

POVERTY AND
SOCIAL EXCLUSION
IN INDIA

Maitreyi Bordia Das

Background

- Question: what has happened to traditionally excluded groups during a period of rapid growth?
- Focus on Scheduled Castes (SCs), Scheduled Tribes (STs) and women – there are other major groups e.g.: Muslims, people w/disabilities, OBCs
- Not a comprehensive review – taking specific topics to add to the formidable body of literature
- National Data – NSS, NFHS, and qualitative work

Not just outcomes but processes

- Income poverty and inequality are elements of social exclusion but don't capture the essence
- Even where Gini coefficients do not show high levels of inequality, there could be serious exclusion of some groups
- Not just unequal opportunity but rules of exchange and practices that “keep groups out”
- No tight conceptual framework but an attempt to show that the “unobserved” in fact could be quite “significant”
- But hard to capture processes – standard decompositions do not do the trick

Global dimensions

- Excluded groups are usually ethnic or religious minorities. Other markers are gender, disability status, sexual orientation, age.....
- Stigma and stereotyping
- Roma in Eastern Europe and Central Asia; people of African descent in Brazil; Indigenous people in LAC
- Among the most egregious are norms ratified by philosophical traditions – caste in India and Nepal
- But “exclusion” can mean different things to different people.

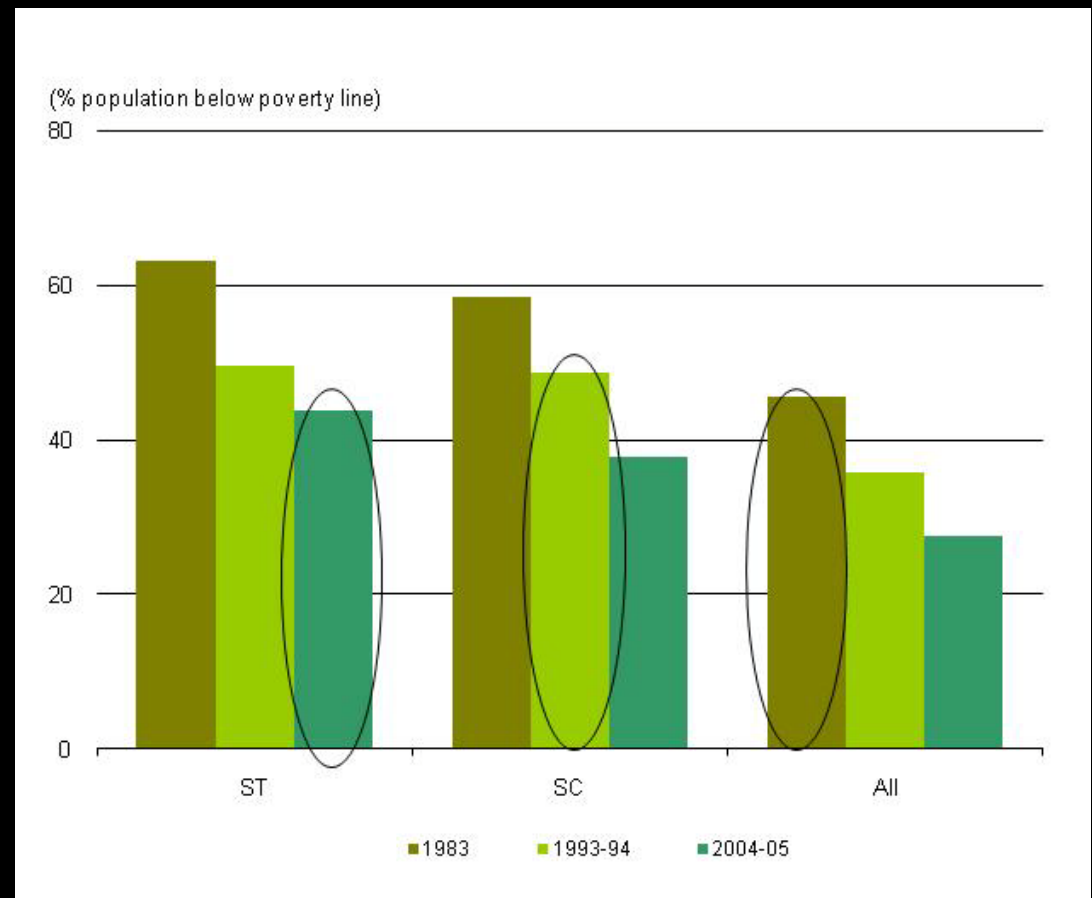
Outline of Presentation

- Look at some of the starkest markers of exclusion that surface in the national discourse
- Scheduled Tribes
 - Poverty and deprivation
 - Excess mortality of tribal children
- Scheduled Castes
 - Poor labor market outcomes
- Women
 - Poor health and survival outcomes
 - Physical insecurity
 - Disadvantage in the labor market

Scheduled Tribes

Poverty has fallen for all: But Scheduled Tribes (STs) in 2004/05 were 20 years behind the average population

- 2004-05: poverty levels among STs (44%) resembled poverty levels experienced by the average population 20 years earlier
- Relatively slower declines in poverty meant that concentration of STs in the poorest deciles of the population increased
- In most states with high tribal populations, poverty rates for STs were higher than the average tribal poverty rate across the nation as a whole (e.g. Orissa -75%)



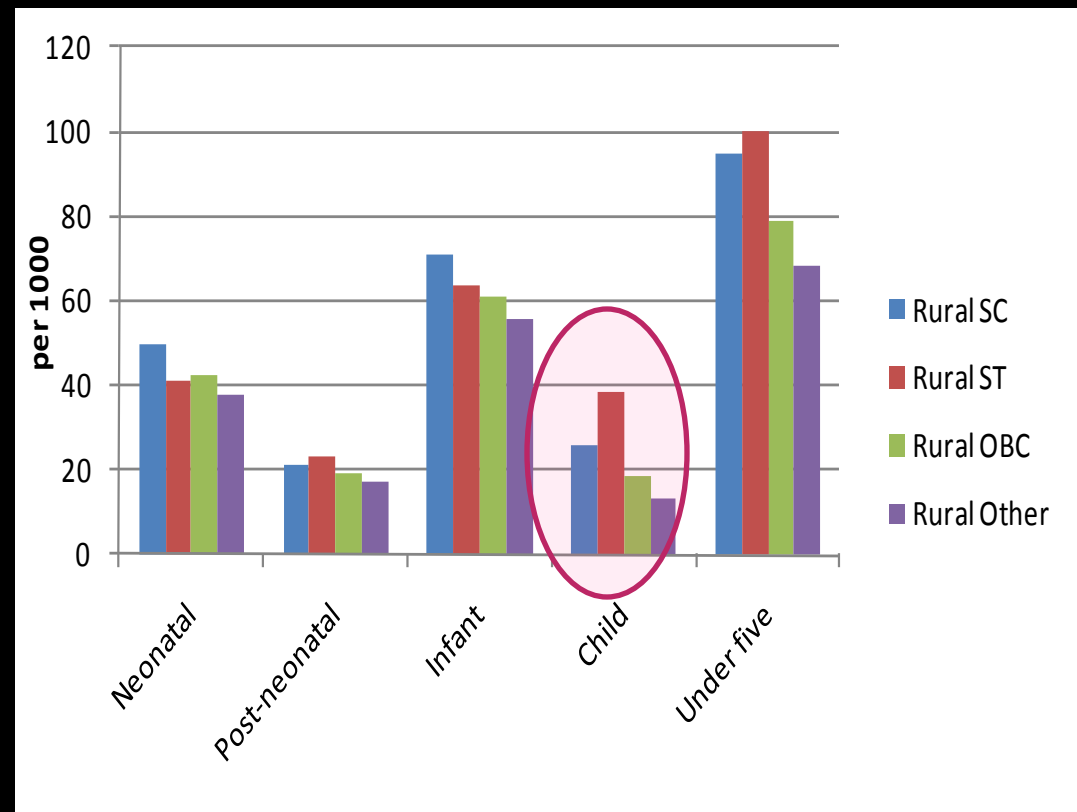
Source: Staff estimates based on NSS and official poverty lines

