

The Caste System: Effects on Poverty in India, Nepal and Sri Lanka

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Abstract

Though mostly outlawed, the caste system continues to be one of the key drivers of poverty and inequality in South Asia. This article reviews the linkage between poverty and the caste system in India, Nepal and Sri Lanka. It also discusses the situation of the so-called Dalits (untouchables), which are typically considered to fall outside of the caste system. In addition to secondary evidence based on recent literature analyzing the relevance and impact of the caste system on poverty, the article is also based on an interview with a young male Indian, who experienced the impact of the caste system as well as the impact of the recently adopted reservation system for India's Dalits.

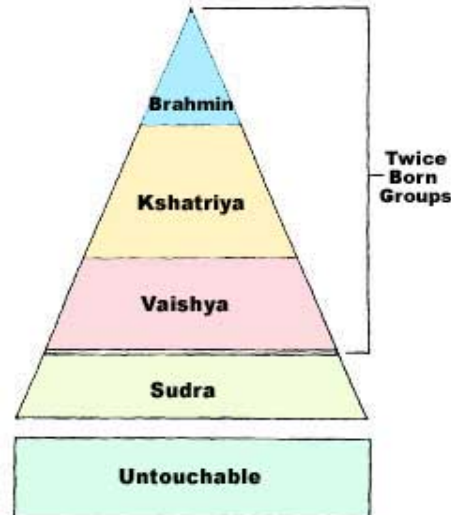
I. Introduction

In India, as well as other countries in South Asia like Nepal and Sri Lanka, the caste system has been a large part of society and still remains, though to a lesser extent, to be a part of society. This may be in an official or unofficial sense because most South Asian countries have either outlawed the caste system or are trying to move away from it. The caste system is basically a way of dividing people into different social classes, beginning with Brahmins as the highest (Priests and teachers), Kshatriyas (warriors and rulers), Vaisyas (farmers, merchants, and artisans), and Sudras (laborers); see Figure 1. Untouchables, also known as Harijans or Dalits, fall outside of the caste system all together. These were the original caste groupings as made clear by one Hindu Holy Scripture called the Bhagvad Gita.

Initially, the system was created “to promote the harmonious workings of society”, but eventually, it has—mostly through corruption—reached the prejudice and discrimination-filled system it is today (Kar, 2007). This corruption began with Colonialism and has had a profound impact on the modern day caste system. It is thought that “Indian society was highly fragmented into communal groupings that served as centers for social identity. In trying to make sense of these groupings, the Portuguese first suggested caste identities. The British expanded on that idea to promote order in Indian society” (Pye, 2002, p. 177). The

caste system seems to have played a large part in creating poverty in India as well as in Nepal and—to a lower extent—in Sri Lanka.

Figure 1: The Caste System



Source: Kumar (2006)

This article is structured as follows. The next section provides a brief review of the literature. The third section provides some empirical background on poverty in South Asia and especially India. The subsequent three sections (IV-VI) review the linkage between poverty and the caste system, in India, Nepal and Sri Lanka, respectively. The last section provides some conclusion.

II. Brief Literature Review

There is a large amount of literature on poverty and the caste system in India. The sources often describe the link between the two. There are also many sources solely focused on poverty and solely focused on the caste system in India without linking them. However, there is not much literature about the effects of the caste system on South Asia as a whole. Information is also scarce when dealing with the caste system's effects in specific South Asian countries other than India. There are a few sources that focus on the caste system's effects in Nepal and Sri Lanka, though they do not contain a lot of empirical data.

Edited by Chaudhary (2005), there is a set of five volumes on *Human Rights and Poverty in India*, addressing a variety of theoretical issues and empirical evidences. The 94 papers in these five volumes analyze the interface between human rights and poverty, with particular reference to India. Dealing with conceptual theoretical and philosophical dimensions of poverty and human rights, they address a wide range of issues pertaining to the situation of human rights and poverty among different social groups in different states of the country. Various contributions provide information on the history of poverty in India as well as the consequences of such poverty. The contributions attempt to analyze how poverty accelerated in India and the complications in trying to end it. Overall, the five

volumes come to the conclusion that the caste system is one of the factors that has contributed to poverty as well as complicated the process of alleviating poverty in India.

Silva and Hettihewage (2001) focus on poverty, social exclusion and the impact of selected legal measures against caste discrimination in South Asia. They analyze how the lowest caste is looked at in terms of how they are affected by their position in society and discuss the issues involved with the reservation system in trying to help the untouchables get out of poverty. Based on their analysis, they conclude (p. 69) that “[e]ven though the caste system primarily encompasses a value system applicable to ritual domain and social relations, it also determines the relative worth and level of dignity of human beings, affecting their overall position including their livelihood security, freedom, and adaptation to a modern market economy.”

