



## International Journal of Financial Management and Economics

P-ISSN: 2617-9210  
E-ISSN: 2617-9229  
IJFME 2022; 5(1): 01-08  
Received: 13-10-2020  
Accepted: 02-12-2020

**Dr. Sunil Babu**  
Associate Professor,  
Department of Economics,  
Rajdhani College, University  
of Delhi, New Delhi, India

### Poverty in India: Impact of affirmative action and government policies

**Dr. Sunil Babu**

#### Abstract

Various policies and programs have been implemented since independence for the uplift of scheduled castes in India. These have been pursued as key strategies or socio-economic emancipation, status change and the acquisition of a new social identity. The success in the implementation of these policies and programs has been achieved of varying degrees. The wide-spread upsurge of atrocities signifies continued caste-base oppression. Occupation and caste have been closely interlinked in the traditional socio-economic order. Although this link is gradually breaking yet it has not been broken completely. Changes took place with the arrival of new opportunities in rural employment and other small businesses as well as through education based occupational and social mobility in rural and urban areas.

**Keywords:** Government policies, scheduled castes in India, socio-economic

#### Introduction

India is a hierarchical society. Societal hierarchy is evident in caste groups, among individuals and in family and kinship groups. Individuals are also ranked according to their wealth and power. Hierarchy plays an important role with families and groups where men outrank women of similar age. Many status differences in Indian society are expressed in terms of ritual purity which is associated with ritual cleanliness. Due to these hierarchal characteristics of Indian economy, scheduled castes are socio-economically excluded and remain a deprived group in the society. The stratified and hierarchical nature of society involves institutional processes that economically and socially exclude, discriminate, isolate and deprived some groups on the basis of characteristics like castes, ethnicity or religious background. Explanations by social scientists of the Indian person have emphasized the subordination of the individuals to caste and the compelling influence of hierarchy for explaining motivations for behavior. Where is no room for individuation and personal autonomy in Indian society? Thus hierarchy plays an important role in describing Indian society that the significance of personal explanations of autonomy and motivation has been discounted (Mines 1988) <sup>[35]</sup>.

Scheduled castes in India are considered at the lowest level in societal hierarchy and consequently they are not only economically but also socially weak. In fact, social development is a process of organizing human energies and activities at higher levels to achieve greater results. Hence, social development increases the utilization of human potential. Social development consists of two inter-related aspects, namely, learning and application. Learning adds to our knowledge and application enhances social organization. Society develops in response to the contacts and interactions between human beings and their material, social and intellectual environment. However, when the society is divided into different compartments then its development is also hindered. This is what has happened in India where most of the states have lagged behind in social development and consequently, scheduled castes remained in the most disadvantageous situation in the economy except for the state of Kerala. In this respect Shivanandan (1976) <sup>[46]</sup> has said in the matter of social development, though Kerala stands ahead of all other states in India, the pattern of distribution of social and economic opportunities within the state is highly inequitable among different social groups, particularly between the scheduled castes and the rest of the population.

**Corresponding Author:**  
**Dr. Sunil Babu**  
Associate Professor,  
Department of Economics,  
Rajdhani College, University  
of Delhi, New Delhi, India

The scheduled castes generally face considerable disadvantage in respect of all those aspects of income-earning opportunities like land holding, employment, and education.

Scheduled castes in India have also to face structural discrimination which refers to rules, norms, accepted approaches, behavior in institutions and other social structures that constitute obstacles for sub-ordinate groups to equal rights and opportunities possessed by dominant groups. Such discrimination may be visible or invisible, intentional or unintentional. Such discrimination can be in the form of lack of education, job opportunities, health, services or access to land. In reality, castes perpetrate inequality. This caste system is linked to the possession of natural resources, livelihood resources and land based power relations. Traditionally, caste relations were based on the hierarchy of occupations where work related to leather, cleaning dead cattle, work related to funeral ceremonies were placed at the bottom. The scheduled castes remained economically and socially dependant on the upper castes. This had an adverse effect on their lifestyle and access to food, education and health. A major proportion of lower castes are still dependent on others for their livelihood. Such a situation has kept them as socially weak people in the country (Chatterjee *et al.* 2007) <sup>[4]</sup>. These social groups continue to suffer from a high degree of poverty, and social and economic deprivation. Poverty remained particularly high among the wage laborers in rural and urban areas. The poverty levels were also high among the self-employed cultivating households, and for those engaged in some kind of business. Also with respect to some critical indicators of overall development such as life expectancy, mortality, and morbidity, the Dalits are too far behind. In 1998-99 the overall life expectancy for non-schedule group was about 66 years as compared to 62 years for SCs. The incidence of high malnutrition and anemia among children and women is reflective of higher mortality rates. Though the government of India has adopted the national goal of reduction in IMR to 60 by 2000, the SCs IMR, Child Mortality, and Under Five Mortality rates were 83, 40, and 119 respectively in 1998-99 (Thorat 2004) <sup>[53]</sup>.