Child Mortality: Stark marker of tribal deprivation

- STs have higher child mortality rates than the rest of the population - nearly 96 tribal children dying for every 1000 births, compared to under-five mortality of 74 per 1000 for the average Indian child (NFHS, 2005)
- ST children make up nearly 12% of all children below the age of 5 in rural areas; but account for 23% of all deaths between age 1 and 5 i.e. a disproportionate number of children dying in rural areas, are tribal children
- Child mortality rates have stagnated among STs in rural areas over successive NFHS rounds

Tribal children start to fall behind after the age of one

- Breaking down under-5 mortality by age, we find that tribal children are on par with others at birth, but fall well behind by the time they are five years old
- This divergence is more striking when compared with SC children who also face disadvantages
- **The result stays even after controlling for wealth**

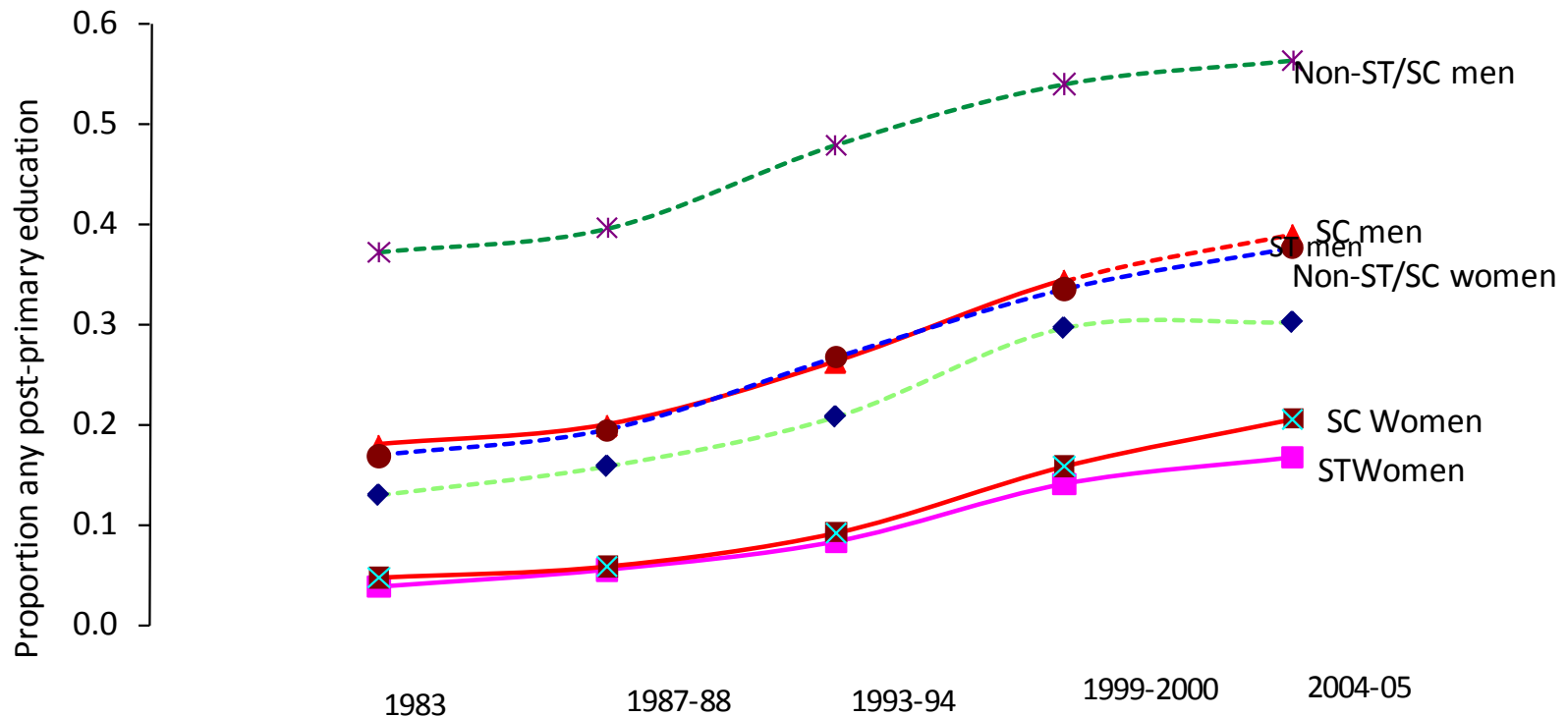


Scheduled Castes (SC)

