

## **NEITHER TO OWN – NOR TO BORROW**

### **Dalits and Discrimination**

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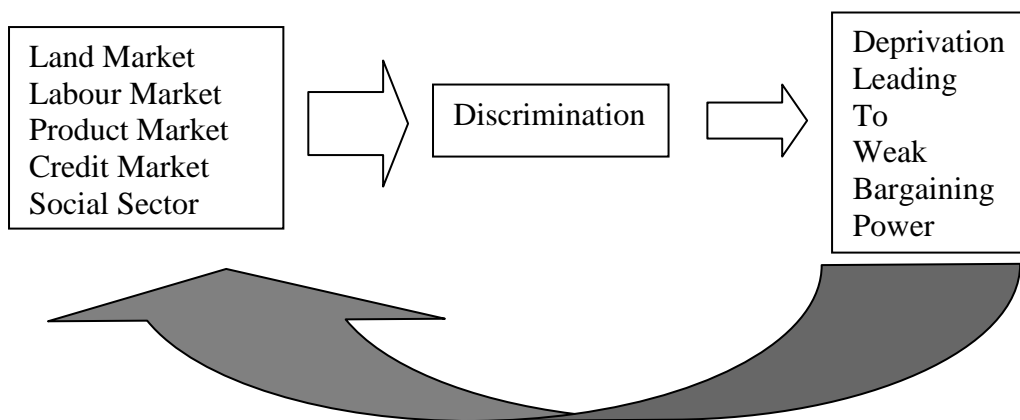
#### **Introduction:**

While I started preparing for this prestigious lecture I was reminded of the words of Dr Ambedkar when he defined first condition of democracy, I quote “The first condition which I think is a condition precedent for the successful working of democracy is that there must be no glaring inequalities in the society. There must not be an oppressed class. There must not be a suppressed class. There must not be a class which has got all the privileges and a class which has got all the burdens to carry” (Lecture delivered on 22<sup>nd</sup> December 1952, Dr Ambedkar Writing and Speeches Vol.17, p 475). It is well known that he lashed out at the graded inequality flowing from the Hindu Social Order as the major cause of inequality. This social order not only strengthened the economic interests of the upper strata but also widened and perpetuated inequalities (Thorat, 1996). The inequality did not just emerge out of inability in generating income or wealth but propelled by the appropriation of these by an intermediary class with the help of irrational social institutions. I am viewing the access to land, capital and credit by Dalits (depressed castes) from this comparative standpoint across social classes and in a dynamic perspective. The process of their asset holding is historically derived through centuries of deliberate discrimination and therefore analysable from a dynamic perspective at theoretical level (Thorat and Deshpande, 1999). But when it comes to the empirical verification, it is possible only in a comparative static framework. Asset holdings essentially indicate the economic position of the household or a group. These are determined partially by the current economic activities and largely a derivative of the cumulative operations in the labour, product and factor markets. It is through such process of continuous discrimination a cumulative asset position is created for Dalits as well as for the non-Dalits (high economic Power) (Thorat and Umakant, 2004). It is cumulatively strengthened through the vicious circle of weak asset position dictating bargaining power and that in turn deciding the gains (losses) in the market finally creating a further deterioration of the bargaining strength (Ambedkar, 1948). When we consider the analysis of the asset holding of dalit household the cumulative economic discrimination predominates in their current position of asset holdings. It is well established that market discriminations are observed in State sponsored programmes

(Kamble, 1995) labour (Ghanekar-Kajale, 1999), food security (Sridevi, 2006) as well as in the product markets (Adhav, 2005). This process of bigotry resulted in asset accumulation in a particular group, but more than that impoverished Dalits for no economic reasons and fault of theirs.

In the labour market a Dalit labourer is paid lower wages and has to work for longer hours. Moreover, only specific kind of work is allocated to them (Ghanekar - Kajale, 1999). Lower levels of wages do not allow any surplus in the household of a dalit agricultural labourer preventing any change from the rank of agricultural labourer to a cultivator. Often it works the other way round and the process of movement from cultivator household to land less is much stronger (Thorat & Deshpande, 1999). There are strong social and economic operands working in the process against enhancing the economic status of a dalit household from agricultural labourer to a cultivator. The fixation of their occupation under the caste system and confining them over generations under the low paid menial jobs (perpetuated through fixation of Minimum Wages!) did not provide any opportunity to them to go up in the economic scale leave alone owning any assets.

**Figure 1**



It is well documented that a dalit household cannot acquire land easily and further cannot retain the land if acquired (Thorat, 2002). Over years the trends in ownership and operational holding of land by the Scheduled Castes and Scheduled Tribes clearly indicate the operation of this process (Kamble, 1995). Lands to the Dalits were usurped and over years they are being pushed in the rank & files of landless and that is vindicated by plethora of empirical evidence.

In this lecture, I am attempting an exercise to look into the changes in the access to land and capital assets of Dalits as reflected from the wide surveys of land and asset holdings. This is an analysis from the comparative static perspective using the National Sample Survey

Organisation data. Land being the main productive asset of Dalits, I would first prefer to look into the disparity in the land asset. Here I tried to review two aspects namely the ownership of land and near-landlessness. It may be emphasised here that near landlessness is a major bottleneck for Dalits in their economic progress. Therefore, that forms an important part here. This is followed by an analysis of the non-farm asset holdings of this group. The weak position in the land sector also creates a weak asset holding in the farm assets. Selling of the farm assets during financial stress in the absence of protection in the credit market is one of the known risk-coping mechanisms. Whereas, other social groups recoup this loss during good years the Dalit farmer cannot do so due to tiny holding in the productive assets. Lastly, before concluding, we look at the indebtedness among the dalit households. I conclude rather on a very depressing note that even after five decades of independence the available data indicates that the discrimination against Dalits is quite intense. Certainly the available data puts great limitations on the analysis and hence in the context of development of Dalits as a group it would be essential to have at least a data set on which one can work to provide initiatives for the development, but that is absent.

### **Land Assets**

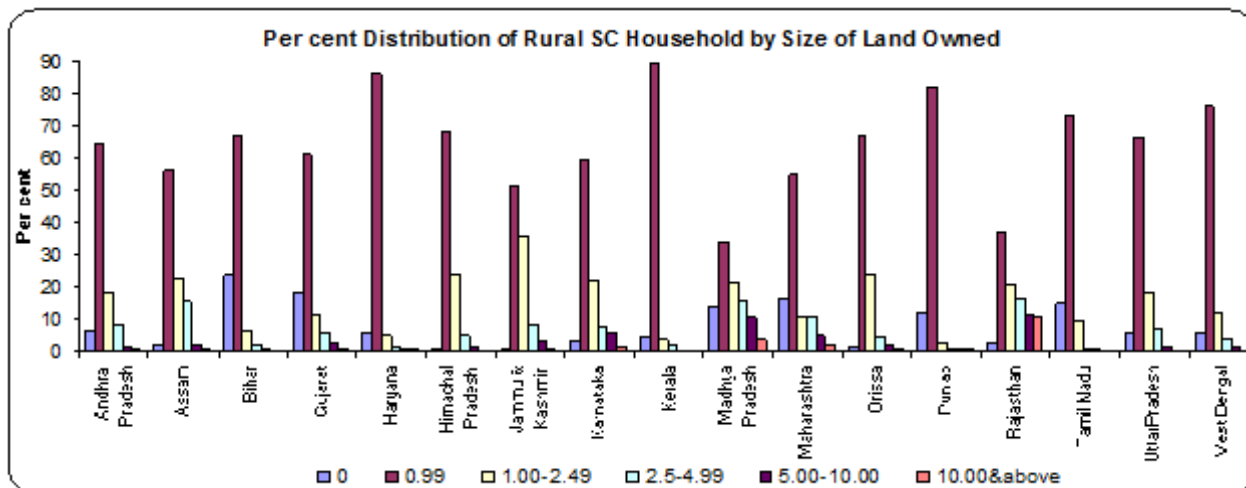
Land is the basic productive asset for Dalits and it not only supports the production sector but also has strong linkage with the labour market. We can see from table 1 and 2 that in the farm sector ten percent of Scheduled Castes (SC) are landless whereas, about seven per cent of the Scheduled Tribes (ST) have no land. More than 75 percent of the SCs have very thin or no land base and that indicate the frugal means of livelihood for them. Land distribution could be studied through two sources of data namely the surveys of the National Sample Survey organisation and the periodical Agricultural Censuses. The data from the Agricultural Censuses are taken from the village records and these have many problems due to incomplete mutation at various places. More than that the Agricultural Census does not provide data about the farmers who do not own land but only cultivate that. Similarly near landlessness is also not recognised in the census data. It is seen that even across the States inequality in land holding is significantly high in a few states. The inequality is highest in Punjab, Haryana, Kerala, Tamil Nadu, Bihar, and West Bengal. Relatively, Madhya Pradesh, Rajasthan Maharashtra, and Karnataka show less dispersion among the groups by size of holdings (GoI, 1990 & 1998). This can be seen from figure 2. Bihar Gujarat, Madhya Pradesh, Punjab, TamilNadu and Maharashtra stand out very clearly as the states with large share of farm household without any ownership of land.