Social weakness is directly related to economic backwardness and poverty which is a multi-dimensional phenomenon. The dimensions include education, agricultural and non-agricultural assets, food and nutritional security, supply of potable water, sanitation, health, housing and gender equality. All these dimensions collectively affect the socio-economic status of a person and scheduled castes are far behind, so far as the major benefits from these dimensions are concerned. These components are mainly observed in the theory of basic needs and are fundamental for protection and social upliftment. Since most of the scheduled castes do not have agricultural and non-agricultural assets, hence, they failed to get due respect in the society. Therefore, what is required is the transfer of these assets from rich to these poor people through a suitable mechanism. In this respect Thorat (2004) <sup>[53]</sup> also admitted that the reasons for high incidences of poverty and malnutrition among the marginalized groups are to be found in their continuing lack of access to income earning capital assets, agricultural (land and non-land) assets, low productivity of their assets, heavy dependence on wage employment, high unemployment, low education and continuing social and economic discrimination. Therefore,

policy processes need to exhibit a radical shift in their focus to improve the ownership of income earning capital assets, agricultural (land, and non land) assets, employment, human resource & health situation. Appropriate remedies need to be incorporated against discrimination to ensure equity participation of the marginalized communities in the private and the public sectors.

Jain (1981) <sup>[17]</sup> emphasized that the assets are a vital means of economic advancement. Our poor are practically assetless; and their relative share in rural assets shows a decline. The share of the poorest 10 per cent households in 1971 was 2 per cent (declining from 2.5 per cent in 1961) while that of top 10 per cent households was 51 per cent. It is only after the transfer of the assets to these people that their social status will increase. Regarding education, Chanana (1993) <sup>[2]</sup> has said that the scheduled castes and tribes have little access to education which is the poor's most potent weapon for self-advancement. The major emphasis has been on the provision of reservations in higher education and its implementation in order to remove disparities between the Scheduled Castes/Tribes and non-Scheduled Castes/Tribes. High illiteracy especially among women is one of the biggest obstacles in the race against poverty. Again, only a small proportion of those who are literate have had access to higher education, the dropout rate, for economic reasons, being high. Though, seen over time, there is an improvement in the ratio of enrolment of the children of scheduled castes and tribes, in primary and secondary schools, they are still significantly below the enrolment ratio of the general population (Jain 1981) <sup>[17]</sup>. Thorat (2004) <sup>[53]</sup> also mentioned that Lower literacy rate and low level of education are the continual discrimination of SC/STs in educational institutions pose a major problem. There is a need to take a second look at the Education Policy, and develop major programs of strengthening public education system in the villages, and in the cities on a much larger scale than today. There is a necessity to reallocate government resources for education and vocational training. The loans schemes do not work for poor students in rural areas. There is a need to develop public educational system up to the university level and in vocational. This system should be strengthened in terms of infrastructure, quality of teachers and other facilities. Vocational training should be made a part of normal education.

Social status is directly related to caste system in the traditional Indian economy. Castes did not constitute a rigid description of the occupational or the social status of a group.

It is an indicator of occupation, social standing and instinctual ability. People who are considered outside the caste system have the lowest social status also. Caste system played a significant role in shaping the economic activities and in ensuring the division of labor. In this respect Meenakshi *et al.* (2000) <sup>[33]</sup> also observed that castes have been another major indicator of backwardness of poverty in India. The districts that have scheduled castes people making a bigger proportion of population show a bigger proportion of population living below the poverty line. On the path of economic development, a person from scheduled castes has to face more social and economic problems, other things being equal, than what a person from higher caste faces. People generally boycott the activities and do not cooperate with the scheduled caste person if he tries to uplift his economic standard.

### **Affirmative action**

It refers to policies that take factors including color, gender, race, religion, national origin into consideration in order to benefit and under-representative group, usually as a means to counter the effects of a history of discrimination. The term "affirmative action" was first used in United States in 1961 and it was used to refer to measures to achieve non-discrimination. Affirmative action is intended as an attempt to promote equal opportunity. It is constituted in government and educational settings to ensure that minority groups within a society are included in all programs. The justification for affirmative action is that it helps to compensate for caste discrimination, persecution or exploitation by the ruling class of a culture, and to address existing discrimination (Sowell 2004) <sup>[47]</sup>.

Reservation in India is a form of affirmative actions designed to improve the well being of perceived backward and under-represented communities. These are laws wherein a certain percentage of total available jobs and educational seats are set aside for backward communities. In India, scheduled castes, scheduled tribes and other backward classes are primary beneficiaries of the reservation policies, while there is also reservation policy for women.