Rose (1967) discusses the effects of various sociological factors such as joint family, caste system and Hindu religious values on economic development in India. He also provides possible solutions for increasing economic efficiency.

Kar (2007) wrote an article on religion and the roots of India’s caste system for the *New York Times*, in which he reported on the origins of the caste system. He discussed what the Hindu scriptures say about caste as well as what the caste system actually turned out to be. The Gita, which is one of the Hindu scriptures, states that caste is not determined by birth but by behavior. However, today people’s castes are determined as soon as they are born signifying an outside influence on the modern day caste system.

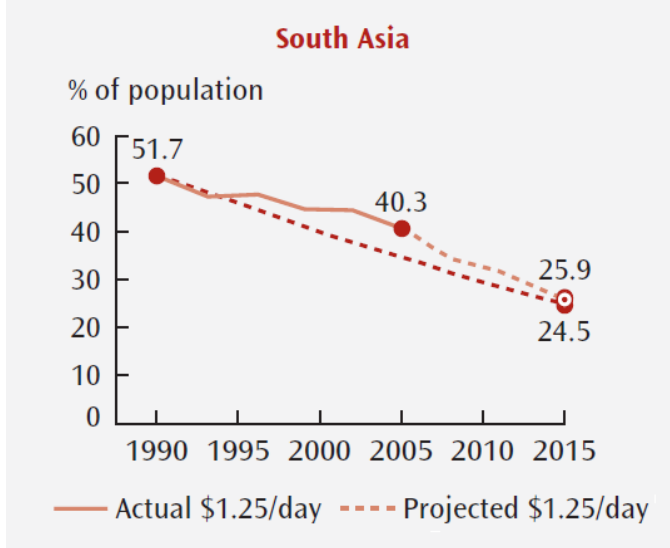
With regards to Nepal and Sri Lanka, the literature on linking poverty and caste is very thin. Shrestha (2002) offers some insights on how Dalits in Nepal are discriminated against. Heitzman (1990) discusses the history of the caste system in Sri Lanka and how the Portuguese and the British played a part in shaping it into what it is today in Sri Lanka. Heitzman also describes the impacts of caste on the lives of low caste citizens in Sri Lanka.

Empirical Background

South Asia is one of the most poverty ridden regions in the world. Although the poverty rate (defined as the percent of people living below \$1.25-a-day) has decreased from about 60 percent in 1980 to 51.7 percent in 1990 and to 40.3 percent in 2005 (see Figure 2), there were still about 600 million poor people trying to make a living in South Asia.

Specifically in India, there are still 350 million people who live on less than one dollar-a-day (Waldman, 2005). As of 2005, the country ranks 127th out of 177 countries on the United Nations Human Development Index (HDI), which measures life span, education and living standard. Nearly half of India’s children are undernourished, a level worse than sub-Saharan Africa (see Waldman, 2005). These horrible conditions are magnified by the fact that India has such a large population (over 1.1 billion people), which is growing at 1.4 percent a year; see Table 1. This adds more competition to the workforce as well as puts extra strains on families by forcing them to provide for more people. Although this is definitely a factor in the continuing poverty in India, the caste system that had been present for hundreds of years had a large role in creating these poverty rates.

Figure 2: Progress with Reducing Poverty in South Asia
 (Percent of population living below \$1.25-a-day, 1990-2005, and forecast for 2015)



Source: Extract of MDG 1 Figure 1 (Poverty rates by region, based on new PPPs) of World Bank (2009a), Annex, p. 204.

Table 1: India: Selected Statistics

Population (millions)	1,110
Surface Area (thousands of sq km)	3,287
Gross National Income (GNI) (billions of US\$)	909
GNI in PPP (billions of US\$)	2,726
Population Growth (%)	1.4
National Poverty Rate (% of population)	29
GNI Per Capita (US\$)	820
GNI Per Capita PPP (US\$)	2,460

Source: Compiled by author based on World Bank (2008) *World Development Indicators 2008*, CD-Rom.

IV. The Caste System in India

IV.1. Economic State of Untouchables in India

The caste system that was established in India forced many people who belong to the lower castes into poverty. There are approximately 180 million to 220 million people who are considered to be in the lowest caste in India (Ninian, 2008). These lower castes or “Dalits” (broken people) are essentially shunned from society (Thekaekara, 2005). It is not that they have earned such isolation, they “experience absolute exclusion from the cradle to the grave” (Thekaekara, 2005).

