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A study of poverty and affirmative action in India during 1980s and 1990s

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Abstract

The consequences of economic inequality of the distributive scheme involved in the caste system are particularly pronounced in terms of income distribution, employment and poverty experienced by discriminative groups. The scheduled castes who are located at the bottom of caste hierarchy, suffer the most as they face exclusion and discrimination from access to any economic right, except manual labour or service to the castes above them. Hence, the economic and social impact is more devastating. Under these circumstances the application of affirmative action policy in the private sector becomes unavoidable since public sector is on the decline.

Keywords: Economic inequality, poverty and affirmative, face exclusion and discrimination

Introduction

Indian government has made explicit use of affirmative and positive action in employment, education and other fields with respect to discriminated groups such as scheduled castes. However, this policy is confined to a small government sector and a vast private sector that includes agriculture, industry and tertiary activities have remained outside its scope. Consequently, 90 percent of scheduled caste population which is engaged in private sector has remained without protection against discrimination. Moreover, after the new economic policy, the public sector is rapidly narrowing down due to the policy of privatization. Consequently, the demand for affirmative action policy is growing fast in the private sector. In this respect, Thorat (2004) ^[39] is of the view that due to the process of privatization, and the subsequent withdrawal of the State, the employment of SC/ST under reservation has declined quite significantly. There is need to have some kind of affirmative policy for the private sector employment, and other markets. Given the prevalence of significant discrimination in employment in the private sector, there is need to develop safeguards against discrimination in employment, as well as for other markets. For this purpose, a Committee at the Central Government level should be set up to formulate the policy of reservation in the private sector.

Thorat (2004) ^[39] made it clear that in formulating an affirmative action policy for private sector following need to be taken into consideration. Firstly, the government should enact the 'Equal Opportunity Act', of which 'Equal Employment Opportunity Act' should be a part, so that the legal provisions are in place. Secondly, legislation should be passed by the Central government for reservation both in the private and public sector, to ensure fair access to the discriminated groups in private employment. Thirdly, the 'Equal Opportunity Act' and reservation measures should be applicable, not only to employment in private sector, but be extended to other areas, or markets like private capital market, product and consumer markets. Fourthly, it should be applicable to private education. It is also necessary for private housing sector to prevent discrimination in the housing markets. Fifthly, reservation should be introduced in government contracts given to private contractors for undertaking construction activities, a number of other dealings, and for purchase of goods by the State. Lastly, an 'Affirmative Action Policy' of some sort should be envisaged for multinational companies in the framework of UN provisions. Some countries have taken initiative in this regard, under the provisions of the Global Compact, and other UN Equal Employment Opportunity provisions.

Need for Affirmative Action

The need to discriminate positively in favour of the socially under-privileged was felt for the first time during the nationalist movement. It became necessary to list the depressed castes for purposes of representation at the national and state levels.

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Consequently, the Government of India Act 1935 was passed which provided special privileges to scheduled castes in India which consisted of 15.75 percent of the population at that time. The Constitution of Independent India largely followed the pattern of the Government of India Act 1935 which made provisions for positive discrimination in favour of scheduled castes and scheduled tribes which constituted 23 percent of the population of divided India. The constitutional provisions of Article 17 abolished untouchability and made it punishable offence, Article 46 provided the promotion of educational and economic interests, Article 16 and 335 provided preferential treatment in matters of employment in public services while Article 330 provided reservation of seats in central and state legislatures. Later on the job related positive discrimination was extended to the government supported autonomous bodies also. The government also passed an order in 1974 declaring that all such bodies which employ more than 20 people and where 50 percent of the recurring expenditure was met out of grants-in-aid from the central government should invariably provide for the reservation of scheduled castes and scheduled tribes in posts and services (Beteille 1993) [2]. As a result of this policy of positive discrimination, there has been some improvement in the position of these people. Under these circumstances, it is generally accepted that there is a need of continual application of the policy of positive discrimination in favour of scheduled castes, if we want to uplift them socially and economically. The present chapter has a statistical analysis about scheduled castes and poverty prevailing among them in the Indian economy as a whole. There are 35 states and Union Territories (UT) in India (GOI 2001) [12] of which there is no scheduled castes population in the state of Nagaland and in the UT of Andaman & Nicobar as well as Lakshadweep. Moreover, scheduled castes population in Mizoram is also 0.3 percent which is negligible. Most of the data in this respect is from various census reports of India as well as various rounds of National Sample Survey Organization (NSSO). There are states like Punjab and Himachal Pradesh where 28.85 percent and 24.72 percent of the total population constitute scheduled castes respectively. Other thickly populated scheduled castes states are West Bengal, Uttar Pradesh and Haryana where the Scheduled Caste population is 23.02 percent, 21.15 percent and 19.35 percent respectively. In absolute terms, however, Uttar Pradesh is the state in India in which the scheduled castes population is highest at more than 3.51 crore followed by West Bengal with more than 1.84 crore and in Bihar with 1.30 crore of scheduled caste population. The absolute number in Maharashtra, Rajasthan and Madhya Pradesh is also quite significant with more than 98 lacs, 96 lacs and 91 lacs of population. The absolute number of scheduled caste people in thickly populated state in Punjab is more than 70 Lac and that of Haryana is 40.9 lacs of scheduled caste people. The overall population of scheduled castes people in India is 16.2 percent of total population which in absolute terms also comes to be more than 16 crore people who belong to scheduled castes, according to the census report of 2001. All these statistics reveal that demographically, the population is quite significant and needs special attention for their socio-economic uplift.

