SOCIAL EXCLUSION AND INCLUSIVE GROWTH IN LABOUR MARKET OF INDIA -- FOR SUSTAINABLE DEVELOPMENT

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ABSTRACT: India a country of stark contradictions and growing inequalities has now the third highest number of billionaires according to Forbes list but ranks 131th in the HDI among 188 countries surveyed for human development report (2015). The Indian government which considers itself one of the fastest growing economies in the world is pushing a growth driven agenda that opens up all doors for private capital investment – both domestic and abroad. In the country, alike many other economies, GDP rates and FDI are considered to be the magic mantra of development. Not only in times of natural disasters, but in the course of regular process of governance, has the country lacked protection and opportunities for the socially excluded groups and communities. Some problems are rooted in the Social systems that prevail across the country, others created by the model of economic growth pursued by the govt.

The last couple of years have been very disturbing events in the country where ‘hatred’ and ‘divisive’ politics have overshadowed any improvement gained through economic growth. For a govt. like India, both historic aspects like ‘communal hatred’ need to be eliminated if the country is serious about growth. Prof. Amartya Sen recently said that caste system in India is ‘anti-

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national’ and that all such divisions need to be eliminated if a nation wants to progress. The concept of ‘Social Exclusion’ involves a remarkably wide range of social and economic problems. Social exclusion (or marginalization) is a social disadvantage and relegation to the fringe of society, a social phenomenon by which the minority or subgroups is systematically excluded.

Education has a central role in promoting inclusive economic development. It can be notably help to reduce the share of informal employment going forward and promote social inclusion. Higher human capital is also essential in supporting productivity and innovation. Long term investment in a small number of elite higher education helped the development of India’s IT sector and business services and has contributed to the country’s strong growth performance during the past two decades. However such smart investment has not been matched by broader investment in mass education, leading to inequality and social exclusion of large parts of the population. The present paper focuses such causes for social exclusion and inclusive policy for proper educational opportunities and employment generation for the marginalized groups of the society. It also focuses the government policy in labour market reforms which is implementing for achieving the desired goals. The notion of sustainable development at the centre where democracy and people’s participation are the vehicles to ensure an inclusive society.

**Keywords:** social exclusion, inclusive growth, sustainable development, human development index (HDI), inequality.

**INTRODUCTION:** The late 1990s saw the introduction of some new terms and concepts in the discourse around inequality, poverty, fairness and justice. One of these concepts was that of “Social Exclusion”. A key distinction between social exclusion and say, poverty or inequality is that the former is a ‘group phenomenon’ where as latter are typically measured over ‘individuals’. Thus as Kabeer (2000, p.84) suggests, social exclusion captures “ an important dimension of the experience of certain groups of being somehow ‘ set apart’ or ‘locked out’ of participation in social life.”(The concept of inequality is conventionally defined over individuals; some measures can be adapted to capture inequality between groups.).But social exclusion is to help us, understand how “the various institutional mechanisms through which resources are
allocated and operate in such a way as to systematically deny particular groups of people the resources and recognition which would allow them to participate fully in the life of that society (Kabeer, 2000, p.86).

Social exclusion of certain groups on the basis of caste, gender, religious belief has been practiced in most societies. Labor is the major source of livelihood of most of the people. Labor markets; therefore play an important role for alleviating poverty and improving living standards. Labor is highly differentiated not only in terms of its own attributes such as age, sex, education, skill, occupation and location of its supplier, that is, the worker but also as a result of the perception and prejudices of its buyer. These factors make the labor markets highly segmented. In recent times, expansion of primary education system have brought children to school but still large numbers of specific groups of children remain excluded from schooling for various reasons, jeopardizing equitable access to elementary education. The quality of education remains deeply unsatisfactory, particularly for children from marginalized groups. HDI and HPI by various groups, such as class, ethnicity, religion, caste, and other disadvantaged groups and second, it also necessitated the analysis of causal factors associated with lower level of human development among certain disadvantaged groups.