Reservation system has been a matter of contention ever since the British occupied India and remains a point of conflict. People who belong to upper castes find this policy of government as biased and therefore, opposed it, since they feel it takes away their right to equality. But not everyone who comes from the under privileged communities support the system because they say it make them feel disadvantaged. Opponents are unhappy because they feel that moral injustice is being committed and economic opportunity is eroded because of the reservation system. They are against because appointments are made on the basis of membership in a caste rather than considering that the individual is social or economically handicapped. Hence, reservations are used for political benefits rather than social benefit. On the other hand, pro-reservationists believe that they should share a greater position in administration because political power resides in the administration system in India. They view political power as a way to get economic benefit, of which they have been deprived. Opponents believe that reservations do not take in to account merits and achievements and get positions because of reservations. The believers of reservations are of the view that they should get reservations because they had been victims of high caste dominated society and reservation is a part of struggle against the oppression and pertaining the social structure in India away from hierarchy. Thus the policy of reservation system is itself controversial in nature.

The main objective of Indian reservation system is to increase the social, educational and economic status of the under-privileged communities enabling them to take their rightful place in Indian society. The reservation system exists to provide opportunities for members of scheduled castes so as to increase their representation in the legislature, the executives of the nation and the states and the reservations of seats in schools, colleges and other institutions (Mayell 2003) <sup>[30]</sup>.

Enrolment in educational institutions and job placements are reserved based on different criteria. The quota system sets aside a proportion of all possible positions for members of a specific group. Those not belonging to the designated

communities can compete only for the remaining positions while the members of the designated communities can compete for all positions, both open and reserved. The exact percentage differs from state to states. While there is 25 percent reservation in educational institutions and government jobs in Andhra Pradesh for other backward classes and 15 percent for scheduled castes, the reservation in educational institutions is 35 percent and in government jobs it is as high as 45 percent in West Bengal. Constitutional posts, those who have parents as class I and class II officers and sons and daughters of armed forces including paramilitary forces, professional classes and creamy layer are not entitled to benefits of reservations.

The economic exploitation and continued concentration in menial occupations continue to sustain and reinforced the degraded social position of the majority of scheduled castes in India. Studies have pointed out growing incidence of poverty, rising level of rural unemployment, wage squeeze, rising levels of mortality and illness as well as declining levels of consumption shares, real wages and consumer monthly per capita expenditure among the scheduled castes (Thorat 2002) <sup>[52]</sup>. It is further clarified by Thorat (2004) <sup>[53]</sup> that the Indian society is highly stratified and hierarchical in character. The stratified and hierarchical nature of Indian society involves institutional processes that economically and socially exclude, discriminate, isolate, and deprive some groups on the basis of characteristics like caste, ethnicity or religious background.

The implementation of various programs and policies and their poor result is due to a number of factors which are primarily responsible for it. In the first place, a significant proportion of scheduled castes children continued to remain out of school. The reason may be poverty, ignorance or indifferent attitude of their parents. This tendency is more in the younger age group which indicates that access to basic education is still a big problem. Secondly, there is an unprecedented rise in the enrolment of scheduled caste children in the schools which indicates a strong desire for education. However, a high degree of drop-out even at a primary school level is a matter of concern. Thirdly, the attendance rate, both at primary and middle school are not satisfactory. This also indicates that drop-out and failure are problems that afflict scheduled caste children to a greater degree as compared to other children in the country. Consequently, they continue to lag behind in terms of educational attainment. Fourthly, there is a great unevenness in the educational participation of various states. In some states, progress is very good for both boys and girls, but in other states it is very poor. In some of the states in India, girls are far behind boys. There are also sharp disparities between rural and urban areas. Fifthly, the performance of scheduled castes children in the educational field is far from satisfactory in the north-east region of the country. Finally, there is a strong indication that scheduled caste children face extreme and gross educational deprivation among most of the states in India.

Thus it becomes clear that country is still struggling to ensure equitable access to educational provisions for the children of scheduled castes. There is the problem of universal elementary education and equal educational opportunity. Disparities in scholastic achievement are even more glaring in India. Hence, exclusion remains a depressive feature of the educational scenario of scheduled caste children in India despite considerable quantitative

progress.

The education of scheduled castes has been adversely affected by ubiquity of unequal diffusion and provision of schooling. Even after six decades of independence, their habitations have not been adequately provided with educational facility due to paucity of resources and the gap between massive scale of required operation and the political will equally of state and society. Although, the situation has improved over the last few years, yet inadequate provision continues to serve as the most fundamental of educational deterrents to educational participation of these children. The existing schooling condition for them from non-provision and under-provision of the most inferior facilities can be observed even at the basic primary level of education. The spread of schooling is a politico-economic process and disparities in education access have been the direct consequence of an un-even diffusion of children. Moreover, the spread and organization of Indian education system reflect clearly caste-class-gender stratified structure of society and its hierarchical ideology (Velaskar 1992) <sup>[57]</sup>. Urban elite schools rank at the top and the rural schools, especially those located in scheduled castes habitations rank at the bottom in terms of quality of education. The effective result has been continued educational deprivation and exclusion. There are several dimensions also for unequal provision and unequal quality. These include inadequate availability of schools, poor implementation of school level policies of positive discrimination, poor physical infrastructure of school, inadequacy of teachers and teaching and poor provision of teaching learning material.