**Table 1: Percentage distribution of rural household by size of land owned (SC)-1999**

STATES/STATE	0	0.99	1.00-2.49	2.5-4.99	5.00-10.00	10.00&above
Andhra Pradesh	6.9	64.70	18.20	8.4	1.4	0.5
Assam	2.5	56.10	22.80	15.4	2.4	0.8
Bihar	23.8	67.10	6.40	2.1	0.6	0
Gujarat	18.1	61.20	11.40	5.3	2.9	1.1
Haryana	5.7	86.10	4.90	1.6	1.1	0.6
Himachal Pradesh	0.9	68.40	24.00	5.2	1.4	0
Jammu & Kashmir	0.5	51.90	35.50	8.3	3.4	0.3
Karnataka	3.6	59.30	22.00	7.6	5.5	1.9
Kerala	4.2	89.60	3.70	2.4	0	0
Madhya Pradesh	13.7	33.9	21.90	16.1	10.4	4.1
Maharashtra	16.7	54.80	10.70	10.9	4.8	2.1
Orissa	1.4	67.1	24.10	4.4	2.2	0.9
Punjab	12.2	82.50	2.60	1.3	1	0.4
Rajasthan	3	37.30	21.00	16.9	11.4	10.5
Tamil Nadu	15.1	73.60	9.40	1.2	0.6	0.1
Uttar Pradesh	5.3	66.50	18.60	7.4	1.9	0.2
West Bengal	6	76.20	12.40	3.7	1.6	0.1
<b>ALL INDIA</b>	<b>10</b>	<b>65.00</b>	<b>14.70</b>	<b>6.5</b>	<b>2.8</b>	<b>1.1</b>

Source: NSS employment unemployment survey, 1999

**Figure 2**



The contrast between Dalits and non-Dalits becomes very clear when we look at the distribution of land in the ‘other’ social groups and that represents ‘Non-Dalit’ group (See table 2). Almost 30 percent of the non-Dalits hold land above 2.5 hectares, whereas only 6 percent among them are landless. The lowest size group of land holding is also smaller in the case of ‘Others’ that that for the Dalits.

**Table 2: Percentage distribution of rural household by size of land owned (others)-1999**

STATES/STATE	0	0.99	1.00-2.49	2.5-4.99	5.00-10.00	10.00&above
AndhraPradesh	6.7	47.4	14.1	12.3	11.5	8
Assam	4.6	55.5	21.8	14.4	3.3	0.5
Bihar	6	49.2	23	12.6	6.1	3.1
Gujarat	6.2	37.7	12.9	15.6	13.2	14.4
Haryana	1.7	24.3	20.4	17.9	20.3	15.4
HimachalPradesh	4.6	46.2	28	13.9	5.4	1.9
Jammu&Kashmir	1.1	33.5	37.9	21.2	6.2	0.1
Karnataka	5.2	35.9	16.8	14.8	15.9	11.5
Kerala	1.3	72.7	16.6	6.8	2	0.6
MadhyaPradesh	8.7	21.7	14.1	21.1	18.7	15.6
Maharastra	11.3	37.4	18.1	13.9	11.8	7.5
Orissa	3.5	56.4	23.3	9.8	4.5	2.4
Punjab	5.2	27.2	16.3	17	18.7	15.6
Rajasthan	2.1	22.9	13.2	13.8	18.6	29.5
Tamil Nadu	10.2	64.7	13.6	5.9	3.7	1.8
UttarPradesh	4	39	26.7	15.6	10.1	4.6
West Bengal	3.9	72	15.4	6.2	2	0.4
<b>ALL INDIA</b>	<b>5.8</b>	<b>46.3</b>	<b>19.1</b>	<b>12.8</b>	<b>9.3</b>	<b>6.7</b>

Source: NSS employment unemployment survey 1999

Disparity among the land assets is quite high and we tried to capture it as a ratio of assets held by Dalits with those held by non-Dalits. The disparities thus measured are presented in table 3. The disparities are highest in Punjab, Haryana, Bihar, Gujarat and Tamil Nadu for SCs. One can easily note that the States which have this disparity higher than the all India average are also the high income States of the country and that leads to the hypothesis that Dalits suffer higher deprivation in the states those generate higher State income. Hence, the deprivation is rather acutely felt as it is compounded by the high inequality.

The data on the size of holding is also provided by the agricultural census periodically. However, these that are not readily available for the latest years as the publication of agricultural censuses have been delayed significantly. We have readily available to data on size of holding and related area shared by Scheduled Castes and Tribes from the Agricultural Statistics at a Glance, the publication published by the Minister of Agriculture, Government of India. These data are available for the year 1990-91. We have given the data on the tenancy situation among the Scheduled Castes and Scheduled Tribes. Two components are quite predominant in the table, namely, the scheduled castes, largely do not have high proportion of leased land, and probably that indicates non preference to the tenant belonging to Scheduled Castes. There are a large number of farmers who have partly owned land, indicating lower control even on the owned land resources. The area under irrigated holdings is also lower in the

Scheduled Caste group when compared with the 'Others'. That underscores the weak resource base both in quantity and quality terms, a clear reason for perpetuating poverty.

**Table 3: Tenancy Status for Scheduled Castes In India: 1985-86.**

Sl. No.	Major Size Classes	Wholly Owned & Self Operated	Partly Owned	Wholly Leased-in	Wholly Otherwis e Operated	Partly Leased-in	Partly Otherwis e Operated
1.	Marginal	2845 (23.7)	47 (16.2)	28 (30.1)	28 (37.3)	33 (28.9)	13 (22.8)
2.	Small	2552 (21.3)	65 (22.4)	25 (26.9)	21 (28.0)	35 (30.7)	15 (26.3)
3.	Medium	2503 (20.8)	78 (27.0)	18 (19.4)	10 (13.3)	17 (14.9)	11 (19.3)
4.	Large	1371 (11.4)	28 (9.6)	3 (3.2)	2 (2.7)	5 (4.4)	3 (5.3)
5.	All Classes	12005 (100.0)	289 (100.0)	92 (100.0)	75 (100.0)	113 (100.0)	57 (100.0)

Note: Figures in brackets indicate Percentages. Source: Agricultural Census of India: 1985-86.

**Table 4: Disparity of land assets owned by household (in value terms) among social groups-1991**

India/State	Rural			Urban		
	SC/OC	ST/OC	SC/ST	SC/OC	ST/OC	SC/ST
Andhra Pradesh	<b>0.3</b>	0.5	1.7	0.3	0.1	2.7
Assam	0.7	1.1	1.5	0.6	1.7	0.4
Bihar	<b>0.2</b>	0.7	2.7	0.6	1.4	0.4
Gujarat	<b>0.5</b>	<b>0.4</b>	0.8	0.4	0.1	3.2
Haryana	<b>0.2</b>	<b>0.1</b>	0.7	0.4	0.2	1.8
Himachal Pradesh	0.5	1.0	1.9	0.2	0.0	<b>3.1</b>
Jammu & Kashmir	0.7	0.4	0.6	0.4	0.6	0.7
Karnataka	0.4	0.5	1.1	0.4	0.5	0.8
Kerala	<b>0.2</b>	<b>0.3</b>	1.8	0.1	1.4	0.1
Madhya Pradesh	0.4	<b>0.4</b>	0.9	0.4	0.5	0.7
Maharashtra	<b>0.3</b>	<b>0.4</b>	1.4	0.4	1.1	0.4
Orissa	0.4	<b>0.4</b>	1.1	0.3	0.1	3.8
Punjab	<b>0.1</b>	N.A	N.A	0.3	0.3	0.7
Rajasthan	0.5	<b>0.4</b>	0.8	0.3	0.1	2.9
Tamil Nadu	<b>0.3</b>	0.6	2.0	0.3	0.0	<b>14.4</b>
Uttar Pradesh	0.4	0.5	1.3	0.4	1.5	0.3
West Bengal	0.6	0.5	0.8	0.7	0.1	4.7
<b>India</b>	0.3	0.4	1.1	0.4	0.5	0.7

