



INDIAN INSTITUTE OF DALIT STUDIES

Devoted to Studies on Social Exclusion, Marginalised Groups and Inclusive Policies

# Prejudice against Reservation Policies: How and Why?

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# **Prejudice against Reservation Policies How and Why?**

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## **FOREWORD**

Indian Institute of Dalit Studies (IIDS) has been amongst the first research organisations in India to focus exclusively on the development concerns of marginalised groups and socially excluded communities. Over the last twelve years, IIDS has carried out several studies understanding different aspects of social exclusion and discrimination against the historically marginalised social groups such as the Scheduled Castes, Scheduled Tribes, religious minorities, women and the disabled persons in India and other parts of the sub-continent.

The working paper on “Prejudice against Reservation Policy: How and Why?” critically examines the validity of popular arguments against reservation policies, namely, that reservation has bypassed the poor, that it has reduced efficiency, that economic criteria are better than caste and that there should be a time limit for the application of reservation policies. The paper exposes the weak empirical and theoretical basis of these arguments and the prejudices underlying them. It also makes suggestions to reform reservation policies to extend them to private employment and education, and proposes a reparation policy to compensate for the wilful denial of the right to property and education to the former untouchables.

We hope that this Working Paper would help in generating awareness and further deliberation across members of the academic fraternity, students, researchers, activists, civil society organisations and policy-making bodies.

**Sanghmitra S. Acharya**  
Director



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# Prejudice against Reservation Policies How and Why?

**Sukhadeo Thorat, Nitin Tagade and Ajaya K Naik**

## **The Issue**

Recognising the specific problems pertaining to the marginalised classes, the Constitution made an exception by providing special provisions for the advancement of the Scheduled Castes (SCs), Scheduled Tribes (STs), and the socially and educationally backward classes. The Directive Principles of State Policy under the Constitution also put an obligation on the state to “promote educational and economic interests of SC and ST and other weaker sections, and protect them from social injustices and all forms of exploitation” by enacting appropriate laws and policies. These provisions were translated into laws and policies by the state, such as in the Protection of Civil Rights (PCR) Act 1955, followed by the Prevention of Atrocities (PoA) Act 1989, and the Reservation Policy (RP) applicable in legislature, employment and education in 1950.

While the purpose of anti-discrimination laws is to ensure equal citizenship rights to the SCs and STs, that of the RP is to provide protection against discrimination in the spheres of employment, education, and legislature to ensure a fair share in these for the SCs and STs and to bring about an improvement in their economic and educational status. These two policies have been in operation for about 60 years. However, unlike other policies for the poor, the RP faces constant resistance in one form or another, from some, if not all, influential quarters. The most recent campaign against it originated in political quarters with the suggestion that caste should be replaced by economic criteria for the implementation of reservation. While the suggestion was immediately withdrawn, academicians continue to put forth old and new arguments, disregarding theoretical and empirical considerations for RPs. The most frequent criticisms against this policy are: that the RP has

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achieved limited success in solving the problems of the SCs/STs or SCs and STs; that the economically better off among the SCs and STs have benefited more than the weak; that since RP has achieved only limited success in helping the poor among the SCs/STs, caste should be replaced by economic criteria for reservation; that the policy has encouraged inefficiency; and that there is a need to set limits for RPs (Thorat et al 2007).

In this paper we examine how the arguments against RPs are being articulated, then analyse the motives behind the arguments and their theoretical and empirical bases, and suggest reforms in the policies. Since originally the RP was justified for the erstwhile untouchables, it is appropriate to explore the arguments concerning the SCs, with a focus on reservation in employment.<sup>1</sup>

### **Effective Outcomes**

It is often argued that the RP in employment has achieved limited success in solving the problem of the SCs/STs, and that the general pro-poor policy is, therefore, a better alternative for them. While it is true that the SCs/STs continue to suffer from a relatively high level of poverty, attributing this entirely to the limited success of reservation in employment would be incorrect. The employment reservation may have shortcomings but it also has positive achievements to its credit, which need to be recognised. In order to provide evidence with regard to the strengths and weaknesses of the policy of reservation in employment, we use two sets of data, namely, that collected by the central government and that available in the National Sample Survey (NSS) on employment for 2011–12. The data on central public services covers the central government, nationalised banks, public sector undertakings and others. This data, however, excludes state level services. The NSS data overcomes these limitations by including all the services at both the centre and the states.<sup>2</sup>

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1 Ambedkar articulated the policy during 1919–32 with respect to untouchables, which was extended later in 1950 to STs and later to OBCs. The basis of the reservation varies: it is social and physical isolation for STs, but economic and educational backwardness for OBCs. The arguments developed for SCs could be used for STs and OBCs in their specific situations.

