

ECONOMIC ANALYSIS OF CASTE FACTOR IN INDIA

Vandana Kumari*
 Dr. D.R Agarwal**

ABSTRACT

Economic Growth is determined by two types of factors namely

Economic Factors	Non-Economic Factors
<p>1.) Natural Factors Land and its composition fertility of land forest wealth, mineral resources, water resources, climate sea resources, environment and ecology (clean air, water and environment) etc.</p> <p>2.) Human resources Quantity and quality of working population and the ratio of working condition and the ratio of dependent and working population, physically and mentally handicapped qualified but unemployed or underemployed persons.</p> <p>3.) Capital Formation Growth is a function of rate of capital formation (Physical and human), Basic social and economic overheads as the term used by Prof A.O. Hirschman</p> <p>4.) Technical Knowledge Innovations, scientific knowledge research and developing leading to change of production functions for the better reduction of cost increase in quality of the product and process leading to removing of market imperfections and structural changes with application of skills.</p> <p>5.) Entrepreneurial Skills Leadership, management, supervision and administration and risk bearing and uncertainty bearing qualities with positive attitude to develop scientific thinking process, research and development orientation.</p>	<p>1.) Human endowments and social attitudes.</p> <p>2.) Political Conditions Trust and faith in different forms of government. Internal law and order, external security, transparency, accountability and expediency.</p> <p>3.) Socio-cultural- Psychological set up. Joint family system, Purdha system, illiteracy, Belief in caste system and its consequences that is discrimination between upper and lower castes, illogical thinking, backward and outdated social traditions, class conflicts, gender inequalities etc. eliminating of social evils.</p> <p>4.) Moral and ethical values. Unscrupulous business dealing, Basic value based system-country is supreme, equal opportunities of growth and development to all sections of the society without any discrimination on the lines of caste, religion, region, gender, colour etc</p> <p>5.) Social and Eco security No exploitation, oppression, child labour, conservation of resources of the country. Above all humans right under democratic system.</p>

Caste_census is being demanded by our policy makers. We have come out of the vicious circles of the untouchability class conflicts and social conflicts on the issues of reservation. We cannot forget the situation when the Mandal commission was implemented in the country. At least we should go through the life sketch of our Icon Dr. B R Ambedkar. India is now targeting to become a global economic and knowledge power and still we are making a case for keeping the caste system alive. This research paper is an outcome of the consequences of caste system (we have seen and read)

Keywords: *Traditional Mindset, Retreating, Caste Census, Caste System, Global Economic.*

* Research Scholar, Banasthali Vidyapeeth, Rajasthan, India.
 ** Professor Emeritus, Starex University, Gurugram, India.

Introduction

“After decades of mediocrity and stagnation under ‘Nehruvian Socialism’, the Indian economy achieved a spectacular take off during the last two decades. This take-off which led to unprecedented improvements income per head, was driven largely by market initiatives. It involves a significant increase in inequality, but this is a common phenomenon in periods of rapid growth with enough time, the benefits of fast economic growth will surely reach even the poorest people and we are firmly in the way to that”¹

Needs, desires, wants, demand, welfare etc. are the terms which have been evolved with the passage of time. Basic human needs are food, clothing, shelter, access to healthcare, education, sanitation, clean water supply etc. and their indicators are life expectancy at birth, literacy rate gender-wise number of primary schools as percentage of population and enrolment percentage of the target group, calorie intake perheadperday as determined by some authorised agency, global hunger index, IMR, MMR, CMR, etc. Indicators to economic growth are GDP, per capita GDP, standard of living particularly of the marginalised and less advantageous section of the society, distribution of income and other assets among different sections of the society, the percentage of people living below poverty line, Unemployment and Underemployment along with ratio of working and dependent population protection of environment and conservation of natural resources etc. The United Nations Development Programme defined human development as a process of enlarging people’s choices that are created by expanding human capabilities (determined on the basis of knowledge, understanding, problem solving skills, soft skills, application-oriented skills etc.)

Economy’s performance can be measured by the Yard-stick of its GDP Growth rate.