In India, inclusive growth emerged as a major theme with the change in government in 2004. This followed criticism that the growth model that had emerged during the previous years (and the slogan ‘Shining India’) had excluded larger parts of the population, and had undermined earlier policies to promote the well being of all. The 11th and 12th Five year plan details the type of growth model (while recognizing that a measure of inclusive is complex, and that data become available only with a lag). In practice much emphasis has been put on ‘Flagship’ social programs reaching out to the poorest and socially marginalized group of people for sustainable development.

**LITERATURE REVIEW:** Based on the ‘Varna System’ caste is a concept of indigenous to India. There are estimated to be 170-200 million (literally meaning broken people, previously this group was known as the untouchables), consisting 17% of the India’s population at the bottom of the caste system. The Punjab region in Northern India registers the highest proportion
of scheduled castes (SC) at 28.9%, in the state of Mizoram in North-east India, the lowest proportion of SC population of .03% were registered (census, 2011). The caste system continues to determine political, social, and economic life of the people in Hindu societies. According to Dr. Ambedkar “Caste does not result in economic efficiency and has done one thing, it is completely disorganized and demoralized the society.” Denial of free and quality education is considered as the violation of child right to development. In India still many are deprived of education mainly due to poverty, lack of awareness, superstitions, and less accessibility of educational services. The lack of education, adds to the vulnerability of children for forcing them into social evils of child labor and crime. Literacy rate according to census 2011, is 70.4% with 82.1% among males and 65% among females. Specific to children, the Net Enrollment Ratio (NER) at the upper primary elementary level in government schools dropout rate among adolescent girls in India is as high as 63.5% (MOSPI, 2012). Human Development Report (2011) of India cites that compared to SC/STs and other social and religious groups, poverty levels are highest among Muslims in both rural and urban areas. Similar situation is articulated by ‘sachar committee report’.

Inclusive growth is a major concern for human development in India with rising inequalities. Ali (2007a) pointed out that rising income inequalities pose a danger to social and political stability and sustainability of the growth process itself. The 12th five year plan strategy is ‘Towards Faster and More Inclusive Growth’. This plan provides ‘an opportunity to restructure previous policies to achieve a new vision based on faster, more broad-based and inclusive growth. According to ADB literature (Ali and Zhuang 2007, Ali and Son 2007), the concept is understood to refer to “growth coupled with equal opportunities.” It focuses on creating opportunities” and making them accessible to all, not just the poor. There is inclusive growth when members of a society participate in and contribute to the growth process equally, regardless of their individual circumstances. In the same way, inclusive growth is one that emphasizes that economic opportunities created.