2 The NSS provides the number of regular salaried employees in the government with and without contracts. The former are divided by the length of the contract, which may range from zero to one year, one to three, and more than three years. We have considered those who are employed on a contract of more than one year and are entitled to PF/pension/gratuity as permanent employees.

In 2012, there were about 9 lakh SCs in the central public services, which was equivalent to about 20% of the total number of people employed. According to the NSS, there were about 154.1 lakh permanent employees in 2012, of which 25.86 lakh were SCs, accounting for about 17% of the total. Thus, it can be concluded that the policy of reservation in employment has been successful, in so far as the share of SCs in government services is proportionate to their population share of 16%, which signifies an obvious positive impact. While this is the positive side of the outcome of reservation in employment, the main limitation of this policy is the narrow coverage of the targeted beneficiaries, which produces limited results in reducing poverty among the SCs and STs. This narrow coverage is due to two reasons: first, the exclusion of private sector jobs and the exclusion of temporary government jobs from reservation, with the result that reservation in employment is confined to a tiny segment of permanent government employees only. In 2012, of the 856 lakh total non-farm regular salaried employees (which exclude farmers and non-farm producer/business and casual labourers), about 70% (or 600 lakh) were employed in the private sector, whereas only the remaining 30% (256 lakh) were employed in the government sector. And even among these 256 lakh government employees, about 40% were temporary and hence not covered by reservation policies. Thus, only about 154 lakh or 60% of the government employees—those permanently employed—were covered under reservation. This figure accounts for only about 18% of the total non-farm regulated salaried employees, including those in the private and government sectors, with the balance 82% remaining outside the purview of reservation. In 2012, the permanent government employees who were SCs accounted for only 18.5% of the total SC non-farm regular salaried employees (or only 3% of the total SC workers), which is indeed a very small proportion (Table 1).

The minuscule share of permanent employees who have benefited from reservation in the total workforce among the SCs would not matter if the rest of the persons were to own income-earning capital assets. Unfortunately, the incidence of ownership of agricultural land and enterprises among the SCs is meagre. Most of them are small farmers and petty non-farm producers/business households with low incomes, steeped in relatively high degree of poverty. In 2011–12, among the SCs, about 29% of the farmers, 24% of the non-farm producers, 43% of the farm wage labourers, and 28% of the non-farm casual

labourers were poor. Similarly, in urban areas, 23% of the SC self-employed producer/business households and 38% of the casual labourers were poor. On the other hand, the degree of poverty among the SC permanent salaried employees was only 12% to 13% in rural and urban areas combined, which is much lower compared to the corresponding figures for the other occupation groups. This indicates that employment in permanent salaried jobs through reservation had reduced poverty to a significant extent among the targeted beneficiaries. However, since the coverage of government jobs under reservation is so small (only 18% of the total non-farm salaried employees), it had limited impact on the overall well-being of SCs. Thus, the prevalence of a high level of poverty among the SCs is not due to the poor performance of the reservation policy as has been suggested by critics, but is due to low job coverage under reservation. Even after providing a limited number of jobs, reservation has induced some group mobility. In fact, the social returns on the reservation policy have probably been higher than the initial benefits accruing to individuals. In the absence of reservation in employment, the decline in poverty would have been much less than has been achieved.

**Table 1: Non-farm Regular SC Employees in India**

Type of Employees	2004- 05		2011- 12	
	In Lakh	In%	In Lakh	In%
Total government	40.71	100	45.41	100
Government permanent	26.55	65.2	25.86	56.9
Government non-permanent	14.16	34.8	19.55	43.1
Total private	73.83	100	94.29	100
Private permanent	5.34	7.2	6.42	6.8
Private non-permanent	68.49	92.8	87.87	93.2
Total employees	114.54	100	139.7	100
Permanent	31.89	27.8	32.28	23.1
Non-permanent	82.65	72.2	107.42	76.9
Percent of GPE to total employees		23.2		18.5
Percent of GPE to total workers*	904.81	2.9	899.76	2.9

GPF-Government Permanent Employees, \* Total number of workers includes both farm and non-farm workers.

