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EXCLUSION AND INCLUSIVE GROWTH

By Ashwini Deshpande

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Exclusion and Inclusive Growth

Ashwini Deshpande, Delhi School of Economics

ashwini@econdse.org

The twin concepts of social exclusion and inclusive growth, now a standard part of the pantheon of policy makers, multilateral institutions and donor agencies, *prima facie*, appear to be simple and self-explanatory; however, on close scrutiny and deeper reflection, these concepts open themselves up to multiple interpretations and defy unambiguous characterisation. In this essay, I will discuss some interpretations of these two concepts, especially as they have entered the Indian policy discourse, and end with policy responses to achieve inclusive growth by making a brief reference to two flagship programmes of the Government of India: the Total Sanitation Campaign (TSC) and the National Rural Employment Guarantee Act (NREGA), in order to highlight how the two notions could be concretised or be given flesh-and-blood by moulding policies in specific ways.

I. A Brief History of Social Exclusion

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”. This term is now virtually ubiquitous, and therefore, it is useful to recall that this is of relatively recent origin. It is also important to remember that the concept of social exclusion originated in the North, or the present-day developed countries, even though it is now a standard part of the development lexicon of the South, or the developing countries. Given the northern roots of social exclusion, there was an understandable scepticism about whether this concept would be used to assess “southern realities in terms of the extent to which they converge, or diverge, from some ‘standard’ northern model (Kabeer, 2000, p. 83), or whether it would add something useful and novel to our understanding of deprivation.

Prior to the emergence of this concept, social policies were discussed in terms of poverty, inequality, distribution: concepts which were well-defined, well-understood, axiomatic, and rigorously researched. The analytical rigour of these concepts is reflected in their durability and the lack of ambiguity. This is important to understand, as measuring even one part of human well-being, viz. economic or material well-being is difficult, and each measure of economic well-being has inherent strengths and weaknesses. However, while the debate over which poverty and/or inequality measure is better can continue, and individual researchers would have compelling reasons to use one measure over another, each measure itself is clearly defined and well-understood by those who use it.

The concept of social exclusion has a more fluid quality, in that while the literal meaning might be easy to grasp, the operational meaning is often hard to capture. Thus, several researchers have asked the question: what is the additional dimension that the concept of social exclusion provides to our understanding of poverty and inequality, especially as we are moving towards multi-dimensional measures of poverty (i.e. not based on a single attribute, such as income or consumption, but encompassing a wider range of disabilities)?

A key distinction between social exclusion and say, poverty or inequality, is that the former is a group phenomenon, whereas the 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” (italics added). However, this distinction is not as watertight as might appear at first sight, since, for instance, while most measures of income inequality measure the dispersion in individual incomes, there are inequality measures which are decomposable, such that overall inequality can be decomposed into “between-group” and “within-group” components. In other words, while the concept of inequality is conventionally defined over individuals, some measures can be adapted to capture inequality between groups. What social exclusion does is to help us, arguably, understand how “the various institutional mechanisms through which resources are allocated ...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). Seen this way, a thorough examination of social exclusion must necessarily make reference not only to material deprivation, but also to institutions and processes which reproduce that disadvantage or deprivation.

In the literature on social exclusion, one finds reference to a continuum of disadvantage: from primarily economic to primarily cultural (or from ‘what you have’ to ‘who you are’). Somewhere in between these two extremes are hybrid forms of injustice which give rise to ‘bivalent collectivities’¹: social groups for whom economic disadvantage is bound up with cultural-valuational disadvantage. Examples of bivalent groups are gender, ethnicity or caste in India. It can be argued that a large number of instances of social exclusion comprise of bivalent groups; however, at one end of the spectrum, one can identify groups subject to social exclusion based primarily on economic disadvantage, e.g. the unemployed, and on the other end of the spectrum, groups subject to social exclusion based primarily on cultural factors, e.g. homosexuals. This distinction is not merely of academic interest; policies to counter social exclusion can be effective only if they first analyse the nature of disadvantage and the source of exclusion and design remedies accordingly. For groups which are excluded for economic reasons, state policies need to focus on feasible methods of redistribution, or at least offer economic support for the excluded groups. For groups which are socially excluded for cultural reasons, state policies need to ensure that these group identities are de-stigmatised. For bivalent groups, a combination of redistribution and de-stigmatisation would be needed.