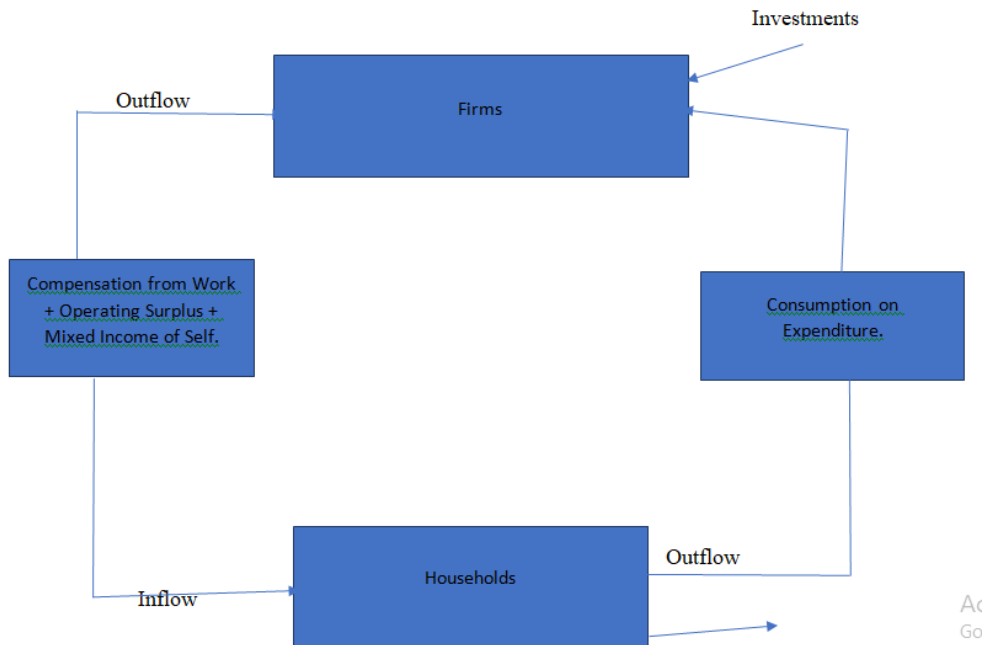
$$= \frac{Y_t - Y_{t-1}}{Y_{t-1}} * 100$$

Y_t = GDP in accounting year(t)

Y_{t-1} = GDP in preceding year t-1.

GDP = Total monetary value at current prices or constant prices (as the case may be) of all final goods and services produced in an economy by its normal residents within an accounting year.

Macro-economic balance



GDP = Income from work = Income from property (operating surplus) + Mixed income of the self-employed.

$$= \text{Total private final consumption expenditure} + \text{Gross domestic private investment} + \text{Government purchase of goods \& services} + \text{Net Exports}$$

= C+I+ G + (X-M)

Target of GDP by 2024-2025(India) to achieve

\$5 Trillion dollar

In 20=21-2022 it is nearly \$ 2.7 trillion dollar

It means our GDP growth rate (target)

$5 = 2.7[1+r/100]$ or $\log 5 - \log 2.7 = 3 \log [1+r/100]$

$.6990 - .4314 = 3 \log [1+r/100]$ or $1+r/100 = 1.219$

R=21.9%p.a

But china's GDP= \$16 Trillion US while population growth and ours is more than 1.2% p.a. = 0.5% p.a.

Hence it does not seem that India will be an economy of \$ 5 trillion US by 2024-2025.

Basic models of economy growth:

$Y = f(N, L, K, T)$

N=NATURAL RESOURCES

L= LABOUR

K= CAPITAL

T= TECHNOLOGY

$Dy/dt =$

Natural resources are almost limited

Hence rate of economic growth

$= f$ [rate of growth of labor, capital+technology]

Labour will skills could be taken into the category of human capital

Rate of economic growth= f [capital accumulation+ technology development]

But these all-basic modes of growth is based on the assumption that non-economic factors are prone to growth.

Literature Review

The historic discrimination faced by marginalised communities on the axis of caste, believes that a caste census will only reinforce the politics of identity constantly increasing reservation limit makes the architecture affirmative action meaningless. The centre's politics of pushing the citizenship (Amendment) Act and initially linking it to a National Register of citizens before backtracking from it led to doubts about the census among sections of the population in 2020. The pandemic then made it difficult to embark on the exercise. If Caste is now included as a metric, it will only further delay the 2021 census, the centre acknowledged the 2011 SECC was flawed and this is because capturing complex and fluid caste categories in India is not easy. One caste may be considered backward in a particular state, but not elsewhere, caste count will get mixed in competitive political mobilisation.

