

## **AGRARIAN CHANGES, POVERTY AND SCHEDULED CASTES IN KARNATAKA**

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### **1. Introduction**

A casual look back at the changes in the development policy for weaker sections in the country shows a meandering policy path towards their welfare. The philosophy of development began from the idea of a village republic (through community development) turning towards a heavy investment led industrial growth followed by the redistributive resource policy (land reforms). On the heels was the techno-centred green revolution supported by a pragmatic price policy. Realizing at this point that in the process the miseries of bypassed regions and classes especially those belonging to deprived Castes, increased substantially. As a response a shift in approach was introduced through target group and area specific programmes. A volley of welfare programmes were designed and implemented but probably with little gains. The role of the State was becoming increasingly important through these phases. Mid-course distortions were taken more as casual variations and the corrective measures more akin to fire fighting than seeking a long-term solution. One can locate two major inconsistencies in the development process. First, the inducement as well as interventionist approaches for the development initiatives were dominant for quite some time and favoured certain groups. The market differentiation in terms of caste as well access were of high magnitude and the State had no option but to intersect the market generated forces with strong interventions. Second, when this approach was gaining weight and being consistently followed, the economic bottlenecks (deficits, balance of payment, forex reserves etc.) forced the policy pundits to turn back towards 'market' as the saviour. As a result, a strong unfounded belief came to settle down that the economic forces operating in the market will

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correct all distortions including social discrimination. This has to be viewed on the background of the fact that a large section of the Indian rural workforce comes from weaker sections and their share of productive resources as well as their market participation is extremely weak.

The success of the market is often highlighted on the background of the failure of the State. This argument however, does not hold in practice when we are confronted with a large section of economically weak having little capacity to participate in the market. In a theoretical 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 due to five important reasons. First, the group of deprived Castes as a social stratum more or less matches with the weakest economic class. For centuries, they were not provided even an 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 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 out 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 upper strata appropriates access to resources. 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. The mixed success of

the Poverty Alleviation Programmes affected this group adversely as the socially influential poor garnered the benefits. As a result, inequality across the income strata has changed unfavourably. Such a change causes higher welfare losses, in a relative sense. Further, the investment on infrastructure in the regions with higher concentration of deprived castes is much lower, thereby restricting the access to infrastructure and its per capita availability to 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. In this context three markets are particularly relevant to the poor viz. Land market, Labour market (or resource markets in general) and Product market. Deprived castes are 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 about such signals. It can be easily seen that their participation in all the three 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. Lastly, it is a bare fact that the group of deprived castes is extremely weak in its asset position especially the productive assets. Therefore, most of the members of this group depended on their labour, participating as weak bargainers in the labour market. Even those who hold some assets like land also find themselves in weak position to utilise the returns from such assets.

This paper attempts to argue that the welfare measures taken hitherto for the Scheduled Castes and Scheduled Tribes have not dealt squarely with the major discriminating factors namely, the productive assets in rural area. We consider access to land as the major plank for argument. My attempt here is to view this in the context of Karnataka. First, the concentration of Scheduled Castes across the

districts of Karnataka is attempted to bring to the fore that the usual hypothesis about their concentration need a revisit. Second, we look into the deprivation of Scheduled Castes in the context of land, as it is the basic factor of production in rural areas. Third, we review the schemes operating in Karnataka and provide a view about their anticipated impact on the aggregate welfare.

## **2. A Backdrop**

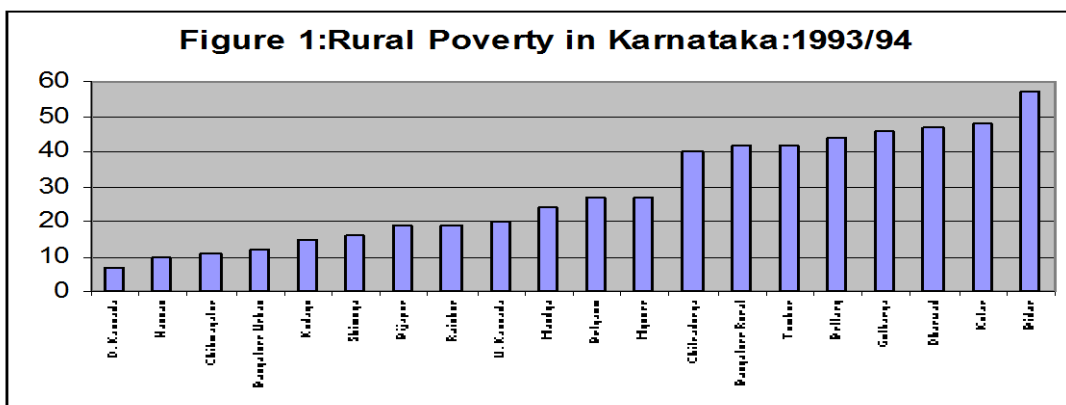
Out of the total population of the country about 17 per cent belong to Scheduled Castes and this proportion varies from less than 1 per cent in Arunachal Pradesh to more than 30 per cent in Punjab (see table 1). Majority of them stay in rural areas. In an across State analysis 21 to 71 per cent fall below poverty line (Thorat, 1996). Analysis done at the Planning Commission indicates that the proportion of population of Scheduled Castes falling below poverty line in rural areas was 50.07 per cent during 1987-88 which has marginally declined to 48.11 per cent by 1993-94, but this decline is much smaller compared to the reduction of in the non-Scheduled Caste group. We have presented here a comparative picture of the distribution of Scheduled Caste population across States, the proportion of Scheduled Caste population below poverty line and the agricultural worker status. The concentration of Scheduled Caste population in rural areas is highest in Punjab, Haryana, Uttar Pradesh, West Bengal, and Tamil Nadu. Though poverty does not have one to one correspondence with the proportion of population belonging to Scheduled Castes, it is quite high in most of those States with only a few exceptions. But interestingly the States with high proportion of Scheduled Caste population in rural areas show smaller proportion of cultivators belonging to SC and higher proportion of agricultural labour under this category. In other words the market participation of this group in the labour market is much higher as compared to their participation in product market as cultivator (Thorat, 1996).