Impressive expansion in post primary education for SC (men)

India: Change in post-primary education by caste and gender, 1983-2005

Calculations based on NSS thick rounds for working age population

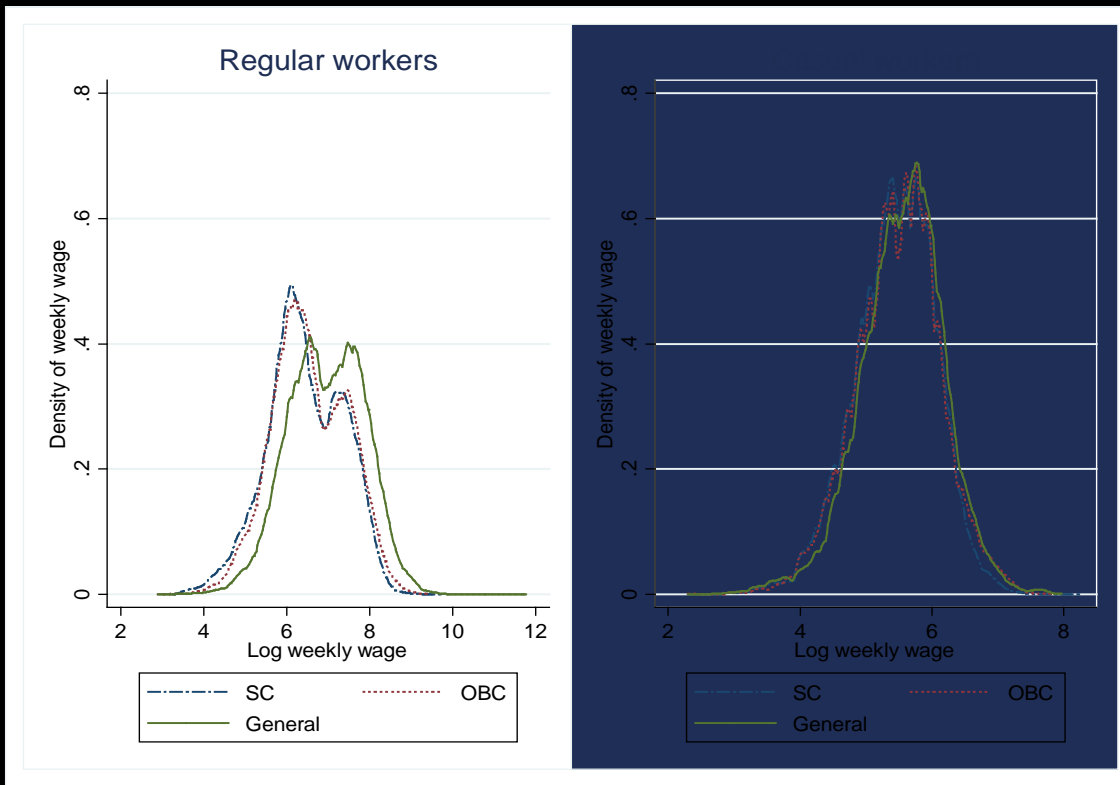


- But belief systems still affect outcomes such as performance in schools
- Ethnographic evidence points to isolation of SC children in the classroom

More likely to be employed but in complex labor market dynamics

- Over time, there has been small labor market transition for Dalit men - out of casual labor into self-employment
- Higher levels of education are associated with withdrawal from casual labor for all men
- BUT....the multiplied effects of caste and education suggest that an increasing supply of educated SC men may be leading to “rationing” of reserved, salaried jobs

