

## **Caste and Economic Discrimination: Theory and Evidence on Rural Labour Market**

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*This paper examined the situation of the wage labour belonging to the schedule caste household with respect to their magnitude, employment, wage earning, consumption expenditure and poverty and compared with the non-SC/ST group. The results brings out that magnitude of wage labour households among the schedule caste is almost two time higher than the non-scheduled group. The employment rate and the wage rate for them is also low as compared with other groups. The low employment coupled with low wage rate led to less income and consumption expenditure and ultimately in high poverty as compared with other groups. The high incidence of wage labour household without land or little land among the schedule caste signifies the historical impact of restrictions on the ownership of the capital assets, particularly the agricultural land. The paper also argued that the low employment and wage rate may also be due to discrimination in labour market in hiring and wage earning, The less access to capital assets and low employment and wage earning may also be due to continuing discrimination in the factor markets, particularly the labour markets. With the help of the theoretical literature the paper argued that economic relations involved in the caste system implied labour market discrimination in hiring and wage earning and also other factor markets and their exclusion from access to capital assets. This caused income loss and high poverty among the schedule caste. The paper also provided some evidence to show that schedule caste indeed suffered from discrimination in the labour markets and other factor markets. However the author urged that in order to provide full evidence on the caste discrimination in various markets there is a need to undertake studies on the nature and forms of discrimination suffered by the scheduled caste in various markets, namely labour, land, capital, product and consumer in order to suggest appropriate policy to improve the access to sources of income by overcoming the market discrimination.*

### **Introduction**

The "Hindu Society" has been characterized by high degree of inter-group economic inequality. Whether we consider access to capital assets, employment, education, or income, wide differences are observed across the caste groups and these differences closely corresponds to economic rights prescribed in the classical form of caste system. One of the essential features of economic organization of the caste system is the unequal and hierarchal ordering of castes in term of economic rights. Hierarchal ordering essentially means that as we go down from the high caste to low caste the economic rights reduce drastically such that the caste located at the top of the caste order, namely the Brahmin have overwhelming rights

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