Karnataka is known for its strong economic performance during 1990s. Historically its performance has always been at about the average of the Indian States on many indicators. Karnataka is a state with an area of 19 million ha (5.8% of the area in the country) and population of about 55 million, about 70% of which live in rural areas. During nineties, Karnataka's average annual rate of economic growth was about 6.6%, when that of the All-India average of 6.2% (1993-94 to 2001-02). The secondary sector grew at about 5.6% per year, while the agricultural and allied services sector grew at 1.0 % per year due to the continuous droughts of three consecutive years. Karnataka has a large share of population belonging to Scheduled Castes. The proportion of Scheduled Caste population has been increasing more due to definitional changes than the demographic pattern. Even then Karnataka is one of the states with high density of Scheduled Caste population.

**Table 1: Distribution of Scheduled Caste Population Across States, Poverty and Agricultural Worker Status**

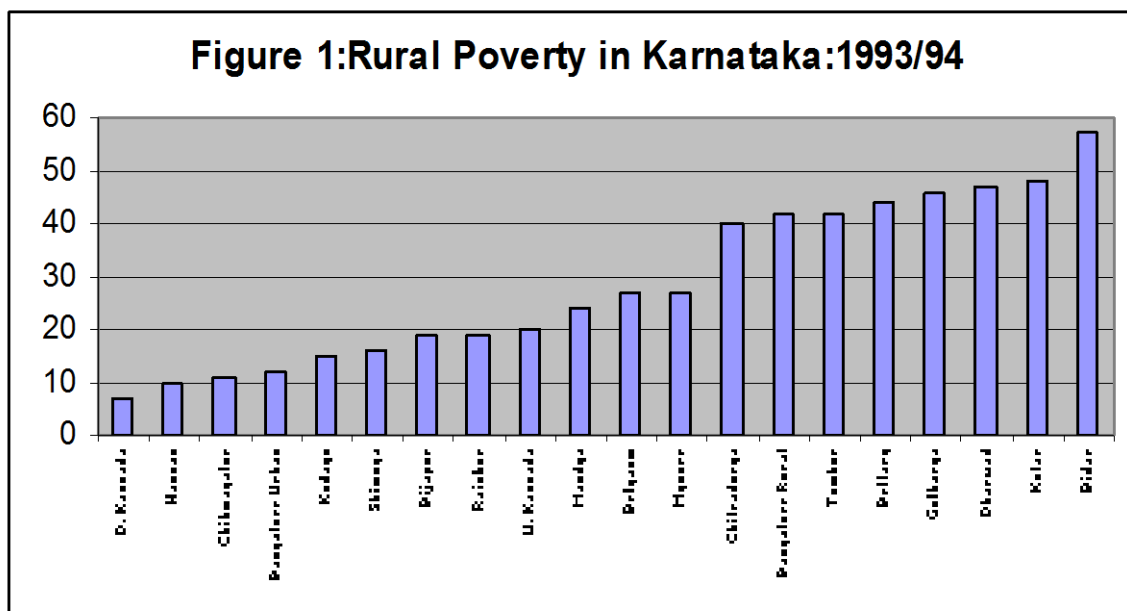
State	Per cent of Scheduled Caste Population (Rural) 1991	Per cent SC below Poverty line (1983-84) (Rural)	Per cent of Scheduled Caste (1991) (Rural)	
			Cultivators	Agri. Labourers
Andhra Pradesh	13.9	51.0	8.4	32.4
Bihar	15.3	71.1	6.2	27.7
Gujarat	7.0	39.9	2.7	12.9
Haryana	21.6	27.9	4.0	58.4
Himachal Pradesh	25.9	23.5	27.6	43.1
Karnataka	18.2	54.1	12.3	30.8
Kerala	11.0	43.9	3.1	27.2
Madhya Pradesh	14.8	59.3	10.5	24.4
Maharashtra	11.5	55.9	4.9	20.1
Orissa	16.7	54.9	11.0	27.8
Punjab	31.9	21.8	4.0	71.9
Tamil Nadu	22.9	59.4	12.7	40.1
Uttar Pradesh	23.2	57.3	18.6	48.3
West Bengal	27.6	52.0	23.4	40.6

Sources: 1. Census of India 1991, Series I India, Paper 2 of 1993.  
2. National Sample Survey 1983-84 Round



Recent estimates of statewide income poverty rates (headcount index) suggest that these are declining in aggregate computations. In Karnataka, the proportion of total poor declined, from about 33% in 1993/94 (Government of Karnataka 1999)<sup>1</sup> to about 20% in 1999/2000. Of more notable achievement, rural poverty rates appear to have nearly halved from 30% in 1994/94 to 18% in 1999/2000. But despite this decline in overall poverty rates, the large majority of the poor are in rural areas and located in the Scheduled Castes. In 1999/2000, the total number of the poor in the State was 10 million, about 6 million are in rural areas of which a large share belongs to Scheduled Castes. The extent of rural poverty, based on 1993/94 figures, also varies extensively across districts, ranging from about 57% in Bidar to about 7% in Dakshina Kannada (Figure 1).