Beside education, a number of programs and policies have been implemented for the economic upliftment of poor and scheduled caste people in India. Among these programs and policies, IRDA, DWCRA, IAY, SJGVY and NREGA are quite significant. IRDP is a program implemented for the well-being of poor people in general and scheduled castes in particular. However, these people failed to get most of the benefits from IRDP. In this respect Hirway (1985) also observed that the gains of IRDP do not percolate to the lower levels in the present socio-economic structure of our rural society. In fact, IRDP feeds corruption on a large scale which benefits mainly the rural elite. There are not enough assets for distribution under IRDP. And IRDP approach is a mere household approach which has no proper integration with resource-based or sectoral planning, and therefore it is not likely to help in achieving the larger goals of rural development.

The failure can be attributed due to a number of reasons. Firstly, scheduled castes are at disadvantage in the competition for institutional loans. It is generally argued that these people are not well placed to fill up complicated forms, to pay large bribes and to influence the village headman and find themselves guarantors. Secondly, bank officials are also reluctant to pay them loans because they feel that the poor scheduled caste people are at bad risk. In the third place, it is the lack of participation of scheduled castes themselves in this program which reflects their lack of interest. Whatsoever reason may be, it is true that scheduled castes in India have not been benefitted much from this program.

Mahatma Gandhi National Rural Employment Guarantee Act (NAREGA) passed and enacted in 2005 provided a guarantee of 100 days of wage-employment in a financial

year to any rural household whose adult members are willing to participate in unskilled manual work. The need of introduction of NAREGA was felt because of the policy failure of the government. And in this respect (Kumar 2005) <sup>[27]</sup> also observed that the black economy is a major cause of policy failure in both at the macro and micro levels. It lowers the rate of investment and raises the savings propensity so that the multiplier falls and the growth rate of the economy fall below their potential. Finally, the correct number of population living below the poverty line cannot be estimated as the actual level of consumption differs by ignoring black economy. The government introduced NAREGA to generate new employment opportunities so that the number of people living below poverty line may be reduced and guaranteed employment opportunities may be generated. However, no official study was undertaken by the government to evaluate this program. Hence the evaluation studies have been taken by independent institutions.

A study conducted by the Institution of Applied Manpower Research evaluated the program in its All India Report on Evaluation of NREGA and observed that ten percent of the eligible adult members of families were not included in the job cards. Eighty percent of the households expressed that they were neither given the work within the stipulated fifteen days time of demand for work in writing, nor were they paid any unemployment allowance. On the utility of maximum number of days of work, only a small fraction of households could utilise more than 35 days of work while others were lagging behind. It was also observed that only 42 percent of women households could share one third of the allocated wage days. Fourteen percent of the households did not agree that names of the workers, number of days and the amount is read out at the site of work by the mate of work site as stipulated in the guidelines of the Act. An inquiry was also made to assess the impact of the scheme on the overall quality of life of beneficiaries. It was observed that due to the income generation through the scheme about fifty percent of the household experienced marginal increase in their income. It was also found that more than half of the beneficiaries remained agricultural and unskilled workers. The beneficiaries were so poor that only two percent of them had any account in a commercial bank. Forty five percent of the families were migrants from nearby villages and towns who have come in search of jobs. Seventy percent of the beneficiaries revealed that migration is only for just wages and not for any better wages. It implies that there is a distress migration for just minimum wages and for survival rather than any improvement in their standard of their living. All these observations were made in this Report based on the primary data collected by the survey of twenty districts (IAMR 2007) <sup>[14]</sup>.

Another study made by Institute of Rural Technology and Business Management (IRTB 2009) <sup>[15]</sup> under IIT Chennai, based on a sample study of six districts in Tamil Nadu in 2009 observed that villagers considered NAREGA as a boon for improving rural livelihood. The scheme insured gender equality in the rural areas of the state. The program employed a good proportion of scheduled caste and other backward people the involvement of self-help group (SHG) helped to spread the awareness of this program among the villagers. Panchayat Sarpanches also encourage people for their participation in this program. Financial inclusion strategies like opening of bank account and rural ATM for

NAREGA beneficiaries also resulted in multiplier effects of saving, financial safety, hassle free wage disbursement and ease of withdrawal of money.

