

## THE CASTE SYSTEM IN INDIA - A VERY BRIEF OVERVIEW: ECONOMIC SOCIAL EXCLUSION, AND THE AMBEDKAR PRINCIPLES OF EMPLOYMENT

An increasing number of international companies and banks are investing in the countries of South Asia, particularly in India. This may have positive consequences for those countries. However the Dalit Solidarity Network UK believes it is increasingly important that foreign investors look carefully at their recruitment and employment policies in South Asia.

Especially in India, there is a distinct and all-pervasive system of discrimination based on caste. The United Nations and its agencies refer to it as "discrimination based on work and descent". What it means is that people who are born into specific groups, trades or castes are unable to escape from the stigma of their background or their origins. Hence those born as leatherworkers, barbers, agricultural workers or manual scavengers (toilet cleaners) will remain in those employment sectors all their lives. Sometimes people escape from the system by moving to the large towns or cities, but overall the system remains heavily in place.

"Dalit" is a term which has had increasing currency in recent years. Literally, it means "the oppressed". It encompasses peoples who used to be called "untouchables", or "Harijans"; who are often also referred to as "Scheduled Castes", because the way they are referred to in the constitution of India.

"Adivasi" is a term which refers to those who are members of "Scheduled Tribes". That is, individuals who are racially distinct, as indigenous peoples, in contradistinction to the Caucasian peoples who invaded and settled India centuries ago.

There is legislation stemming from the Indian Constitution which outlaws caste discrimination. The Chair of the committee which wrote the constitution of the Republic of India was Dr. Ambedkar. He was a highly educated Dalit who was admitted into Gray's Inn and was called to the Bar. He also completed his second Doctoral studies in the London School of Economics and his thesis was subsequently published as 'The problem of the rupee'. Ambedkar became an all-India figure and the undisputed leader of the Dalits. He used this vantage-point successfully to question with blunt and militant doggedness the claim of Gandhi to represent all of India and especially the Dalits. He died in 1956 having served as India's first Law Minister.

Under the constitution, the Republic of India is empowered<sup>1</sup> to "*promote with special care the educational and economic interests of the weaker sections of the people, and, in particular, of the Scheduled Castes<sup>2</sup> and the Scheduled Tribes<sup>3</sup>, and shall protect them from social injustice and all forms of exploitation*". To achieve this aim, the State has used a two-fold approach: the provision of legal safeguards against discrimination<sup>4</sup>; and a "Reservation Policy<sup>5</sup>" in the State sector and State Supported Sector

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<sup>1</sup> Article 46, A Directive Principle of State Policy

<sup>2</sup> Dalits

<sup>3</sup> Adivasis

<sup>4</sup> Even though the institution of caste has not been banned, certain laws have been formulated by the state to protect victims of caste-based abuse and atrocities, and to provide compensation

<sup>5</sup> Affirmative Action

Subsequently, there has been further legislation, which has introduced penalties for specific examples of caste discrimination. These include the 1989 Prevention of Atrocities Act, the 1993 Protection of Human Rights Act, and the 1993 Employment of Manual Scavengers Act. However, these laws are far from effective.

The Reservation Policy allocates 17% of public sector jobs to Scheduled Castes, and a further 8% to Scheduled Tribes. This approximately reflects their respective percentages in the population as a whole. Since the inception of the *Reservation Policy* following independence in 1947, there has been a significant increase in the number of Dalit and Adivasi government employees, but this is for a population of between about 250 million Dalits and Adivasis (167 million Dalits, and 86 million Adivasis, in 2001).

### Government employment under reservation

Year	Dalits	Adivasis	Others
1956	212,754	22,549	1,184,748
2003	540,220	211,345	2,517,780

Source: National Commission for SC and ST and Annual report of Department of Personnel

### Percentage share in government employment

Year	Dalits	Adivasis	Others
1956	14.98	1.59	83.43
2003	16.52	6.46	77.01

Source: Thorat 2005, "Persistent Poverty – Why SC and ST stay chronically poor" DFID working paper

### Employment under reservation in public sector undertakings

Year	Dalits	Adivasis	Others
1970	40,640	12,309	494,680
2003	296,388	138,504	1,198,106

Source: Thorat 2005, "Persistent Poverty – Why SC and ST stay chronically poor" DFID working paper

### Percentage share in public sector undertakings

Year	Dalits	Adivasis	Others
1970	7.42	2.25	90.33
2003	18.15	8.48	73.37

Source: Thorat 2005, "Persistent Poverty – Why SC and ST stay chronically poor" DFID working paper

### Percentage share of employees in public sector banks

Posts	1978			2000		
	SC	ST	Others	SC	ST	Others
Officers	2.04	0.34	97.62	12.51	4.22	83.27
Clerks	10.32	1.82	87.86	14.88	4.76	80.36
Sub staff	16.25	2.09	81.67	24.47	6.25	69.28

Source: National Commission for SC and ST

From the above figures it can be seen that, 60 years after Independence, the raw percentages in government employment and public sector undertakings now do very roughly reflect the percentages of the population which are Dalit and Adivasi.