Sources: Calculated from-NSS, Debt and Investment Survey, Household Assets and Indebtedness of Social Groups -48th Round-1992

**Table 5: Size Class wise Irrigated and Unirrigated Area: Scheduled Castes: 1985-86 and 1990-91**  
(Per cent to Total)

Sl. No.	Size/Class of Holding	Gross Cropped Area			
		Irrigated		Unirrigated	
		1985-86	1990-91	1985-86	1990-91
1.	Marginal	39.0	41.8	61.0	58.2
2.	Small	29.5	30.4	70.5	69.6
3.	Semi-Medium	24.4	25.9	75.6	71.4
4.	Medium	19.6	22.2	80.4	77.8
5.	Large	9.7	11.5	90.3	88.5
6.	All Classes	27.3	29.2	72.7	70.8

Notes: 1) Land holdings sizes are: Marginal – upto 1 hectare, Small –1.0 to 2.0 ha., Semi-Medium 2.0 ha., Medium – 4.0 to 10.0 ha., Large – Above 10 hectares. \* Other Social Groups include all other social groups other than Scheduled Castes and Scheduled Tribes.

Source: Agricultural Census, 1980-81 and 1985-86, Govt. of India, New Delhi

The quality of land is one aspect, whereas the size of landholding is another. In the context of quality as well as size of holding the group of scheduled caste farmers seem to be getting insignificant share of the total. It is easier to get the date on the quantity of land held by the Scheduled Caste however; it is very difficult to decide about the quality of the land held by the Scheduled Castes and Scheduled Tribes.

**Table 5: Average value of land assets owned**

(Per household in Rs.)

India/State	Rural				Urban			
	ST	SC	OC	ALL	ST	SC	OC	ALL
Andhra Pradesh	23558	13632	46090	36610	3762	10204	36410	32930
Assam	37625	24370	35516	34800	84163	31140	50120	49978
Bihar	55176	20340	84611	68908	65460	27767	46770	44909
Gujarat	21167	27069	57269	46730	5179	16734	37953	35554
Harayana	42063	60921	334881	263201	15001	26479	68691	62822
HimachalPradesh	70062	36840	68773	61685	561	19126	87477	69591
Jammu&Kashmir	44716	69185	100513	91398	47819	35522	80851	73387
Karnataka	37555	32677	73849	63877	23723	17984	46090	42748
Kerala	33743	18753	110394	100249	153198	15670	110394	103674
MadhyaPradesh	32801	38084	90885	64338	27103	20322	52489	44991
Maharastra	30207	20874	76175	60403	34044	12983	32012	30106
Orissa	15620	13979	36531	25035	1780	6753	27003	20681
Punjab	-	41539	359797	238769	41539	30704	121270	105277
Rajasthan	48355	58971	126689	100442	6848	19883	64331	55907
TamilNadu	22680	11611	39042	30225	977	14073	54762	49028
UttarPradesh	51943	41160	115070	95240	110963	31638	72799	66682
WestBengal	20389	24142	43593	36027	4868	23026	32900	31121
<b>India</b>	<b>31025</b>	<b>28927</b>	<b>87743</b>	<b>68749</b>	<b>28668</b>	<b>20554</b>	<b>56575</b>	<b>51279</b>

Sources: NSS, Debt and Investment Survey, Household Assets and Indebtedness of Social Groups -48th Round-1992

Therefore, we tried to get at the value of land assets owned by the Scheduled Castes and Scheduled Tribes and other castes. These data are presented in table 6. The facts are quite

revealing. The group of scheduled castes own land assets worth Rs 28,927, whereas the other castes own land assets, per household worth Rs 87,743. It is more than three times that of the value of the land held by the Scheduled Castes. The discrimination suffered by Scheduled Castes in rural and urban areas is almost similar, however, in the rural areas the differences are quite sharp. This argument has been emphasised in the literature is several times specifically by Ambedkar (1948), Gail Omvedt (1996) and Thorat(1996).

Among the rural areas, Gujarat, Maharashtra, Bihar, West Bengal, Assam, Kerala and Orissa are the States having lower average land assets owned by the scheduled castes (see table 6). It is interesting that the same States do not necessarily feature in the process of discrimination in the urban areas, and therefore, one can easily see the differences in discrimination between urban and rural areas. Madhya Pradesh, Rajasthan, Karnataka and Haryana show different patterns. That leads to a hypothesis that the process of discrimination is significantly different between rural and urban areas as far as land assets are concerned. It also points out to the fact that the better quality land are owned by different kind of elites in the urban areas as against rural areas.

**Table 7: States classified according to level of average land assets owned by different social groups**

Social Groups	RURAL		URBAN	
	High	Low	High	Low
<b>SC</b>	Jammu & Kashmir, Haryana, Rajasthan, Punjab, Uttar Pradesh, Madhya Pradesh, Himachal Pradesh, Karnataka	Gujarat, Assam, West Bengal, Maharashtra, Bihar, Kerala, Orissa, Andhra Pradesh, Tamil Nadu	Jammu & Kashmir, Uttar Pradesh, Assam, Bihar, Haryana, West Bengal	Madhya Pradesh, Rajasthan, Himachal Pradesh, Karnataka, Gujarat, Kerala, Tamil Nadu, Maharashtra, Andhra Pradesh, Orissa
<b>ST</b>	Himachal Pradesh, Bihar, Uttar Pradesh, Rajasthan, Jammu & Kashmir, Haryana, Assam, Karnataka, Kerala, Madhya Pradesh	Maharashtra, Andhra Pradesh, Tamil Nadu, Gujarat, West Bengal, Orissa, Punjab	Kerala, Uttar Pradesh, Assam, Bihar, Jammu & Kashmir, Punjab, Maharashtra	Madhya Pradesh, Karnataka, Haryana, Rajasthan, Gujarat, West Bengal, Andhra Pradesh, Orissa, Tamil Nadu, Himachal Pradesh
<b>Others</b>	Punjab, Haryana, Rajasthan, Uttar Pradesh, Kerala, Jammu & Kashmir, Madhya Pradesh	Bihar, Maharashtra, Karnataka, Himachal Pradesh, Gujarat, Andhra Pradesh, West Bengal, Tamil Nadu, Orissa, Assam	Punjab, Kerala, Himachal Pradesh, Jammu & Kashmir, Uttar Pradesh, Haryana, Rajasthan	Tamil Nadu, Madhya Pradesh, Assam, Bihar, Karnataka, Gujarat, Andhra Pradesh, West Bengal, Maharashtra, Orissa

Source: Based on the table 2.1

### **Landlessness**

Poverty goes hand-in-hand with landlessness, but at the same time it is sharper in the context of near landlessness. Any observer of rural India would endorse the fact that the Scheduled Castes and Scheduled Tribes is the single largest group that constitutes poor in the



country. Among these come mainly the landless and those holding tiny pieces of land. Ironically they are called farmers, but the petite land is hardly sufficient to support the family of the landholder, and since the person is holding some land would prefer to work on his or her land. That provides the person fewer opportunities to work as full-time agricultural labourer, thereby reducing one of the avenues of the income flow. Therefore, analysis of landlessness is key to analyse poverty and deprivation of the Scheduled Castes and Scheduled Tribes but near landlessness is more intriguing. We have presented in Figure 3 the near landlessness and landlessness among different social groups. The sharp difference between social groups can be seen from the figure. About 56 per cent of the near landless holdings belong to Scheduled Castes, whereas 30 per cent of the holdings are from Scheduled Tribes. When one aggregates, the landless and near landless holdings, together it is about 70 per cent of scheduled castes farmers have such holdings.