The program did not differentiate skilled workers from unskilled workers. It remained true to its right to work entitlements and did not counsel households that approached for work with better standard of living. Communication is identified as a severe bottleneck that reflected in poor understanding of minimum wage, unemployment allowance, accident compensation and overall process of NREGA. Since the program has no upper limit on age, hence old people also underwent laborious work and benefitted from the scheme. The Report suggested that there should be standardizing work measurement practicing and performance indicators to measure the success of work under the scheme.

The Institute for Human Development and Centre De Sciences Humaines (IHD and CHS) also organized a seminar in 2007 to assess a working of NAREGA. It was observed that this program was implemented after a successful struggle for an employment guarantee Legislation to provide employment to unskilled work-force, especially in the rural areas. It provided hundred days of employment for all households to do manual work. It was observed that the objective of this program was not to eradicate poverty or to raise the standard of living of the poor but to provide employment opportunities to those people who had no work at all. The primary objective was to provide immediate monetary help to the unemployed people. Therefore, efficacy of the program cannot be examined while evaluating its impact on poverty reduction but only through examining the work days created by this program. It started from two hundred districts while the coverage of NAREGA was increased to 330 districts and now it covers all the rural districts in the country. However, the performance of NAREGA differs from state to state. Except for north-eastern state of Tripura, no other state has been able to provide even the 100 days of employment mandated in the Act. In reality, some states have given employment for less than 30 days in a year. Moreover, there are considerable variations also in the wages paid for manual work across the state. This shows that the program has failed to fulfil its objective of minimum 100 days employment at fair wages.

Six years have passed since the launch of this program, but no effort has been made by the central government to evaluate its progress. However, the government has decided to ask independent institutions to carry the evaluations of the program and the performance of NAREGA during the last three years. This decision has been taken by the Ministry of Rural Development. Independent institutions, who will conduct the evaluation programs, will be shortlisted by the Planning Commission. These institutions will be shortlisted though out the country and present their reports by the end of the year 2012. The decision of evaluation of the program was taken by the government because it has been found that the participation of scheduled caste people has gone down a little. Moreover, the benefits of the scheme have reached out only up to 5.5 crore people while the total number of registered people under the scheme is 11 crore. Thus half of the registered number of people failed to get any benefit from the scheme. It has also been observed by the government that implementation of the scheme has not been found satisfactory in the states of

Jharkhand, Odhisa, Uttar Pradesh and a few other states in India. Hence, the government has taken a decision to get evaluation through independent institutions so that new directions may be given wherever the need arises.

### **Scheduled Castes sub-plan (SCSP)**

This plan was launched in 1972 to facilitate easy convergence and pooling of resources from all the development sectors in proportion to the population of the scheduled castes to achieve the following objectives-

1. Economic development through beneficiary oriented programs for raising their income and creating assets.
2. Development of infrastructure through provision of drinking water supply, link road, house sites, housing, etc.
3. Educational and social development activities like establishment of primary schools and centers, vocational centers, community halls, women work place, etc.

The strategy of this plan envisaged to channelize the flow of outlay and benefits from all the sectors of development in the annual plans of all the states and union territories. Different states adopted different mechanisms without exploring effective mechanism which can ensure the monitoring of expenditure and diversion of funds to unintended ventures. Consequently, the effective amount of funds became much less than they should have been and hence the impact of the sub-plan was also limited to uplift the scheduled castes from low level of poverty.

### **Impact of government policies**

After six decades of independence, the impact of government policies through reservations and other benefits to scheduled castes in India has been favorable. Before these policies, the population belonging to scheduled castes and other backward classes did not have equal opportunities to pursue higher education and to get employment. It was only after government intervention that India started emerging as a serious player in the new knowledge economy taking all the communities together in the country. Consequently, the seats in the medical, engineering and management institutes were reserved for scheduled castes, backward classes and scheduled tribes. There are 15 percent seats reserved for scheduled castes and 7.5 percent for scheduled tribes in all the colleges of higher levels including engineering, medical and management institutes. Kamat (1981)<sup>[21]</sup> is of the view that educational incentives and other privileges of the post-independence period led to considerable educational advance among the SC. With the provisions of job-reservations, this also led to geographical and occupational mobility amongst them. First, the recruitment has taken place mostly in public and semi-public (like teaching) sectors where the program of reservations could be (at least partially) enforced. It also notes that the proportion of Scheduled Caste students in professional courses at the post-graduate level is almost half as compared to their corresponding proportion in undergraduate level courses. This is significant in that far fewer Scheduled Caste than the non-Scheduled Caste students make the transition from the lower level courses to the professional subjects whom are directly linked to occupations (Chanana 1993)<sup>[2]</sup>.