A sound case is built on capturing socio-economic indicators based on caste. The logic behind the SECC is that welfare programme could be tailored in accordance to the different proportion of castes showing socio-economic indicators below the benchmark. The political climate is making out a case in favour of the caste census. Mere headcount of different castes will answer the basic questions- poverty, unemployment, inequalities in the distribution of economic, social and political power, environmental degradation and overall pollution, balanced diet, sanitation, access to education and health care and fulfilment of basic needs of the society, social welfare and social security etc. Caste survey will only serve the purpose of our policy because elections are fought on caste considerations. That is why political leaders are also known as the leaders of their own caste. ² Daily HT, 25th sept, 2021, p.14

Research Gap

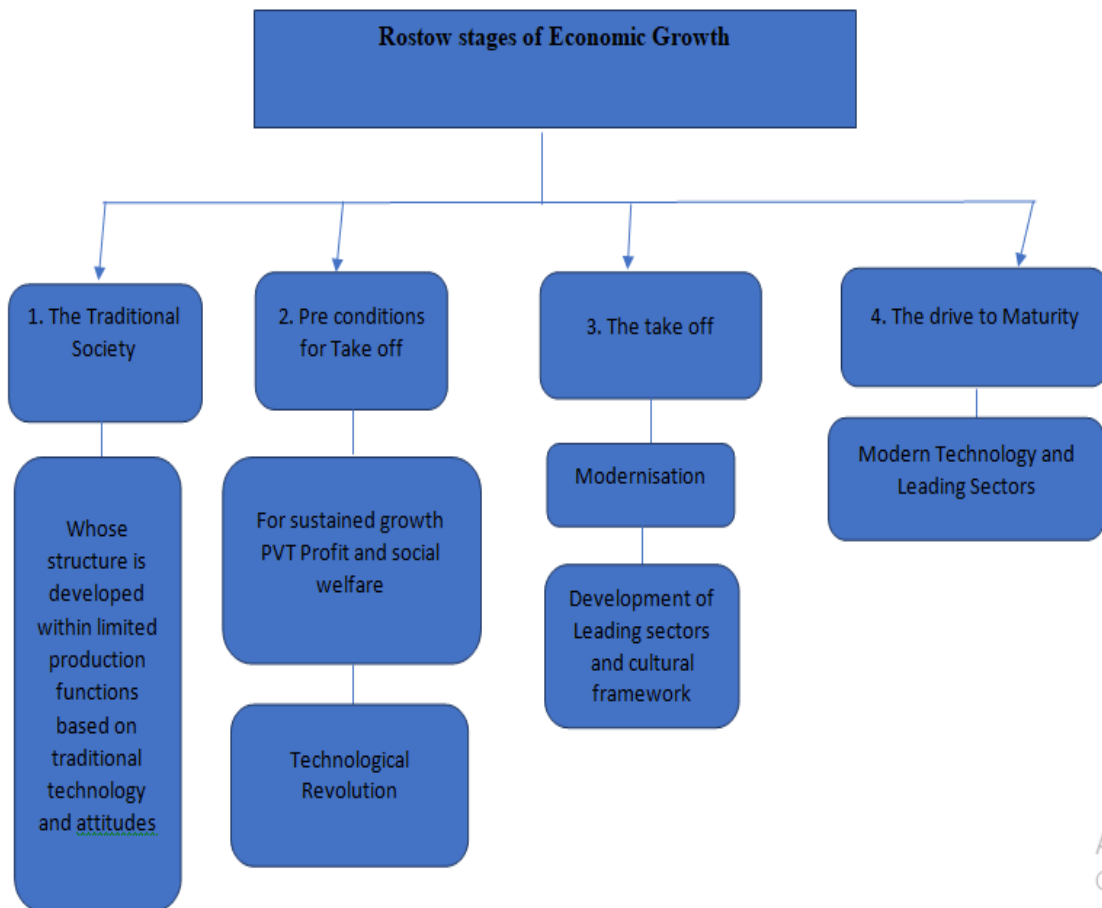
India has the credit to achieve the highest rate of economic growth in a particular year, but caste system take us to learn from the history, because we had faced the problems of untouchability, child labour, illiteracy, lesser mobility, concentration of powers in the hands of upper castes, social conflicts, social evils, women confined to the four walls of their home or doing a number of economic and non-economic activities without any recognition, a number of other stories of their exploitation, unawareness of their rights-only duties and duties. One can never forget the implications of Mandal Commission report and thousands of Youth were self-immolating themselves. Educational Institutes were closed.

Indian economy achieved a spectacular take off during two decades from 1991-2010(20 years). This take off which led to unprecedented movements in income per head, was driven largely because of economic reforms initiated by the Govt. led by PM. NaraSimha Rao, who was a strong believer that social harmony is always more important even at the cost social justice.

Prof Roston has given 5 stages of economic growth from backwardness to age of high consumption. At the 28th foundation day of the National Human Rights Commission, it was observed that the government, political parties and the NHRC need to value all kind of civil liberties.