**Figure 3**

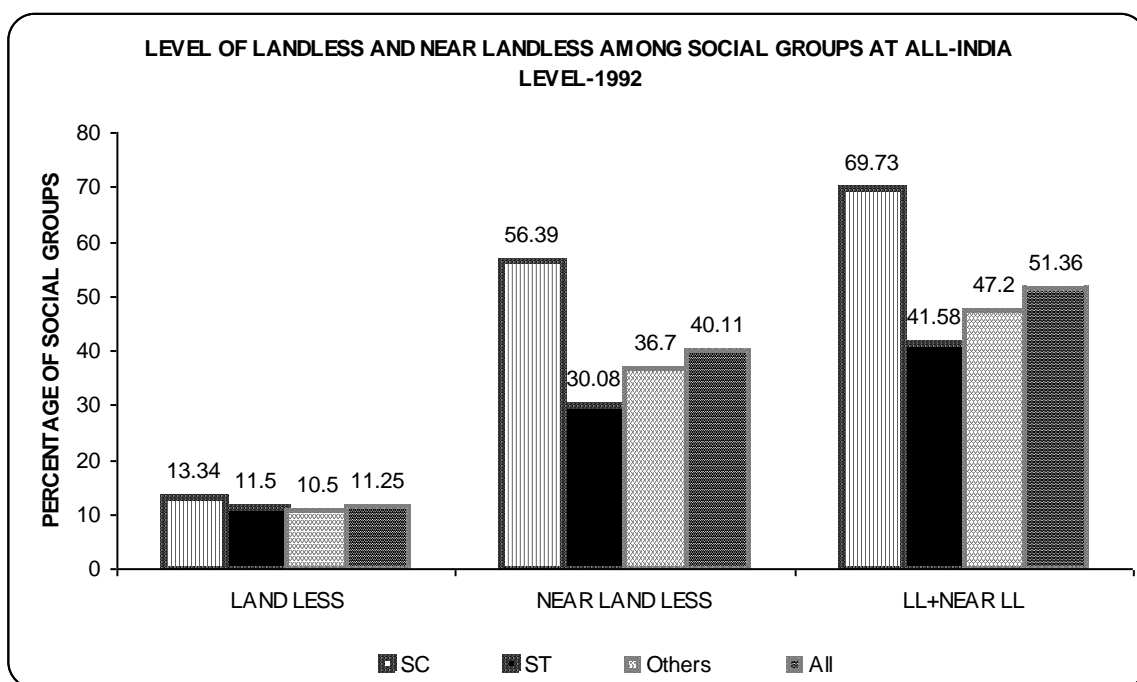


Table 8 include the distribution of landlessness and near landlessness holdings of Scheduled Castes and Scheduled Tribes. It is quite interesting to read from the last two columns of these tables that most of those who were regarded as landholders, when considered the near landlessness of Scheduled Castes, the picture changes dramatically. In the case of Punjab, Kerala, Bihar and Tamil Nadu the percentage of landholders changes dramatically and falls below 15 per cent. In most of the States the changes are quite dramatic and when aggregated and

country 86.7 per cent of landholders come down to 30.3 per cent. The situation is almost similar among scheduled Tribes also.

When we look at the disparity, as reflected from the data on your landlessness we find the disparity increases substantially. At the country level, the disparity index was 1.7 during 1982, and that slightly declined during 1992 and it stood at 1.3. The disparity among the land holdings decreased in a few states but interestingly, it has also increased in Rajasthan, Kerala and Andhra Pradesh. This transition in a single decade between 1982 and 92 is an issue to investigate into. Interestingly, the disparity has gone down in Karnataka, Bihar and Haryana. As it is we can see different picture of disparity when one considers landlessness as against the near landlessness.

**Table 8: Percentage Distribution of Land less, Near Land less, Land Holders Households among (SC) Population-1992**

States	LL	NLL	LL+NLL	Land holders(1)	Land holders(2)
Andhra Pradesh	12.5	59.4	71.9	87.5	28.1
Assam	5.5	45.0	50.6	94.5	49.4
Bihar	19.7	68.8	88.5	80.3	11.5
Gujarat	18.1	38.3	56.4	81.9	43.6
Haryana	8.9	74.4	83.4	91.1	16.6
Himachal Pradesh	7.1	50.3	57.4	92.9	42.6
Jammu & Kashmir	4.0	42.2	46.2	96.0	53.8
Karnataka	10.7	35.3	46.0	89.3	54.0
Kerala	14.3	79.3	93.6	85.7	6.4
MadhyaPradesh	20.5	22.2	42.7	79.5	57.3
Maharashtra	24.3	35.1	59.4	75.7	40.6
Orissa	11.2	59.6	70.8	88.8	29.2
Punjab	6.7	87.0	93.7	93.3	6.3
Rajasthan	7.8	35.3	43.0	92.2	57.0
Tamil Nadu	19.2	67.0	86.2	80.8	13.8
Uttar Pradesh	6.2	62.1	68.2	93.8	31.8
West Bengal	12.0	59.3	71.3	88.0	28.7
<b>ALL INDIA</b>	<b>13.3</b>	<b>56.4</b>	<b>69.7</b>	<b>86.7</b>	<b>30.3</b>

Sources: Land and Livestock Survey, NSS-19992

N:B: LL+NEAR LL= Land Less + Near Land Less,

LandHolders(1)- percentage of population after deducting landless percentage(100-LL%)

LandHolders(2)- percentage of population after deducting landless and near landless percentage(100-(LL%+NLL%))

Therefore it may be underscored that near landlessness is a point which needs to be understood, when one analyses the data on poverty, land holdings in order to establish the relationship between the two. It is often possible to conclude erroneously, based on the data on land holdings alone, neglecting the near landlessness of the population belonging to Scheduled Castes and Scheduled Tribes.

The changes in the disparity index between 1992 and 2000 are presented in tables 9 and 10. The changes are prominent in Bihar and Andhra Pradesh. The changes record, an increase in

the disparity in Assam, Haryana, Himachal Pradesh, Madhya Pradesh, Maharashtra or Orissa, Uttar Pradesh and Punjab. Whereas the disparity declined in Bihar and Andhra Pradesh, substantially as against slow declines recorded in Tamil Nadu, Rajasthan, Kerala and Karnataka.

**Table 9: Disparity and Change In Land Owner Ship Among Social Groups (SC/ST)**

State	1982			1992			NET CHANGE/CURRENT-BASE		
	LL	NLL	LL+NLL	LL	NLL	LL+NLL	LL	NLL	LL+NLL
AndhraPradesh	0.9	0.8	0.8	7.0	1.4	1.6	6.1	0.6	0.8
Assam	0.4	3.2	1.9	1.0	2.7	2.3	0.6	-0.5	0.3
Bihar	1.4	3.6	3.2	7.4	2.4	2.8	6.0	-1.2	-0.4
Gujarat	0.9	1.1	1.0	1.7	0.9	1.0	0.7	-0.2	0.0
Haryana	1.0	1.0	1.0		0.7	0.8	-1.0	-0.3	-0.2
HimachalPradesh				0.7	2.2	1.7	0.7	2.2	1.7
Karnataka	0.5	1.9	1.2	2.0	1.1	1.3	1.5	-0.8	0.1
Kerala	0.8	1.0	1.0	2.2	1.1	1.2	1.4	0.1	0.2
MadhyaPradesh	1.3	1.2	1.3	1.2	1.1	1.2	0.0	-0.2	-0.1
Maharashtra	0.9	1.4	1.1	1.0	1.2	1.1	0.0	-0.2	0.0
Orissa	0.7	2.6	2.0	1.0	2.1	1.8	0.3	-0.5	-0.2
Punjab	0.2	1.3	1.0	0.3	1.2	0.9	0.1	-0.1	0.0
Rajasthan	1.5	1.4	1.5	1.4	2.7	2.3	-0.1	1.2	0.8
TamilNadu	3.0	1.5	1.7	3.0	1.0	1.2	0.1	-0.6	-0.5
UttarPradesh	1.0	1.5	1.4	0.8	1.5	1.4	-0.2	0.0	0.0
WestBengal	0.4	1.7	0.9	0.7	1.3	1.2	0.4	-0.4	0.3

