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The easy way

- Inequalities, affirmative action and growth

Commentarao - S.L. Rao




The debate on how to improve socio-economic conditions of the people in the lowest rungs of society has pitted welfare benefits from governments against the effects of economic growth. The argument is exaggerated. Nobody can sensibly argue that just one or the other is enough in a society with as much socio-economic disparity as India.

Reservations in favour of Backward Classes were accepted even before independence. They covered the presidency areas and the princely states south of the Vindhyas. The Constitution of independent India empowers the State to make special provisions for the advancement of any socially and educationally backward classes of citizens or for the Scheduled Castes and the Scheduled Tribes. The State was to promote with special care the educational and

economic interests of the weaker sections of the people. They would be protected from social injustice and all forms of exploitation. Reservations for representation in legislatures were one method. Out of 543 seats in India's Parliament, 84 (15.47 per cent) are reserved for SC and 47 (8.66 per cent) for ST. This was extended to government employment. There is pressure to extend it to the private sector as well. In 1982, 15 per cent and 7.5 per cent of vacancies in public sector and government-aided educational institutes as a quota were reserved for the SC and ST candidates respectively. This was to be reviewed after five years. It was extended by the succeeding governments. The Supreme Court of India put a cap on reservations at 50 per cent. In 1993, a constitutional amendment called for a random one third of *panchayat* *pradhans* in *gram panchayats* to be reserved for women. Reservation has also been extended to religious minorities; for example, Tamil Nadu has allotted 3.5 per cent of assembly seats each to Muslims and Christians.

The principle behind reservations is of affirmative action to improve the capabilities and opportunities for deprived and marginalized sections of society. These were mainly scheduled castes and tribes, Muslims and, in some places, Christians and women. They were given preference in legislative representation, educational opportunities and in jobs in institutions controlled by governments. Similarly, traditional patriarchal Indian attitudes to women had placed them inferior to males. Particularly in North India (the BIMARU states), females were neglected, infants and foetuses were killed. Girls were a curse, not a blessing, mainly because of the cost of getting them married.

A powerful anti-Brahmin movement in Tamil Nadu, since the early years of the last century, led to the rise of political parties representing these lower castes - the Dravida Munnetra Kazhagam in 1949 and, as a splinter, the All India Anna Dravida Munnetra Kazhagam in 1972. Affirmative action in favour of scheduled castes and other backward classes led to their dominating Tamil Nadu politics, educational opportunities and job preferences in government. Caste is not a dominant factor any more in Tamil Nadu politics. It remains so in Andhra Pradesh and Karnataka. In much of the rest of India and especially the North, caste groupings are dominant.

Over the years, the status of these groups in terms of poverty, consumption expenditures, life expectancy, literacy, higher education, and nutritional status, has improved. However, the extreme disparities with the higher social groups remain. The reservation of posts of *pradhans* in *gram panchayats* has also brought many women to the fore, though there continue to be many that are only a front for the males in their households. Anecdotal evidence suggests that villages run by women make better use of [funds](#)  available than others.

Other means were also adopted by governments to improve the lives of marginalized groups. One way was to bring down the levels of living of the high income/wealth groups through confiscatory taxation. This was tried till the 1980s, but with little effect in reducing inequalities in real incomes and living standards (primarily because of large-scale tax evasion). Instead, confiscatory taxation had a strong negative effect on enterprise and economic growth. Those were the years when growth was around 3 per cent per annum,


derisively described by Raj Krishna as the "Hindu" rate of growth.

The more persistent method to improve the status of the deprived was through reservations in government jobs, admissions to schools and higher education. It is difficult to attribute the improvements in their condition only to reservations. Years of faster economic growth seem to have also been the periods of maximum improvement in the status of the marginalized groups. The debate on the reality of "trickle down" of growth to such marginalized groups continues. But reservations and growth do seem to have made a difference. However, income inequalities in society have increased, although the levels of living at the bottom may have improved. Rural-urban migration and rapid urbanization also may have helped not only in improving living standards (however measly they may still be), but in improving social equality.

Another major factor that affected the lowest societal rungs was the very considerable social welfare expenditures by governments on enhancing livelihoods, guaranteeing employment, health and education schemes and other social welfare schemes. Expenditures on these ballooned in the late 1980s and thereafter. They caused considerable macroeconomic imbalances, growing government deficits, inflation, etc. But they certainly must have helped, even despite the considerable leakages, wrong targeting leading to many undeserving being benefited and theft from such schemes. Various surveys show that around half the expenditures on schemes like the public distribution system, employment guarantee scheme, subsidized kerosene (to name the most expensive government welfare schemes) do not reach those they are meant for.

It is also not as if reservations have been an unmixed blessing. They have been gradually extended to higher education, to medical specializations, automatic promotions to top academic positions and top government jobs and are now being argued for judicial appointments. Some years ago a major students' agitation in one state was triggered by extending reservation in seats in medical colleges to specializations as well. Many argued that this would adversely affect quality since merit was not the consideration. Many PhD programmes admit reserved students on such considerations. So do many senior government appointments. These have been said to have had an adverse impact on quality of researchers and teachers, and of administration. The curse of automatic promotions to higher positions of academic faculties has already reduced the quality of higher education. It is made more so by the reservation of even professorial vacancies. A professor is supposed to be an outstanding scholar in a subject whose reputation attracts other scholars, [funding](#) and students. His scholarship sets the pace for work on his subject. It is not surprising that there is a serious deterioration in the quality of Indian education and that its practitioners do not at all compare with any of the best in the world. Instead of automatic admission and promotions based on social status, it would have been advisable to give special intensive training to marginalized groups. They can thus be helped to compete for such positions on merit. Governments and politicians, instead, take the easy way of reservations, not based on merit.

I am not suggesting that the poor, deprived, discriminated and marginalized groups should be ignored. But there has been no dramatic change. They have also been wasteful. These schemes must be made more cost-beneficial. At the same time, we must do everything to

ensure that economic growth accelerates and that tax collection improves so that inequalities reduce to more reasonable levels. This will provide [funds](#)  for more affirmative action to accelerate the improvement of the lowest sections of our society to combine with the positive effects of economic growth.

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