

Caste in a different mould: Inter-caste inequality is falling as education levels rise

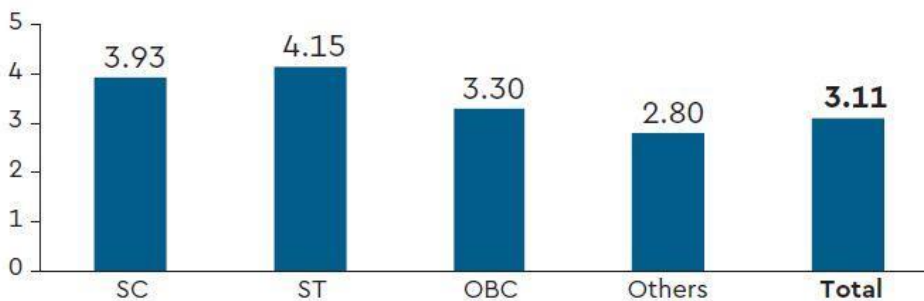
By: Sunil Jain | Updated: February 11, 2019 3:12 PM

As in the past, even upper-caste families in poor-growth states fared worse than SC/ST in high-growth states, and vice versa

Now that elections are round the corner, though some caste-based parties like the Bahujan Samaj Party (BSP) and the Samajwadi Party (SP) are trying to sink in their differences to take on the BJP, there is little doubt that caste divides will be exaggerated and exploited in order to get votes by each political party. Indeed, caste rivalries will be accentuated since many are trying to show—and the BJP is trying to show that this is not true—that the new 10% upper-caste quota is going to reduce reservations for the SC/ST/OBC groups.

A.1: Every caste group is better off

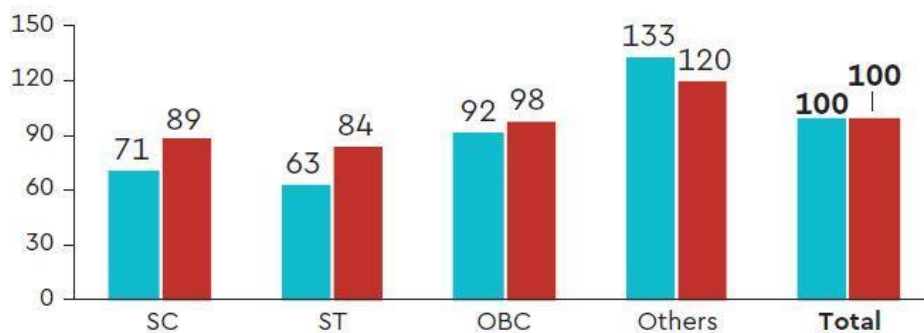
(Family income in FY16 vs that in FY05)



A.2: Differences across castes are a lot less

(Ratio of income in each caste group to all-India income)

2004-05 2015-16



And while it is not clear whether the BJP will be able to ensure this happens before the elections, its plan to sub-categorise the OBCs, to allow non-powerful castes to also get the

benefit of reservations—instead of mostly the Yadavs and the Kurmis in, for instance, Uttar Pradesh— will also accentuate caste rivalry. The Justice Kumar committee in Uttar Pradesh, according to a report in *The Times of India*, has suggested that the 27% quota meant for OBCs be split up and, of this, just 7 percentage points (roughly a fourth) be given to powerful backward castes like Yadavs and Kurmis—Yadavs are the core base of the Samajwadi Party while Kurmis are the support base of BJP ally Apna Dal. While there is a valid case for the sub-categorisation—the Justice Kumar committee says both Yadavs and Kurmis are culturally, economically and politically powerful—the immediate issue is whether groups like the Yadavs and Kurmis will just roll over and let this happen or whether this will snowball into a larger conflict.

Data sourced from People Research on India’s Consumer Economy (PRICE), an independent not-for-profit research centre, shows that while there were, as expected, differences in the incomes of families in each caste group in 2015-16, this matters less than, say, the industries in which these families are occupied, economic growth in the states that they live in, their education, whether they live in rural or urban areas, small towns or big towns, etc. While this is something the NCAER survey also showed in 2004-05 (see ‘Caste in a different mould’, goo.gl/fPrmhe), as the PRICE survey for 2015-16 shows—both surveys were conducted by Rajesh Shukla who now heads PRICE—this is even more true today.

B.1: Caste matters less than location, high-growth states

(Ratio of FY16 income to FY05 income)

High-growth states

States	SC	ST	OBC	Others	Total
Kerala	6.26	3.08	4.83	4.10	4.62
Andhra Pradesh	5.37	8.55	4.45	3.67	4.40
Tamil Nadu	4.57	8.40	3.35	2.92	3.53