Source: Report on land holdings(1); NSS 1982.1992

**Table 10: Disparity and Change In Land Owner Ship Among Social Groups (SC/ST)**

State	1992			1999-2000			NET CHANGE/CURRENT-BASE		
	LL	NLL	LL+NLL	LL	NLL	LL + NLL	LL	NLL	LL + NLL
AndhraPradesh	7.0	1.4	1.6	1.9	1.4	1.6	-5.1	0.0	-5.4
Assam	1.0	2.7	2.3	3.6	2.0	2.1	2.6	-0.7	1.1
Bihar	7.4	2.4	2.8	11.9	1.8	2.4	4.5	-0.6	-5.0
Gujarat	1.7	0.9	1.0	2.1	1.0	1.3	0.5	0.1	-0.3
Haryana		0.7	0.8	0.2	1.2	1.3	0.2	0.5	1.3
HimachalPradesh	0.7	2.2	1.7	0.1	1.1	1.1	-0.6	-1.0	0.4
Karnataka	2.0	1.1	1.3	0.8	1.1	1.2	-1.3	0.0	-0.8
Kerala	2.2	1.1	1.2	1.0	1.3	1.4	-1.2	0.2	-0.8
MadhyaPradesh	1.2	1.1	1.2	2.0	1.0	1.3	0.7	-0.1	0.1
Maharashtra	1.0	1.2	1.1	0.8	0.9	1.2	-0.2	-0.3	0.2
Orissa	1.0	2.1	1.8	2.8	1.3	1.3	1.8	-0.7	0.3
Punjab	0.3	1.2	0.9	0.5	0.9	1.0	0.2	-0.3	0.7
Rajasthan	1.4	2.7	2.3	3.0	1.0	1.1	1.6	-1.6	-0.3
Tamil Nadu	3.0	1.0	1.2	1.4	1.2	1.4	-1.7	0.2	-1.6
Uttar Pradesh	0.8	1.5	1.4	1.2	1.2	1.3	0.4	-0.3	0.6
West Bengal	0.7	1.3	1.2	0.9	1.1	1.2	0.1	-0.3	0.4

Source: Report on land holdings(1); NSS1992, and NSSO, Employment Unemployment survey-1999-2000

The results at the point of time during 1982 and 2000 indicate only the picture as revealed at that point of time, whereas, the transition is very clear in the two decades are shown in the two tables. Possibly the changes that occurred in the disparity, as well as near landlessness among the Scheduled Castes and Scheduled Tribes indicative of the political economic transition that had occurred in these regions of the country. An interesting point to note from this analysis is the differential responses of different states in terms of near landlessness and transition in that during the last two decades.

### **Non-Land Farm Assets**

Poverty and landlessness go almost hand-in-hand, however, those who have no land at their control at least have an option to work as an agricultural labour. That allows them a full-time employment, albeit on the farm of others but having small holdings and near landlessness takes a larger share of time of the so-called farmer belonging to scheduled caste and scheduled Tribes for their farm work. That leaves with them, relatively less time to work as an agricultural labour, and eke out income for winning. In addition to this the landless and near landlessness also try to secure some income out of the animal husbandry but even there, they have lesser control on the assets. In addition to this, those small and marginal farmers as well as holdings which are near landless, have little of farm and non-farm assets under their control. That puts a constraint on the economic activity from three directions. First, land as an asset for the production purpose is quite limited under the control of this group. Second, even those who hold some land and could be called as farmers have the asset in such quantum that it becomes almost infeasible for the so-called farmer to earn sufficient for livelihood out of the tiny portion of the land. Third, even on the farm and non-farm assets, which protect the farmer at the time of exigencies also, provide little support due to the size of holding of such assets. We try to look into these three components here, namely, the size of holding of the farm and non-farm assets, their distribution across regions and the disparity inflicted in this sector.

We can see from the table that the average value of agricultural machinery held by all households is Rs 2391, but winter crop differences are quite visible. In the rural areas, the households belonging to other castes have machines worth Rs 3214, and that is about five times higher than the value of machines held by the group of scheduled castes. In the urban areas the differential is almost same. It is interesting that Scheduled Tribes in better position, compared to Scheduled Castes both in urban and rural areas. The differences across the States, how you are quite visible and expectedly refined, Punjab and Andhra Pradesh have the highest value of agricultural machinery held by the households. Eastern and northeastern States have lower value of

agricultural machinery is held by the households. We also cross-classified the States, according to the level of agricultural machines, owned by different social groups. In the rural areas are not only some of the privation, Maharashtra Karnataka and West Bengal seem to the States in which the Scheduled Castes households have significantly low holding of agricultural machineries.

**Table 11: Average Value of Agricultural Machinery (Rs.) Owned By Per Household**

India/State	Rural				Urban			
	ST	SC	OC	All	ST	SC	OC	All
Andhra Pradesh	763	237	1380	1065	5	7	469	410
Assam	398	184	316	314	19	90	63	63
Bihar	299	210	1391	1055	135	196	282	269
Gujarat	1373	1010	3567	2842	75	13	207	177
Harayana	436	1833	17246	13212	-	14	636	550
Himachal Pradesh	494	477	940	826	-	40	663	506
Jammu&Kashmir	3540	675	971	961	75	181	94	108
Karnataka	920	339	3147	2485	102	404	516	493
Kerala	64	82	645	582	95	22	645	296
Madhya Pradesh	531	519	4464	2592	42	92	1137	875
Maharastra	782	439	2457	1881	244	19	284	255
Orissa	185	519	424	358	46	6	34	28
Punjab	-	1757	20196	13184	1757	32	1307	1082
Rajasthan	3133	1173	6338	4762	8	19	1177	967
TamilNadu	3461	548	1990	1552	4	44	163	146
UttarPradesh	1554	1129	4512	3599	11655	211	615	588
WestBengal	331	324	962	723	48	37	79	73
<b>India</b>	796	649	3214	2391	269	83	419	372

Source:NSS,Debt and Investment Survey, Household Assets and Indebtedness of Social Groups - 48th Round-1992

**Table 12: States Classified According to Level of Average Agricultural Machinery Owned by Different Social Groups**

Social Groups	RURAL		URBAN	
	High	Low	High	Low
<b>SC</b>	Haryana, Punjab, Rajasthan, Uttar Pradesh, Gujarat, Jammu & Kashmir	Tamil Nadu, Orissa, Madhya Pradesh, Himachal Pradesh, Maharashtra, Karnataka, West Bengal, Andhra Pradesh, Bihar, Assam, Kerala	Karnataka, Uttar Pradesh, Bihar, Jammu & Kashmir, Madhya Pradesh, Assam	Tamil Nadu, Himachal Pradesh, West Bengal, Punjab, Rajasthan, Kerala, Maharashtra, Haryana, Gujarat, Andhra Pradesh, Orissa
<b>ST</b>	Jammu & Kashmir, Tamil Nadu, Rajasthan, Uttar Pradesh, Gujarat, Karnataka	Maharashtra, Andhra Pradesh, Madhya Pradesh, Himachal Pradesh, Haryana, Assam, West Bengal, Bihar, Orissa, Kerala, Punjab	Uttar Pradesh, Punjab	Maharashtra, Bihar, Karnataka, Kerala, Jammu & Kashmir, Gujarat, Orissa, West Bengal, Madhya Pradesh, Assam, Rajasthan, Andhra Pradesh, Tamil Nadu, Himachal Pradesh, Haryana
<b>Others</b>	Haryana, Punjab, Rajasthan, Uttar Pradesh, Gujarat, Madhya Pradesh	Maharashtra, Karnataka, Tamil Nadu, Bihar, Andhra Pradesh, Jammu & Kashmir, West Bengal, Himachal Pradesh, Orissa, Assam, Kerala	Punjab, Rajasthan, Madhya Pradesh, Himachal Pradesh, Kerala, Haryana, Uttar Pradesh, Karnataka, Andhra Pradesh	Maharashtra, Bihar, Gujarat, Tamil Nadu, Jammu & Kashmir, West Bengal, Orissa, Assam

This is certainly not an unexpected result, as the holding size itself is quite low among Scheduled Castes, and therefore it would certainly mean that they don't have even better means of production in terms of agricultural machinery. It must be made clear at this point that agricultural machinery here does not necessarily focus on the kind of machines like tractors or powered tillers but include also all the other machines.

