

Scheduled Castes in the Indian Labour Market: Employment Discrimination and its Impact on Poverty

Authors:

Sukhadeo Thorat, S. Madheswaran, B. P. Vani

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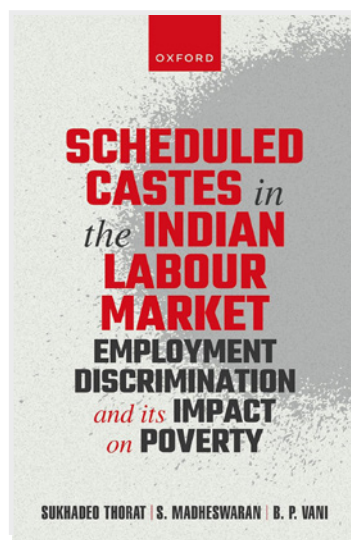
Reviewer:

Tauqueer Ali Sabri

Project Manager

Rosa Luxemburg Stiftung, South Asia

Email: tauqueer.sabri@gmail.com



The discrimination of scheduled caste in the labour market has been a matter of great concern. Various empirical studies and literature have attempted to understand the nature, forms and consequences of discrimination. The book by Sukhadeo Thorat, S. Madheswaran and B.P. Vani brings out an important account on the caste-based discrimination experienced by Dalits in the labour market. The authors systematically analyse the nature and forms of discrimination in the labour market. The book successfully attempts to quantify the magnitude of discrimination and its consequences on labour market outcome to the former untouchable, i.e. scheduled caste. Based on the latest NSSO data findings and employing rigorous statistical techniques such as decomposition methods, the book makes an important understanding on caste-based inequality and prejudices in wage and employment. Indian society is divided on the basis of caste and religion. Marginalised communities face discrimination on the basis of social groups they belong to rather than their individual characteristics. Social exclusion and discrimination often manifests in social and economic transactions and affects the socio-economic wellbeing of socially excluded communities. Due to denial of basic rights for livelihood, the socially marginalised communities are forced to live in acute poverty.

The analysis in the book is the further addition of the work on labour market discrimination done by the author (Thorat & Attewell 2007). In his seminal work, the author examined the nature and form of discrimination in job applications in the private sector in India. The author in his previous work on economic discrimination had systematically analysed the role of caste-based prejudices and stigma in reducing employment opportunities for the Dalit labour force in India. The analysis in the book highlights that social identity-based discrimination and wage disparity have not reduced despite the affirmative action policies (Duraismy & Duraismy 2017).

The book is divided into eleven chapters. The authors introduce the book by contextualising the role of the caste system and its impact on livelihood opportunities for people on the margins. The book presents a historical account of the exclusion of untouchables in employment opportunities. Analysing the caste-labour relations, the authors argue that untouchables faced deep-rooted discrimination in accessing equal wage and employment opportunities. Along with statistical evidence of caste-based discrimination, the book provides detailed theoretical discussion on the economics of caste-based discrimination in the labour and wage market. Critiquing the academic discourse of studying labour market discrimination, the authors highlight that caste discrimination in employment has been systematically neglected in mainstream research. The research on caste-based discrimination had failed to recognize the problem seriously and ignores the discrimination factors in employment. Besides, most of the research had failed to differentiate the nature of discrimination in the public and private sectors. It is noteworthy that this book provides comprehensive discussion on both private and public sector employment. Explaining the classical economic theories of discrimination, the authors provide useful insights on the causes and consequences of employment discrimination and contextualise these theories in the Indian context. One of the unique contributions of this volume is that it has successfully innovated and modifies the western theories of market discrimination in the context of caste in India. Apart from theories of economics of discrimination, the book also provides crucial insight on Dr Ambedkar's theoretical perspectives on caste-based discrimination in employment, wage and occupation. The book also provides a deep understanding of the econometric methods of measuring discrimination in the labour market and its impact on income and poverty for Dalits in India. The statistical techniques used in the volume help to validate the arguments on how social group identity determines access to labour market and the impact of discrimination in reducing the wage and income for marginalised social groups. The authors estimate the impact of wage and labour market discrimination in reducing income and thereby increasing the probability of Dalits falling into poverty. Analysing the labour force and workforce participation by social groups, the book highlights that former untouchable castes have to face both exclusion and inclusion. While they are excluded from the self-employed as well as high paid jobs, they are often forcefully included in low paid manual work. The empirical results discussed in the book provide conclusive evidence regarding the occupational segregation of scheduled caste in low paid and elementary occupations. The book provides comprehensive discussion on

