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Market and Non-Market Forms of Discrimination

S. Viswanathan

Thorat, Sukhadeo, and Newman, Katherine S. (editors) (2010), *Blocked by Caste: Economic Discrimination in Modern India*, Oxford University Press, New Delhi, Rs 750.

Thorat, Sukhadeo (2009), *Dalits in India: Search for a Common Destiny*, Sage Publications India Pvt. Ltd., New Delhi, Rs 895.

In recent years, a large number of studies on caste-based discrimination and social exclusion have been conducted and published. This is particularly true of the period of unprecedented upsurge among Dalits that was inspired by and followed the countrywide celebrations to mark the birth centenary of Dr B. R. Ambedkar in 1991. Most of the many books on the subject published in the last two decades document discrimination against Dalits, particularly the continued practice of untouchability despite a constitutional ban on it, and atrocities committed against the Dalit people. Many of these works explore deprivation and discrimination without going into questions of how and why they happen, and how best they can be ended.

The two books under study are, however, a class apart. Both provide better insights than any other into problems of discrimination and deprivation, studying these from the perspective of economics and using modern research tools. The first work, *Blocked by Caste: Economic Discrimination in Modern India*, is in fact unique for more than one reason. First, it blasts the myth that caste-based discrimination against Dalits is “a thing of the past,” and that it is basically “a rural problem.” Secondly, it is more comprehensive than previous works on the subject and is based on well-researched data. Thirdly, the book goes beyond identifying the problem and suggests remedial measures as well. Fourthly, the book also speaks for other marginalized people, such as people of religious minorities, particularly Muslims, and Other Backward Classes or castes, who have also been victims of discrimination.

Explaining the problems of linking up the study of discrimination with the logical end-point of such research, that is, that of arriving at fair, equal opportunity policy, the editors state in their introduction that “lack of systematic, theoretical and empirical research on market and non-market discriminations has constrained our capacities to develop well-founded equal opportunity policies for production and business sectors, employment, education, housing, health, and other spheres for the discriminated groups.” The excellent 29-page introduction gives an overview of the 13 chapters of the volume, which deal with different patterns of economic discrimination and social exclusion, individual exclusion and group exclusion, market and non-market discriminations, the consequences of economic discrimination and their impact on general economic growth, poverty, inter-group conflicts, and interventionist and equal opportunity policies.

Thorat and Newman conceptualize caste- and untouchability-based market and non-market discrimination by classifying types of discrimination into four categories. The first is the “complete exclusion” that happens when the “upper” castes exclude social groups such as the “lower” castes from hiring, selling, and purchasing factors of production (such as agricultural land, non-land capital assets, and various services and inputs required in the production process), consumer goods, social needs such as education, housing, and health services, and so on. The second, “selective inclusion,” is when certain excluded groups have access to input factors, consumer goods, and so on, but at differential prices. The third is “unfavourable inclusion (often forced), bound by caste obligations and duties.” Unfavourable inclusion, say Thorat and Newman, is “reflected, first, in overwork, loss of freedom leading to bondage, and attachment, and, second, in differential treatment at the place of work.” The last of the four categories is perhaps the worst and most cruel. It applies, for instance, to Dalits who are involved in so-called “unclean” or “polluting” occupations. This represents, in a way, further exclusion in addition to the general exclusion.

The wide-ranging consequences of social and economic exclusion affect not only the well-being of the excluded groups, but also the performance of the economy. “The concern about discrimination,” the editors note, “is precisely because of its linkages with underdevelopment, inequality, poverty of the excluded groups, and inter-group conflict.”

“The standard economic theory of discrimination,” the editors observe, “implies that market discrimination will generate consequences that adversely affect overall economic efficiency and lead to loser economic growth.” Market discrimination leads to failure of the market mechanism, which, in turn, induces inefficiency because of less-than-optimal allocation of labour and other factors among firms, they say. Apart from Dalits, the religious minorities, particularly Muslims, and the Backward Classes are also affected by this kind of market discrimination. The editors say that “the insights from theories on remedies for discrimination clearly indicate that market

competition on its own, as the neoclassical economists seem to believe, will not eliminate economic discrimination; on the contrary positive intervention in various markets will be required to correct the market failure associated with discrimination and ensure fair access for the discriminated groups, lower castes, women, religious minority groups, and other similar groups.” With its rich content, sophisticated research and splendid presentation, this book is without doubt a very valuable addition to Dalit studies.

The second book, *Dalits in India: Search for a Common Destiny*, is based on extensive and in-depth research undertaken by a Delhi-based organization, the Indian Institute of Dalit Studies (IIDS). It is a meticulously compiled treasure of information on Dalits in India and their numerous, hard-to-surmount problems. This all-embracing book has in it a very wide range of information on Dalit life and the day-to-day problems of Dalits. The well-researched work provides an analysis of various human development and related indicators at the national and State levels. The statement of Martin Macwan, Chairperson, IIDS, that “the literature emanating from this book is extremely rich, insightful and reflective of perspectives that are empirical in nature,” is no exaggeration at all. For those people – experts and laypersons alike – who are genuinely interested in fighting poverty, social exclusion and marginalization, *Dalits in India* will be of immense value.

The Dalit story – in all its sorrow and tears, anger and resentment, discontent and disappointment – unfolds in the 14 chapters of this book. Detailed information is provided on discrimination and empowerment, Constitutional safeguards and the policy of reservation, the status of literacy and education, and public health-related problems and indicators. Enormous efforts must have gone into the sections in which the author deals with rural and agrarian issues – such as wages for agricultural labour and land ownership – in all their complexity. Dalit-specific laws such as the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989, the Rules under the Act, and the earlier Protection of Civil Rights Act, 1955, have been published in full.

The brilliant analyses of Dalit-specific issues accompanied by important and relevant documents collected from a wide range of sources make this an indispensable reference book on a major contemporary problem – and one that cries out for the attention and sincere response of the powers-that-be.