**Table 13: Average Value of Non Farm Business Equipments (in Rs.) owned by Per Household**

India/State	Rural				Urban			
	ST	SC	OC	ALL	ST	SC	OC	ALL
Andhra Pradesh	21	90	319	237	88	92	1938	1702
Assam	254	322	175	196	148	564	1085	1031
Bihar	64	14	123	96	78	49	942	814
Gujarat	68	545	510	428	640	371	5123	4326
Harayana	20	40	347	266	-	141	2749	2388
Himachal Pradesh	156	199	910	734	56	108	629	497
Jammu & Kashmir	1852	553	326	419	-	224	2079	1769
Karnataka	82	14	677	515	40	106	2033	1790
Kerala	-	48	682	611	19	22	682	1774
Madhya Pradesh	24	59	379	217	242	293	2323	1818
Maharashtra	155	201	885	664	185	1078	2199	2861
Orissa	39	36	365	19	36	110	988	724
Punjab	-	504	318	389	504	3902	3783	3801
Rajasthan	49	85	884	588	13	235	1248	1058
Tamil Nadu	7	106	679	491	273	47	2604	2251
Uttar Pradesh	5	89	263	215	1585	392	1723	1522
West Bengal	198	183	498	381	6	205	1282	1109
<b>India</b>	<b>76</b>	<b>120</b>	<b>454</b>	<b>340</b>	<b>306</b>	<b>448</b>	<b>2442</b>	<b>2126</b>

Sources: NSS, Debt and Investment Survey, Household Assets and Indebtedness of Social Groups -48th Round-1992

The levels of non-farm holding could be seen from figure 4.3 and it is very picturesque that the urban areas have high differentials when compared with rural areas. Does this not mean that even after migrating to urban areas the Scheduled Castes remain in the group of discriminated? It is usually stated that caste discrimination is not so acute in urban areas and thus workers belonging to weaker sections prefer to migrate to urban area. But as observed from the asset position it is equally discriminating in urban as well as in rural areas for the workers belonging to Scheduled Castes. The workers of other castes have five to six times more assets than their peer belonging to Scheduled Castes and that differential cannot be just brushed aside on the infamous argument of skill formation.

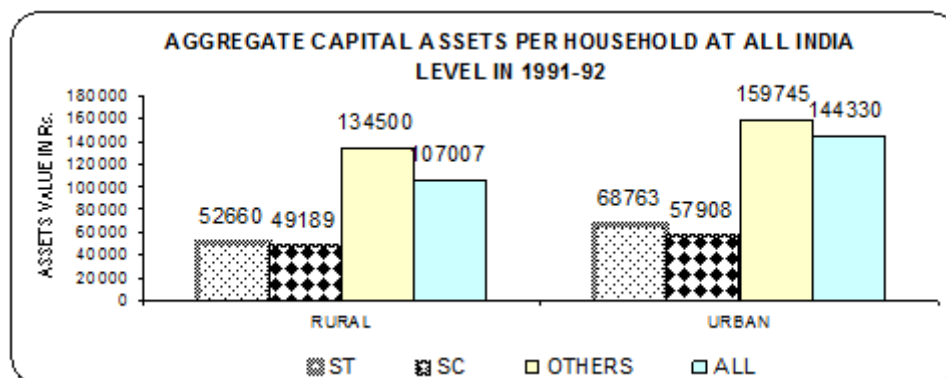
**Table 14: States Classified According to Level of Average Non-Farm Business Equipments Owned by Different Social Groups**

Social Groups	RURAL		URBAN	
	High	Low	High	Low
<b>SC</b>	Jammu & Kashmir, Gujarat, Punjab, Assam, Maharashtra, Himachal Pradesh, West Bengal	Tamil Nadu, Andhra Pradesh, Uttar Pradesh, Rajasthan, Madhya Pradesh, Kerala, Haryana, Orissa, Karnataka, Bihar	Punjab, Assam, Maharashtra	Uttar Pradesh, Gujarat, Madhya Pradesh, Rajasthan, Jammu & Kashmir, West Bengal, Haryana, Orissa, Himachal Pradesh, Karnataka, Bihar, Andhra Pradesh, Tamil Nadu, Kerala
<b>ST</b>	Jammu & Kashmir, Assam, West Bengal, Himachal Pradesh, Maharashtra, Karnataka	Gujarat, Orissa, Bihar, Rajasthan, Madhya Pradesh, Andhra Pradesh, Haryana, Tamil Nadu, Uttar Pradesh	Uttar Pradesh, Gujarat, Punjab	Tamil Nadu, Madhya Pradesh, Maharashtra, Assam, Andhra Pradesh, Bihar, Himachal Pradesh, Karnataka, Orissa, Kerala, Rajasthan, West Bengal
<b>Others</b>	Himachal Pradesh, Maharashtra, Rajasthan, Kerala, Tamil Nadu, Karnataka, Gujarat, West Bengal	Madhya Pradesh, Orissa, Haryana, Jammu & Kashmir, Andhra Pradesh, Punjab, Uttar Pradesh, Assam, Bihar	Gujarat, Punjab, Haryana, Tamil Nadu	Madhya Pradesh, Maharashtra, Jammu & Kashmir, Karnataka, Andhra Pradesh, Uttar Pradesh, West Bengal, Rajasthan, Assam, Orissa, Bihar, Kerala, Himachal Pradesh

**Ownership of Capital Assets**

While we accept the fact that under perpetual discrimination it is difficult to have any ownership of the capital assets for those belonging to Dalits, it will be essential to highlight the differences between the groups to make the point that the perpetual discrimination causes not only social misery, but least economic opportunities.

**Figure 4**



The aggregate capital asset Holdings, per household at the national level clearly indicates that scheduled castes have significantly low capital asset holding as compared to the other groups. Per household, capital assets of Scheduled Castes come to Rs 49 thousand, whereas it is at Rs 1.07 lakhs for all households. The difference is quite large when we compare the other castes with the scheduled castes and scheduled Tribes. The household belonging to the other castes on an average has Rs 1.35 lakhs as average household capital assets (See figure 4 and Table 15).

We have presented the State wise picture of the aggregate capital asset Holdings, per household among the social groups for the year 1992. From table 16 it can be seen that in the context of asset Holdings in rural areas, Punjab, Haryana, Jammu and Kashmir, Rajasthan, Uttar Pradesh and Himachal Pradesh are the large capital asset Holdings states. Among the states Scheduled Castes are well placed in Jammu and Kashmir, Punjab, Haryana and Himachal Pradesh and Uttar Pradesh. It is interesting that the same states also dominate in higher asset holdings in urban areas also. The cross-classification of the states on the basis of higher asset Holdings and lows at holding groups of states across different social groups, shows quite interesting picture. It is intriguing that Kerala, West Bengal, Maharashtra, Bihar, Tamil Nadu and Andhra Pradesh are the states having low capital formation among the Scheduled Castes.

**Table 15: Level Of Aggregate Capital Assets (Per Household) Among Social Groups At State Level-1992**

(Value in Rs.)

India/State	RURAL				URBAN			
	STs	SCs	OCs	ALL	STs	SCs	OCs	ALL
Andhra Pradesh	34649	24586	72744	58175	10060	27936	105015	94806
Assam	60895	44515	61490	60087	106169	63377	115325	112206
Bihar	73335	34100	119327	97900	96101	58943	1047000	98966
Gujarat	54849	59121	123955	102942	52582	73689	174590	160016
Hararyana	76938	90232	425234	337619	15131	59124	166138	151221
Himachal Pradesh	142085	86837	148042	134261	20743	44175	200628	160612
Jammu & Kashmir	79105	126882	177745	162749	73781	88928	224633	201967
Karnataka	64405	55650	123539	107150	48906	58411	134954	125116
Kerala	48056	44791	198759	181534	195531	36850	198759	221516
Madhya Pradesh	51292	55080	129415	93062	5426	46254	139946	117338
Maharashtra	48172	36508	115769	92890	87061	58940	181580	165149
Orissa	33003	25551	63380	45733	20553	24080	92858	72314
Punjab	-	90386	474892	328671	90386	84412	292394	255694
Rajasthan	90521	87201	198903	158809	28973	55755	185275	161046
Tamil Nadu	42579	27178	78548	61978	8163	4356	132138	119619
Uttar Pradesh	84781	65662	166055	139233	211824	82574	170746	157539
West Bengal	36717	41274	74772	61881	19304	58943	109675	101113
<b>India</b>	<b>52660</b>	<b>49189</b>	<b>134500</b>	<b>107007</b>	<b>68763</b>	<b>57908</b>	<b>159745</b>	<b>144330</b>

Sources: NSS, Debt and Investment Survey, Household Assets and Indebtedness of Social Groups -48th Round-1992



**Table 16: States Classified According to Level of Aggregate Capital Assets Owned (Per Household) by Different Social Groups**