According to a study of Planning Commission, seventy five percent of the scheduled castes live in rural areas where the

main source of livelihood is farming, wage-labor or some kind of non-farm business. Inadequate access to agricultural land and capital leaves no options for them except to resort to manual wage labor. Consequently, sixty one percent manual laborers are only scheduled castes as compared to thirty three percent for others in rural areas. Since, the wages are not very high; therefore, their economic condition is miserable. It has been estimated that in rural areas, thirty eight percent of the scheduled castes live below poverty line as compared to less than twenty percent among other households. The incidence of poverty has been as high as fifty percent among agricultural laborers as against forty percent among non-agricultural laborers (GOI 2006) <sup>[9]</sup>.

Ambedkar had dealt in detail the logic and reasons behind the measures against discrimination on equal rights, legal safeguards against violation of rights, strategies for fair share and participation and governmental empowering measures to compensate for historical exclusion. He suggested dual remedies, in the first place, remedies relating to safeguards against discrimination and strategies to overcome deep rooted deprivation. He also suggested fundamental measures for addressing the problems of structural inequalities and special development measures of equalization, particularly in the sphere of education, economic empowerment of historical denial of right to education, employment and right to property in the past. These included distribution of agricultural land through state ownership, state ownership of key basic industries, banks and insurance. He emphasized that there should be constitutional obligations on the state to undertake developmental measures and the participation of depressed classes to influence the government policies through representation in legislatures, executive and public services in the form of reservation policies. Despite all of these views, the policies and measures implemented by government have either little or not of much impact to improve the socio-economic status of scheduled castes. According to the Report of Planning Commission, the percentage of population of scheduled castes below poverty line in rural and urban areas in 1993-94 at all India level was forty eight percent and forty nine percent which came down to thirty six percent and thirty eight percent in 1999-2000 while for all it was thirty seven and thirty two percent respectively, which shows that the impact on scheduled castes is not so good as compared to the impact on the entire economy (GOI 2006) <sup>[9]</sup>.

According to the Report of NCRWC (2002), the Indian economy has grown considerably, since independence. Introduction of new technology, modernization of agriculture, rapid industrialization, and the production of a whole new range of goods and services have led to a significant expansion of the economy. In a nation's economic growth, regional disparities in the rate of development arise through spread effects and backwash effects and the growth leaders almost always keep ahead. Further, the benefits of growth under a free market system are unevenly distributed, accentuating the already marked inequalities between the different social groups (Sivanandan 1976) <sup>[46]</sup>.

The initiation of economic reforms in 1991 such as abolition of licensing system and reforms in the banking and finance sectors have led to further economic growth. However, the study refused to consider development merely in terms of

increasing per capita income and economic growth. It admitted the ideas of Amartya Sen that the level of Human Development achieved should be a criterion for evaluating process. Human development means expanding the freedom of and assuring human rights to all people so that they have the capability to lead the kind life they value. Human development, therefore, means attaining freedom from fear, repression, discrimination and exploitation, freedom to lead a life of dignity, freedom from hunger and ignorance and freedom to participate in the decision making in an informed and intelligent manner. The study observed that scheduled castes and scheduled tribes who are merely a quarter of the Indian population have not attained that level of human development during the last five decades as their standard of living has not improved as much as it should have been during the last sixty five years of independence. The extent of deprivation became more intense, and was further entrenched through the institution of untouchability. It is this institutionalized exclusion of the low castes untouchables, from access to economic rights, civil rights and human development, which has caused severe poverty and deprivation among them (Thorat 2004) <sup>[53]</sup>.

Thorat (2004) <sup>[53]</sup> is of the view that presently the level of expenditure on human development is much below the stipulated 6% GDP mark. For millions of poor students located in the rural areas the loan schemes do not seem to work. There is a need to develop an affordable, uniform and better quality public educational system up to the university level. Public education system is our strength and needs to be further developed. The gradation and hierarchy that we have introduced in the private education sector at rapid rate should be discouraged and public education system should be strengthened in terms of infrastructure, quality of teachers, and other facilities. Vocational training too, should be made part of the normal education system.

### Conclusion

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.

It can also be observed that household size and poverty rate are inter-related. Therefore, a lower household size can be recommended for reduction of poverty amongst SCs. On the other hand, literacy rate and poverty rate are inversely related. Hence, any effort to educate SC population will help in the reduction of poverty in scheduled castes. The occupational distribution and poverty among SC have also direct bearing. The poverty rate among SC is low if they are in private or in government jobs and high if they are self-employed or working as agricultural and non-agricultural laborers. Since, private or government jobs can be available only if they are highly educated and trained. Hence, efforts should be made for special training facilities for SCs so that they may become more competitive and employable.