This neat division of policy objectives is not always possible in practice. For instance, it is often argued that affirmative action policies, which are designed to grant access to stigmatised groups to elite positions in jobs and education, could end up further isolating and stigmatising beneficiaries, as these generate additional resentment and hostility against them. Elsewhere, I have discussed the affirmative action programme in detail (Deshpande, 2011 and 2012), thus, this paper will make only cursory reference to affirmative action. However, just as there could be inherent tensions in the objectives of redistribution and de-stigmatising identities, it is possible to have complementarities. In this paper, I discuss two specific policies of the government of India, the TSC and the NREGA, which have the potential of achieving both these objectives for bivalent groups such as the Scheduled Castes (SCs) in India.

¹ This term is due to N. Fraser and the argument is summarized in Kabeer, 2000, pp. 84-86.

II. Exclusion versus Inclusion

The discussion so far suggests that being “set apart” or excluded from resources or opportunities clearly confers disadvantage on certain groups. This formulation might suggest an underlying binary division between groups which are excluded, and others who are advantaged, and therefore, included. Such an understanding of group divisions would be simplistic and erroneous. For one thing, individuals have more than one identity, and intersecting identities imply that an individual can simultaneously belong to more than one group. It is possible, for one individual (e.g. an upper caste woman) to be disadvantaged according to one identity (e.g. gender), but to be advantaged according to others (e.g. caste or class). In this case, defining whether this person belongs to a socially excluded group is problematic – in terms of one of her identities, she does; in terms of another, she does not. In addition to posing analytical problems, this also presents a policy challenge: how should policies be designed to address social exclusion? One option might be to address the source of exclusion, and target all those individuals who suffer from that particular source of exclusion. Thus, whether they belong to other groups or not might not be relevant. Another option might be to target individuals who belong to one stigmatised group (e.g. Dalits), but keep the benefits only for those Dalits who are not advantaged in terms of another identity (i.e. exclude the richer Dalits). We will return to the issue of policies later in the paper in Sections IV and V.

The second reason why a dichotomous division between inclusion and exclusion might be simplistic is that it implicitly assumes that group boundaries are given and fixed. In other words, individuals belong to groups (one or many), and it is assumed that the group boundaries, once formed due to whatever reason, cannot be altered. So individuals are either ‘in’ or ‘out’. This approach does not examine the question of how groups get formed. Since the key to understanding social exclusion is to distinguish between groups which are disadvantaged and groups which are not, it is important to understand the processes which lead to formation of groups in the first place. Here, we need to distinguish between groups where membership is involuntary and determined by birth (gender, caste, race), and those where individuals can enter or exit, either because of a change in circumstances or life-cycle events (e.g. change in class, or employment status) or by free will (e.g. through converting to another religion). Folbre (1994) examines group membership both from the lens of common economic position as well as that of common identities, viz. shared perception of self in relation to society. She, thus, distinguishes between ‘given’ and ‘chosen’ groups, where the former are less easy to join or leave. For each of these identities, one can dwell deeper and discover that even the given groups or identities are not as fixed as one would imagine, and the boundaries are blurred more often than not. For instance, there is greater variation in phenotype and skin colour within races than between them, and thus, it is not easy to determine the objective boundaries between those who can be classified as black or as whites. Here, Folbre’s idea of chosen groups is useful. In racially segregated societies, individuals can choose to self-identify themselves as black or white or mixed-race, regardless of their phenotype.

An added dimension to the formation of groups is provided by whether the groups are open or closed. For instance, one of the ways in which privilege is perpetuated is by keeping the group membership closed (examples of such groups are elite clubs where access is closed on the basis of economic criteria). Thus, one can consider multiple overlaps of the twin dimensions of given/chosen and open/closed in order to understand the process of group formation. A detailed discussion of this is outside the scope of this paper; for our purpose, the implication of this discussion is that an

understanding of social exclusion and the design of remedial policies should be nuanced to take into account the process of group formation, instead of targeting some immutable, fixed categories, where some are deemed to be excluded and others, included.

Given the intersectionality and fluidity of group identities discussed above, the simple binary of inclusion versus exclusion with its watertight compartments ought to make way for a more disaggregated taxonomy, which would have greater analytical value. A useful taxonomy is provided by Kabeer (2000). She provides five possible situations in which groups can find themselves: privileged inclusion, secondary inclusion, adverse incorporation or problematic inclusion, self-exclusion and hard-core exclusion.