<sup>1</sup> Economic Survey 2003-04



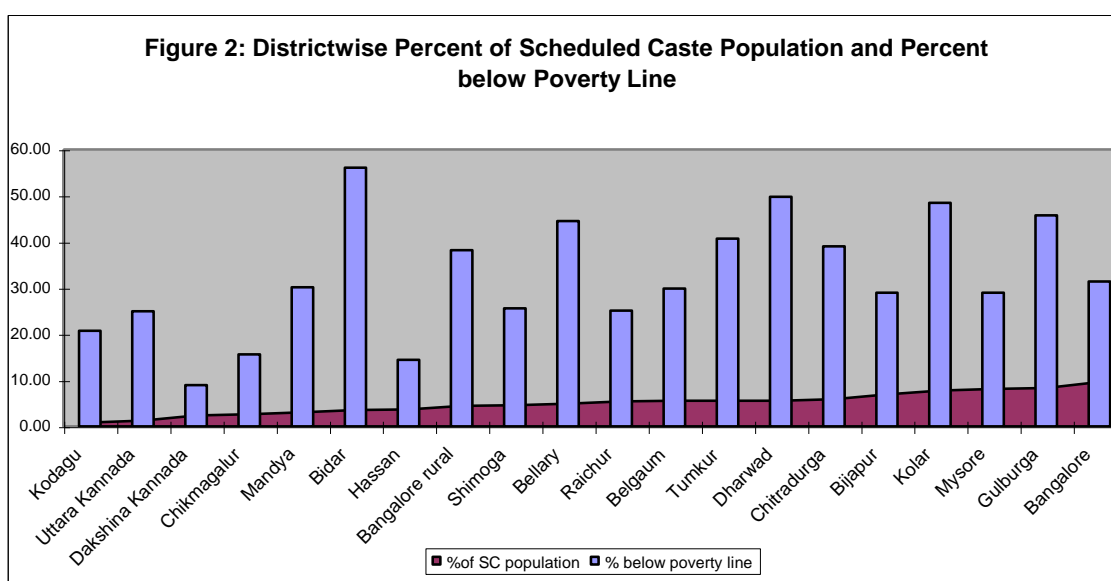
A clear profile of poverty in Karnataka emerges from the above figure. Bidar, Kolar, Dharwad, Gulbarga and Bellary are the districts that show concentration of poor whereas, D Kannada, Hassan, Chikmagalur and U. Kannada do not have large proportion of poor. Composition of Social groups in the State indicates that Scheduled Castes in rural areas suffer great social deprivation, greater than urban areas.

In order to look into the hypothesis that the density of poor is higher in the districts with higher concentration of Scheduled Caste population, we have presented in table 2, poverty ratios along with the share of SC population across districts. It can be seen from the table that even though one cannot establish one to one correspondence between the two indicators, largely the districts with fairly high concentration of Scheduled Caste population also have higher poverty ratios. (See Figure 2).

**Table 2: Poverty Ratios in Karnataka**

District	1993-94			
	TOTAL		RURAL	
	% below poverty line	%of SC population	% below poverty line	%of SC population
Bangalore	31.42	9.66	12.40	3.15
Bangalore rural	38.17	4.44	42.20	5.08
Belgaum	29.86	5.52	27.17	5.76
Bellary	44.5	4.95	43.75	4.99
Bidar	56.06	3.53	57.00	4.04
Bijapur	28.98	6.92	19.31	7.46
Chikmagalur	15.61	2.66	11.11	3.10
Chitradurga	39.00	5.87	40.11	6.34
Dakshina Kannada	8.91	2.39	6.68	2.49
Dharwad	49.75	5.56	47.46	5.15
Gulburga	45.76	8.29	45.81	8.90
Hassan	14.44	3.70	9.50	4.27
Kodagu	20.73	0.80	15.24	0.91
Kolar	48.45	7.73	47.93	8.07
Mandya	30.16	3.08	23.89	3.38
Mysore	28.94	8.11	26.64	8.51
Raichur	25.11	5.40	18.72	5.78
Shimoga	25.56	4.59	16.06	4.96
Tumkur	40.64	5.55	42.18	6.45
Uttara Kannada	24.97	1.25	20.10	1.20
<b>State</b>	<b>33.16</b>	<b>100.0</b>	<b>29.88</b>	<b>100.0</b>

Source: Govt of Karnataka, Directorate of Economics and Statistics, Bangalore.





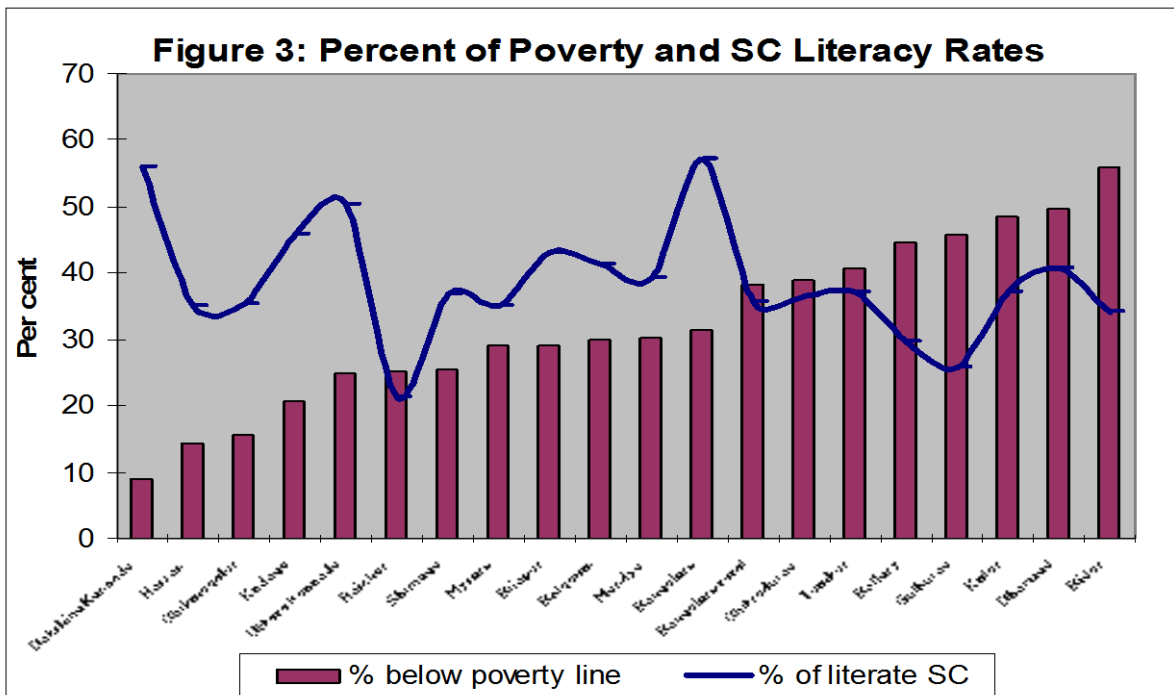
In addition to this we looked into the other indicators of deprivation. The other indicators of human deprivation are shown in the table 3 below. It is expected that the poverty ratio will have a very high correlation with the other indicators of deprivation, but that does not come out very clearly.