CONCEPT OF SOCIAL EXCLUSION AND ITS DIMENSIONS:
Generally the concept of social exclusion means caste and untouchability-based exclusion and discrimination since these are seen as causative factors for the deprivation of the excluded
groups. In social science literature there is general agreement on the core features of social exclusion - its principal indicators and the way it relates to poverty and inequality. (Mayara Buvinic, 2005). Social exclusion is the denial of equal opportunities imposed by certain groups on others rebutting in the inability of an individual to participate in the basic political, economic and social functioning of the society. Two defining characteristics of social exclusion are particularly relevant. First, deprivation is multidimensional, that is, there is denial of equal opportunity in multiple spheres. Second, it is embedded in the societal relations and societal institutions – the processes through which individuals or groups are wholly or partially excluded from full participation in the society in which they live (Haan, 1997). The consequences of exclusion thus depend crucially on the functioning of social institutions. The focus on groups recognises the importance of social relations in the analysis of poverty and inequality (Buvinic, 2005). Amartya Sen draws attention to various meanings and dimensions of the concept of social exclusion (Sen, 2000). Distinction is drawn between the situation where some people are being kept out (or at least left out), and where some people are being included (may even be forcibly included) - at greatly unfavourable terms, and described these two situations as “unfavourable exclusion” and “unfavourable inclusion.” Unfavourable inclusion”, with unequal treatment may carry the same adverse effects as “unfavourable exclusion”. Sen also differentiated between “active and passive exclusion”. He defined “active exclusion” as the deliberate exclusion of people from opportunity through government policy or other means. “Passive exclusion”, as defined by Sen, works through the social process in which there are no deliberate attempts to exclude, but nevertheless, may result in exclusion from a set of circumstances. Sen further described the “constitutive mental importance”. In this case, exclusion and deprivation have an intrinsic importance of their own. This is different from social exclusion of “instrumental importance”, in which the exclusion in itself is not impoverishing, but can lead to impoverishment of human life. Mainstream economic literature throws more light on discrimination that works through markets. In the market discrimination framework, exclusion may operate through restrictions on entry into the market, and/ or through “selective inclusion”, but with unequal treatment in market and non-market transactions (this is close to Sen’s concept of unfavourable inclusion). These developments in social science literature enable us to understand the meanings and manifestations of the concept of social exclusion, and its applicability to caste- and ethnicity-based exclusion in India.
DATA SOURCE & ANALYSIS: This paper is mainly based on analysis of secondary literature. The data uses from census reports, data compiled by the National Sample survey organization (NSSO), census report (2011), Human development report (2001, 2016), evaluation reports of the government, research institutions and other competent bodies. The analysis, after a general background on exclusion focuses the excluded groups in India. The paper intends to cover socially excluded groups like schedule caste, scheduled tribe, Muslims and other backward class.

STATUS AND DISCRIMINATION OF THE PEOPLE AMONG SOCIAL GROUPS:

1. Students Enrolment among social groups.

It is observed from the following table 1 that among SC, OBC and Muslims, the female students’ enrolment rate is high compared to male other than ST, where male students enrolment is more than female. The gap between male-female enrolments is highest in OBC category among different social groups.

Table 1: Caste Wise Percentage of students

<table>
<thead>
<tr>
<th>category</th>
<th>Enrolment</th>
<th>Caste wise male female enrolment gap</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>SC</td>
<td>12.45</td>
<td>12.51</td>
</tr>
<tr>
<td>ST</td>
<td>4.21</td>
<td>4.12</td>
</tr>
<tr>
<td>OBC</td>
<td>31.04</td>
<td>32.42</td>
</tr>
<tr>
<td>MUSLIMS</td>
<td>4.35</td>
<td>4.61</td>
</tr>
<tr>
<td>OTHER MINORITY COMMUNITIES</td>
<td>1.76</td>
<td>2.51</td>
</tr>
</tbody>
</table>

Source All India Survey of Higher Education (AISHE, 2011-12)

The Following fig (1) represents the percentage of students’ enrolment among the excluded social groups.
2. Poverty is an indicator of social exclusion and discrimination because it is the result of the deprivation from participation in economic activities, assets, land holding and possession of the business and entrepreneurship development. The table below shows the scenario of the poverty across social and religious groups in India during the period from 1993 to 2009-10.

Table2: Incidence of poverty across social groups

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SCs</td>
<td>48.6</td>
<td>37.9</td>
<td>30.3</td>
</tr>
<tr>
<td>STs</td>
<td>49.6</td>
<td>43.8</td>
<td>32.5</td>
</tr>
<tr>
<td>Others</td>
<td>30.7</td>
<td>22.7</td>
<td>17.7</td>
</tr>
<tr>
<td>Muslims</td>
<td>45.9</td>
<td>35.5</td>
<td>25.1</td>
</tr>
<tr>
<td>All Hindus</td>
<td>35.1</td>
<td>26.9</td>
<td>21.7</td>
</tr>
<tr>
<td>All</td>
<td>35.9</td>
<td>27.5</td>
<td>21.0</td>
</tr>
</tbody>
</table>

Source: Thorat & Dube.