Very briefly, privileged inclusion would characterise groups which occupy the advantaged positions in society and whose collective influence shapes the rules and institutional framework which determine the key decisions in that society. Secondary inclusion would characterise those groups who are not as privileged as the first group and occupy more peripheral positions, but are advantaged nevertheless. Adverse incorporation or problematic inclusion would refer to situations when groups are not excluded, but get included on adverse terms. This is often used in the context of women's role in the development process – it is often the case that women are not excluded, but that they are included on adverse terms. Self-exclusion would refer to those groups who might be devalued by mainstream social views but would prefer to remain outside the mainstream, as it allows them the possibility of living according to their own rules and priorities. A common example in the literature is that of gypsies or other nomadic communities. Finally, hard-core exclusion refers to a situation where “principles of unequal access in different institutional domains reinforce, rather than offset, each other, creating situations of radical disadvantage” (Kabeer, 2000, p. 88).

This taxonomy is useful in thinking of exclusion in terms of shades of inclusion. However, it reminds us that the line between adverse inclusion and exclusion might be very thin. For instance, consider the situation of Dalits in India, who in official terminology are referred to as Scheduled Castes (SCs), comprising of castes that bear the stigma of untouchability, notwithstanding the fact that untouchability has been illegal since the founding of the Indian republic. By all material indicators, Dalits are worse-off than other caste groups, relegated to the bottom of the occupational hierarchy, and this picture has been a consistent feature of independent India. Similar to debates on overall inequality (whether it has been increasing or decreasing over time), there are debates about whether the gaps between SCs and upper castes are increasing or decreasing. It is outside the scope of this paper to critically assess these studies in detail; for our purpose, it is sufficient to note that there is no overwhelming evidence which establishes that the gaps are narrowing. In this case, is the situation of SCs one of hard-core exclusion or adverse inclusion? If it is the latter, which groups in India might be characterised by hard-core exclusion? As most readers familiar with India would come up with different answers to these questions and think about what prompts their choices, we are struck with the realisation that the concept of social exclusion or shades of inclusion needs to be honed further for it to be analytically as rigorous as concepts of poverty and inequality, which are continuously being refined to accommodate the multiplicity of disadvantage.

III. *From Exclusion to Inclusive Growth*

While the (predominantly academic) discussion of shades of inclusion and/or exclusion continues, in policy circles, the phenomenon of social exclusion is used in the broad sense in which it was defined

in Section I of this paper. There is discussion of “inclusive growth”, especially in economies such as India and China which have been growing rapidly over the last 2 to 3 decades, based on the observation that specific groups in these two countries appear to be excluded, broadly speaking, from the benefits of high growth. Before we move to defining inclusive growth, a few disclaimers are in order. The rate of growth of the Indian economy since the mid-1980s or certainly since 1991 has been distinctly higher than the so-called Hindu rate of growth of the 1960s and 1970s. In the last 3-4 years, this growth spurt is faltering, due to a combination of external factors (global recession) and domestic imbalances, and at the time of writing, there is a distinct and significant fall in the rate of growth which is likely to persist. However, despite this slowdown, on balance in the last two decades, the growth rate of the Indian economy has definitely been higher than that of the advanced industrialized Western countries. It is outside the scope of this essay to go into the debate over whether the economy has slid off the growth trajectory temporarily (in the short run) or if the slowdown is likely to be more enduring. Since the focus of this paper is on inclusive growth, for the discussion to be meaningful, let us assume for the time being that the stimuli for high growth will be re-activated fairly soon and that the current slowdown is a temporary departure from the long-term trajectory of high growth. We need this assumption simply because if there is very little growth, then discussion of whether the growth process is inclusive or not is redundant; no or low growth is almost tautologically ‘non-inclusive’ for large segments of the population.

High growth economies with underlying social and economic inequality need to worry about whether the growth is sufficiently inclusive. Specifically, this would imply the following questions. In a diverse country such as India, what does a high aggregate rate of growth mean for the different sections of the population? As the cake gets bigger, is it the case that the proportionate share of the different social groups (e.g. castes, religious groups, states, regions, men and women) remains the same, so that every group gets a larger piece than earlier, but the relative position of groups remains unchanged? Or, is the growth process such that it draws into its fold groups which were hitherto excluded? New stimuli for growth also bring in their wake structural change in the economy, which might end up changing the proportionate share of different groups by changing employment patterns. For instance, a structural shift towards the secondary and tertiary sectors and away from the primary sector would realign the employment pattern, and consequently, might alter the terms at which different groups engage with, and benefit from, the productive economy. Or, as happened in the case of the garment industry in Bangladesh, the proportion of women in paid employment increased sharply as women, who had hitherto not been engaged in working outside the home for paid work, were needed in low-wage work to service the needs of this growing industry.

