

Evolution of Caste and Class Dynamics in India during Economic Growth in the Post-Reform Period

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Introduction

Among various dimensions of inequalities and exclusion such as gender, religion, region, race and ethnicity, caste and class continue to be the two most important components of the stratification debate in India (Deshpande, 2000; Thorat, 2013; Patankar, 2015; Bhowmik, 1992). There is a vast literature that highlights the central role that caste and class play in fostering and sustaining the process of social exclusion of a major section of the population in the economic, political and cultural spheres (Nayak, 2012; Patankar, 2015; Thorat, 2013; Vakulabharanam 2010).

The Indian economy has experienced rapid growth since the 1990s; a rapid, and to large extent sustained growth for most years since the late 1980s. The literature has discussed two contradictory views about the evolution of caste and class dynamics during the decades of high growth. On one hand, the benign view suggests that the process of liberalization and economic growth has been able to create an inclusive socio-economic environment where caste boundaries and class hierarchies have been diluted (Hnatkovska, 2011; Panini, 1996; Hnatkovska et al, 2012). However, in contrast to this benign view, there exists a voluminous literature that argues that the overall growth process has been exclusionary and inequalizing, i.e., some sections of the society have been able to reap the benefits of economic growth and advancement while some have been kept out of its purview. The SC's and ST's still have low socio-economic indicators and there has been persistent inter-group inequality in terms of income and consumption, as well as in

terms of access to education, healthcare, and better employment opportunities (Baru et al, 2010; Deshpande, 2000; Thorat and Mahamalik, 2006; Deshpande, 2008; Madheswaran and Attewall, 2007; Nambissan, 1996).

On the other hand, there are a number of studies in the literature that have discussed the existence of class based inequalities in India. Using an “occupation based” class-schema specifically designed for the Indian case, these studies suggest that there is significant inequality of opportunity in India. There is also considerable intergenerational persistence, especially in low skilled and low paying jobs. It has also been suggested that caste plays a significant role in determining the patterns of social mobility. Occupational mobility is lower for depressed castes as compared to upper castes. There has been a persistence of the fact that very few lower caste people are to be found in the high status jobs at the top of occupational hierarchy compared to the upper castes (Kumar, Heath and Heath, 2002; Vakulabharanam, 2010; Motiram and Singh, 2012; Kumar, Heath and Heath, 2002a)¹¹.

Some studies have suggested using the “intersectionality” framework to analyse the inter-connection or association between caste and class (Bhowmik, 1992; Kumar, 2010). However, in economics, there has been no explicit empirical work in terms of caste and class employing the intersectionality framework. Though there have been few empirical studies that try to analyse the caste-class relationship and the change in their interaction over time, they mainly provide evidence of the condition or status of caste-class relationship during their period of analysis. The literature fails to address the underlying mechanisms that result in persisting caste and class based inequalities or are the driving force behind the observed patterns of change. Since caste origins have been historically tied to specific occupations, these studies mainly use an “occupation-based class schema” to determine the intergenerational mobility patterns. They however do not take into account other dimensions of caste and class that shape the socio-

¹¹Broadly, in these studies the classes are divided into four categories namely: salariat (consisting of executives, managers, and professionals), business class (classified into business and petty business), manual labour (consisting of skilled/semi-skilled and unskilled labour) and agriculturalists (consisting of owner cultivators, tenant cultivators, and agricultural labourers). Though this class schema is not completely hierarchical in nature, one can place salariat and business class at the top of the ladder, whereas unskilled manual labourers and lower agriculturalists can be placed at the bottom. (For detailed discussion refer to Kumar, Heath and Heath, 2002a).

economic “status” and social experiences of people belonging to specific caste groups and class origins.

Objective

The objective of this study is to examine the empirical association between caste and class in times of economic growth. It also tries to enquire into the nature of the relationship between these two, i.e., to see if caste and class are just two inter-dependent forces or they mutually reinforce each other. This analysis then seeks to understand the importance of caste and class origins and their “interaction” in determining the social mobility patterns in India in the most recent times of growth. In an attempt to understand the above dynamics, this study tries to address the following question: Does the prevailing caste/class hierarchies necessarily imply that an individual of a particular caste group will always end up in a specific class position, with a specific set of opportunities, choices, and economic life chances? Or during the recent period of high economic growth the relationship between caste and class and their role in determining the life chances of the individual has been diluted?

Methodology

The analysis concentrates on the period 1999-2012 (the most recent decade of high economic growth), given that this period is covered by the comprehensive, disaggregated household level data from National Sample Survey Organisation (NSSO), comprising of the following four rounds – 55th round (1999-2000), 61st round (2004-2005), 66th round (2009-2010), and 68th round (2011-2012). The data set used for the study is not a panel. It is an independently pooled cross-section data for four time points. In order to convert the nominal values into real values, the consumer price index (CPI) for the year 2006 of rural workers has been used in the rural areas and that of industrial workers has been used in the urban areas.

To define caste, the generally accepted contemporary caste classification by the Government of India has been used, where the population is divided into four broad groups: Scheduled Caste (SC), Scheduled Tribe (ST), Other Backward Classes (OBC), and General or Forward Castes. Class, on the other hand, has been defined in various ways in different strands of literature.