Source: NSSO Employment Survey, 2004-05 and 2011-12.

## **Benefits for Poor**

The most frequent criticism of the RP is that those who are economically better off among the SCs have benefited more than the weak, and consequently, caste

should be replaced by economic criteria, for the enforcement of reservation. The argument foreconomiccriteria will be discussed later, but we first examine the factual basis of the argument that job reservation has had limited benefit for the economically weak sections. Depending on the data, three indicators have been used to estimate the share of the weak vis-à-vis better off among the SCs in employment reservation. From the available central government data, we take the percentage of SC employees in Grades D and C as an indicator of the access of the relatively poor to government jobs, as most of these employees would have an economically weak background. The NSS employment data for 2011–12 provides the number of SC government employees under reservation by their education level. We assume that the share of those educated up to the higher secondary would fall in the category of the weaker sections among the SCs. The third indicator is the share of SC government employees in rural areas with a landownership background.

As regards central government public sector jobs, in 2011, categories C and D together account for about 81% of the total of 8.94 lakh SC employees, while the remaining 19% fall into categories A and B, which clearly indicates a significant use of reservation by the weaker sections among the SCs through recruitment in C and D category jobs (Table 2). As per the NSS estimates, in 2011–12, out of a total of about 26 lakh permanent SC employees, about 68% were educated below the secondary and higher secondary levels or were diploma holders, while 32% were educated up to the graduate level or above. Thus, close to three-fifths of the SC beneficiaries of reservation in employment had education levels below the secondary and higher secondary levels, and these people also generally belonged to the economically weaker sections (Table 3). At the all-India level, in rural

**Table 2: SCs in Central Public Services by Grade: All India (%)**

Year	Nos	All	AB	C	D	CD	Total
2004	8,67,732	19.0	12.2	60.3	27.5	87.8	100
2011	8,93,954	19.7	19.2	62.4	18.4	80.8	100

Group D does not include *safai karmacharis*.

Source: Annual Reports of the Ministry of Personnel, Public Grievances and Pensions, Government of India, New Delhi.

**Table 3 SC Government Employees by Level of Education (%)**

Education Level	Distribution of Government Employees	
	2004-05	2011-12
Illiterate	9.5	9.0
Below primary	6.3	4.0
Primary	10.4	5.7
Middle	16.2	11.2
Secondary	17.3	18.1
Higher secondary	11.0	15.3
Diploma certificate	5.9	4.0
Graduate and above	23.4	32.6
Total	100.0	100.0

Source: NSSO Employment–Unemployment Survey, 2004–05 and 2011–12.

**Table 4: Land Size Owned by SC Government Employees at Each Level of Education (Rural Areas 2012)**

Education Level	Land Size Class		
	Less than 0.5	Above 0.5 ha	Total (%)
	ha (%)	(%)	
Illiterate and below primary	89.1	10.9	100.0
Primary and middle	76.1	23.9	100.0
Secondary, higher secondary and diploma	79.9	20.1	100.0
Graduate and above	82.0	18.0	100.0
Total	80.7	19.3	100.0

**Table 5: Number of SC Employees by Size of the Land Possessed, Rural Areas (%)**

Land Size Class (ha)	2004–05		2011–12	
	Government Employee	Population	Government Employee	Population
Less than 0.002	8.9	8.6	9.3	11.4
0.003–0.500	65.9	69.0	69.9	69.2
0.501–1.000	12.0	9.6	9.8	6.7
1.001–2.000	8.2	7.6	6.9	8.8
2.001–3.000	2.8	3.6	2.0	2.3
3.001 and above	2.2	1.7	2.1	1.6
Total	100.0	100.0	100.0	100.0

Source: NSSO Employment–Unemployment Survey, 2004–05 and 2011–12.

areas, 82% of the SC employees who were graduates or had higher levels of education possessed land less than 1.23 acres, which highlights their relatively weak financial status. In fact, the ratio of those who owned less than 1.23 acres of land varied from 76% to 89% for employees with different education levels, which implies that the poor from all educational levels have benefited from reservation in employment (Table 4).

