

**A STUDY ON
INEQUALITY OF OUTCOME AND
OPPORTUNITY IN INDIA – 1983 TO 2011-12**

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by

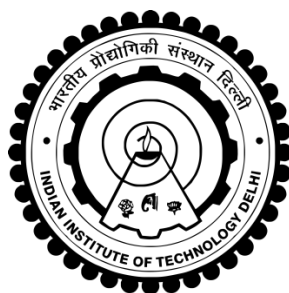
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CERTIFICATE

This is to certify that the thesis titled “**A Study on Inequality of Outcome and Opportunity in India – 1983 to 2011-12**”, being submitted by **Mr. Ishan Kumar Bakshi** to the **Indian Institute of Technology Delhi**, for the award of the degree of **Doctor of Philosophy**, is a record of original bona-fide research carried out by him under our supervision. In our opinion, the thesis has reached the standards fulfilling the requirements for submission relating to the degree.

The results contained in the thesis have not been submitted, in part or full, to any other institute or university for award of any degree or diploma.

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Abstract

There is a rich debate on inequality in India. Sharp differences of opinion exist among researchers not only on the data which is used for estimating inequality, but also on the direction of inequality in India between 1983 and 2011-12. Most studies on inequality in India have examined trends in inequality of outcomes. At the same time, however, inequality of opportunity has not received sufficient attention in Indian literature. The main objective of this thesis is to examine trends in inequality of outcome and opportunity in India between 1983 and 2011-12. We also examine whether these trends are linked to the structural transformation of the economy during this period.

Chapter 1 of this thesis begins with an exploration of the concepts of inequality of outcome and opportunity. It explores the relationship between the two by drawing on cross country evidence. It then details the studies that have examined various facets of inequality of outcome and opportunity in India over the past decades.

In Chapter 2 we explore trends in inequality of outcome in India between 1983 and 2011-12. Estimates of inequality, based on the NSSO's consumption expenditure surveys and income data from the India Human Development Surveys (IHDS), do point to a steady rise in inequality in India since the early 1990s. A possible explanation for this rise in inequality centres on the structural transformation of the Indian economy during this period. This transformation can be viewed at two levels – the movement of the labour force out of agriculture to non-agricultural sectors and the rise in incomes of sections of the non-agricultural workforce in particular that of salaried income.

In order to examine how this transformation of the economy, and as a consequence the changing composition of household income has impacted inequality, we then proceed to decompose income inequality by various sources of household income. Two striking points emerge from this analysis. First, income from regular salaried employment, which flows disproportionately to households who fall in the upper part of the income distribution, now adversely affects inequality to a greater extent than before. Second, income from casual wage labour, in both agriculture and non-agricultural sectors, which flows disproportionately to households who fall in the lower part of the income distribution, has a moderating influence on inequality.

Against this backdrop, we examine the changing wage distribution in India between 1993-94 and 2009-10 by estimating upper tail and lower tail inequality. Two points emerge from this analysis. First, faster wage growth of the highly educated and skilled sections of the labour force between 1993-94 and 2009-10 has increased the wage gap between various levels of education leading to a rise in upper tail inequality. Second, lower tail inequality has declined between 1993-94 and 2009-10. It is possible that these changes in the wage distribution impact mobility.

In chapter 3 we explore trends in intergenerational education mobility in India between 1983 and 2011-12. Four broad trends emerge from this analysis. First, there has been a sharp decline in intergenerational persistence of illiteracy in India during this period. Second, this fall in persistence of illiteracy has been accompanied by a steady expansion in upward mobility at lower and middle levels of education. Third, amongst the population subgroups, mobility is higher in urban areas as compared to rural areas, it is higher in the high income northern, western and southern regions, it is higher among the non-poor households and among non-ST/SC households. Fourth, even among

these population subgroups, movement to higher levels of education continued to remain restricted.

In chapter 4 we explore trends in intergenerational occupational mobility in India between 1983 and 2011-12. Four distinct emerge from this analysis. First, there has been a steady decline in the probability that a child, born in an agricultural household, would continue being engaged in agriculture and allied activities. Second, successive generations of agricultural households are increasingly being employed in occupations such as production and related workers, transport equipment and labourers in the construction sector. Third, for children born to parents engaged in non-agricultural occupations, there has been a limited increase in the probability of working in higher ranked occupations. Fourth, across population subgroups, occupational mobility is relatively higher in urban areas, in the northern, western and southern regions and among the non-poor households.