Because the *Reservation Policy* does not extend to the private sector recruitment is not done according to quota systems. Therefore, it is not possible to get comparative figure for the proportion of Dalits and Adivasi employed in the private sector, nor - most importantly - the seniority of jobs they hold.

This is unfortunate, because the private sector, in relation to the State Sector and State Supported Sector, is rather a big player. 76% of the workforce is engaged in the private sector and only 24% is employed in the State Sector and the State Supported Sector<sup>6</sup>. The present context is also that the State Sector and the State Supported Sector are shrinking, while the private sector is expanding.

It is estimated that 90% of the Dalit and Adivasi workforce is engaged in menial jobs in the Private Sector (mainly agriculture and private industry). In practice, they have very little - and sometimes no - protection against discrimination. It remains extremely difficult for the 25% of the population referred to by the government as Scheduled Castes and Scheduled Tribes, to overcome the discrimination they face. This is a negative situation, both in terms of human rights, and in terms of economic potential. An article in the *New York Times* recently described the typing competition, in English, the journalist had with an eight-year-old Dalit girl in a village "about an hour's drive - and ten centuries - from Bangalore, India's Silicon Valley". The eight-year-old, he said, "left me in the dust, to the cheering delight of her classmates". It is important to examine the potential which is being lost because of the caste system.

The United Progressive Alliance government in New Delhi is committed to exploring the expansion of the reservation system, into the private sector. According to a recent article in the *Indian Express*, the state government of Maharashtra is already preparing such legislation.

Foreign investment in India is high, and increasing, not the least because it is viewed as a stable country with a high growth rate. Economically, India is a "happening" country. The caste

<sup>6</sup> Government of India Economic Survey 2005 -06, Economic Division, Ministry of Finance, New Delhi.  
India

system has specific effects, when it comes to recruitment of workers for industries which are being developed with outside capital and technological know-how.

To respond to this situation DSN-UK, a member of the International Dalit Solidarity Network, is proposing a set of employment principles for foreign investors in South Asia. After a series of consultations spread over a year with the private, public, and charities sectors, we have finalised what we shall call the *Ambedkar Principles*, and are pleased to be launching them formally on the 20 July 2006.

**Those endorsing these Principles should write to this effect to:**

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London SW9 9TL  
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**Submitted on behalf of the Dalit Solidarity Network UK by:  
*Tara Brace-John, Private Sector Project Officer, 10.5.2006***

## APPENDIX 1: Ambedkar Principles

<http://www.dsn-uk.org/other/Ambedkar Principles UK.doc>

## APPENDIX 2

*SOCIAL	1998-1999	
	Dalits	Non-Dalits
Literacy Rate (%)	57.81	73.41
Infant Mortality Rate (%)	83	61.8
Child Mortality (%)	39.5	22.2
Under nourishment (%)	54	41.1
Life Expectancy (yrs)	62	66
Magnitude of Child Labour – Rural **	7.22	3.3
Magnitude of Child Labour – Urban **	8.1	6.2

*Source: Thorat & Nidhi Sadana, (2002)*

*ECONOMIC %	1999-2000			
	Rural		Urban	
	Dalits	Non-Dalits	Dalits	Non-Dalits
Self Employed In Agriculture	25.69	49.86	4.8	4.97
Self Employed In Non-Agriculture	9.72	13.35	28.53	39.23
Regular Salaried	6.25	7.64	33.34	41.39
Wage labour	50	23.32	64	15
Employment Rate	38.62	39.75	34.41	33.18
Unemployment rate	4.09	2.60	3.70	2.62
Poverty Rate	35.4	20	39	21

*Source: National Sample Survey Organization (NSSO) Employment Survey, 1999-2000, Central Statistical Organization, Delhi*

*\*The above data has been compiled after more than six years of intensive research. The NSSO carries out their surveys every five years but surveys focusing on Dalits are few and far in between with information scattered*

*over various sub-rounds. Moreover some of the above proportions have been compiled by decoding the information that the NSSO collects (in a coded form) through its questionnaires to households and individuals.*  
*\*\* The figures on child labour are for the year 1993-94. The more recent (2005) information is still in the process of compilation by the NSSO.*  
*Between 1993-94 and 2005 reports with disaggregated information especially on child labour is not readily available. One has to purchase the CD with raw data and then process the information.*

## **NOTES**

1. In rural India, only 26% of Dalits are *self-employed* in agriculture, as compared with 50% of non-Dalits. This difference indicates that Dalits have limited access to resources such as land and capital, two pre-requisites in starting one's own business and gaining access to financial resources. On the other hand, it is observed that a higher proportion of Dalits (50%) are engaged as casual labourers for daily wages, in comparison with non-Dalits (23%).
2. In urban India, it is observed that, among the regular salaried employees, again non-Dalits are in a higher proportion (41%) as compared to Dalits (33%). The source of income for Dalits in urban/rural India is irregular and unstable because they are more likely to be employed in low skilled jobs. We find that a higher proportion of Dalits are employed as casual labourers for daily wages vis-à-vis non-Dalits.
3. With respect to poverty, a higher proportion of Dalits (35%) fall below the poverty line as compared with non-Dalits (20%). This is case both in rural and urban India.
4. The unemployment rate for Dalits is double that of non-Dalits.