This finding is further substantiated by the landownership background of the SC government employees in rural areas. The SC salaried permanent employees in rural areas account for about 32% of the total SC permanent employees in the country, while the balance 68% are located in urban areas. In 2011–12, of the total SC employees in rural areas who had benefited from reservation, about 11% were landless and another 69% possessed less than 1.23 acres of land—adding up to about 80% of the employees who were landless or owned less than 1.23 acres of land. In fact, 96% of the SC employees owned less than five acres of land, and only 4% of them owned five acres or more of land (Table 4). This clearly shows that the relatively economically weak among the SCs in rural area have benefited from reservation in employment on a significant scale. While a more systematic analysis of NSS data is possible, this simple tabular analysis leaves no doubt about the substantial benefits of reservation in employment reservation for the financially weak SCs. It can thus be said that employment in reservation has been a significantly pro-poor policy. The argument that weaker sections benefited less from reservation in employment is not based on facts but a myth created by the critics.

### **Economic Criteria: Poor Substitute for Caste**

It is argued that since the economically weak SCs have benefited less from the reservation in employment policy than the economically better off (which in any case is not true), caste should be replaced by economic criteria as a basis for reservation. If the criticism of reservation not being pro-poor is empirically unsustainable, the suggestion of replacing caste with economic criteria has no validity. Theory tells us that social exclusion and discrimination is a “group concept” based on group identity like race, colour, religion, ethnicity, caste or gender. In the case of group exclusion, all individuals from a group are excluded due to their social identity, irrespective of the economic standing of the individual within a social group, thereby making the discrimination neutral to economic status. All the untouchables face discrimination on the

basis of their caste identity, irrespective of their financial status as the people belonging to the higher castes do not make any distinction between the economically weak and better off among the discriminated group. Therefore, policies to provide safeguards against discrimination like reservation are based on the social identity of the group rather than that of an individual. If discrimination is neutral to economic status, the criteria for legal safeguards and policies has to be caste and not the economic status of the individual within the group.

Having said this, however, we need to recognise the uneasiness of critics about the coverage of the economically better-off SCs by the reservation policy. While there is some truth in this argument of the critics, they have failed to draw a distinction between exclusion of the better-off SCs from concessional economic benefits and exclusion from protection against caste-based discrimination in employment through reservation. It is fair to suggest that the economically better-off SCs could be selectively excluded from concessional or subsidised financial support and treat them on par with others. However, to extend this argument to their exclusion from reservation is misplaced, as even the economically better-off SCs need protection against discrimination through a reservation policy to ensure fair access to and share in employment, assets, housing and education. The economically weaker SCs, on the other hand, need both financial support as well as reservation to ensure fair access to employment and education.

It is not surprising that several countries in the world have supplemented anti-poverty policies with equal opportunity policies for excluded groups based on group identity. The failure of critics to draw this distinction has generated profound confusion, as the argument of replacing caste with economic criteria for reservation is based on a poor theoretical footing.

### **Reservation: Not Less Efficient**

Another criticism of reservation policy is the inefficiency argument. As in the case of earlier arguments, this criticism also does not receive support in theory or through empirical facts. The standard economic theory of growth requires that certain conditions be met for ensuring economic efficiency and an optimal economic outcome. Among other things, it presupposes the free mobility of labour and capital. It also presupposes the freedom to be

accorded to an individual to make choices about occupation and work, and the freedom to develop human capabilities through education. Freedom is a precondition for the successful working of the private economy. The noted economist Amartya Sen (2000) observed,

*Expansion of freedom is viewed both as the primary end and as the principal means of development. Development consists of the removal of various types of un-freedom that leave people with little choice and little opportunities of exercising their reason agency. The removal of substantial un-freedom, it is argued here, is the constituent of development.*

Those who have theorised caste as an economic system have argued that in its original form, it is an unfree economic order, with arrays of restrictions in economic spheres (Akerlof 1976; Ambedkar 1987). There are restrictions on the ownership of property, on the choice of occupation, on the mobility of capital and labour across caste occupations, and on the acquisition of skills and education. The caste code makes labour and capital less mobile across the castes, and creates a segregated market. It has failed to provide any professional incentives to individuals as it allocates occupation in advance on the basis of birth instead of on the basis of choice and interest, while also treating some occupations as impure and polluting. All these conditions reduce the incentive to work productively, which results in a lower economic outcome. It also adversely affects efficiency by restricting the development of human resources of a large section of the Hindu population, which has, in turn, deprived generations of scientific knowledge, technological innovation, and development (Ambedkar 1987).