In chapter 5 we explore trends in intergenerational income mobility in India between 1983 and 2011-12. Data presented here shows a modest rise in intergenerational income mobility during this period. The intergenerational wage elasticity (IGE) which measures, the persistence in incomes across generations, has declined from 0.54 in 1983 to 0.45 in 2011-12. This trend holds true across all population subgroups. However, as the detailed transition matrices show, much of this rise in mobility is due to children, born to the poorest of households (Q1), now having a higher probability of moving up the wage distribution than before. Movement to middle and top ends of the wage distribution continued to remain restricted in India. The final chapter concludes this thesis.

सार

भारत में असमानता पर एक समृद्ध बहस है। शोधकर्ताओं के बीच मतभेदों का तीव्र मतभेद न केवल असमानता का अनुमान लगाने के लिए उपयोग किया जाता है, बल्कि 1983 और 2011-12 के बीच भारत में असमानता की दिशा पर भी होता है। भारत में असमानता के अधिकांश अध्ययनों ने परिणामों की असमानता में रुझान की जांच की है। साथ ही, भारतीय साहित्य में अवसर की असमानता पर पर्याप्त ध्यान नहीं मिला है। इस थीसिस का मुख्य उद्देश्य 1983 और 2011-12 के बीच भारत में परिणाम और अवसर की असमानता में रुझानों की जांच करना है। हम यह भी जांचते हैं कि क्या इस रुझान के दौरान इन प्रवृत्तियों को अर्थव्यवस्था के संरचनात्मक परिवर्तन से जोड़ा गया है।

परिणाम और अवसर की असमानता की अवधारणाओं की खोज के साथ इस थीसिस प्राणियों का अध्याय 1। यह क्रॉस कंट्री सबूत पर ड्राइंग करके दोनों के बीच संबंधों की पड़ताल करता है। इसके बाद उन अध्ययनों का विवरण दिया गया है जिन्होंने पिछले दशकों में भारत में परिणाम और अवसर की असमानता के विभिन्न पहलुओं की जांच की है।

अध्याय 2 में हम 1983 और 2011-12 के बीच भारत में परिणाम की असमानता में रुझानों का पता लगाते हैं। एनएसओ के खपत व्यय सर्वेक्षण और भारत मानव विकास सर्वेक्षण (आईएचडीएस) से आय डेटा के आधार पर असमानता के अनुमान, 1990 के दशक के आरंभ से भारत में असमानता में लगातार वृद्धि की ओर इशारा करते हैं। इस अवधि के दौरान भारतीय अर्थव्यवस्था के संरचनात्मक परिवर्तन पर असमानता केंद्रों में इस वृद्धि के लिए एक संभावित स्पष्टीकरण। यह परिवर्तन दो स्तरों पर देखा जा सकता है - कृषि से गैर-कृषि क्षेत्रों में श्रम बल के आंदोलन और विशेष रूप से वेतनभोगी आय के गैर-कृषि कार्यबल के वर्गों की आय में वृद्धि।

यह जांचने के लिए कि अर्थव्यवस्था का यह परिवर्तन कैसे हुआ, और इसके परिणामस्वरूप घरेलू आय की बदलती संरचना ने असमानता को प्रभावित किया है, फिर हम घरेलू आय के विभिन्न स्रोतों द्वारा आय असमानता को विघटित करने के लिए आगे बढ़ते हैं। इस विश्लेषण से दो हड़ताली अंक उभरते हैं। सबसे पहले, नियमित वेतनभोगी रोजगार से आय, जो आय वितरण के ऊपरी भाग में पड़ने वाले परिवारों के लिए समान रूप से बहती है, अब पहले की तुलना में असमानता को प्रतिकूल रूप से प्रभावित करती है। दूसरा, कृषि और गैर कृषि क्षेत्रों दोनों में आकस्मिक मजदूरी श्रम से आय, जो आय वितरण के निचले भाग में पड़ने वाले परिवारों के लिए समान रूप से बहती है, असमानता पर एक मामूली प्रभाव डालती है।