**Table 3: Poverty and Other Indicators of Human Deprivation**

District	Life expectancy at birth	Adult literacy rate	Combined enrolment ratio(Ist to Xth class)
Bangalore	65.78	73.49	84.8
Bangalore Rural	66.69	42.38	79.8
Balgaum	65.08	47.17	73.6
Bellary	60.32	41.04	72.7
Bidar	63.74	38.18	70.3
Bijapur	62.76	48.61	68.4
Chikmagalur	64.62	55.66	79.4
Chitradurga	61.92	50.08	85.6
Dakshina Kannada	68.82	71.22	100.0
Dharwad	62.78	53.75	72.8
Gulbarga	63.98	33.83	58.6
Hassan	65.40	50.58	76.9
Kodagu	68.04	64.56	92.4
Kolar	62.87	43.58	82.1
Mandya	63.97	40.14	78.7
Mysore	63.25	41.93	69.0
Raichur	65.55	32.64	49.7
Shimoga	62.09	56.52	81.5
Tumkur	60.64	47.71	85.3
Uttara Kannada	66.96	62.41	84.8
<b>STATE</b>	<b>62.07</b>	<b>50.94</b>	<b>77.0</b>

Source: Govt of Karnataka, Directorate of Economics and Statistics, Bangalore

The correlation between the poverty ratio female literacy as well as IMR (female) is 0.56, whereas, that with IMR (male) is 0.27. These macro indicators however, do not bring out the micro reality. It is well known that the infant mortality is quite high among poor and more so in the poor belonging to deprived castes. About 44% of children under three years were found to be underweight in 1998-99 (Economic Survey, 2004, P 323). Out of these 52.80% belong to Scheduled Castes and 55.7% belong to Scheduled Tribes. The infant mortality rate (1998-99) was very high at 85 for STs and 70 for SCs which is quite high compared to 56 for other social

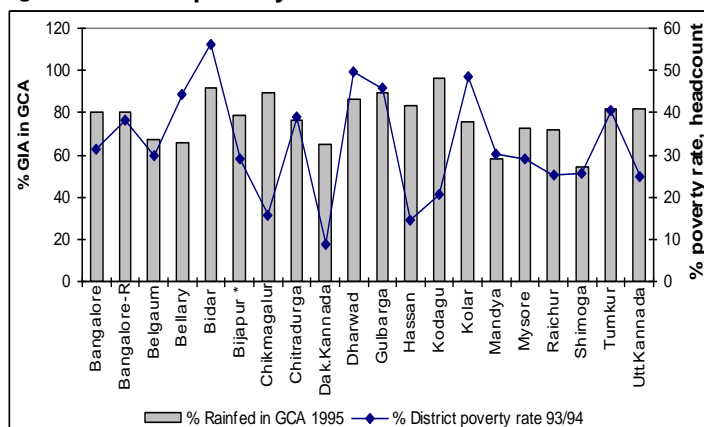


groups. The illiteracy rate (1995/95) in rural areas at 54% is more than double those in urban areas (23%) (NSSO, 1998). Literacy rates seem to have been strongly but inversely related with the density of poor.(Figure 3)

Moreover, illiteracy rates among heads of poor households in rural areas in 1993/94 were 74% compared to 44% among heads of poor urban households (Lanjouw 2000). Rural areas also had more limited access to basic services. About 87% of the rural population in 1993/94 did not have access to sanitation services (i.e. latrines), compared to 28% of the urban population in 1993/94. Only 38% of the rural population had access to tapped water compared to 85% of the urban population in the same year. Rural households had to depend on handpumps (34%), wells (20%) and tanks or ponds (8%) as a source of drinking water and among these Scheduled Castes as a group are precariously placed.

Another important explanation of poverty comes in the form of land holdings and quality of land. Larger the share of rainfed areas larger is the poverty ratio is borne out of the Karnataka data (see figure 4). Socially and environmentally sustainable growth and development will therefore require a close look at the land issues in Karnataka. It is true

**Figure 4. District poverty ratios and Share of Rainfed Area .**



Source: Poverty rates-GOK Human Development Report 1999

that a large number of constraints — economic, social, institutional, technical, and infrastructural curb the capacity of the deprived Castes in rural Karnataka. These constraints are increasingly hampering social equity and intensifying poverty. They also have deep impact on the rural poor and more vulnerable segments of society (the scheduled castes and tribes). Therefore it is obvious that the land issue becomes important in the case of development of Scheduled Castes in Karnataka.

From the above analysis we can arrive at a few important pointers. First, even though there is no one to one correspondence between poverty ratio and density of deprived castes, poverty is high in the districts with high concentration of Scheduled castes. Second, other human development indicators also have a similar relationship. In an inter-district analysis, low density of Scheduled Caste population does not guarantee low poverty but high density of deprived castes invariably goes with high poverty. Third, the other indicators of human deprivation do not indicate a clear picture but their prominence in the districts with high density of Scheduled Castes is a

reality. Lastly, land as an important productive asset in its ownership as well as quality explains the poverty and deprivation among the Scheduled Castes.

### **3. Land Issues and the Deprived Castes**

One of the important aspects detailed in the earlier discussion is the nature of the landholding among Scheduled Castes. In an earlier study, it was noted that land holding of this group emerges as an important determinant in poverty alleviation process (Kamble, 1995). Land has always been an important asset which indicates not only the economic position but also serves as the closest proxy for social and political strength. It further provides means of participation in the factor as also product market. Even after the two phases of land reforms in the country, it is difficult to state that the interests of the deprived Castes are well protected. We intend to analyse here the changes in the structure of land holdings of Scheduled Castes as against the overall changes in the agrarian structure during the last two decades. Land as an asset not only indicates the access to the productive resource but also relative position in market participation be it land, labour or product market. Our intention here is limited only to test the hypothesis that the market participation of the deprived Castes in the market is extremely negligible and declining. In the context of current changes in economic policy these are detrimental to the welfare of the deprived castes.