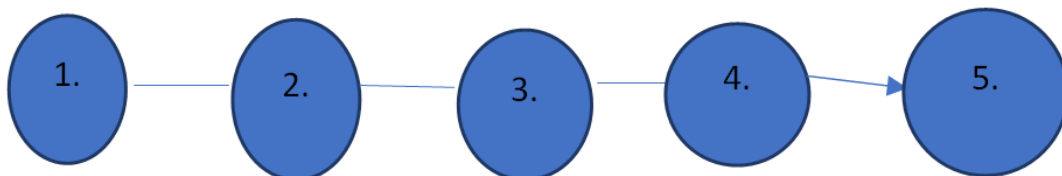
“There must be no selective application of human rights – the right to life, liberty, equality, dignity, religion, privacy, free speech, free movement, free association, among others, must apply to all citizens, irrespective of caste, religion, region, gender or any other criteria subject to reasonable restrictions or constitutionally stipulated.”³

Rostow Stages of Economic Growth

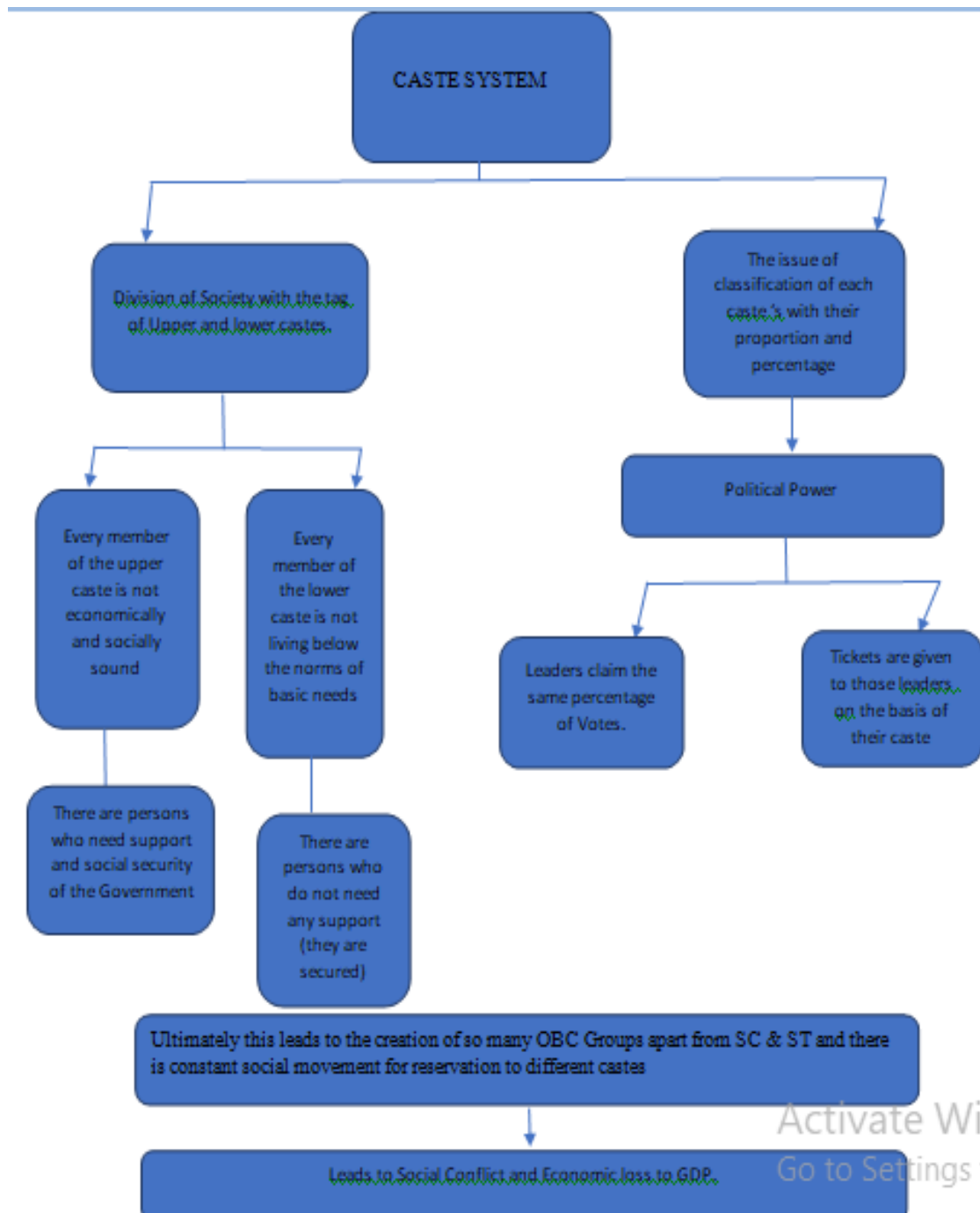


The Age of High Consumption

Extensive use of automobiles, the durable consumer goods and household gadgets.1.