The continuation of discrimination in the present in many, if not all, spheres in modified forms in the labour and capital markets as well as in the goods and services markets, would make individuals less mobile, less competitive and less efficient. Therefore, interventions in the form of affirmative action in the labour and capital markets and in education would help reduce segregation by bringing the discriminated persons in the employment market, by inducing competition and also helping increase the supply of human resources. With hiring practices often being far from merit-based, affirmative action policies help improve the pool of meritorious persons (Deshpande and Weisskopf 2010). Hence, interventions that help remove imperfection in the markets through affirmative action policies are positive steps for economic growth.

This is a lesson from theory. But what is the empirical evidence in this regard? There is a near absence of studies on the theme. The limited evidence that we have, however, shows the positive impact of reservation on efficiency.

Ashwini Deshpande and Thomas Weisskopf (2010) arrived at this conclusion on the basis of an extensive study of the reservation policy in the Indian Railways. We cannot do better than quoting the authors:

*Analysing an extensive data set on the operation of the world's largest subject to AA (Affirmative Action), the IR (Indian Railway) employer subject to Affirmative Action Policy, we have found no evidence whatsoever in support of the claim of critics of AA that increasing the proportion of AA beneficiaries adversely affects productivity or productivity growth. On the contrary some of the results of our analysis suggest that the proportion of SC-ST employees in high-level positions (at A and B jobs level) is positively associated with IR productivity growth.*

Reflecting on the reasons for high productivity of A and B SC/ST employees, the authors observed:

There are numerous a priori reasons to expect that AA in hiring might improve economic performance, particularly in high-level jobs. Individuals from the marginalised groups may well be especially highly motivated to perform well when they attain decision making and managerial positions, because of the fact that they have reached these positions in the face of claims that they are not sufficiently capable and they may have consequently strong desire to prove their detractors wrong. Or such individuals may simply believe that they have to work harder (p 24).

Thus, neither theoretical nor empirical evidence supports the myth created by critics about the negative impact on efficiency of the reservation policy in employment.

### **Until Discrimination Persists**

Lastly, the question repeatedly asked by critics of the reservation policy is as to how long it needs to continue. This question can possibly be answered by raising another question: What is the purpose of special policies? The laws against discrimination have been developed to ensure equal citizenship

rights to the erstwhile untouchables. The RPs have been created to provide protection against discrimination in employment, education and the legislature to ensure a fair share in these spheres to improve their economic and educational levels, and to bridge the gap between the SCs and others. Therefore we have to ask: Are caste-based discrimination and untouchability things of the past? Have the SCs made economic and educational progress in a manner that would minimise the gap between them and the higher castes? The answers to these questions demand empirical evidence. Let us examine the progress made on these two fronts.

The official data and studies do reveal an improvement in access to civil rights by the erstwhile untouchables, but also its continuation on a significant scale. During the period 1995–2014, a total of 2.43 lakh cases of caste discrimination and atrocities were registered by the erstwhile untouchables under the PCR and PoA Acts, with an average of about 13,000 cases per year. This is only the tip of the iceberg, as only serious cases get registered. Primary studies revealed that discrimination is deeply embedded in social relations and persists in a significant measure in the social, cultural and religious spheres (Shah et al 2006).

In the economic sphere, the erstwhile untouchables faced discrimination in various markets, including the labour market in hiring, in the supply of inputs and services (required for farm and non-farm production) and in the sale of products by the erstwhile untouchables among the farmers and non-farm-producers/businesspersons. In the rural areas, the erstwhile untouchables are not hired in some kinds of work/occupations, such as cooks in restaurants and in the mid-day meal programme for children or as waiters. And they are hired for a fewer number of days and on lower wages than their higher caste counterparts, while in the other spheres they face forced labour.

In urban private employment, a low proportion of former untouchables receive calls for interviews as compared to their higher caste counterparts with the same or lower level of qualifications (Thorat and Newmen 2010). Based on an NSS survey, Madheswaran (2014) found that in 2012 as compared to forward caste employees, SCs earned 8% less in the public sector and 20% less in the private sector. Discrimination accounted for about 10% and 24% of the wage differential between the SCs and the forward caste in the public sector and the private sector, respectively. Job discrimination

accounts for a large part of the gross earning differences in urban areas, as job discrimination is considerably more important than wage discrimination among regular salaried workers.