The density of Scheduled Caste population in Karnataka is certainly undergoing a change but such change is occurring not due to demographic components but due to other reasons (Yadav 2003). Migration is one of the important determinants so also the changes in the list of Scheduled Castes.

**Table 4: Percentage of Workers by Industrial Categories – Rural (Male) – 1961-1991**

Category	Scheduled Castes				Non Scheduled Castes			
	1961	1971	1981	1991	1961	1971	1981	1991
Cultivators	52.30	36.57	40.17	24.84	63.98	54.27	55.32	50.62
Agriculture Lab.	27.15	44.62	42.00	46.79	14.75	25.23	23.62	26.44
Agriculture	79.44	31.19	82.17	81.63	75.73	79.50	72.82	77.06.
Non-Agriculture	20.56	18.81	17.83	18.37	21.27	20.50	21.06	22.94

Source: Population Censuses Karnataka 1961, 1971, 1981, 1991.

**Table 5(a) : Changes in Composition of Workforce Across Censuses: Scheduled Caste**

(Per cent Change)

Category	1971-81	1981-91
Main Workers	30.91	21.60
Cultivator	43.81	5.47
Agri. Labour	23.22	35.45
Agriculture	32.49	20.79
Non-Agriculture	24.06	25.32

**Table 5(b): Changes in Composition of Workforce Across Censuses: Other Social Groups**

(Per cent Change)

Category	1971-81	1981-91
Main Workers	18.65	15.70
Cultivator	20.94	5.87
Agri. Labour	11.07	29.51
Agriculture	17.81	12.94
Non-Agriculture	21.92	26.03

The distribution of holdings across the size classes helps us to understand the relative asset position of the cultivators belonging to Scheduled Castes. The distribution of holding presented in Table 6 and Table 7, for the three censuses (1980-81, 1990-91 and 1995-96) shows the proportion of cultivators belonging to different size group of operational holding. The general trend of the distribution of

holding is reflected even in the land distribution of Scheduled Castes. The number of holdings under the group of marginal farmers is increasing and that under the size group of large holdings is declining. But the increase in the number of marginal farmers belonging to Scheduled Castes is much faster than in the other Social Classes (growth rates of 0.51 and 0.42 per cent per annum). Another, most pertinent observation from this table is the group of farmers belonging to the small size of holding, belonging to Scheduled Castes, has declined, whereas, the Small size of holding has shown an increase among the other social classes. This gets clearly reflected in the average size of holding. The general trend in the average size of holding across the size classes shows a reduction in the land held per cultivator. The average size of holding of a cultivator belonging to Scheduled Castes was 1.71 hectares per cultivator which came down to 1.43 hectares recording a rate of decline of 16 per cent as against only 8 percent decline in the other social groups. The decline has come significantly from the highest two size classes of holdings (Table 8).

**Table 6: Distribution of Operational Holdings According to Social Groups for Size Classes**

(In Per cent)

Size Class	Scheduled Castes			Other Social Groups			Total		
	1985-86	1990-91	1995-96	1985-86	1990-91	1995-96	1985-86	1990-91	1995-96
Marginal	44.40	36.05	48.35	35.49	38.60	41.11	36.43	39.16	41.95
Small	30.00	31.50	31.32	25.74	26.76	26.93	26.29	27.46	27.44
Semi medium	17.20	16.46	15.25	21.50	20.49	19.90	21.04	20.12	19.35
Medium	7.20	5.80	4.67	13.90	11.68	10.19	13.13	11.01	9.55
Large	1.20	0.78	0.41	3.37	2.47	1.91	3.11	2.25	1.74
All Size	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source : Agricultural Census 1995-96, Part I, Govt. of Karnataka, Bangalore.

**Table 7: Distribution of Area under Operational Holdings According to Social Groups for Size Classes**

( Area in 000' hectares)

Size class	Schedule Caste		Schedule Tribe		Others		Total	
	1990-91	1995-96	1990-91	1995-96	1990-91	1995-96	1990-91	1995-96
Marginal	147 (14.77)	179 (17.24)	52 (8.47)	66 (9.98)	873 (8.15)	1003 (18.54)	1072 (8.70)	1248 (17.56)

Small	291 (29.25)	328 (31.60)	125 (20.36)	149 (22.54)	1892 (17.66)	2003 (37.92)	2308 (18.73)	2480 (34.89)
Semi medium	280 (29.14)	292 (28.13)	172 (28.01)	196 (29.65)	2749 (25.66)	810 (14.97)	3201 (25.98)	1298 (18.26)
Medium	211 (21.21)	190 (18.30)	186 (30.29)	185 (27.99)	3373 (31.49)	115 (2.13)	3770 (30.60)	490 (6.89)
Large	66 (6.63)	49 (4.24)	79 (12.87)	65 (9.83)	1825 (17.04)	1479 (27.34)	1970 (15.99)	1593 (22.41)
All sizes	995 (100.00)	1038 (100.00)	614 (100.00)	661 (100.00)	10712 (100.00)	5410 (100.00)	12321 (100.00)	12109 (100.00)

Note : Figures within brackets are percentages to the column totals.

Source : Agricultural Census 1995-96, Part I & II, Govt. of Karnataka, Bangalore.

One important observation from this data on distribution of land holdings comes out prominently, viz., the cultivators belonging to Scheduled Castes have extremely small market access (because only a small proportion of them belonging to the holding sizes which can claim some sizeable marketable surplus) and further their density in this group has reduced even during the shortest span of five years. Furthermore their participation in the land lease market is also marginal and largely with small fragments of land. Most of it is illegal as tenancy is not permitted in Karnataka, but then the farmer belonging to weaker section is at the receiving end.