The poverty among SC in rural area is very acute since most of the SC households are either landless laborers or farmers belonging to the category of marginal and small farmers who have less than 2 acres of land. It is due to this small landholding that most of the SC farmers are poor. Hence there is need of the re-orientation of the distribution of landholdings in India in favor of SCs. It is distressing to note that the percentage of SC cultivators from 1961 to 1991 is on the decline while the percentage of SC agriculture laborers is on the increase. It is due to the declining share of land owned by SC farmers as compared to other caste farmers and consequently, the SC cultivators turned into agriculture laborer. Such a tendency is against the spirit of anti-poverty programs for scheduled castes. This tendency can be checked only through legal procedure which empowers SCs to buy land and discourage them to sell it.

The percentage of SCs in high grade government jobs is also low which reflects that suitable efforts have not been made to encourage SC population for officer grade government jobs. It may also be due to low rate of literacy among SC because literacy rate is only 28.5 in Bihar and 37.6 percent in Jharkhand which is much below the literacy rate for India. Similarly, the drop-out rate of SC student, especially for girls is also high as compared to the drop-out rate for others. It shows the lack of incentive schemes to be introduced in all the states for SC students.

On the basis of all these statistical investigations, it can be observed that the socio-economic conditions of scheduled castes over the last sixty years have changed but not at the desired rate. Consequently, poverty still exists. Their situation is worse than others. There is continuing discrimination and historically given poverty among scheduled castes.

## References

1. Ahluwalia M. Economic Performance of States in Post-Reform Period, *Economic and Political Weekly*. 2000; May 6:1637-1648.
2. Chanana K. Accessing Higher Education: The Dilemma of Schooling Women, Minorities, Scheduled Castes and Scheduled Tribes in Contemporary India, Higher Education, Perspectives on Higher Education in India. 1993 Jul;26(1):69-92.
3. Charles B. 'Life and Labour of the People in London', Published by Macmillan and Company, Limited, New York. 1902.
4. Chatterjee C, Gunjan S. Vulnerable Groups in India, CEHAT Publication, Mumbai. 2007.
5. Chetty VBK. Scheduled Castes and Development Programs in India, 'Vohra Publishers', Delhi. 1991.
6. Ghosh PS. "Positive Discrimination in India, ICSSR, New Delhi. 1996.
7. GOI. Planning Commission, Government of India, The First Five Year Plan. 1953, 10.
8. GOI. Primary Census Abstract, Census of India Report, New Delhi. 2001.
9. GOI. Scheduled Castes Sub Plan: Guidelines for Implementation, Planning Commission, New Delhi. 2006.
10. GOI. Selected Labour and Employment Statistics, Ministry of Labour and Employment, Government of India. 2008.
11. GOI. Ministry of Finance, Department of Economic Affairs, Government of India, Mid-Year Review. 2008-2009.
12. GOI. Report of the Expert Group to Review the Methodology for Estimation of Poverty, Planning Commission, New Delhi. 2009, 1.
13. GOI. Report of Planning Commission, New Delhi. 2005, 2009.
14. IAMR. 'Institution of Applied Manpower Research', Narela, Delhi. 2007.
15. IRTB. Evaluation of National Rural Employment Guarantee Act, IIT, Chennai. 2009.
16. ILO. Gender, Poverty and Employment: Turning Capabilities into Entitlements, Geneva, Switzerland. 1995.
17. Jain LC. Emancipation of Scheduled Castes and Tribes: Some Suggestions, *Economic and Political Weekly*. 1981 Feb 28;16(9):325-332.
18. Joseph K, Sumption J. 'Equality', Published by J Murrey, University of California, USA. 1976.
19. Joshi B. Scheduled Castes Voters: New Data, New Questions, *Economic and Political Weekly*. 1981, XVI(33).
20. Joshi P. Perspectives on Poverty and Social Change: The Emergence of the Poor as a Class, *Economic and Political Weekly*. 1979, 355-366.
21. Kamat AR. Education and Social Change amongst the Scheduled Castes and Scheduled Tribes, *Economic and Political Weekly*. 1981 Aug 1;16(31):1279-1284.
22. Krishna A, Kapila M, Porwal M, Singh V. Falling into Poverty: The Other Side of Poverty Reduction, *Economic and Political Weekly*. 2003 Feb 8, 533-542.
23. Krishna A, Kapila M, Porwal M, Singh V. Falling into Poverty in a High Growth State: Escaping Poverty and Becoming poor in Gujarat Village, *Economic and Political Weekly*. 2003a; Dec 6:5171-5179.
24. Kumar D. The Affirmative Action Debate in India, *Asian Survey*. 1992 Mar;32(3):290-302.
25. Kumar A. Freedom from the Perspective of the Poor, *Vidyajyoti*. 1999;61(9):617-629.
26. Kumar A. Consequences of the Black Economy, *The Black Economy in India*, Penguin Books, New Delhi. 2002, 155-192.