As regards farmers, a 2003 NSS survey indicates that almost 36% of the observed differences in net income between the SC and higher caste farmers and 64% of the differences between the SC and Other Backward Classes (OBC) farmers are accounted for by the discrimination perpetrated against SC farmers (Thorat 2013). Using the same data set, another study found that inequality between castes accounts for about 3% to 17% of the overall inequality in net farm income (Singh 2010). The erstwhile untouchables faced discrimination in buying agricultural land (Thorat 2010) and in the urban rental housing market (Thorat et al 2015).

The untouchables engaged in non-farm production and business faced similar discrimination. On the basis of the life histories of 90 Dalit entrepreneurs from 13 districts in six states, 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 their retail establishments to their own caste locality and cater to consumers of their own caste; experiencing difficulties in securing initial orders for business; being compelled to sell goods (especially among retailers of food and beverages) at lower prices than their higher caste counterparts; and being threatened that their caste identity would be invoked, resulting in negative publicity against them as impure sellers by higher caste traders to prevent competition from them. They also faced discrimination from the state in the procurement of state resources like licences and other approvals; and suffered from a 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. The 1994 and 2005 panel survey data of the National Council of Applied Economic Research found that at least one-third of the average income difference between the high caste Hindu and SC/ST households was due to the “unequal treatment” of SC/ST attributes (Borooah et al 2015). Non-market exchange is not free from discrimination. Studies provide evidence regarding discrimination faced by SCs in the receipt of goods and

services supplied by the government or government-approved agencies in respect of food, nutrition, health services, education and public employment (Indian Institute of Dalit Studies 2013). This empirical evidence shows that traditional restrictions faced by the erstwhile untouchables in the markets and in non-market institutions have continued as remnants of the past in multiple spheres, thereby preventing the SCs and STs from accessing various opportunities and facilities. Hence, a large part of the inequalities that we see in terms of ownership of assets, education, employment, civic amenities, and income and poverty, are due to the economic discrimination perpetrated against the SCs.

### Extent of Poverty Decline

We now discuss the second issue, namely, the extent to which the access of SCs to assets, education, employment and income has improved and the level to which poverty among them has declined. As regards assets at the all-India level, in 2012, among total SC rural households, about 20% were farmers and another 14% were small entrepreneur/business households, whereas the corresponding ratio in the urban areas was about 27% (NSS 68th round). The Economic Census of 2005 indicates that the share of SCs in the country's enterprises was 10%, which is lower than their share in the population. A low incidence of ownership of income-earning assets by the SCs results in a high level of their dependence on wage labour, at about 52%, as compared to the corresponding figures of 32% for OBCs and 21% for Others. Similarly, in urban areas, about 21% of the SCs were casual wage labourers, as compared to corresponding figures of 15% for OBCs and 6% for Others (NSS 68th round). The erstwhile untouchables also lack access to education and civic amenities. In 2008, the enrolment rate for higher education was 11.6% for SCs as compared to 27% for Others (NSS 68th round).

**Table 6: Untouchability Cases Registered, (Number)**

Year	PCR	PoA	Total
1995–2000	6,235	53,745	59,980
2001–05	2,940	49,319	52,259
2006–10	1,170	51,658	52,828
2011–14	292	78,193	78,485
1995–2014	10,637	2,32,915	2,43,552

PCR—Protection of Civil Rights, PoA—Prevention of Atrocities.

Source: National Crime Records Bureau (NCRB) of India.

In 2011, the percentage of SC households without drinking water facilities at home was 68% as compared with 57% for Others. In addition, 77% of the SC households had no latrines in their homes as compared to a corresponding figure of 66% for Others, and 41% of the SC households had no electricity as compared to a corresponding figure of 34% for Others (Census of India 2011).