**Table 8: Average Size of Holding According to Major Size – Classes**

(In Hectares)

Sl. No	Size/ Classes	Land holdings belonging to								
		Scheduled Castes			Other Social Groups			All Social Groups		
		1985-86	1990-91	1995-96	1985-86	1990-91	1995-96	1985-86	1990-91	1995-96
1.	Marginal	0.51	0.51	0.51	0.48	0.47	0.47	0.48	0.47	0.48
2	Small	1.45	1.45	1.41	1.46	1.46	1.46	1.46	1.46	1.45
3	Semi-Medium	2.69	2.67	2.53	2.79	2.76	2.75	2.78	2.75	2.74
4.	Medium	5.83	5.70	5.59	6.02	5.95	5.90	6.01	5.93	5.87
5	Large	14.17	13.20	16.33	15.43	15.21	15.08	15.46	15.15	15.03
6.	All Size Classes	1.71	1.56	1.43	2.21	2.21	2.02	2.61	2.13	1.95

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

2) \* Other Social Groups include all other social groups other than Scheduled Castes and Scheduled Tribes.

Source: Agricultural Census, 1985-86, 1990-91 and 1995-96 Govt. of Karnataka, Bangalore.

When we look at the proportion of irrigated area against the rainfed area, it is easily discernible that irrigation has not helped to economically strengthen the Scheduled Castes. According to 1995-96 Agricultural Census about 18 lakh holdings out of the total 62 lakh holdings get the benefit of irrigation. There are 14.9 thousand holdings belonging to Scheduled Castes that receive irrigation, whereas the 'Other Social Groups' have 19.6 lakh holdings receiving irrigation. The total area under irrigation is about 19 per cent but a large share of this is in the lower size classes (48.0 per cent accounted by the marginal farmer group). The percentage of irrigated area in the group of Scheduled Castes is 18 per cent. On an average, the irrigated size of holding of Scheduled Caste group is about 0.82, whereas, the same for the 'other' social groups is 1.14 hectares. Thus, even on the count of land augmentation the group of Scheduled Caste cultivators does not seem to be on any strong ground. Therefore, naturally the generation of marketable surplus from this group is likely to be negligible and their participation in the agricultural commodity market is more in the form of consumer than producer. Further, their participation in labour market is quite strong in terms of numerical strength but not necessarily in terms of bargaining power for wages. Though, there is no strong empirical evidence on this count, any keen observer of the micro-level dynamics can even casually note this in the country side.

Another way of looking at the participation of the Scheduled Caste group in the agricultural commodity market as producer, is to ascertain their decision behaviour in terms of crop combinations. This can be ascertained by looking into the



land allocation to the commercial crops by the group of Scheduled Castes. However, any analysis in absolute terms may not give correct picture of their participation.

**Table 9: Size Classwise Net Sown Area Irrigated and Unirrigated Belonging to Scheduled Castes: 1990-91 and 1995-96**

(Per cent to NSA)

Sl. No.	Size/Class of Holding	Net Cropped Area			
		Irrigated		Unirrigated	
		1990-91	1995-96	1990-91	1995-96
1.	Marginal	20.61	28.73	79.39	71.27
2.	Small	18.68	20.21	81.32	79.79
3.	Semi-Medium	17.85	18.72	82.15	81.28
4.	Medium	17.47	17.18	82.53	82.82
5.	Large	14.94	12.87	85.06	87.13
6.	All Classes	18.19	18.92	81.81	81.08

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

Source: Agricultural Census, 1995-96, Government of Karnataka, Bangalore.

Therefore, we resorted to get at the relative share of the group of Scheduled Castes in the cropping pattern of commercial crops. For the purpose of our analysis we have taken total oilseeds, cotton, total fibres and total non-feed crops. Sugarcane was not considered here as it has very little share in the total gross cropped-area.

We have presented in Table 10 (a) the area allocated by the farmers belonging to Scheduled Castes to the commercial crops (excluding sugarcane) as a share of the total area allocated to these crops by all cultivators. Therefore, if the area allocated to the market oriented crops is in the neighbourhood of this share we can comfortably say that the cultivators belonging to Scheduled Caste would probably have fair access to market (notwithstanding the facts about within market discrimination). In other words, the share of commercial crops of about 10 per cent gives opportunities to this group to participate in the market with equal opportunity. But as can be seen from the table hardly 6 per cent of the total area allocated to non-

food crops comes from the farmers belonging to deprived Castes. This is certainly quite lower than their due share. It is necessary to note here that we have assumed the major discriminating factors like access to technology, yield levels, prices received by farmers as given. In fact, these variables operate more strongly in distorting the market unfavourably for the deprived Castes. Thus, economic factors alone may not explain the present position as well as future impact of NEP.

**Table 10 (a): Percent Share of Area Allocated by Scheduled Castes:1995-96**

Crops	Irrigated Area	Un-irrigated	Total
Cereals	6.72	9.55	8.94
Pulses	3.92	10.94	10.67
Sugarcane	4.02	0.00	4.02
Oilseeds	5.92	9.11	8.74
Fibres	4.76	7.23	6.79
Fruits and Vegetables	4.48	7.00	6.37
Non Food Crops	5.79	8.37	8.03

Note: Percent share of area allocated by SC group of Farmers to total area under the crop

Source: .Govt of Karnataka, Agricultural Census – 1995-96

**Table 10 (b): Area Allocated to Commercial Crops by the Group of Scheduled Caste Cultivators as a Share of their Total Area Allocated 1995-96**  
(Per cent)

Sl No	Crops	Marginal	Small	Semi-Medium	Medium	Large	All
1	Paddy	16.15	7.67	6.33	5.03	6.94	8.25
2	Jowar	10.47	16.87	19.56	21.37	24.19	17.65
3	Cereals	59.28	51.58	49.59	47.37	45.73	51.34
4	Foodgrains	74.65	69.57	68.11	67.37	66.17	69.49
5	Non-foodcrops	25.35	30.43	31.89	32.63	33.83	30.51

Notes: 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

Source: .Govt of Karnataka, Agricultural Census – 1995-96

#### 4. Welfare Schemes for Scheduled Castes in Karnataka

Karnataka is one of those few states that have incorporated number of welfare schemes. Historically it began under the Chief Ministership of Late Sri Devaraj Urs and later on carried by the other political leaders. The schemes cover food security, education to the children, schemes to provide shelter, old age pension, hostels for students, gender specific schemes for women and concessions for education.