But are we going in backward direction Hence research topic is justified.



There is only one objective of this research paper to examine the main aspect of caste system and its impact on our targets of becoming global economic and knowledge power. We are already facing a number of problems e.g. poverty, unemployment, covid 19 and its consequences, natural disasters, external security threat, war- preparedness, terrorism, separtists, insurgency operations, employability and skills, natural disasters, problems of ecology, environmental degradation, climate change and pollution etc., women empowerment and a number of other issues related to gender and sensitization etc.

Objectives

- To examine the issues and challenges in the light of caste system.

Research Methodology

This paper is an outcome of the ongoing events and problems. Everything has been analysed on what is what. Nostatistical tools have been applied. Only facts and figures speak the truth.

Analysis

- **Global Hunger Index:** In 2020, India was ranked 94th out of 107 countries and now with 116 countries in the Fray, it has dropped to the 101 rank. India's GHI score has also decelerated from 38.8 in the 2000 to the range of (28.8 – 27.5) between 2012 and 2021. The GHI score is calculated on four indicators – undernourishment, child wasting (the share of children under the age of five who are wasted – that is who have low height for their age reflecting chronic undernutrition) and child mortality i.e the mortality rate of children under the age of five. The share of wasting among children in India rose from 17.1% between 1998-2002 to 17.3% between 2016-20.

Companies with neighbouring countries (GHI) 2021 Total Countries -107

- Nepal 76
- Bangladesh 76
- Myanmar 71
- Pakistan 92
- India 101

"People have been severely hit by Covid -19 and by pandemic related restrictions in India, the Country with highest child wasting rate worldwide"².

Other Meaningful Indices

- India's rank 131st position on Human Development Index – two slots down from its 129th position last year.
- According to CMIE, the employment rate and labour force participation rate have come down significantly. At all India level employment rate has fallen to 34.67% in the week ended May 10, 2021 from 37.72% a week ago.
- The poverty rate has gone up because 230 million people fell below the income poverty line (as per the minimum wage level of Rs. 375 per day)- a study released by Azim Premji University on May 05, 2021.
- The bottom of Indian lost a fourth of their income during 2020-21, clearly reflecting a widening income inequality. As per the World Inequality Data Base top 10% of India's national income was about 56%.
- Nomura India Business Resumption Index (NIBI)

Feb, 2021	100
June 06, 2021	69.7%
- India stands at the 54th position out of 200 economies evaluated in the Bloomberg Innovation Index.
- UN Happiness Report, India came at 140th position in 2019 dropping seven places from 133 in 2018.
- Global Democracy Index – 51 out of 167 countries dropping by 10 places. Corruption Perception Index – 80th position again dropping by two places.
- Cost Pressures are working in such a way that it is very difficult to check the inflationary trends in prices. Can government's targeted welfare override inflation concern.
- India's growth challenge in the post pandemic phase has been to take economic activity levels back to the pre-pandemic levels and then try and get it on to a healthy growth path PMI data says there is jobless growth in manufacturing (an employment elastic sector)
- A large majority of the population at the bottom of the social hierarchy in India does not have significant stakes in agriculture.
- Implementation of NEP-2020 is a big challenge.

Conclusion

The socially downtrodden are overrepresented in rural India. Even today, a rural Dalit is more likely a labourer than farmer. The demand force for a caste census is linked with a demand for doing away with the Supreme Court imposed 50% limit on reservations. Limit has already breached after the implementation of reservations for economically weaker sections among communities which were hither to excluded from availing reservations.

Suggestion

We are a matured democracy and now we are celebrating Amrit Mahotsav of our Independence (that is 75 years). Our focus should be planned Parenthood rather than demand for caste census.

Let us make this caste system an outdated system.

Scope of Further Research

Psychological aspect of division of Society between two categories – upper castes and lower castes then into a number of subdivisions.

References

1. Jean Dreze and Amartya Sen, "Putting Growth in its place" Yojana Jan 2012, p.35
2. Editorial – Focus on Census not caste Daily HT, Sept-25th, 2021, p.14
3. Editorial – Human Rights and the state Daily HT 15th Oct, 2021, p16
4. PTI India slips to 101st rank in Global Hunger Index behind Pak, Nepal Daily HT 15th Oct, p.14.