Here, following the tradition of classical political economy (i.e., in the tradition of Smith, Malthus, Ricardo, and Mill, and their critique by Marx), I define class in a specific way – in terms of the position of an individual or a group of individuals within the process of production, appropriation and distribution of value added in the economy. In the urban sector classes can be broadly divided into the following four categories: self-employed (those who control the process of production, are involved in the actual labour and also are the recipients/claimants of their final produce), workers (those who actually perform the physical labour but cannot claim the final produce), professionals and managers (who perform a supervisory role in the labour process) and non-class/non-economic (those who are not involved in any economic activity as well as are not actively available for work such as students, pensioners, rentiers, disabled, remittance recipients etc.). There are intrinsic differences between people working in the manufacturing and services sector. Once this distinction is accounted for, the class of self-employed can be further divided into six sub classes namely own account worker in manufacturing and own account worker in services, employer in manufacturing and employer in services, and unpaid family worker in manufacturing and unpaid family worker in services. The working class can be divided into two composite classes, namely regular and casual workers in manufacturing and regular and casual workers in services. Thus, in the urban sector the detailed classification consists of 10 class positions.

The rural sector is first categorised into agriculture and non-agriculture at the broadest level. The agriculture sector can be further split into two broad categories namely the landed and the landless. Based on the amount of land owned, the landed category can be further subdivided into four classes- rich farmer, middle farmer, small farmer and marginal farmer/tenant. These four groups together constitute the farming/peasant class. Those who are landless but still work in agriculture, as they primarily derive their livelihood from it, are referred to as agricultural workers. The non-agricultural sector consists of non-agricultural workers, the rural professionals (e.g. government officials) and the non-agriculture self-employed. As in the urban areas, a section of the rural population falls into the non-class/non-economic category. The agricultural workers and the non-agricultural workers together comprise of the working class. The non-agriculture self-employed class can be further

subdivided into six categories (as discussed above). Thus, the detailed classification in the rural sector comprises of 14 class positions.

The above mentioned classes are defined using information about household characteristics, usual principal activity, particulars of the individual members of the household, occupational data obtained from National Classification of Occupations (NCO-2004) and the industrial classification codes obtained from National Industrial Classification (NIC-2004).

In order to track the evolution of the interdependence of caste and class over time, regression analysis has been used. Since caste and class both are categorical variables, a multinomial logit framework has been employed where class is the dependent variable and caste is one of the explanatory variables. It is important to note that the focus of the analysis is not to use economic growth as an explanatory variable, since growth doesn't impact the caste identity¹² and class position of an individual, and is also not impacted by them. However, it has been argued in the literature that there has been an expectation or hope that rapid growth and process of economic liberalization and modernisation may lead to dilution of the rigid caste boundaries and class hierarchies, thereby resulting in an improvement in the socio-economic outcomes of the depressed and excluded sections of the society (Hnatkovska et.al, 2012; Vaid, 2012). Hence, in the analysis, the attempt is to capture the caste and class dynamics by analysing the period which is the most recent decade of high economic growth.

A whole host of factors which might influence the class position of an individual have been controlled for. These include education, gender, monthly per capita expenditure (mpce), and state, which captures whether an individual resides in a less advanced (backward) or a developed state. All these variables are categorical in nature, except for mpce which is a continuous variable. First, a regression with explained set of controls is carried out which describes how the changes in each of these variables are affecting the class position of the individual. However, in order to capture the impact of caste over time, an interaction term has been added in the second regression.

¹²An individual is born into a particular caste group with a set of ascribed characteristics.

Results and Discussion

The multinomial logit estimation seeks to explain the relative probability of an individual ending up in a particular class position given his caste and attributes set. Labour and regular or casual workers (which represent the working class) serve as the base category in the rural and urban areas respectively. The coefficients of the multinomial logit model obtained from the analysis are significant and have the expected signs. The relative probability of SC's and OBC's belonging to the peasant class than in the labour class is 76% and 28% lower as compared to general category (controlling for all the other variables). Over the entire period of analysis the relative probability of an individual belonging to the peasant class rather than being in the working class has gone up by approximately 11% in the rural areas. The relative odds of being rural professionals or self-employed in non-agriculture sector rather than working as labour are much lower for ST's, SC's and OBC's relative to Others. Specifically, the relative odds of ST's and SC's being self-employed than working as labour are about 75% and 59% lower as compared to Others. However, the probability of SC's being rural professionals than working as labour in 2011-12 relative to general category in 1999-2000 has increased by approximately 32%. This effect is captured by the interaction term. In the urban areas as well there is a similar trend. The relative probability of ST's, SC's and OBC's being professionals or self-employed than being regular or casual worker is much lower as compared to Others (after controlling for all the other variables). The probability of ST's and SC's being self-employed than being regular or casual workers in 2011-12 relative to Others in 1999-2000 has decreased by 40% and 18% respectively¹³.

Conclusion

Caste and class continue to be two major components of economic and social stratification in India. They play a crucial role in strengthening and sustaining the process of social exclusion. Though there have been some improvements over the period of analysis in terms of movement across class positions, caste still appears to be influential in determining an individual's class position. Although there has been some dilution of the caste and class

¹³Detailed results are available in the longer version of the paper.

hierarchies during this period of high economic growth, the change has not been significant enough as had been hoped. Both the rural and urban areas have witnessed similar trends but the magnitude of the change is very different. Policies formulated need to take into account the differences in the rural and urban areas.

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