

Abstract

Despite glowing accounts of how well the Indian economy has performed in recent years, some disadvantaged groups-the Scheduled Castes (SC) and Scheduled Tribes (ST)- remain mired in acute poverty. The present study assesses their poverty and relative deprivation, and the underlying factors. Our analysis of the 61st round of the NSS for 2004-05 confirms higher incidence and intensity of poverty among the STs and SCs, relative to non-ST/SC (Others). A decomposition of poverty gap suggests that a large part of the gap between the ST and Others is due to differences in returns or structural differences while among the SCs it is due largely to differences in characteristics or endowments. Whether these structural differences are a reflection of 'current' discrimination is far from self-evident, given the important role of personal identity in determining performance. The policy design therefore cannot be limited to enhancing the endowments of the STs, SCs and other disadvantaged groups. While some of the disparity in living standards may have elements of discrimination, subject of course to the measurement problems, it is arguable that lower quality of education, location in remote, inaccessible areas with limited infrastructure and market access cause poverty and inequity to persist.

Keywords: poverty, disparity, endowments, returns, identity, discrimination.

Raghav Gaiha, Faculty of Management Studies, University of Delhi

Ganesh Thapa, Regional Economist, Asia and the Pacific Division, IFAD

Katsushi Imai, School of Economic Studies, University of Manchester

Vani S. Kulkarni, Centre for Population and Development Studies, Harvard University