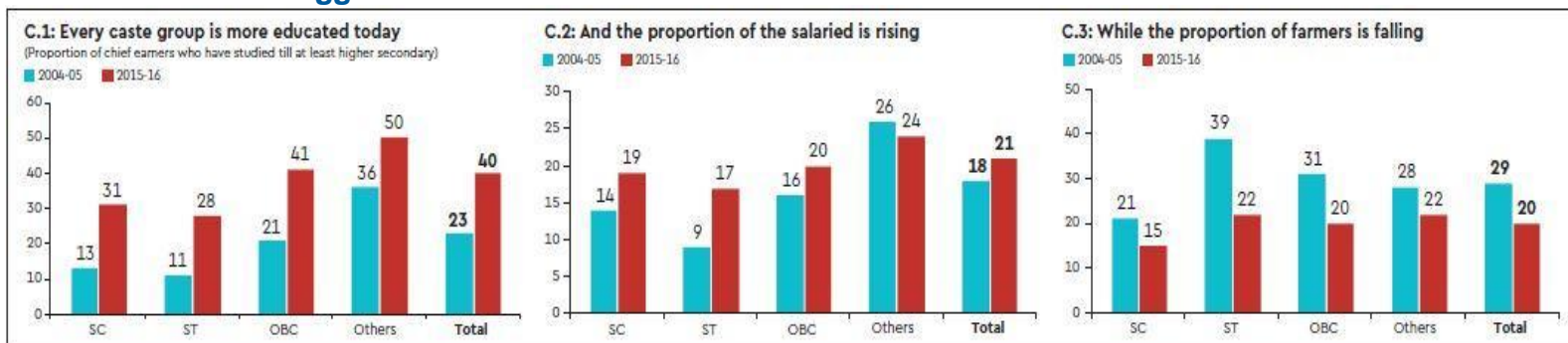
B.2: Caste matters less than location, low-growth states

(Ratio of FY16 income to FY05 income)

Low-growth states

States	SC	ST	OBC	Others	Total
Uttar Pradesh	3.65	3.63	3.10	2.91	2.97
Odisha	3.38	3.35	2.39	2.68	2.53
West Bengal	2.90	2.62	2.73	1.85	2.15

Also Read: Hero Motocorp Rating 'Hold': Performance on expected lines; EPS down due to sluggish demand



Over the next few weeks, this newspaper will try and bring different aspects of PRICE’s 2015-16 survey that relate to caste dynamics. The first and most important trend shown up by juxtaposing the findings of both surveys is that inter-caste inequalities, at least when it comes to incomes, have reduced dramatically over time. This is very positive and augurs well for the removal of caste-based quotas, provided the political class wants to remove them. A PhD thesis by Ishan Bakshi (goo.gl/vMNSPd), for instance, used NSS data and finds that, over time, educational inequality reduces across generations. It finds that if a parent in rural India had studied till just Class V—this includes illiterates—there was a 58% chance his child also studied till this level in 1983; this fell to just 29% by 2009-10. Even better, while there was a 1% chance the child of such a parent could have passed Class XII in 1983, this rose to 14% by 2009-10. And this trend holds true whether a parent is poor or rich.

In 2004-05, the NCAER data showed that, on average, SC households earned around 71% of the average earned across all caste groups (see graphic A.2). In the case of ST households, they earned a lower 63%; that is, if the average household earned Rs 100, the SC household earned Rs 71 while the ST one earned Rs 63, the OBC earned Rs 92 and the Upper Caste (UC) earned Rs 133. While the average household income in 2004-05 was Rs 65,041, an SC household earned Rs 45,889, Rs 40,753 in the case of ST, Rs 59,741 for OBC and Rs 86,689 for UCs.

This, by the way, is hardly representative of the deep discrimination that people talk about; more so since, as we will see, caste is not the main deciding factor for income levels. But even this has reduced dramatically. In 2015-16, while household incomes had risen 3.11 times on

average across all caste groups (see graphic A.1), the average SC household was earning 89% of what the average Indian was while the average ST household was earning 84% and the OBC 98%; the UC was still earning more than the average, but less so than that in the past.

Not surprising, since caste in itself is not as important a determining factor as various caste-warriors make out to be, one of the biggest differences in incomes emanates from the state in which families are located, and that holds true for all caste groups. Take the case of Kerala where the 2015-16 household incomes were, on average, 4.62 times of what they were in 2004-05. Even SC households here saw their incomes rise 6.26 times over that in 2004-05; in the case of the low-growth Uttar Pradesh, by contrast, UC households saw their average incomes rise by just 2.91 times in the same period (see graphics B.1 and B.2).

Equally interesting, is the big improvement in education qualifications across all caste groups (see graphic C.1). So, in the case of SC households, while just 13% were headed by people who had studied till at least higher secondary in 2004-05—as compared to a much higher 36% for upper caste households—this rose to as much as 31% in 2015-16. While around half of upper caste households in 2015-16 were headed by people who had studied till at least higher secondary by then, the gap has steadily fallen—2.8 times as high a proportion of upper caste households were headed by at least someone with a higher secondary degree as compared to SC households in 2004-05, but by 2015-16, this had fallen to 1.6 times.

The change in household incomes due to education is the best indicator of the fact that caste is not as important as is made out. In 2015-16, incomes for households headed by illiterates were Rs 90,285 for SCs and not too different at Rs 93,756 for UCs. But when an SC household was headed by a graduate or above, the income rose to Rs 303,680, or 3.36 times.

Equally interesting, the proportion of households that are salaried has increased across the board for all caste groups, but the increase is the highest for STs where this rose from 9% to 17% between 2004-05 and 2015-16 (see C.2). It is also ST households where (see C.3) where the sharpest fall has taken place in households that are engaged in farming; from 39% in 2004-05, this fell to 22% in 2015-16.