A low level of access to assets and high dependence on wage labour results in low income and high poverty levels. In 2011–12, the monthly per capita consumption expenditure (MPCE) was about Rs 1,297 for SCs, followed by Rs 1,518 for OBCs and Rs 2,239 for Others, with the corresponding all-India average being Rs 1,645. The MPCE of SCs was only 58% of higher caste incomes, 85% of OBCs and 79% of the national average. Similar disparities are visible with regard to poverty. In 2011, as compared to 12.4% of the Others and 25% of the OBCs, 30% of the SCs were poor, with the corresponding all-India average figure being 23%. The incidence of poverty among the SCs in 2011–12 was more than double than that among the Others (NSS 68th round). The percentage of underweight children among the SCs was 51% as compared to the corresponding figures of 45% for OBCs and 36% for Others, while those with anaemia was 74% for SCs, 72% for OBCs and 67% for Others. The proportion of women with anaemia was 58% among SCs, as compared to 51% for Others (National Family Health Survey 2005–06). Thus, SCs suffered to a much greater degree than their higher caste counterparts in all the indicators of malnutrition.

Thus, empirical evidence pertaining to caste-based discrimination and poverty indicates that despite an improvement to some degree, the erstwhile untouchables continue to face discrimination on a significant scale. The gap in human development between them and the rest of the population also persists. They are still far from attaining the status of full citizens, as they are a “part of Hindu society, but a part apart,” as Ambedkar put it. Therefore, the answer to the question as to how long the reservation policy would continue is that it should be in place as long as discrimination and disparities against the Dalits persist. It has a backlog of about 2,200 years to clear, which began with the codification of the Manusmriti in 186 BC and therefore it is too early to ask for a reversal of the RP.

## Fear of Losing Privileges

We return to the question posed at the beginning of this paper, namely, as to why opposition to RPs persists. This can be clarified by seeking an answer to another question: Why do the higher castes discriminate against and deny equal rights to the Dalits, which the former enjoy?

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 reason 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 along with Kranton (2010) brought 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 determine how individuals in the social category behave towards others, as individual decisions are socially framed. In its application to race and poverty, 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 individual psychology. Social psychologists have also provided more insights into 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 behaviour towards the subordinate group, a view that is similar to the Test theory. Blumer (1958: 3) 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 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 (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 (p 4).

Thus, Blumer shifts the axis of prejudice away from individual sentiments towards 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, mobilising 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 into 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 the productivity of identity norms in social interaction) from each of the identity norms. The most significant aspect of this theory is that by bringing the relative income gains into the norm formation of racist, secular, and mixed identity in social interactions, it captures the underlying condition that brings change, say from racial norms to individual norms (non-racist norms) and mixed norms of discrimination, and makes the theory dynamic in nature.

## Lessons for Understanding Caste

What are the lessons of these theoretical insights for the institution of caste? In the Test, Belief, and Identity theories, individual prejudice becomes the basic for discrimination. Prejudice as an individual psychological feeling produces stereotypical (false) beliefs about the others, which results in discriminatory behaviour. 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 of deriving material benefits and high social status. The racial identity norms would persist as long as they bring 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 behaviour of the dominant group towards the subordinate group thus assumes a functional or instrumental role for the derivation of greater material benefits 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 groupbased 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 into the role of religious ideology in the formation of norms or beliefs that form group prejudice and discrimination (1987).<sup>3</sup> 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

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3 See Ambedkar, (1987 and 1979); for a discussion on caste.

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 and perpetuate 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 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 thus has divine origins, receiving 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 constitutes 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: 129).

Theories of prejudice did refer to the process of formation of prejudicial norms, and Blumer attributes it to the historical process while Darity does so to the evolutionary process. 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 accompanied with the denial of the same to the lower castes. Caste-based prejudice is ideologically grounded and serves the material interests and high social status enjoyed by the high castes. It is in this sense that prejudice becomes functional and an instrument in the hands of the higher castes, enabling them to hold on to traditional privileges. This indeed explains the constant opposition to RPs by many, if not all, members of the dominant castes. The fear pervading the higher castes about the loss of their material privileges

and high social status is, therefore, at the root of their perpetual opposition to RPs, and other similar policies for the excluded groups, as they see this policy as an encroachment on the reserved space that they have enjoyed for so long.