##### 4.1. Food Security to the Poor

One of the major initiatives taken for providing food security to the weaker sections is by providing them easy and assured access to food. This is intended through the Public Distribution System network. A targeted distribution system was introduced and a distinction was made in the PDS cards issued to the beneficiaries. The criteria for the issue of Ration cards under different categories are as under:

**Table 11: The Status of Ration Cards as on 31-10-003 is as under:**

Type of Ration Cards	Rural	Urban	Informal Rationing Area	Total
YELLOW+AAY	249309	5513851	5536840	6300000

##### i. AAY (Anthyodaya Anna Yojana) Cards:

AAY cards to the poorest of the poor families both in Rural and Urban areas. Cumulatively till October 2003. AAY cards have been issued to 4.80 lakh identified families under this scheme. The process of issue of ration cards to the additional 2.40 lakh families are under progress.

##### ii. Yellow Cards:

Yellow cards are issued to families in rural areas with an annual income of Rs.12,000/- and below and in Urban Informal Rationing (IR) areas with an annual income of Rs.17,000/- below and in persons living in slums.

In addition to these PDS cards are also given to those above certain income level and above poverty line.

The State Government has issued instruction to the district Deputy Commissioners to involve the Panchayati Raj Instructions in the Public Distribution System, to make it more effective and transparent. Among the steps taken to make the scheme effective following steps are taken:

- i. The list of Below Poverty Line Families is exhibited in the Gram Panchayat Office and other public offices, which would help in identifying the ineligible families.
- ii. Beneficiaries will have access to such lists and prices for scale of issue of food grains, list of members of Vigilance Committees have to be published at the Gram Panchayat Office and other public places for the information of the general public.
- iii. A Vigilance Committee is constituted to review the effective functioning of the Fair Price Shop and to report the shortcomings if any, to the concerned District offices. One Committee will function for each fair price shop with eight members out of which one of the members would be an elected member of the Gram Panchayat.
- iv. The District Officers shall initiate legal action based on the reports/recommendations of the Vigilance Committees

#### **4.2. Education oriented Schemes**

Proportion of dropouts from the schools is quite high among poor and more so among the Scheduled Castes. In order to reduce the dropouts from schools a few innovative schemes were introduced. A number of programmes have been implemented in order to bring the out of school children into schools. These include i. Children Census; ii. Enrolment Drive; iii. Chinnara Angala (backyard School); iv. Cooliyinda Shalege (from labour to school); v. .Beediyinda Shalege (from street to school); vi. Baa Baale Shalege (Bringing back Girls to school); vii. Baa Marali Shalege (Come back to School); viii. Flexi Schools (Sadaa Shale). All these

programmes attempt to get the children back to schools. The success of these programmes has not been evaluated and so also the impact of these on the Scheduled Castes.

#### **4.3. Housing Schemes**

##### **i. Ambedkar Housing Scheme for Rural Areas**

This is the housing scheme for SC/STs, whose annual income is Rs.11, 800/- or below. An assistance of Rs.20,000/- is paid as a subsidy. From 95-96 to 2001-02, 1,43,403 houses have been built. During 2001-02, 26,489 houses and during 2002-03, 18,415 houses have been built. During the year 2003-04 (upto Oct. 2003) 10,264 houses have been built.

##### **ii. Urban Housing Schemes:**

There are two schemes operating in urban areas. First scheme involves construction of EWS houses by Rajiv Gandhi Rural Housing Corporation Limited under Ashraya. The second scheme includes free distribution of sites for persons below the poverty line under Ashraya. About 1,15,719 houses were constructed in urban areas under the "Ashraya" since inception i.e., from 1990-91 to 2003-04 (upto Oct. 2003). In 2001-02, 18,167 sites were distributed under Ashraya in urban areas and in 2002-03, 1,127 sites were distributed. Total of 21,747 EWS houses were constructed in urban areas in the year 2003-04 (upto Oct. 2003) 11,467 houses were constructed in urban areas including 10,477 under Urban Ashraya and 990 under Urban Ambedkar.

##### **iii. Indira Awaas Yojana:**

The Indira Awaas Yojana renamed as Integrated Rural Housing, which has become an independent scheme from 1<sup>st</sup> January 1996, aims at providing houses for Scheduled castes and Scheduled Tribes and Freed Bonded Labourers, who are below the poverty line. Coverage is also extended to other poor people subject to the

condition that financial assistance does not exceed 40 per cent of the total allocation. From 1990-91 to 2003-04 (upto Sept. 2003), 5.84 lakh houses have been built; 28,910 houses were constructed in 2002-03 and 10,729 in 2003-04 (upto Sept.2003).

**Table12: Achievements under Integrated Rural Housing Scheme (Indira Awas Yojane)**

(In lakhs)

Year	Programme	Progress
2000-01	0.31	0.28**
2001-02	0.32	0.29**
2002-03	0.33	0.29**
2003-04(upto Sept.03)	0.38	0.11**

Note: \*\*include backlog houses

Out of the total funds 20 per cent has been earmarked for upgradation of kutcha houses from 1999-2000. Rs.10,000 subsidy is provided for upgrading the kutcha houses. Since 1999-2000 to 2003-04 (upto Sept. 2003) 0.54 lakh houses have been built; out of which 13,542 houses were upgraded in 2002-03 and 4,463 in 2003-04 (upto Sept.2003)

#### **iv. SLUM CLEARANCE : Centrally Sponsored Valmiki Ambedkar Malin Basti Awas Yojana (VAMBAY)**

The Karnataka Slum Clearance Board has taken up a programme to construct about 33,282 houses under the "VAMBAY" scheme. Out of these, 16,597 houses have been completed. One more subsidiary scheme under VAMBAY called "NIRMAL BHARATH ABHIYAN", is taken up by earmarking 20 per cent of Vambay Grant for Construction of 791 Community Toilet Complexes of 10 seaters each at a unit cost of Rs.40,000 per seater; out of which 102 toilet complexes have been completed. Under Vambay Scheme, Government of India has sanctioned Rs.28.82 crores subsidy for construction of 10,312 houses during 2002-03, which has already been

implemented in Bangalore City and in slums of 21 Class-I cities of Karnataka through Karnataka Land army Corporation, Nirmithi Kendra and Karnataka Slum Clearance Board.