Poverty Ratio

Thorat *et al.* (2005) [40] has also presented a regional analysis of poverty among scheduled castes which indicates

that there are regions with high magnitude of poverty for scheduled castes. The magnitude of poverty remained much higher in Bihar, Orissa, West Bengal and Tamil Nadu as compared to other states. On the other hand, poverty among scheduled castes is relatively low in Punjab, Haryana, Himachal Pradesh, Andhra Pradesh, Gujarat and Rajasthan. Among Union Territories, the highest poverty ratio was observed in Pondicherry at 88.4 and Delhi at 3.7 only in the rural areas. The following table shows high, medium and low poverty among scheduled castes in different states in India. The table below shows that highest poverty ratio among scheduled castes is in the state of Bihar and the lowest in the state of Punjab. Although, the change in the poverty ratio among scheduled castes from 1983-2000 has been higher as compared to the change of poverty ratio at all India level, yet, the percentage of poverty among scheduled castes is still high as compared to poverty among all at all India level.

Table 1: State wise Poverty among Scheduled Castes Ratio Rural (1983)

Level	State	Poverty Ratio
High	Bihar	80.9
	Orissa	75.8
	West Bengal	72.0
	Tamil Nadu	67.5
Medium	Kerala	62.3
	Maharashtra	59.3
	Madhya Pradesh	58.4
	Uttar Pradesh	57.2
	Karnataka	52.7
	Assam	43.1
	Jammu & Kashmir	41.4
	Rajasthan	40.8
Low	Gujarat	39.2
	Andhra Pradesh	37.2
	Haryana	36.1
	Himachal Pradesh	27.6
	Punjab	25.8
	All India	58.1

Source: NSSO 38th Round

Poverty ratio in Haryana declined from 36.1 in 1983 to 19.0 in 2000 while the poverty ratio among all in Haryana declined from 20.6 to 8.26. This shows that the poverty ratio among scheduled castes in Haryana is still higher as compared to the poverty ratio among all in Haryana. The same is the case for all other states in India as well as at the national level because poverty among scheduled castes at all India level was 58.1 percent and for all population, it was 45.6 percent in 1983 which came down to 36.22 percent for scheduled castes and 27.12 percent at all India level. It is clear that poverty ratio among scheduled castes has always remained higher than poverty ratio at state or national level.

Table 2: Change in Poverty Ratio

State	1983		1999-2000	
	SC	All	SC	All
Bihar	80.9	64.4	59.8	44.22
Orissa	75.8	67.5	51.8	48.23
W. Bengal	72.0	63.0	35.1	31.86
T. Nadu	67.5	54.0	32.6	20.55
Haryana	36.1	20.6	19.0	8.26
All India	58.1	45.6	36.22	27.12

Source: 38th and 55th Rounds of NSSO.

State Domestic Product and Poverty Ratio

The growth rate of state domestic product, generally, has a direct favourable effect on the change in poverty ratio as explained in table 3. According to Table 3 the incidence of poverty declined in all the states, except Assam, in India after the mid of sixth five year plan. Change in poverty ratio among scheduled castes in Haryana is -3.9 percent which is higher than Uttar Pradesh, Bihar, Madhya Pradesh and Orissa. However, it is lower when compared to Karnataka, Punjab, Gujrat, Andhra Pradesh and Kerala. Moreover, the rate of change in poverty among scheduled castes in Uttar Pradesh, Bihar, Madhya Pradesh and Orissa has remained less than the overall decline in the poverty of all the states which is -2.9. The average growth rate in Haryana is 6.7 per cent, (the highest growth rate after Gujarat) but the change in poverty ratio among scheduled castes is comparatively low. It means scheduled castes are not benefitted by the higher growth rate in Haryana in comparison to other states like Gujarat, Himachal Pradesh, Rajasthan, West Bengal, Karnataka, Andhra Pradesh and Kerala where the change in poverty ration among scheduled castes is higher as compared to Haryana. On the other hand, there are states like Kerala, Andhra Pradesh and Punjab where growth rate in comparison with Haryana is low but decline in poverty ratio of scheduled caste is more. It is primarily owing to the positive welfare policies and their better implementation by these state governments for scheduled castes.