In the context of Dalits, for instance, the impact of rapid growth on Dalit economic outcomes is keenly debated. One view believes that liberalisation, privatisation and a greater market orientation of the Indian economy, coupled with greater integration with the global economy will open up new opportunities for Dalits, both because new, and new types of jobs will be created. This view argues that discrimination against Dalits is likely to decrease as the Indian economy grows and opens up, since foreign agents are unlikely to share the predominant Indian caste-class prejudices². The opposite view is that the new employment or livelihood opportunities generated by the growth process might require specific skills (e.g. fluency in English or technical skills) which Dalits are likely to be deficient in, and thus, the new opportunities might end up excluding Dalits, rather than

² Kapur et al (2010) is one illustration of this view.

including them. Also, multinational companies might be foreign in terms of ownership, but their Indian operations are managed by Indians. Thus, there is no reason to believe that they would be less discriminatory towards Dalits than domestic companies. Indeed, Jodhka and Newman (2010) and Deshpande and Newman (2010) find evidence of labour market discrimination practiced by multinational corporations, which is similar to that practiced by Indian firms.

This way of assessing whether the growth process has been inclusive or not goes beyond the assessment of whether poverty incidence has declined in the marginalised or disadvantaged groups. A decline in poverty incidence is, of course, an important component in the process of inclusion, but we need to assess inclusion more comprehensively by looking at occupational patterns, discrimination in labour markets and changes, if any, in ease of access to new opportunities. In other words, a decline in poverty incidence among given groups is necessary, not sufficient, for the growth process to be qualified as inclusive.

IV. State Policies as Vehicles for Inclusive Growth

This brings us to a discussion of state policies. If the initial distribution (i.e. the pre-high growth) of the cake was highly unequal, such that some groups were getting a share far in excess of their share in the population, thus leading to hostility, resentment and alienation among those groups whose share was much less than their share in the population, can and would the government intervene in a productive and pro-active manner, to make the distribution of the bigger cake more equitable?

This question is now occupying centre stage in both India and China (the latter with emphasis on “harmonious development”), as inequalities in various dimensions have been on the rise, with serious tensions on the ground. The document of the Eleventh Plan of the Government of India (2007-08 to 2011-12) started with a chapter titled “Inclusive Growth: vision and strategy”, signalling the strategic importance of inclusive growth in India’s planning vision. The Approach Paper to the 12th Five Year Plan (2012-2017) goes a step further, as reflected in its title “Faster, Sustainable and More Inclusive Growth” (Planning Commission, 2011). However, the critical issue to keep in mind is that while plan documents do outline the vision of the government towards the development process, they are a legacy of the time when economic development in the country was actively shaped by the planning process. In this day and age of market-led economic growth, and high levels of global integration, both the willingness and the ability of the government to sculpt the growth process to achieve broader developmental objectives seems weak, and the broader, overarching vision for development is hard to find.

If state intervention in the economy is constrained, then we simply have a high growth scenario, which means a bigger cake, with distribution between groups unchanged. However, either due to state policies and/or due to the nature of the growth process, the growth process could be “inclusive”, which would mean growth, i.e. bigger cake, with an altered distribution which includes the hitherto marginalised groups. Also, in addition to the governments’ own agendas, most developing countries are committed to the UN Millennium Development Goals (MDGs), which tie the governments down to certain well-defined goal which, if achieved, could advance the cause of inclusive growth.

The focus on inclusive growth highlights a shift away from the “trickle-down” paradigm, where it was assumed that even if growth is inequality-inducing, the benefits of growth would gradually trickle