As far as social stratification across the social groups of poverty in India is concerned, SCs and STs are the prominent victims of the poverty. It is observed from the above table 2
comparatively, the incidence of the poverty on the others was lower. In religious minority Muslims had a greater incidence of the poverty during the same period. The following figure also shows this incidence.

3. Participation of Workforce:
It is observed from the table that SCs had a lower workforce participation in regular jobs than the share population and share in workforce. More or less the same picture is observed in the case of the STs. On the contrary, others had a higher participation in regular jobs, which was 19.2% and it was 14.6% for the Muslims. It is therefore a higher social exclusion and discrimination against SCs and STs is observed during the period than other social and religious groups in India. The following figure (3) depicts the same scenario.

Table 3: Participation of workforce by Social Groups:

<table>
<thead>
<tr>
<th>Social Groups</th>
<th>Share in population (%)</th>
<th>Share in workforce Total</th>
<th>In Regular Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCs</td>
<td>16.2</td>
<td>20.1</td>
<td>13.6</td>
</tr>
<tr>
<td>STs</td>
<td>8.2</td>
<td>9.6</td>
<td>8.1</td>
</tr>
<tr>
<td>Muslims</td>
<td>13.4</td>
<td>10.9</td>
<td>14.6</td>
</tr>
<tr>
<td>Others</td>
<td>62.2</td>
<td>59.6</td>
<td>19.2</td>
</tr>
</tbody>
</table>

Source: Census of India 2011, NSSO 2010.
4. Earnings

We are, however, more concerned about the earning differentials in the society. While equitable employment opportunities are desirable, jobs per se are not important unless they ensure a decent living standard. Ensuring jobs are crucial in as much as they ensure certain minimum income for the hitherto deprived people, which they can utilise for capacity building and thereby come out of the trap of deprivation and backwardness.

Table 4: Shares in Wage Earnings by Social Groups in India – 1993-2004

<table>
<thead>
<tr>
<th>Social Groups</th>
<th>Share in wage earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1993</td>
</tr>
<tr>
<td>SC</td>
<td>18.0</td>
</tr>
<tr>
<td>ST</td>
<td>6.8</td>
</tr>
<tr>
<td>OBC</td>
<td>-</td>
</tr>
<tr>
<td>GENERAL</td>
<td>75.1</td>
</tr>
<tr>
<td>ALL GROUPS</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Note: For 1993, General includes the OBCs as well.

The Figure 4 shows inequality of earnings among the socially excluded groups would only create further deprivation and widen the disparities.

**POLICY RECOMMENDATION FOR INCLUSIVE AND SUSTAINABLE DEVELOPMENT:**

The central and State governments have adopted a group focus approach in the development policy (in terms of recognition of their specific problems, provision of legal safeguards, reservation and various other affirmative action policies), with the stipulated objective of reducing the gaps in human development and human poverty (e.g. illiteracy, drop-out rate, mortality rate, and access to safe drinking water, public health services and electricity). Deprivation in India has an obvious face of exclusion, the Schedule Castes suffer from deprivation on account of the residual power of a discriminatory caste system, which though made illegal, continues to sway as social force, whereas the Scheduled Tribes see their predicament as victims of the state, which denies them property rights to their habitat. A Scheduled Caste and Scheduled Tribe development index needs to be developed by professionals to capture their deprivations, so as to goad the state policy to address them. A broad attainment index does not effectively address the roots of these very important deprivations in the Indian context.
A. INCLUSIVE POLICY FOR EDUCATION

The country has made significant progress in improving access to education in recent years. The mean years of schooling of the working population (those over 15 years old) increased from 4.19 years in 2000 to 5.12 years in 2010. Enrolment of children at the primary education stage has now reached near-universal levels. The growth of enrolment in secondary education accelerated from 4.3 per cent per year during the 1990s to 6.27 per cent per year in 48 Twelfth Five Year Plan the decade ending 2009–10. Youth literacy increased from 60 per cent in 1983 to 91 per cent in 2009–10 and adult literacy improved from 64.8 per cent in 2001 to 74 per cent in 2011.