## **5. Developmental Initiatives Welfare of the Scheduled Castes & Scheduled Tribes**

In Karnataka various schemes for improving the socio-economic conditions of scheduled caste and scheduled tribes are being implemented. Some of these are indicated below:

- ❖ Financial assistance of Rs.8,000/-and Rs.10,000/- for each scheduled caste student pursuing M.Phil and Ph.D. respectively provided under the scheme of Fellowship to M.Phil. and Ph.D. students. During 2003-04 (upto Oct. 2003) 312 SC beneficiaries were covered and financial assistance of Rs.17.27 lakhs have been provided and also Rs.3.83 lakhs have been provided to cover 67 ST beneficiaries.
- ❖ Students of scheduled caste who are studying in IIT/IIM/IISc have been provide with a maximum financial assistance of Rs.50,000 to each student. Financial assistance of Rs.2.50 lakhs is provided to five students during 2003-04 (upto Oct.2003)
- ❖ Beside, financial assistance of Rs. 10 lakh per annum is also provided to those scheduled caste students who take up higher studies in foreign universities. An amount of Rs.18.50 lakhs have been disbursed as financial assistance to five students during 2003-04 (upto Oct.2003).
- ❖ Scheduled caste women are trained in various crafts through 61 tailoring centers in the state. During 2003-04 (upto Oct.2003), Rs.31.70 lakhs have been spent and 299 beneficiaries covered.

- ❖ To create self-employment among unemployed scheduled caste persons, provision has been made for three months training of light motor vehicle and autorikshaw. A stipend of Rs.150 and Rs.300 is provided to beneficiaries in rural and urban areas respectively during the period of training. During 2003-04 (upto Oct.2003) 118 beneficiaries have been covered and an expenditure of Rs.1.26 lakhs has been incurred.
- ❖ Under Navachetana Scheme, certain reputed institutions/private organisations are imparting training to scheduled caste unemployed youths in different trades and in computer to enable them to get employment or self-employment. During 2003-04 (upto Oct.2003) 125 SC beneficiaries have been covered and an amount of Rs.25 lakhs has been spent and 500 ST beneficiaries have been covered and an amount of Rs.20 lakhs have been spent.
- ❖ Compensation ranging from Rs.25,000/- to Rs.2 lakhs is paid to the victims of atrocities, depending upon the nature of loss sustained. During 2003-04 (upto Oct.2003) Rs.1.94 crores have been spent, as against the annual target of Rs.3 crores.
- ❖ Postmetric scholarships are being sanctioned to scheduled caste students whose parents annual income is within Rs.65,290/-. The GOI will provide the funds over and above the committed liability of the State government. During 2003-04 (upto Oct.2003) Rs.389.23 lakhs have been spent on 17,605 students.
- ❖ 1,121 parametric hostels are providing free boarding and lodging facilities to 70,070 scheduled caste students studying in VI to X standard. During 2003-04 (upto Oct.2003) Rs. 3,323.88 lakhs have been spent as against the target of Rs.6,032.44 lakhs.
- ❖ The distribution of free houses to the scheduled caste families are being implemented in the state. During 2003-04 (upto Nov.2003) Rs.25 crores has been released to build 15,000 Ambedkar houses.



- ❖ In 2003-04, a new scheme, Koushalya, was announced in the budget speech. The objective of the scheme is to provide training to scheduled tribe unemployed women candidates in different trades. During 2003-04 (upto Dec.2003) 1,269 ST beneficiaries were covered and a financial assistance of Rs.1 crore has been provided.
- ❖ Devadasi:- the objective of the scheme is to identify devadasi women in 8 districts of the state and assistance is provided to land purchase, dairy and other gainful activities under the land purchased, self-employment scheme and individual borewell schemes. During 2003-04 (upto Nov.2003) Rs. 18.47 lakhs have been spent and 109 beneficiaries have been covered under self-employment scheme.

## **6. Conclusions**

This paper tried to analyse the hypothesis regarding market participation of the deprived Castes especially on the background of one of the most radical institutional change i.e. land reforms. Though the success of land reforms measures has been mixed across the country, it is one of the major determinants of the agrarian structure. Further, it also reflects the present institutional setback in rural India. On this background it becomes easy to find out the market participation of the deprived Castes in rural India. Our endeavour towards locating the market participation was mainly guided by the hypothesis extended in the near past about the market as an effective correcting measure and partial withdrawal of the State from interfering with poverty, agrarian parameters and other welfare measures. One of the important hypothesis that was raised by Deepak Lal in his book on 'Hindu Equilibrium'

regarding the analysis of social stability through the Caste system needs to be looked critically. He especially took help of the neo-classical paradigms in which a large number of untenable assumptions were entered into. To quote, he says that "I would accept that as Dumont emphasizes, the unique feature distinguishing the Caste system from other modes of social stratification is the disjunction of power and status in the Caste hierarchy. But I would argue that it is the peculiar environmental circumstances of endemic political instability in the ancient Hindu monarchies for which the system was forged which makes this disjunction economically, ritually enforceable" (Lal, 1988, p. 73). On this background Dr. Ambedkar's hypotheses are more pertinent and institutional in nature (Ambedkar, 1946 and 1948). In fact, on the latter's methodology, still we can explain the present situation of marginal market participation and continued poverty of Scheduled Castes and Scheduled Tribes in the rural areas.

Our paper very modestly tried to highlight the fact that a large number of people from the deprived Castes from rural areas depend on agricultural sector. Poverty and deprivation are largely dictated by access to land and means of livelihood. Land deprivation is therefore crucial. A majority of them are agricultural labourers whereas only about 12 per cent are cultivators. Out of the cultivators, it is only less than half who have some access (even theoretical) to the product market as producers, thereby clearly indicating their weak bargaining power as consumers. On the other hand, the agricultural labourers belonging to deprived Castes have always been at the other end of the hierarchy. They too have extremely weak bargaining position in relation to their wage labour. In such a situation, it will not be prudent to assume that the market would correct the distortions through the price mechanism and hence it will not be erroneous, if we state that the NEP is likely to have hazardous impact on the deprived Castes both in living standard and employment.

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