Wage differentials between SC and other men



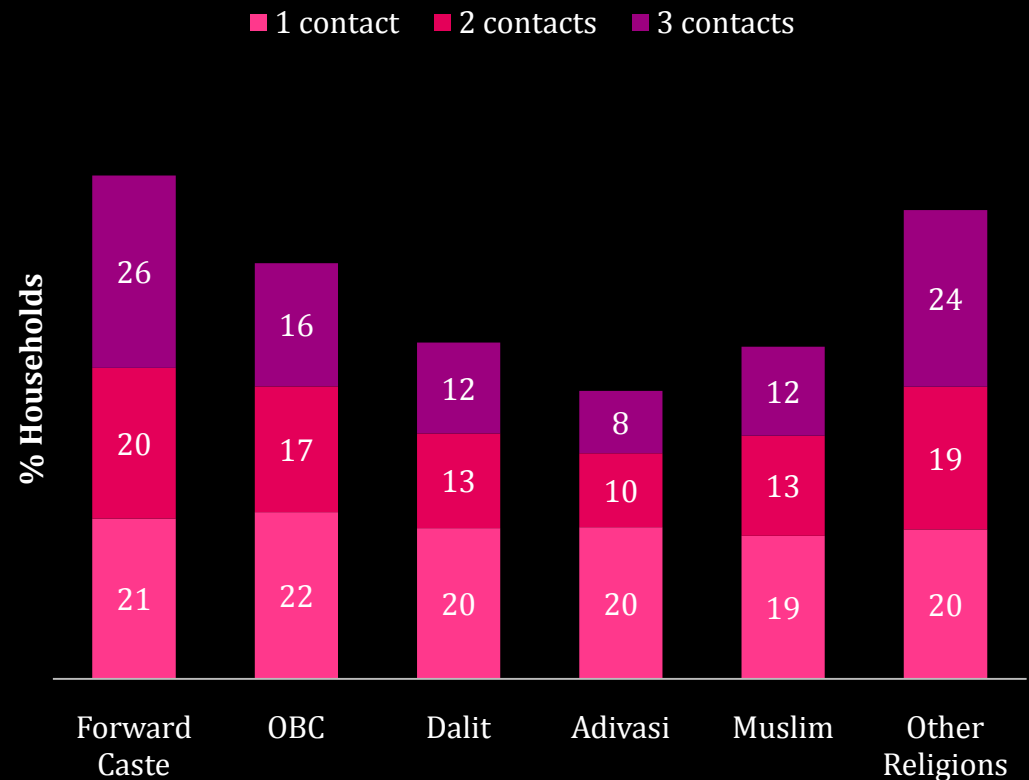
- 59% of the gap cannot be explained by endowment (education, age etc.)
- Wages are probably influenced by occupation more than anything else
- SCs are concentrated in low-end jobs - even in the public sector
- Recent work suggests subtle stereotyping in private hiring

Source: Staff calculations based on NSS 2004-05 data

SC entrepreneurship: Taking off, but stuck mostly in low end, informal enterprises

- Almost half of self-employed SC men engage in manual trade
- Poor access to networks and credit