Social Groups	RURAL		URBAN	
	High	Low	High	Low
<b>SC</b>	Jammu & Kashmir, Punjab, Haryana, Rajasthan, Himachal Pradesh, Uttar Pradesh, Gujarat, Karnataka, Madhya Pradesh	Kerala, Assam, West Bengal, Maharashtra, Bihar, Tamil Nadu, Orissa, Andhra Pradesh	Jammu & Kashmir, Punjab, Uttar Pradesh, Gujarat, Assam, Haryana, West Bengal, Bihar, Maharashtra, Karnataka	Rajasthan, Himachal Pradesh, Madhya Pradesh, Kerala, Tamil Nadu, Orissa, Andhra Pradesh
<b>ST</b>	Gujarat, Assam, Karnataka, Bihar, Haryana, Jammu & Kashmir, Uttar Pradesh, Rajasthan, Himachal Pradesh	Orissa, Andhra Pradesh, West Bengal, Tamil Nadu, Kerala, Maharashtra, Madhya Pradesh	Uttar Pradesh, Kerala, Assam, Bihar, Punjab, Maharashtra, Jammu & Kashmir	Gujarat, Karnataka, Rajasthan, Himachal Pradesh, Orissa, West Bengal, Haryana, Andhra Pradesh, Tamil Nadu, Madhya Pradesh
<b>Others</b>	Punjab, Haryana, Rajasthan, Kerala, Jammu & Kashmir, Uttar Pradesh, Himachal Pradesh	Madhya Pradesh, Gujarat, Karnataka, Bihar, Maharashtra, Tamil Nadu, West Bengal, Andhra Pradesh, Orissa, Assam	Bihar, Punjab, Jammu & Kashmir, Himachal Pradesh, Rajasthan, Kerala, Maharashtra, Gujarat, Uttar Pradesh, Haryana	Madhya Pradesh, Karnataka, Tamil Nadu, West Bengal, Andhra Pradesh, Orissa, Assam

**Table 17: Level of Capital Assets at All India Level by Categories of Assets – 1992**

Assets Type	RURAL				URBAN			
	STs	SCs	Others	ALL	STs	SCs	Others	ALL
Agri.machinery	796	649	3214	2391	269	83	419	372
Livestock&Poltry	3391	2132	4134	3618	720	371	643	611
Non-farm Business Equipment	76	120	454	340	306	448	2442	2126
Buildings	12186	13417	27698	22899	24428	21658	63083	56779
Land Assets	31025	28927	87743	68749	28668	20554	56575	51279

When we look at the components of different types of assets held by the social groups. The differential seems to be largely originating from buildings, non-farm business equipments, and agricultural machinery. It is common in both in rural and urban areas that Scheduled Castes and Scheduled Tribes are largely asset poor almost at an equal relative term. Asset holding across these components also reflects on their captivity of reaching to higher income levels. It is also painful that their efforts to enhance the sources of income are indirectly constrained by their asset Holdings, and in an argument similar to vicious circle below income prohibits enhancing their asset position. That also affects the aggregate growth of behaviour in the economy as Scheduled Castes and Scheduled Tribes form sizeable portion of the population. Depriving them of the opportunity to reach higher income and also to gain better capital asset position has not only impoverished them but also impacted on the aggregate growth of the country.

**Table 18: Disparity in Aggregate Capital Assets (In Value Terms) Among Social Groups-1992**

India/State	RURAL			URBAN		
	SC/OC	ST/OC	SC/ST	SC/OC	ST/OC	SC/ST
Andhra Pradesh	0.3	0.5	0.7	0.3	0.1	2.8
Assam	0.7	1.0	0.7	0.5	0.9	0.6
Bihar	0.3	0.6	0.5	0.1	0.1	0.6
Gujarat	0.5	0.4	1.1	0.4	0.3	1.4
Haryana	0.2	0.2	1.2	0.4	0.1	3.9
Himachal Pradesh	0.6	1.0	0.6	0.2	0.1	2.1
Jammu & Kashmir	0.7	0.4	1.6	0.4	0.3	1.2
Karnataka	0.5	0.5	0.9	0.4	0.4	1.2
Kerala	0.2	0.2	0.9	0.2	1.0	0.2
Madhya Pradesh	0.4	0.4	1.1	0.3	0.0	8.5
Maharashtra	0.3	0.4	0.8	0.3	0.5	0.7
Orissa	0.4	0.5	0.8	0.3	0.2	1.2
Punjab	0.2			0.3	0.3	0.9
Rajasthan	0.4	0.5	1.0	0.3	0.2	1.9
Tamil Nadu	0.3	0.5	0.6	0.0	0.1	0.5
Uttar Pradesh	0.4	0.5	0.8	0.5	1.2	0.4
West Bengal	0.6	0.5	1.1	0.5	0.2	3.1
<b>India</b>	0.4	0.4	0.9	0.4	0.4	0.8

Source: Calculated from-NSS, Debt and Investment Survey, Household Assets and Indebtedness of Social Groups -48th Round-1992

### Indebtedness Among Scheduled Caste

In the beginning of the lecture I stated that the markets particularly relevant in the process of discrimination against Dalits are: Land market, Labour market (or resource markets in general), Product market and credit market. Among these, density of poor in labour market is a well-known fact. This group is severely constrained in responding to market signals both because of their weak bargaining position (as consumers, as well as, producers) and due to the inadequate information that they have. It can be easily seen that their participation in all the four markets is constrained by the vantage positions of the 'others' rather than their own weaknesses. Even when they participate in the market they are not able to set a 'reserve price' for their labour nor they are able to get remunerative prices for their products. Even as consumers, they have weak bargaining power constituted by limited choice. It is a bare fact that the group of deprived castes is extremely weak in its asset position due to low purchasing power. Therefore, most of the members of this group depend on their labour, participating as weak bargainers in the labour market, which often results in indebtedness. Even those who hold some assets like land also find themselves in weak position to utilise the returns from the assets. In this context a few important characteristics of the landless agricultural labourers belonging to Deprived Castes need to be highlighted. In the ever-increasing process of marginalisation of the size of holding land as

economic base of this group is receding at a very fast rate. Every year the ranks of landless agricultural labourers are swelling not only due to demographic pressure but also as a negative externality of the marginalisation process. This further inflicts injury by marginalising their participation in labour and credit market.

Keeping in view the above line of argument it will be interesting to analyse the indebtedness among the Scheduled Caste agricultural labourers and its influence on market participation and the strength of bargaining of these sections of people. Since, a major proportion of Scheduled Castes population participates in the agricultural labour market, we intend to examine the indebtedness among the agricultural labour households first followed by the phenomenon among farms. Indebtedness is always a consequent reflection of performance in other markets. But, in case of agricultural labourers of deprived castes, it is not only a consequent of distortion in other market, but also perpetuation through several market interlocking processes.

**Table 19: Incidence of Indebtedness Among Agricultural Labour Households**

	All Classes		SC HH	
	1987-88	1993-94	1987-88	1993-94
Andhra Pradesh	54.7	51.6	56.8	55.9
Bihar	35.9	27.5	38.6	26.8
Gujarat	33.1	35.9	32.0	33.0
Haryana	54.9	57.8	52.8	64.7
Himachal Pradesh	22.9	12.4	28.5	13.7
Karnataka	29.7	36.2	27.8	43.6
Kerala	46.0	29.3	49.5	31.8
Madhya Pradesh	35.1	23.2	45.3	25.8
Maharashtra	35.5	33.4	41.4	39.1
Orissa	36.1	26.3	41.1	36.8
Punjab	56.2	28.4	59.8	28.2
Rajasthan	42.7	26.2	49.4	29.1
Tamil Nadu	47.9	33.5	53.1	34.7
Uttar Pradesh	30.4	40.2	34.0	40.2
West Bengal	39.4	43.2	41.6	44.2

Source: Rural Labour Enquiry Committee Report (1997).

Observing State-wise performance of indebtedness among agricultural labour, we find that indebtedness is high among the Scheduled Castes agricultural labourers across all the states

(Table 19) however, in a few States where the indebtedness has declined, in a few others it has increased in varying degrees. It is difficult to find any uniform logical thread to explain this phenomenon. To form an example, in Kerala indebtedness has declined, whereas, it has increased in West Bengal. Though both the States did relatively better in implementing policy of land reforms. Similarly, in Haryana indebtedness has increased, whereas, it has declined in Punjab in spite of the fact that both States showed good performance in agricultural growth induced by technology. This leaves us with a little to conclude in favour of the uniform impact of policies across all the States.

When indebtedness is analysed both from the point of view of source (Table 4) and purpose (Table 3), it reveals some interesting features across the States. For the purpose of analysis we have divided indebtedness into two groups namely productive and non-productive. While productive loans consist of land purchase, construction and other directly productive uses in agriculture, the non-productive loans are specific to household consumption and marriage and other ceremony purposes.