FOCUS ON SC/ST STUDENTS: SSA (SARVA SHIKSHA ABHIYAN) will continue to be the flagship programme for developing elementary education during the Twelfth Plan for realising the rights to elementary education for each and every child. There would be four strategic areas under SSA during the Twelfth Plan. These are: (i) strong focus on learning outcomes; (ii) addressing residual access and equity gaps; (iii) focus on teacher and education leadership; (iv) linkages with other sectors and programmes. Special support would be needed to ensure retention and improved learning for children from SC communities that are socially, economically and educationally deprived and discriminated.

These efforts need to converge with the programmes of the Ministry of Social Justice and Empowerment (MSJ&E). There is a need to review and revise curriculum addressing caste based.

FOCUS ON EDUCATIONALLY BACKWARD MINORITIES:

Even though there has been significant improvement in enrolment and retention of Muslim children in elementary education, the gap between Muslims and non-Muslims continues to be high. During the Twelfth Plan, the unit of earmarking, targeting and monitoring of interventions for Muslim children. The specific activities of minority institutions supported under the MHRD schemes should be part of the larger district plan prepared for minorities. This has enabled Muslim children to transit to higher studies and also ensured quality standards similar to the national education system. The Scheme for Infrastructure Development of Private Aided/Unaided Minority Institutions (IDMI) facilitates education of minorities by augmenting
and strengthening of infrastructure in minority schools and expanding facilities for formal education of minority children. Over 100 minority institutions have been assisted during the Eleventh Plan Period. Both these schemes need to be continued in the Twelfth Plan with larger outlays and wider coverage of minority institutions. There is a need to ensure that all efforts for inclusion also result in improved learning outcomes for children from educationally backward communities which is essential for sustained mainstreaming of such children and their continued progress through the education system.

CHALLENGES:

Though considerable improvement in literacy rates (from 67 per cent in 2001 to 74 per cent in 2011); India is home to the largest chunk of illiterate people in the world. Illiterates among Muslims concentrated in 3 States, namely Uttar Pradesh, Bihar, and West Bengal, the proportion of illiterates among Muslims was much higher in comparison to the share of the Muslim population in the total population. Female illiteracy in rural India is a major challenge holding back social inclusion. More than half of the females belonging to the SCs and STs in rural India were illiterate (NSSO survey on Education in India, 2007-8). Further, the male–female literacy gap in rural India persisted and the 20 percentage point gap that existed in 2001 continued in 2007–8. So, despite the improvement in literacy rate, a considerable proportion of females remained illiterate. High drop-out rate is a major hindrance in success of Sarva Shiksha Abhiyan for India as a whole, 19 per cent of the children in the age group 6-17 years were out of school). Disadvantaged groups are worse off with the dropout rates for SCs and STs higher than the national average. While enrolment levels at the elementary level are generally high. In the Twelfth Plan, there is a need for a clear shift in strategy from a focus on increasing access and enrolment to teaching–learning process and its improvement in order to ensure adequate appropriate learning outcomes. While there has been a decline in the percentage of out-of-school children (OoSC) across gender and social categories, Muslim, scheduled caste (SC) and scheduled tribe (ST) children need greater and focused attention

MOVE TOWARDS SOCIAL INCLUSION IN LABOUR MARKET OF INDIA:

Human development indicators for SCs, STs and Muslims converging with the national average – a move towards social inclusion. The eight poorer states – Bihar, Chhattisgarh, Jharkhand,
Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and Uttarakhand, are home to nearly 48 per cent of all SCs, 52 per cent of the STs and 44 per cent of all Muslims in the country. A main thrust of HDI Report (2011) is to assess the relationship between the performances of these States on the human development front, given the concentration of marginalized groups in these states. The fact that not only the HDI but also its component indices have shown convergence across states -- the poorer states with high concentration of various marginalized groups, catching up with the national average – suggests strongly that these groups are starting to share the benefits of the process of human development.