Scheduled Castes have few contacts in the formal sector

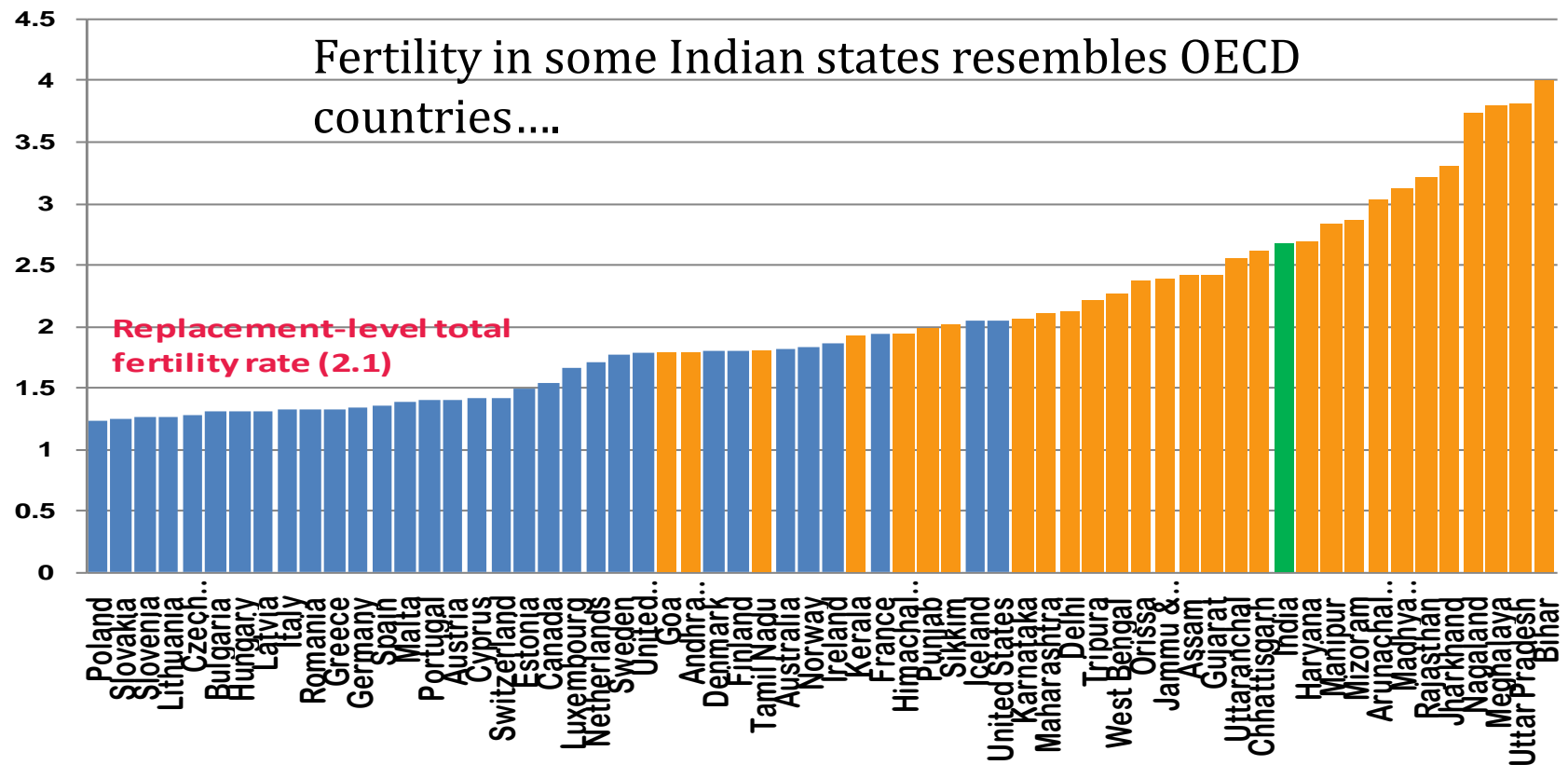


Source: Desai et al, 2004-05



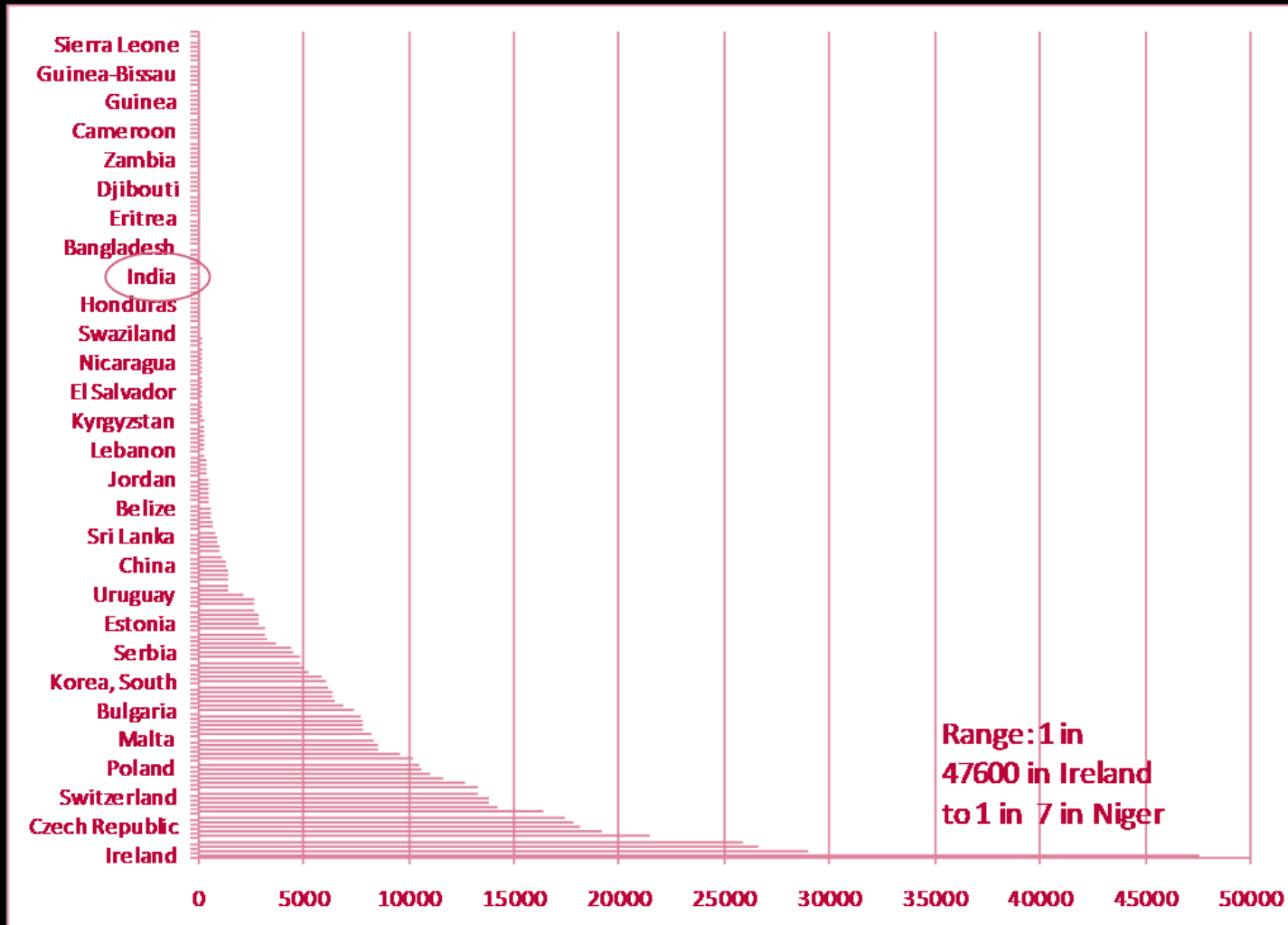
Women

Huge gains in human development, in voice and visibility



Source: DHS, Eurostat, StatCan, AUSSTATS, NFHS 2005

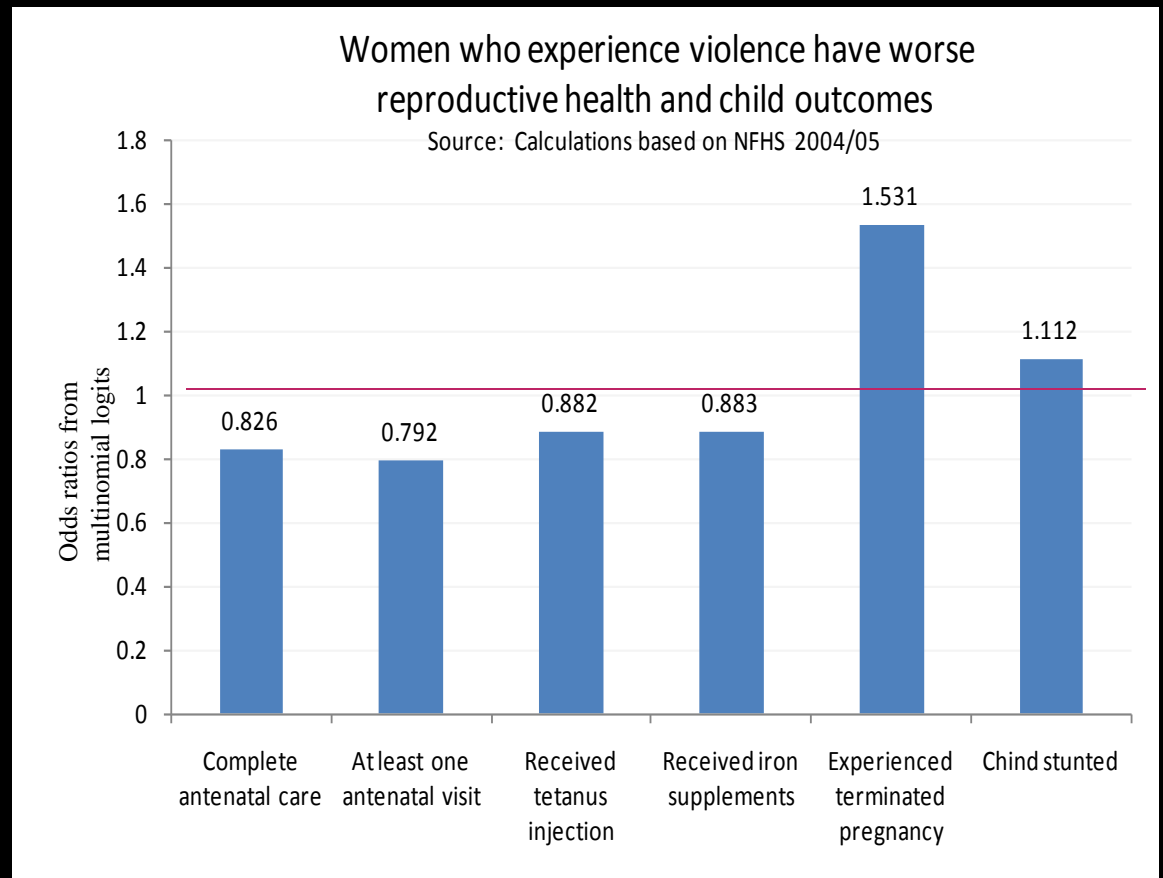
Yet, the risk of dying in childbirth in India is higher than in Swaziland or Honduras



Source: Population Reference Bureau (2008)

Is violence a “significant omitted variable” that explains poor reproductive health outcomes?

- Only half of all women receive three or more antenatal care visits
- Over 1/3 of Indian women reported having experienced spousal violence at some point, and about one-fourth had experienced violence in the year previous to the NFHS 2005-06
- Spousal violence is correlated with poor access to maternal health and poor child health outcomes



Source: Staff calculations based on NFHS 2005-06 data

Women's labor force participation rates have remained flat over time. Why?

- Labor force participation of women (15-59 yrs) has been steady at about one-third of population; stagnation driven by rural areas
- Huge diversity by states and by caste and tribal status
- Income effect?
 - Own education and husband's wages lower LFP
 - Unsuitable employment opportunities lead households to withdraw female labor if there is an earning member
- Or discouraged worker effect?
 - Inequalities in wages are additional disincentives for women to work
 - Women in the labor force are mostly self-employed and only 13 percent receive any wages at all
 - Those that do, their weekly wages are 71% of men's in salaried work, and 56% of men's in casual work
 - 72% of casual wage gap cannot be explained by education, location attributes etc.
- In reality its impossible to disentangle the two effects

In sum, then....

- There has been huge progress over twenty years but relatively speaking.....
- STs show the slowest pace of improvements in a range of areas;
- Caste seems to be reinventing itself in response to economic opportunities, but SCs are still held back by their initial disadvantage
- Female disadvantage in India persists particularly in health and in the labor market; violence has serious deleterious effects