Many are forbidden to hold jobs because their caste may be one of an untouchable, or a person with basically no rights. Out of the 180-220 million Dalits, 40 million are essentially doing slave labor because they must work off the debts of their ancestors (Ninian, 2008). These people are taught to expect nothing in life but to work all day in the sun and hope

that someone will buy their labor or produce, which is in fact uncommon because those of higher castes often refuse to touch anything an untouchable has touched. This practice is due to the reasoning that people feared that even a simple glance at an untouchable could pollute your standing in a higher caste position and aid in the eventual downgrade of caste in the next life (Standing, 2007). Because of this discrimination and work bondage, it is difficult for many people of a lower caste to have a steady income, therefore keeping them in extreme poverty.

Another rule within the caste system is that you cannot marry outside of your caste. This notion has helped in preserving the poverty level in India as well. Although India has supposedly denounced the caste system currently, the people still unofficially go by this marriage rule because of social pressures (Banerjee et al., 2009). Evidence of this comes from the first hand experience of a 24-year old male graduate student who was born and raised in south India. He belongs to the Kamma caste which is a sub-caste of the Brahmin caste. Based on an interview with him, it seems that the first thing that is taken into consideration when looking for a mate is still their caste. When he was asked why people still sought out same caste partners even when the caste system is eroding, he stated that people are simply expected to do so because that is how it has been done for years. He continued to explain that society itself is structured to keep this tradition going. For example, he stated that when taking tests in Indian schools, just as Americans put down their race, there is a place to mark which caste you are. On such forms there is no option that says mixed caste. So it is almost a hassle to move away from the norm because then confusion such as which caste to mark on official forms will come up. For small inconveniences like these, a whole nation sticks to the same caste. This creates a very tough situation for people in lower castes. The inability to marry a person from a different caste further traps the many people in lower castes within their poverty ridden state.

IV.2. Reservation System Established to Alleviate Poverty

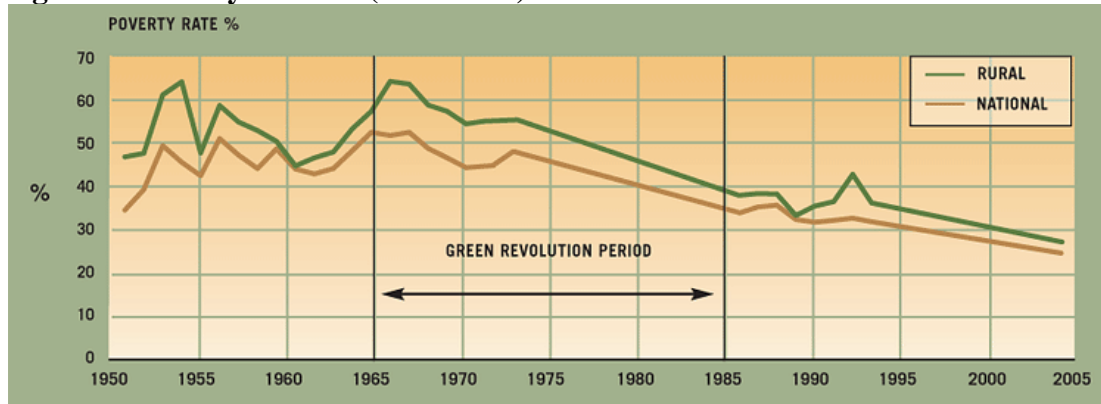
Today India has rejected the caste system and is trying to shed the effects. Currently there is a reservation system in India for the lowest caste that is much like affirmative action policies in the US. For many of India's poorest people, the reservation system means a hopeful future. As mentioned earlier, there is already the ever present high population condition which already hinders the integration of Dalits and threatens the very idea of successful integration of the Dalits into the rest of society.

The social and economic conditions in India make it difficult for people to find jobs, especially due to an overcrowded population. On top of this general situation, there is still the unfortunate circumstance of the hundreds of years in which the lower castes were denied proper education, if they were allowed any education at all for that matter. In light of this outright disability, the lower castes will not have been as adequately prepared as people within higher castes for competing for the same jobs. Therefore the people within higher castes would receive the job, leaving lower castes to stay hidden and forgotten in the shadows of India's filthy gutters. In other words, they would be back to square one and they will be living their lives as if nothing has changed.