This is supported by a convergence in most human development indicators ((barring a few important exceptions) for SCs, STs and Muslims with the national average. Table 5: Workers in regular employment across social groups (All age groups) (%)

<table>
<thead>
<tr>
<th>Social Groups</th>
<th>Year</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>17.22</td>
<td>17.2</td>
<td>17.74</td>
</tr>
<tr>
<td>Female</td>
<td>7.12</td>
<td>8.33</td>
<td>10.09</td>
</tr>
<tr>
<td>SC</td>
<td>10.42</td>
<td>12.37</td>
<td>12.94</td>
</tr>
<tr>
<td>ST</td>
<td>6.79</td>
<td>6.73</td>
<td>7.73</td>
</tr>
<tr>
<td>OBC</td>
<td>11.59</td>
<td>12.05</td>
<td>13.28</td>
</tr>
</tbody>
</table>

SOURCE: NSSO different rounds.

It is found that after adopting different social schemes by central and state for socially excluded group the regular employment has increased but not significantly (fig 5). But is important that female employment has increased by 2.97% from year 1999 to year 2010. This is shown in the following figures.

FIGURE (5A): Workers in regular employment according to sex
GOOD GOVERNANCE – for all social groups:

The importance of good governance and massive social mobilization by state governments gets reflected in the performance of all the social groups residing in the state. SC poverty rate is declining faster than the national average, but STs’ poverty is falling slower. SCs’ rural poverty rate fell by 11.5 percentage points between 1993-4 and 2004-5, while the national average fell by 9 percentage points. SCs’ urban poverty rate fell by 9 percentage points over the same period, but the national rate fell only 6.7 percentage points. However, the STs’ poverty incidence has fallen slower than the national average for the rural STs (4.3 percentage points) as well as urban STs (6.2 percentage points).
The national average for poverty incidence fell from 36% in 1993-4 to 27.5% in 2004-5, while the poverty rate for Muslims fell from 43% to 32%, a similar percentage decline for Muslims as in the national average. The average monthly per capita consumption expenditure (in real terms) has been rising consistently in both rural and urban India after 2004-5, which got reflected in reduction in incidence of poverty over the years. According to the Tendulkar Committee’s the incidence of poverty fell from 37% to 32% between 2004-5 and 2009-10.

i) Declining unemployment rate:
Unemployment rate according to current daily status (the most relevant measure for the poorer workers) declined from 8.2 per cent in 2004-5 to 6.6 per cent in 2009-10. There was an absolute increase in employment in manufacturing sector by 10 per cent in 2009-10 as compared to that at the beginning of the decade. Further, during the decade (1999-2000 to 2009-10), there was increase in non-manufacturing industrial employment by a total of 34 million jobs. The number of workers in agriculture fell sharply from 259 to 243 million between 2004-5 and 2009-10, as against an increase in agricultural workers in the first half of the decade. Most of the workers moving out of agriculture were working in the booming construction activity in both rural and urban areas.

ii) A further decline in child labour:
The percentage of working children (5 – 14 years) declined from 6.2 per cent in 1993-4 to 3.3 per cent in 2004-5. And even more, the incidence of child labour fell to 2% of all children in the relevant age group by 2009-10. Most children who are still working are doing so as part of the family’s own enterprises and farms.

iii) Increasing participation of females in education is reducing female labour force participation:
One of the factors behind the sharp decline in female labour force participation rate (15 years and above) was increasing participation of females in education, and this will improve the quality of employment for females in future.
CONCLUDING REMARKS:
Social exclusion and inclusive growth in the labour market is very much important issue in India’s socio-economic development. The process of improving the terms of participation in society for people who are excluded through enhanced opportunities, access to resources, voice and respect to fights. Therefore very rigorous and honest efforts are needed. The present study is a little bit attempts to explore the various issues relating to social exclusion and inclusive labour market reforms policy. Because such studies reach to the excluded groups in our society for inclusive for better sustainable society.

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