इस पृष्ठभूमि के खिलाफ, हम 1993-94 और 2009-10 के बीच ऊपरी पूंछ और निचली पूंछ असमानता का अनुमान लगाकर भारत में बदलते मजदूरी वितरण की जांच करते हैं। इस विश्लेषण से दो अंक उभरते हैं। सबसे पहले, 1993-94 और 2009-10 के बीच श्रम बल के उच्च शिक्षित और कुशल वर्गों की तेजी से मजदूरी वृद्धि ने शिक्षा के विभिन्न स्तरों के बीच मजदूरी के अंतर में वृद्धि की है जिससे ऊपरी पूंछ असमानता में वृद्धि हुई है। दूसरा, 1993-94 और 2009-10 के बीच निचली पूंछ असमानता में कमी आई है। यह संभव है कि मजदूरी वितरण प्रभाव में गतिशीलता में ये परिवर्तन।

अध्याय 3 में हम 1983 और 2011-12 के बीच भारत में अंतःविषय शिक्षा गतिशीलता में रुझानों का पता लगाते हैं। इस विश्लेषण से चार व्यापक रुझान सामने आए। सबसे पहले, इस अवधि के दौरान भारत में निरक्षरता के अंतःक्रियात्मक दृढ़ता में तेज गिरावट आई है। दूसरा, निरक्षरता के दृढ़ता में यह गिरावट शिक्षा के निचले और मध्यम स्तर पर ऊपर की गतिशीलता में स्थिर विस्तार के साथ रही है। तीसरा, जनसंख्या उपसमूहों में, ग्रामीण क्षेत्रों की तुलना में शहरी क्षेत्रों में गतिशीलता अधिक है, यह उत्तरी, पश्चिमी और दक्षिणी क्षेत्रों की उच्च आय में अधिक है, यह गैर-गरीब परिवारों और गैर-एसटी / एससी परिवारों में से अधिक है। चौथा, यहां तक कि इन जनसंख्या उपसमूहों में से, शिक्षा के उच्च स्तर पर आंदोलन प्रतिबंधित रहेगा।

अध्याय 4 में हम 1983 और 2011-12 के बीच भारत में अंतःविषय व्यावसायिक गतिशीलता में रुझानों का पता लगाते हैं। इस विश्लेषण से चार विशिष्ट उभरते हैं। सबसे पहले, संभावना है कि एक कृषि घर में पैदा होने वाला बच्चा कृषि और संबद्ध गतिविधियों में लगे रहेंगे। दूसरा, निर्माण क्षेत्र में उत्पादन और संबंधित श्रमिकों, परिवहन उपकरण और मजदूरों जैसे व्यवसायों में कृषि परिवारों की लगातार पीढ़ियों को तेजी से नियोजित किया जा रहा है। तीसरा, गैर-कृषि व्यवसायों में लगे माता-पिता से पैदा होने वाले बच्चों के लिए, उच्च रैंकिंग व्यवसायों में काम करने की संभावना में सीमित वृद्धि हुई है। चौथा, जनसंख्या उपसमूहों में, उत्तरी, पश्चिमी और दक्षिणी क्षेत्रों में और गैर-गरीब परिवारों में शहरी क्षेत्रों में व्यावसायिक गतिशीलता अपेक्षाकृत अधिक है।

अध्याय 5 में हम 1983 और 2011-12 के बीच भारत में अंतःविषय आय गतिशीलता में रुझानों का पता लगाते हैं। यहां प्रस्तुत आंकड़े इस अवधि के दौरान अंतःविषय आय गतिशीलता में मामूली वृद्धि दर्शाते हैं। अंतःविषय मजदूरी लोच (आईजीई) जो मापता है, पीढ़ियों में आय में दृढ़ता, 1983 में 0.54 से घटकर 2011-12 में 0.45 हो गई। यह प्रवृत्ति सभी जनसंख्या उपसमूहों में सच है। हालांकि, विस्तृत संक्रमण मैट्रिस दिखाते हैं, गतिशीलता में यह वृद्धि बच्चों के कारण है, जो सबसे गरीब परिवारों (क्यू 1) के लिए पैदा हुई है, अब पहले की तुलना में मजदूरी वितरण को आगे बढ़ाने की उच्च संभावना है। मजदूरी वितरण के मध्य और शीर्ष सिरों तक आंदोलन भारत में प्रतिबंधित रहा है। अंतिम अध्याय इस सिद्धांत को समाप्त करता है।

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