Figure 3 shows the decrease in poverty rates from 1950 to 2005, of which a part can be attributed to moving away from the caste system as well as the reservation systems that were created in order to give the lower castes more access to education and jobs which

were previously reserved for higher castes. Since the caste system was removed, Dalits were able to have more job opportunities, therefore opening up more income possibilities. Due to higher incomes, many people were able to pull themselves out of poverty. Since Dalits make up 16 percent of India's population, this may account for the large dip in poverty, especially in more recent decades.

Figure 3: Poverty in India (1950-2005)



Source: <http://www1.worldbank.org/devoutreach/savanti-fig3.html>
(based on World Development Report 2008).

An interesting twist on the long-term positive effects Dalits experienced due to the removal of the caste system is that there seem to have been some initially negative effects. Silva and Hettihewage (2001, p. 69) reported that “[i]n so far as such measures have the unintended consequence of removing whatever protection and social security was provided by the caste system (converting cooperation into conflict and trust into mutual suspicion in the process) without creating alternative structures of social welfare, they may be expected to enhance poverty and vulnerability at least in the short term.”

Another drawback of trying to get rid of castes and caste discrimination is that it has negatively affected some of the middle and upper classes as many young people in higher castes are – due to the reservation system – not getting into schools or jobs the previous generation got easily. Based on the above mentioned interview with a 24-year old male graduate student, there seems to be a large amount of reservations for lower castes to get into certain schools or to attain certain jobs. The graduate student recalled that when he was in high school studying to get into college, one of his classmates spent day and night studying to get a top score he expected will allow him to get into a top rated medical college. Unfortunately for him, there were a large amount of reservations for Dalits and he did not get accepted. Later on the graduate student found out that the same person decided to get a government job, but remained unemployed for some time due to a high percentage of reservations for such government jobs. Stories like these are becoming common.

V. The Effects of Caste System in Nepal

Nepal is another South Asian country known to have a caste system. Nepal is also the poorest country in South Asia, with an overall poverty rate of 31 percent, 10 percent in the urban areas and 35 percent in the rural areas (World Bank, 2009b). Many of Nepal's poor

are Dalits, which is cause for major concern. Table 2 breaks down the Nepalese Dalit population by sex and regions as of 2001.

Table 2: Disaggregated Dalit Population by Sex in Nepal in 2001

S.N.	Caste	Total Dalit Males	Total Dalit Females	All Total	Percentage %
A. Hill and Mountain Dalit					
1	Kami	432,937	463,017	895,954	29.57
2	Damai	188,329	201,976	390,305	12.88
3	Sarki	153,681	165,308	318,989	10.53
4	Badi	2,152	2,290	4,442	0.15
5	Gaine	2,857	3,030	5,887	0.19
6	Sunar	72,331	72,757	145,088	4.79
7	Chunar	NA	NA	NA	NA
B. Terai Dalit					
8	Bantar	18,139	17,700	35,839	1.18
9	Chamar	138,878	130,783	269,661	8.90
10	Chidhimer	6,516	5,780	12,296	0.41
11	Santal/ Sattar	21,515	21,183	42,698	1.41
12	Doom	4,631	4,300	8,931	0.29
13	Dushadha/Paswan	82,173	76,352	158,525	5.23
14	Dhobi	38,350	35,063	73,413	2.42
15	Halkhor	1,848	1,773	3,621	0.12
16	Jhangar	20,892	20,872	41,764	1.38
17	Khatwe	38,643	36,329	74,972	2.47
18	Lohar	42,270	40,367	82,637	2.73
19	Mushar	88,041	84,393	172,434	5.69
20	Sattar	21,515	21,183	42,698	1.41
21	Tatma	39,606	36,906	76,512	2.53
C. Newar Dalit					
22	Chyame				
23	Kasai	NA	NA	NA	NA
24	Kuche				
25	Kusule				
26	Pode				
D. Unidentified Dalit					
		85,063	88,338	173,401	5.72
Total Dalit Population		1,500,367	1,529,700	3,030,067	100

Source: http://www.hurights.or.jp/asia-pacific/no_30/04.htm, based on Table 16 of Nepal's National Census 2001 (NA stands for not available).

Hill and Terai Dalits are the poorest of the Dalit population with a poverty rate of 46 percent (World Bank, 2009b). Although these rates are high, they have gone down from previous years. One reason for the Dalits' high poverty rate is job segregation. Dalits are assigned to low-income jobs, including blacksmiths, goldsmiths, tailors, shoemakers and street cleaners. Also, it is often the case that Dalit women and Dalit children are forced to work as servants for their landlord without much of a wage. Then there are the Dalits who are

working in Haliya Pratha (bonded labor) or Khala Pratha (forced labor) who have no wage at all. Hence, this accounts for why the poverty rate is so high and why it is not decreasing as much despite Nepal is trying to move away from the caste system (Shrestha, 2002).