### **Reform of Policy**

Since discrimination serves as an instrument for economic privileges and high status for the higher castes, this vested interest continues to motivate them to practise discrimination in multiple spheres. Therefore, it is imperative to introduce legal safeguards and protection against discrimination through comprehensive policies for both the market and non-market institutions, and all other spheres wherein such discrimination persists. This necessitates the reform of the present RPs in the spheres of employment, assets and education in order to overcome their limitations. In the case of reservation in employment, the first limitation is the exclusion of the private sector. The second limitation is the absence of an effective policy for improving the ownership of capital assets by the erstwhile untouchables, while the third limitation relates to education. Two corrections are necessary in the sphere of employment. The first is to bring temporary government jobs under the ambit of reservation. In 2012, at the all-India level, of a total of 256 lakh government salaried employees about 43% were on contract, and were outside the provisions of RPs. There is no reason as to why reservation should not be applied to temporary jobs, if the purpose of RPs is to protect the SCs from discrimination and to provide them a fair share in government jobs. The second reform relates to the extension of reservation in employment to the private sector. In 2012, of the total regular salaried employees, about 80% were in the private sector, which is currently excluded from the ambit of reservation. In several countries, the private sector was the first to be brought under the ambit of an affirmative action policy. There is therefore a case to extend reservation to the private sector in India wherein SCs need protection against discrimination to ensure a fair access to employment.

The third reform relates to the increase in ownership of capital assets and human resources, including agricultural land, enterprise and education. Presently there is no policy for increasing asset ownership among the former untouchable with the result that a majority of them have remained assetless. Albeit some elements of reservation were incorporated in the land reform

policy and in the promotion of enterprises for the erstwhile untouchables, these measures have proved to be extremely weak in improving the ownership of assets.

## **Reparation**

The experience of several countries tells us that affirmative policies similar to reservation are mainly used to provide protection against discrimination and to ensure a fair share of the benefits to the discriminated groups in the “present” but that this is a weak remedy for dealing with the consequences of “past” discrimination. The former untouchables have been denied the right to property for more than 2,000 years, and the consequences of this denial to both the right to property and right to education have been devastating.<sup>4</sup> Therefore, in such cases, the policy of “reparation or compensation” has been found to be useful, and has been successfully implemented by some countries like Malaysia and South Africa (Feagin 2004; Bittkar 2003).

What are the grounds for reparations for the Dalits? The rationale for ensuring compensation for them is the enrichment of the higher castes at the cost of the impoverishment of the lower castes. The enrichment of the higher castes has occurred by under-payment of wages to labour and denial of rights to assets and education to untouchables. The past is not the past as it has been carried forward into the present through the intergenerational transfer of assets and human resources, making the present generation of high castes the beneficiaries of past privileges, at the cost of denial of the same to the untouchables through the prevalence of formal and customary laws. Therefore, the present generation of high castes cannot say that they are not responsible for the wrong done to the untouchables (Feagin 2004). The higher castes and the state were involved in the enforcement of caste-based codes. Since the high castes have benefited at the cost of the former untouchables, there is a legal case that the higher castes need to compensate the latter for the losses they have suffered for centuries.

Wherever such reparation has taken place, it involves three steps: first, the recognition of the exploitation and wrongs done to the untouchables,

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4 See McCormack, (1966); Mani (2011); Galanter (1963); for the use of the Hindu Shastra for framing of laws related to property till the early 19th century by the British, which denied the right to property and education to the untouchables.

through an open apology by the head of the religious faith (Hindu religious heads are yet to tender an apology for the imposition of untouchability in the way that the heads of the Christian faith have done so for the perpetration of slavery in the US), estimation of the amount of compensation, the method of its payment, and identification of the victims and beneficiaries to whom the compensation has to be paid (Darity 1990). A number of countries have used the compensation policy for victims of discrimination in various forms. In our own country, some compensatory efforts were made for the former untouchables through the allocation of land, such as Panchami land in Tamil Nadu, the Mahar Watan land in Maharashtra, and the Depressed Caste land in Andhra Pradesh. But all these attempts have failed to improve the ownership of agricultural land among the erstwhile untouchables. At the time of the framing of the Constitution, Ambedkar had proposed the introduction of a compensatory measure through the distribution of agricultural land to the untouchable families by nationalisation of land and separate settlements, and with a special fund for educational development of the SCs. But his suggestion did not receive any support from the Constituent Assembly (Ambedkar 1979).

Given the exceptionally high proportion of the former untouchables who are asset-less and less educated, there is thus a need to evolve a comprehensive policy of compensation and one-time settlement for the former untouchables in the manner in which Malaysia and South Africa have done to pay for the losses accruing to victims of social discrimination in these countries. This is a long overdue social debt that the higher castes owe to the erstwhile untouchables.

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