Table 3: State domestic product and change in poverty ratio among scheduled castes (per annum rate)

Level	State	Annual Change (%) (1983-2000) (rural)	1980-2004 (Growth Rate of the State Domestic Product)
Low	Assam	0.1	3.4
	Uttar Pradesh	-1.7	4.6
	Bihar	-1.9	4.6
	Madhya Pradesh	-2.1	4.9
	Orissa	-2.3	4.7
Medium	Maharashtra	-3.5	6.0
	Haryana	-3.9	6.7
	Karnataka	-4.3	6.3
	West Bengal	-4.4	6.3
	Tamil Nadu	-4.4	6.0
	Punjab	-4.5	4.6
	Rajasthan	-4.5	6.3
	Himachal Pradesh	-4.5	6.3
High	Gujarat	-4.8	7.1
	Andhra Pradesh	-5.0	5.1
	Kerala	-8.7	5.2
	All India	-2.9	5.8

Sources: 38th and 55th Rounds of NSSO, Rajya Sabha unstarred question No.1285 dated March 14, 2002 and Lok Sabha unstarred question No. 3170 dated March 22, 2002 and Central Statistical Organisation (www.indiastat.com)

Table 4: Growth Rate of State Domestic Product and Changes in poverty (per annum rate)

State	SC (1983-2000) (rural)	All (1983-2000) (rural)	Growth Rate 1980-2004
Haryana	-3.9	-5.5	6.7
Bihar	-1.9	-2.3	4.6
Tamil Nadu	-4.4	-5.9	6.0
Maharashtra	-3.5	-3.9	6.0

Source: 38th, 50th and 55th rounds of NSSO., Rajya Sabha unstarred question No.1285 dated March 14, 2002 and Lok Sabha unstarred question No. 3170 dated March 22, 2002 and Central Statistical Organisation (www.indiastat.com)

The impact of growth rate on poverty reduction on all the people in a state in general and all the scheduled castes, in particular is also not uniform as clear in the table 4.

The table shows that the annual decline at each state level is more for all category as compared to the decline in poverty rates among scheduled castes. It also indicates that the efforts made for poverty reduction among scheduled castes at the state level in India have not been up to the mark and hence, scheduled caste population needs special attention for the reduction of poverty. The growth rate in Haryana is 6.7 and the change in poverty for SC is -3.9. When Haryana is compared to Tamil Nadu, the growth rate is lower at 6 per cent while the change in poverty is more that is -4.4. It shows that government programs and policies in Haryana relating to the welfare of scheduled castes are not effective as in the states of Tamil Nadu to reduce poverty among scheduled caste. It is due to the difference in the implementation or welfare policies and programs and good governance in the states of Tamil Nadu and Maharashtra as compared to Haryana.

It is not only in the rural but also at the centre level that poverty rates among scheduled castes is comparatively higher than the rest of the population. The overall poverty rate for scheduled castes is 49 percent while for non-scheduled castes people it is 32.8 percent. This difference is also reflected at different age groups for scheduled castes and non scheduled castes population.

Conclusion

Government adopted a policy of positive discrimination which means that scheduled castes, women and other members of smaller racial groups may get a fair share of opportunities available in our country. Constitution provisions have been made for reservation of posts in public sector jobs for scheduled castes in India. Consequently, the percentage of scheduled caste people in government jobs in different categories has also increased. The government also started programs like IRDP and MGNREGA to provide employment opportunities to the weaker sections of society. Specific provisions have been incorporated in the constitution to provide social justice to the members of scheduled castes through various programs of uplift and policies of protective discrimination. Efforts have also been made to promote education and employment opportunities for them through scholarship facilities and constitutional provisions, respectively. All these programs and policies have favourable effect although it is marginal in nature. Hence, it can be concluded that a continual policy of positive discrimination should be adopted for the socio-economic uplift of scheduled castes in India.

All states and union territories, except three, have scheduled castes population in India. The intensity varies from 0.3 percent population in Mizoram to 28.85 percent population of scheduled castes in Punjab. The level of poverty also varies from state to state wherein 64 percent scheduled caste population in rural area and 67.2 percent population in urban area is below poverty line during the year 2004-05. On the other hand, there are no scheduled castes below poverty line in rural areas in Delhi while only 5.6 percent scheduled caste population in urban areas of Himachal Pradesh. The regional disparities in different states in India regarding the percentage of SC population in different states are a matter of research.

The general observation is that in most of the states in India

36.8 percent of the population in rural areas and 39.9 percent of the SC population in urban area is still below poverty line during the year 2004-05. This percentage is comparatively high because people below poverty line belonging to others category (excluding SC and OBC population) is only 16.1 percent and 16 percent in rural and urban areas respectively. The average monthly Per Capita expenditure of SC households in rural and urban areas is also much less than the average monthly per capita expenditure incurred by others in rural and urban areas. It shows a higher incidence of poverty among SC as compared to others population. The poverty ratio for SC in rural area in eastern states like Bihar, Orissa and West Bengal is comparatively high as compared to northern states like Haryana, Punjab and Himachal Pradesh. Since it is highest in Bihar and lowest in Punjab, it suggests that the level of economic advancement of states has a direct bearing on the poverty ratio of SCs. The poverty ratio has changed since the mid of sixth five year plan to the mid of ninth five year plan when it came down from 80 to 60 in Bihar and from 36 to 19 in Haryana. It shows the impact of a higher rate of economic development in India after the policy of new economic reforms.

The multinational companies in India should be brought under the purview of affirmative action policy. A number of countries in the world have developed policies against societal discrimination in private sector; hence India should get benefit from the experiences from these countries in this respect.

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