down to sections which were initially excluded from the process of development. A variant of the trickle-down paradigm involving the state is the “growth-first-redistribute-later” paradigm, which incidentally, draws a large number of adherents. Without going into a detailed critique, we can note some critical problems with the latter paradigm. For one thing, if growth is inequality inducing, some groups end up as beneficiaries, and hence strong votaries of the specific patterns which are promoting growth. If those patterns establish their stronghold, any redistribution ‘later’ is likely to be opposed by those who have ended up becoming powerful in the process of growth. Thus, ‘redistribution later’ might be easier said than done. Secondly, the state will forever be playing catch up – first wait for growth to increase inequality and then struggle to find solutions to mitigate the adverse impact of rising inequalities. Since these are not instantaneous phenomena, by the time the state figures out a set of ‘optimal’ responses to rising inequalities (assuming heroically that clear-cut, optimal responses exist and are achievable), it might be too late. The discontent set in motion by rising inequalities could have spread far and wide, and the net outcome might simply be high growth, higher inequalities and deep tensions which could exhibit themselves in the form of violence, *which could derail the growth process in the future*. Thus, even if one was not committed to inclusive growth or equity, one needs to pay attention to these simply from the operational point of view of sustaining the growth process.

Finally, it can be asked if we are settling for inefficient growth by meddling with market signals in order to meet the needs of some social objectives, such as tackling exclusion. Here there is evidence to suggest that if groups are systematically excluded from the process of growth, not only is it inequality enhancing, it would also result in a rate of growth *lower* than the potential for the economy. This is because productive individuals in disadvantaged groups, due to discrimination on account of their identities, would be excluded from the productive economy or would be included on adverse terms, and thus, their full productive potential will not be realised. Esteve-Volart (2004) models gender discrimination as complete exclusion of women from the labour market, or as the exclusion of women from managerial positions. Using data from India, she finds that both types of discrimination lower economic growth; the former lowers per capita GDP and the latter distorts the allocation of talent. This analysis can be extended to other social groups to argue that discrimination (which results in exclusion of productive individuals) can actually be inefficient, in that it prevents the realisation of the full growth potential of the economy.

V. Indian State Policies towards Inclusion

What do the Indian planning documents illustrate in this regard? The approach paper to the 12th Five Year Plan has the following to say about inclusiveness of the recent growth process:

“The progress towards inclusiveness is more difficult to assess, because inclusiveness is a multidimensional concept. Inclusive growth should result in lower incidence of poverty, broad-based and significant improvement in health outcomes, universal access for children to school, increased access to higher education and improved standards of education, including skill development. It should also be reflected in better opportunities for both wage employment and livelihood, and in improvement in provision of basic amenities like water, electricity, roads, sanitation and housing. Particular attention needs to be paid to the needs of the SC/ST and OBC population. Women and children constitute a group which accounts for 70% of the population and deserves special attention in terms of the reach of relevant schemes in many sectors. Minorities and other excluded groups

also need special programmes to bring them into the mainstream. To achieve inclusiveness in all these dimensions requires multiple interventions, and success depends not only on introducing new policies and government programmes, but on institutional and attitudinal changes brought about, which take time” (Planning Commission, 2011, p.2).

Even if we might not have the data to analyse the achievements of the economy on all these fronts, it would be evident to an observer of India that we are quite a distance away from achieving inclusiveness. Some of these elements are assessed in the approach paper – like promotion of self-help groups, or the discussion about NREGA, where the paper claims that this measure has been “highly inclusive”, with 51-56 per cent of beneficiaries being Scheduled Castes and Tribes and 41-50 per cent being women.

However, what the preceding discussion illustrates is that for growth to be inclusive, the policy framework has to be holistically designed keeping the issue of social exclusion in focus vis-à-vis *all* policies, instead of the current practice of placing the burden of inclusion on some special policies, like affirmative action. What happens when this is done is that the special policy, viz. affirmative action, is inadequate (by design) to ensure inclusion of large sections of the target groups, and thus, when examined in terms of its effectiveness in countering exclusion, it appears inevitably to be a failure. Affirmative action serves a special purpose in that it makes the composition of elite positions reflect the underlying social composition by providing representation to groups which would otherwise be under-represented. That is important in itself. However, it does not create jobs, for instance, and thus, would never be able to provide Dalits with remunerative livelihood opportunities on the scale required to counter their exclusion from full-time decently paid employment. Therefore, if state policies are meant to counter exclusion, then the entire gamut of social policies needs to be monitored in terms of their impact on the most marginalized sections, if inclusive growth is to become a reality, instead of remaining a mere slogan.

In Section I, we discussed how policies could either be redistributive (to counter economic exclusion) or those which de-stigmatise certain identities (when exclusion is primarily cultural). In the case of bivalent groups such as Dalits, we need policies which include elements of both. For reasons stated above, the burden of Dalit inclusion cannot be placed on affirmative action alone, even as we need to recognise that affirmative action does provide a critical dimension of inclusion. For illustrative purposes, I briefly discuss two flagship policies of the government of India, which could address both dimensions of Dalit exclusion: exclusion out of paid employment and stigmatisation.