**Table 20: Average Amount of Debt per Indebted Scheduled Caste Agricultural Labour Household by Purpose of Debt**

(in Rupees)

	Without Land			With Land		
	Non-productive	Productive	Ratio P to NP	Non-productive	Productive	Ratio P to NP
Andhra Pradesh	1700	553	0.33	2457	1204	0.49
Bihar	745	446	0.60	831	831	1.00
Gujarat	2972	457	0.15	2017	2062	1.02
Haryana	2510	3212	1.28	3879	374	0.10
Karnataka	1659	537	0.32	1403	1159	0.83
Kerala	927	1614	1.74	1846	4001	2.17
Madhya Pradesh	1206	741	0.61	1780	1223	0.69
Maharashtra	1621	569	0.35	926	2085	2.25
Orissa	821	151	0.18	732	918	1.25
Punjab	2150	990	0.46	4070	597	0.15
Rajasthan	1500	0	0	3604	194	0.05
Tamil Nadu	1540	655	0.43	1135	1458	1.28
Uttar Pradesh	2043	853	0.42	1481	1135	0.77
West Bengal	513	304	0.59	507	566	1.12

Note: P: Productive; NP: Non-Productive  
Source: Rural Labour Inquiry Committee Report (1997).

A higher ratio of productive loan to non-productive loan indicates that the nature of debt is not critical. But among the landless agricultural labour, except for Kerala and Haryana in all other States the ratio of productive loan to non-productive loan is low pointing towards criticality of

indebtedness. It is very low in the case of Gujarat and Orissa. Whereas, landed agricultural labour households the ratio of productive to non-productive purpose is high in quite a few States. But, surprisingly this ratio is very low in the case of Punjab and Haryana. This may be because the intensity of capital use does not offer much for the smallholdings. The analysis of criticality clearly reveals that the group o SC agricultural labourers do not even venture for any productive credit and meeting the consumption requirement is their major concern.

When we look at the indebtedness of the farm household the picture is quite alarming and clear that the Dalit farmers are highly discriminated in the credit market also. Recently concluded NSSO round reveled the data and on the face of it the data seem to indicate a very favorable trend and tells us that Dalit households are less indebted than the rest. One should not hurriedly reach to a conclusion that it puts them in better welfare platform. Unfortunately, that is also an indication that the Dalit households do not get even sufficient access to the credit market. The farm sector today is deprived of the public capital and all know that fact. It is expected that the private investment will help to fill this void but the credit market does not support the SC households.

**Table 21: Indebtedness of Farmer Households :2003**

States	Indebted Households			
	Amount (Rs)		Percent FarmHH	
	SC	Others	SC	Others
Andhra Pradesh	12720	37802	16.8	24.7
Bihar	3161	6814	17.0	20.4
Gujarat	9175	26333	6.6	34.4
Haryana	13341	31548	21.8	45.1
Himachal Pradesh	11427	7662	27.8	47.9
Karnataka	6405	24901	10.8	36.4
Kerala	13308	38013	4.5	44.3
Madhya Pradesh	8910	25411	8.6	17.6
Maharashtra	8845	21417	8.6	47.7
Orissa	4850	10439	14.2	18.5
Punjab	10399	66147	26.1	57.9
Rajasthan	16708	18538	16.5	15.7
Tamil Nadu	12786	23782	21.9	10.0
Uttar Pradesh	4893	11290	25.7	16.8
West Bengal	4298	6118	29.6	57.3
All India	7167	18118	18.0	28.1

Source: NSSO (2003). Indebtedness of Farmer Household, 59<sup>th</sup> Round NSSO, Delhi.

## Conclusions

Analyses of castes and social groups are usually undertaken by sociologists, while writing about a social structure and the exploitation through social institutions. More often, as a rule, they forget, or rather ignore the economic institutions and the power of economic institutions to perpetuate the process of impoverishment and immiseration. The credit or discredit of the entire process must be put to the disparity that has continued over centuries in the economic institutions, namely, labour market, land market, product market and access to productive assets. In this paper we try to look into the culminating point of deprivation, as reflected in the asset formation across social groups. Needless to prove again that, the Scheduled Castes and Scheduled Tribes are at the lowest rung of the ladder of development, this is amply written up on authoritatively (Fernandis and Bhatkal, 1999, Omvedt, 1996, Gupta, 2000). It is certainly not an intrinsic process, but a deliberate deprivation collected through starving the group of capital assets and productive assets. It is observed that the groups have lower holding in most of the assets be it land, farm assets, non-farm assets, other productive assets or finally, the capital assets.

The success of 'market induced growth' is often highlighted on the background of the failure of the State policies. This argument, however, does not hold in practice. In real situation, the State and Market are inter-dependent and compliments of each other in the sense that if one fails the other may not perform. This is because of the simple fact that the results of non-performance of one, largely overlaps the determinants of the failure of the other. In this context, the failure of either of these inflicts economic hardship on the Deprived Castes as a social group for a few reasons. First, the group of deprived Castes as a social stratum broadly covers this weakest economic group of the society. For centuries, they were denied the opportunity to enhance their skills (occupational immobility) and forcibly retained in the same occupations providing little economic independence. Second, the political will, as well as, the bureaucratic mechanism always favoured the higher castes. Unfortunately, this was achieved through the irrational social customs propounded by the higher castes in the form of rules governed by the prevailing caste system. Therefore, even when the opportunities were provided a large number of the population belonging to the deprived Castes could not derive full benefits of the opportunities. The lead-lag relationship between development and the social deprivation was the major reason of the failure of the policy. No doubt, in overall impact analysis we have some positive effects but there is a plethora of evidence to suggest that the appropriation of access to resources has always stayed in the hands of the upper strata. Third, it is a fact that the deprived castes are concentrated in rural areas and have to be largely identified with the core group of poor. Ironically the mixed success of poverty interventionist programmes has affected this group

adversely as the inequality across the income strata changed unfavourably due to social constraints. Such a change causes higher welfare loss, at the least, in relative sense. Further, the investment on infrastructure in the regions with higher concentration of deprived castes is much lower, thereby reducing the access to infrastructure and its per capita availability for them. These bottlenecks in the State policy are confounded by the prevailing interface of this group with the market. Fourth, as an effect, the market participation of the deprived castes is also extremely marginal.

The most irritating fact is not the lower asset holdings of the weaker sections but the observation that the process continues unabated, even during Nineties. Not much has changed during the eventful decade of Nineties, the opening of the markets have in fact lead to larger discrimination than it was being done earlier. It goes without saying that the policies have to be graded and protective towards weaker section for the reason that this group has suffered centuries of deprivation. The asset positions, very clearly indicate that the relative economic strength (or weakness) of the weaker sections, has been quite sensitive. More than that it is worsening over the years, and an interesting observation that comes out of our study is the positive relationship between development and deprivation. This relationship is probably non-testable with statistics, however, because classification of the States more often indicates that the developed the States have a larger disparities in asset holdings. Any statistical testing of this hypothesis, maybe marred by the few observation, where the developed States have better asset holdings for the group of Scheduled Castes and Scheduled Tribes.

It is argued here that irrespective of any policy induction in the past and any degree of success among the states, no clear evidence of halting the process of marginalisation of the deprived castes is visible, whereas, marginalisation of cultivator into agricultural labour is evident. The weak bargaining power in the market (in most of the markets) of the Scheduled Castes further worsens their economic viability. I tried to seek explanation, of the process of marginalisation reflected in these markets through my students / co-authors as instruments (Kamble for macro and micro level effectiveness of institutions, Kajale-Ghanekar for Labour market, Adhav for Product market, Amalendu for land market, Narayanamoorthy in labour and credit market and Sridevi in consumption and access to food security). My observations do not allow to conclude that we have changed much during the last five decades and lot needs to be done. Thus, it would not be wrong to assume that the local level institutions have to be empowered to dictating the terms in favour of the deprived castes.

The hypothesis of positive relationship between development and disparity is not new in the literature of development economics, but most of the development economics theorist, believe that after a certain point of development, the disparities begin to decline (Kuznets' hypothesis). But this seemed to have not happened in the context of disparities or observed among Dalits in the context of access to land, non-land capital assets and credit. I would like to leave a lead to investigate further into the intriguing nature of asset formation among the group of Dalits and pay more attention to this in the policy. In addition to this one must get into auditing the efforts we have taken after independence towards welfare of this group.



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