There are many other rights that Dalits in Nepal do not have and traps them in poverty. One is a lack of a sufficient education. There are many instances where the teachers do not pay attention to their Dalit students. When lunch time comes and Dalit students want to buy food from school, they are isolated in separate lines. Also, in certain remote areas of Nepal, Dalit students are not allowed to sit next to a high caste students in class. Without an equal opportunity in education, Dalit students have a disadvantage in getting jobs, which implies that they have less of a chance on having an income (Shrestha, 2002).

Another right that Dalits in Nepal do not have is the right to the same amount or participation in government that every other Nepalese person has. Government officials, who are supposed to listen and help out the citizens of their country, are known to completely ignore Dalits. If Dalits somehow are addressed by officials then they are often insulted. When a Dalit person needs a certain service form the government, the government often delays the process in their cases (Shrestha, 2002).

VI. The Effects of the Caste System in Sri Lanka

Another country that has a caste system is Sri Lanka. Table 3 states a few statistics on poverty in Sri Lanka. About 23 percent of the people in Sri Lanka live below the poverty line (World Bank, 2009c). Around 6.6 percent of the people live below \$1-a-day and 45.4 percent of the people live on or below \$2-a-day. Many low caste individuals in rural areas are being left out of the economic benefits that other people in Sri Lankan society are getting (World Bank, 2009c). Just as it is the case in India, low caste individuals are only allowed to have certain low-paying, low-status jobs. Many people in Sri Lanka of a low caste are agricultural laborers, clothing washers, or waste processors.

Table 3: Sri Lanka: Selected Poverty Indicators

Human Development Index	Rank 34
Probability of \$1-a-day measurement	6.6%
Probability of \$2-a-day measurement	45.4%
Probability at birth of not surviving to age 40	5.1%
Life expectancy at birth	72.1 years
Adults Literacy rate	91.6%
Youth literacy rate	96.8%
Infant mortality rate (per 1000 live births)	17
Maternal mortality rate (per 100,000 people)	60

Source: http://www.unsiap.or.jp/participants_work/cos03_homepages/group3/poverty1.htm.

There are various rules that lower caste members in Sri Lanka must follow. These rules set them apart from society and reaffirms how worthless they are deemed by the rest of society. Sri Lankan low caste people are required to formally greet people in higher castes, signaling the higher cast's importance and the lower cast's insignificance (Heitzman, 1990). This is carried out even to the point of removing head gear in the presence of high caste members as if they are royalty (Heitzman, 1990).

The difference in Sri Lanka from India and Nepal is that caste is not as large a part of society. Outside of these certain formal behaviors, people do not refer to caste outside of the home. Employment opportunities are not restricted to certain castes and in places like factories and business offices, people of different castes talk and joke relatively freely (Heitzman, 1990). Also, while people of higher castes are usually wary of even touching someone with a lower caste in India and Nepal, in Sri Lanka people of all different castes squish together on buses without thinking twice (Heitzman, 1990). There is much poverty in Sri Lanka due to the caste system, though it is less severe than in India or Nepal as Sri Lanka is more open to inter caste relations.

VII. Conclusion

When examining the caste system's effects in India, Nepal and Sri Lanka, there are certain patterns that exist and can be linked to poverty. In each nation, the people in lower castes are assigned menial jobs. This helps in explaining why there is so much poverty. These lower caste members are not allowed to move up the career ladder and instead remain poor. There also are additional country-specific restrictions with various degrees that further the exclusion-poverty cycle in these three countries.

When comparing the three countries, it seems that Nepal is the most poor, with 31 percent of its people below the poverty line. Sri Lanka is with 23 percent of its people living below the poverty line the least poor, while India is with 29 percent of its people below the poverty line in the middle. This reflects how each country deals with the caste system. Nepal seems to be the most restrictive in giving rights to Dalits, while Sri Lanka seems to have the best caste relations as well as the least job restrictions across the three countries.

Silva and Hettihewage (2001, p. 70) phrase the situation well when they say that by "bringing the socially excluded into mainstream society, and ensuring their fundamental human rights in the process, they are likely to help overcome poverty and deprivation among the disadvantaged in society." Hopefully India, Nepal, and Sri Lanka will disassociate themselves further from the caste system and as a result reduce poverty.

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