27. Kumar A. Growth Scenario: Is the Common Man in the Picture? Alternative Economic Survey, India 2004-05. Danish Books, New Delhi. 2005.
28. Mandal CB. Protective Discrimination Policy, Abhijeet Publications, Delhi. 2009.
29. Mary Jo Bane. Poverty, Policy and Politics, Harvard University Press. 2009.
30. Mayell H. India's Untouchables Face Violation, Discrimination, Published in 'National Geography', Washington, D. C. 2003 Jun 2.
31. Mead LM. Poverty: How Little We Know, The Social Service Review. 1994 Sep;68(3):322-350.
32. Meenakshi JV, Ray R. Regional Differences in India's Food Expenditure Pattern: A complete Demand Systems Approach. Journal of International Development. 1999;11:47-74
33. Meenakshi JV, Ray R, Gupta S. Estimates of Poverty for SC, ST and Female-Headed Households, Economic and Political Weekly. 2000 Jul 29, 2748-2754.
34. Michael SM (ed.). Dalits in Modern India: Vision and Values, Sage Publication, New Delhi. 1999.
35. Mines M. Hierarchical Society and Individual Autonomy in India, 'American Anthropologist'. 1988;90(3):568-579.
36. Nayak V, Prasad S. On Levels of Living of Scheduled Castes and Scheduled Tribes, Economic and Political Weekly. 1984 Jul 28, 1205-1213.
37. NCRWC (National Commission to Review the Working of the Constitution). Issues of Social Justice: Scheduled Castes, Scheduled Tribes and Other Backward Classes-An Unfinished National Agenda, New Delhi. 2001, 1-18.
38. NCRWC (National Commission to Review the Working of the Constitution). Pace of Socio-economic Change under the Constitution, Vigyan Bhawan, New Delhi. 2002.
39. Nolan B, Whelan CT. Resources, Deprivation and Poverty, Oxford Press, United Kingdom. 1996.
40. Pai S. Dalit Assertion and the Unfinished Democratic Revolution: The Bahujan Samaj Party in Uttar Pradesh, Sage Publication, New Delhi. 2002.
41. Pai S. Dalit Question and Political Response Comparative Study of Uttar Pradesh and Madhya Pradesh, Economic and Political Weekly. 2004 Mar 13, 1141-1150.
42. Panda PK. Female Headship, Poverty and Child Welfare: A Study of Rural Orissa, Economic and Political Weekly. 1997 Oct 25-31;32(43):WS73-WS82.
43. Pande R. Can Mandated Political Representation Increase Policy Influence for Disadvantaged Minorities? Theory and Evidence from India, The American Economic Review. 2003 Sep;93(4):1132-1151.
44. Pathak N. A Study of Special Component Plan in Enhancing the Income of Scheduled Castes by setting up village in cottage industry in Uttar Pradesh, Report Centre for Development Research and Action, Lucknow. 2002.
45. Shetty S. Growth of SDP and Structural Changes in States Economics: Interstate Comparison, Economic and Political Weekly. 2003 Dec 6, 5189-5200.
46. Sivanandan P. Economic Backwardness of Harijans in Kerala, Social Scientist. 1976 May;4(10):3-28.
47. Sowell T. Affirmative Action Around the World: An Empirical Study, Yale University Press. 2004.
48. Sreedevi N. Ninth Finance Commission's Index of Backwardness, Economic and Political Weekly. 1992 May 30;27(22):1157-1160.
49. Srinivasan K, Mohanty SK. Deprivation of Basic Amenities by Caste and Religion: Empirical Study Using NFHS Data, Economic and Political Weekly. 2004 Feb 14-20;39(7):728-735.
50. Sundaram K, Tendulkar S. Poverty among Social and Economic Groups in India in 1990s, Economic and Political Weekly. 2003 Dec 13.
51. Thorat S. Social Security in Unorganized Sector in India: How Secure are the Scheduled Castes? The Indian Journal of Labour Economics. 1999;42(3):451-470.
52. Thorat S. Oppression and Denial: Dalit Discrimination in the 1990s, 'Economic and Political Weekly'. 2002;37(6):572-577.
53. Thorat S. Marginalized Groups and the Common Minimum Programme, Social Scientist. 2004 Jul-Aug;32(7/8):70-75.
54. Thorat S, Mahamalik M. Persistence Poverty- Why Do Scheduled Castes and Scheduled Tribes Stay Chronically Poor, paper presented at CPRC-IIPA Seminar on 'Chronic Poverty: Emerging Policy Options and Issues'. 2005.
55. UN. UN Economic and Social Council, 2008, Implementation of International Convention on Economic Social and Cultural Rights, Fortieth Session in Geneva. 2008 Apr 28-May 16. (Switzerland).
56. Veit-Wilson J. 'Poverty and the Adequacy of Social Security', Veit-Wilsons Publication, Newcastle University, U.K. 1998.
57. Velaskar P. Unequal Schooling As a Factor in the Reproduction of Social Inequality, 'Sociological Bulletin'. 1992;39(1, 2):131-146.