employment discrimination experienced by the scheduled caste in the labour market. Through decomposition econometric techniques, the authors attempt to understand the role of human capital endowments and discrimination in explaining difference in access to employment between scheduled caste and upper caste. Thus, quantifying the caste-based advantage to the upper caste and disadvantage to scheduled caste, the book brings out that the discrimination in the probability of access to employment is much higher in the private sector in comparison to the public sector. The book also provides an important read on policy suggestions to eradicate discrimination in labour market. The authors argue that improvement in investments in human resources would certainly have significant impact on labour market opportunities but would not be sufficient to protect scheduled caste from discrimination. The authors also suggest various measures to reduce discrimination such as changes in the policies both in public and private, legal safeguards against discrimination and most importantly the need for reservation in the private sector.

The book also explores unemployment discrimination encountered by scheduled caste in the labour market. Discussing caste-wise disparity in the employment rates, the authors explain that the unemployment rate is higher for scheduled caste as they suffer both open and under-employment than other social groups. The book also questions the concept of demographic dividend in India by critically analysing youth unemployment and under-employment specifically youths from marginalised social groups. Explaining the distressful situation of employment among the scheduled caste, the authors argue that scheduled caste youth not only suffer higher unemployment but also encounter longer waits for employment despite having higher education than upper caste. Also, the likelihood of remaining unemployed is higher in urban areas than rural areas. It is imperative to not only enhance higher education particularly professional skills among scheduled caste youths, but also take policy measures such as deterrents to caste discrimination in hiring and equal opportunity in employment. Another critical question which is addressed by the book is wage inequality experienced by scheduled caste workers while accessing labour market. The decomposition analysis implied in the book provides empirical evidence that social identity such as caste affects the wage inequality through discrimination and limited access to education and professional education. Importantly, inequality in wages is lower in low paid jobs where the scheduled caste is segregated and wage gap is higher in tertiary sector employment, particularly in the private sector. Lack of safeguards and regulations against caste discrimination in the private sector further aggravates the problem of wage inequality for Dalit workers. Historical injustices in the form of denial of right to capital assets and education continue to adversely affect the employment and wages to Dalit youths. Apart from affirmative policies, measures such as reparation to the Dalits are critical to address the legacy of caste-based injustices. The authors also question the claim made by the private sector regarding merit and denial of discrimination by providing evidence of discrimination in hiring as well equal wages for Dalits. The upward mobility in the job hierarchy in the private sector is marred by discrimination in wage earning faced by scheduled castes. There is constraint in terms of the upper limit of

a Dalit moving into higher paid jobs due to caste discrimination. Thus, the statistical analysis in the book provides systematic evidence of occupational discrimination and wage discrimination faced by Dalit workers while accessing the labour market. A Dalit worker has to face inequality in access to certain occupations and also unequal wages within the given occupation.

The book also makes significant contributions in analysing the impact of discrimination in employment and subsequent loss of income due to wage discrimination on the poverty of scheduled castes in India. The econometric exercise related to employment and wage discrimination in the book reveals that despite having similar endowments, the probability of employment is lower for scheduled caste workers than upper caste workers. Loss of employment opportunities and equal wages due to discrimination further aggravates the economic distress of scheduled caste households and pushes them into the poverty trap. The authors argue that apart from endowment measures to reduce poverty, eradication of discrimination in wage and employment would reduce poverty by 40 per cent. This is quite significant in terms of policy formulation for the eradication of poverty among socially marginalised groups. Thus, apart from increasing the ownership of agriculture land and capital and education, it is essential to formulate a policy for eradication of caste-based discrimination to check the menace of high incidence of poverty among discriminated social groups. The book provides a critical understanding of the high incidence of poverty among scheduled caste and suggests policies to overcome the problem. Ironically, scheduled caste continues to face restrictions in the occupations which were denied to them historically. The authors argue that in order to reduce inequality between scheduled caste and high caste, there is need for reparation or compensation along with affirmative action on education and employment.

To conclude we can say that the book is an important read due to its critical engagement and initiation of a dialogue on inequality and discrimination in the labour market.

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