policies for lower castes should also be considered in the twin framework of compensation for the past denial of right to education and provision of equal opportunity against present discrimination. The lower castes need to be compensated by implementation of a comprehensive programme of education designed specifically for their empowerment. This needs to be supplemented by reservations in educational institutions of various types.

It is necessary to recognise that the exceptionally high proportion of the higher caste students in educational institutions, -much above their share in the total population, has been because education was artificially reserved for them by putting entry barriers to the vast section of lower castes almost till the beginning of 20th century. Perceptibly, the present higher share of high caste in education is the result of continuous privileges enjoyed by earlier generations, which continues on to the present generation with the denial of the same to the lower castes. It is this social debt, which higher castes owe to the lower castes that needs to be repaid by compensatory policies.

How to develop inclusive policies so that both the higher and the low caste youth have an equal share in accessing education is an issue. In my view, an inclusive policy which benefits both can be developed.

On Alternatives, Merit and Creamy Layer

A number of other issues related to alternative policies, merits and creamy layer have figured in the current discussion.

The first issue relates to the suggestion of using general policies to improve employability and human resource capability of lower castes instead of reservation. It needs to be recognised that lower castes need both because their problem is two-fold – namely lack of access to fixed capital assets, employment and education

due to denial in the “past”, but also continuing discrimination in the “present”. Therefore it requires a dual solution. Improving education and employability alone will not help the lower castes unless it is supplemented by strategies of equal access in the form of reservations to overcome discrimination. It is not coincidental that in several countries the policies of economic and educational empowerment for discriminated groups are supplemented by equal opportunity policies of affirmative action and reservation.

The second issue relates to suggestions that reservation should be based on economic criterion rather than caste or ethnicity. Insights from theory indicate that the basis of discrimination is group identity and not economic powerlessness – in fact, identity-based exclusion from economic and social rights is the source of powerlessness. Such forms of exclusion are suffered by both relatively better-off and worse-off persons belonging to the discriminated groups. Therefore, the basis of preferential policy in favour of the lower castes needs to be based on caste.

Also, this aspect is closely intertwined with the other suggestion that preferential policies should be utilised only for the relatively worse-off sections within the discriminated groups and that the relatively better-off sections should be excluded from the purview of reservations. This view assumes that the relatively better-off sections within the discriminated groups possess enough economic strength to overcome the effects of discrimination faced by them. In my view, this is an issue, which needs careful consideration and study.

Since caste discrimination is the basis of reservation, the use of the same for relatively better-off sections from the low castes would depend largely on whether they are able to overcome the cumulative impact of discrimination due to their economic strength. Indeed, if that is the case then the relatively better-off sections may not need protection against discrimination in the form of reservation. But if they continue to experience caste-based discrimination, then measures against such discrimination are necessary. As such, there is little research on this issue and in the absence of any evidence, it is too early to say whether the relatively better-off sections should be excluded from the purview of the reservation policy. This will require us to identify that critical minimum “economic level”, which would

enable the lower caste to overcome the discrimination on the basis of economic strength, so that safeguards in the form of reservation against discrimination are not necessary. This will vary from caste to caste depending on the intensity of discrimination.

In the case of the SCs, however, one can say with a degree of certainty that both the relatively better-off and worse-off sections suffer from discrimination, although in differing degrees and therefore, they require protection against discrimination in the form of both anti-discriminatory laws and equal opportunity policies such as reservations. However, the better-off sections could be excluded from concessionary economic benefits, which is already being practised.

Another issue raised pertains to the supposed beliefs regarding the adverse consequences of relaxation in qualifications on issues such as productivity and educational quality. As regards employment, this has much less support in economic theory and the empirical literature. Theoretical insights, in fact, argue for interventions in the form of affirmative action to overcome market failures caused by market discrimination and to make them more competitive. At a practical level, the recruitments in the public sector under reservations in India and elsewhere are based on fulfilling some prerequisite qualifications. Studies from the US indicate that the potential effects of affirmative actions on performance, at least in the labour markets, appear to depend heavily on how they are implemented. Employers that practise affirmative action have tried to mitigate its potentially negative effects on performance by pre-screening the recruitment and hiring criterion, as well as, by special training and evaluatory efforts afterwards.

In case of education, providing admissions to persons with lesser grades does not carry the potential of affecting educational standards. It only provides low caste groups the prospect of accessing education without any significant relaxations in passing grades or marks. But despite this, other writings on these themes have overplayed the issue of merit. Much of it has come without adequate empirical evidence.

Some Suggestions

By way of conclusion I would make a few suggestions. Firstly, it is necessary to recognise the exclusionary and

discriminatory character of our society and economy associated with caste, ethnicity, religion and other group identities and the need to develop remedies. However, to design appropriate policies, an understanding of contemporary forms of discrimination in multiple spheres, and their consequences is quite necessary. It becomes imperative, therefore, to undertake empirical studies on the exclusionary character of our economy, society, and polity, an area which has been neglected in the mainstream social science research so far.

In fact, with respect to the theoretical and empirical literatures on exclusion, we are in a situation, which may be described as an “academic crisis” – resulting in the woeful ignorance regarding the exclusionary character of our society and our inability to discuss the issue in an enlightened manner. The state in recognition of the critical issues plaguing our society has to respond with policy initiatives and, rightly so, because it cannot wait till academics come up first with the best solution. Therefore, state responses often precede both theory and empirical research, because academics have failed to come up with a research-based enlightened solution.

Further, I would also like to suggest that there is a need to set up an “Equal Opportunity Commission/Office” and bring under its purview all reservation policies related to women, the SCs, the STs, the OBCs, religious minorities, and the physically challenged under one umbrella organisation. The main objective of this Commission should be to (a) build up a database on socio-economic profile of these groups; (b) develop policies for each of the groups and sub-groups; (c) monitor the implementation of the reservation policy and other policies; and (d) advise the government on a regular basis. **EW**

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