The provision of productive employment, especially rural non-farm employment, and access to productive assets, for instance, land, are critical, not only to lift the poor out of the poverty trap, but to also provide a stimulus to growth, as stable incomes can enlarge the purchasing power of the poor and enlarge the size of the domestic market. There is no evidence to suggest that high growth is somehow resulting in the large-scale provision of wage employment to the very poor or to those groups which were hitherto excluded from wage employment. The lack of access to productive employment and productive assets for long periods of time could have serious consequences, one expression of which is the Maoist insurgency spread over large parts of the country. The NREGA is meant to target exclusion in more ways than one. The programme initially started in the 200 most

backward districts in the country defined as those districts with low agricultural productivity, high incidence of poverty, high concentration of SC-ST, geographical isolation and so forth. By providing paid employment for at least 100 days in a year in these districts, the programme was targeted to support very poor households which were subject to multiple sources of deprivation. It has now been extended to the entire country. While the evidence on the implementation of the NREGA is mixed, with reports of leakages and corruption, Banerjee and Saha (2010) find that the Maoist affected districts, which are among the poorest and the most backward in the country, the programme has been inclusionary to a large extent by providing access to employment, by raising minimum wages, and possibly through the positive impact of public goods on agricultural productivity. It can, and has to a certain extent, served to counter economic exclusion. The government needs to demonstrate concerted focus, e.g. strong political will and judicious use of its legal and regulatory powers by punishing corrupt contractors, or in preventing other forms of leakages which dilute the effect of NREGA.

Another flagship programme of the government of India is the Total Sanitation Campaign (TSC) which is aimed at providing low-cost sanitation in rural areas to prevent the widespread practice of open defecation, which has seriously adverse health implications. The programme is designed to provide pit latrines to rural households and since 2003, also awards an ex-post monetary reward to villages which have managed to completely eliminate the practice of open defecation (the “open defecation free” villages). Spears (2012) reports that the programme was able to provide for one household pit latrine per 10 rural persons between 2001 and 2011. As a result of this, at the mean program intensity, infant mortality decreased by 4 per 1,000 and children's height increased by 0.2 standard deviations, which is similar to the cross-sectional difference associated with doubling household consumption per capita. He estimates that the programme prevented an average infant death for \$500-\$4,500, a very low cost compared with other programs in the literature. This estimate includes all administrative costs and losses to corruption.

In addition to improving health outcomes of children with long-term positive consequences for human capital, the TSC has immense potential to improve women's health outcomes. Lack of sanitary and hygienic sanitation facilities inside rural homes compel women to go outdoors, which given various privacy issues, implies that they can only venture out very early in the morning or late at night, and for the rest of the day have no access to toilet facilities. This leads to extremely unhealthy outcomes for women, and access to toilet facilities in their homes can radically improve their health status, enabling their participation in other social and economic activities. Overall, the potential material or economic impact of the TSC is tremendous. However, additionally, it also has another potential contribution. The TSC can go a long way towards de-stigmatising one section of the Dalits, those traditionally engaged in the practice of scavenging and manual removal of human excreta. This group is among the lowest in social and economic hierarchy and the stigma of untouchability lingers even for those individuals who have long stopped engaging in the degrading and humiliating practice. If sewage systems, septic tanks and low-cost sanitation methods, such as those provided by the TSC, become the rule, that would lead to the extinction of manual scavenging, and over time, would reduce and finally eliminate the stigma. Coupled with policies to counter economic exclusion (or redistributive policies), policies such as the TSC, if universally implemented, can go a long way in de-stigmatising the scavengers. However, it is important for the government to realise this particular potential of the programme and implement it in that spirit.

To conclude, in order to reap the benefits of economic growth, we need to make it inclusive. In addition to being valuable for its own sake, inclusive growth could actually result in a virtuous cycle of fuelling further economic growth. However, this virtuous cycle is unlikely to be unleashed on its own. The government, through pro-active policies, has to make it happen and this is one of the biggest challenges facing the Indian state.

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United Nations Development Programme
55 Lodhi Estate, Post Box No. 3059
New Delhi 110003, India
Tel: +91 11 46532333 Fax: +91 11 24627612
Email: info.in@undp.org
For more information: www.in.undp.org