Social cohesion and economic growth have emerged as crucial in determining development process of a region. While the latter is driven by forms of economic transformations in a region; the former is oriented of socio-cultural milieu, distribution of benefits of growth, the access and utilisation of opportunities and availability of space largely. The idea of inequalities and poverty has largely been seen as a process of income and economic deprivation; even the social inequalities have been understood from the point of view of the income. An additional aspect, exclusion as a concept goes beyond the barriers of economic inequalities and encompasses the deprivations in the access to individual freedoms that are required to attain human development.

The social inequality and exclusion that exists in different South Asian societies, exhibits common cultural and social characteristics, which is very different from many other groups of countries across world. The societies in South Asia are distinct because of the existence of a social stratification that involves caste-hierarchy which is entrenched in formation of institutions and opportunities therein. The exclusionary structures in South Asia imply that social segregation and cultural deprivation is a cause of poverty and not its consequence, and that social groups and inequalities become the cause of the existence of rampant poverty. The economic deprivation of the socially discriminated groups is not random, but is historically driven and contemporarised by continued exclusion and marginalisation.

India has an interesting geographical space as well as a unique demographic composition, such that the achievements in terms of economic and human development indicate a large amount of variations. Existing evidence shows that attainment of literacy rates which are as low as 63.8 per cent for Bihar and as high as 93.9 per cent for the state of Kerala, there are visible variations across the regions (DISE 2014-15). The SC/ST are excluded from the economic and social processes in India, especially in the rural areas, where the presence of exclusion becomes a bigger problem since they fall farther away from the relative benchmark achievements of the Others in the population. As per the India Exclusion Report 2014-15, 59% of the Dalits are employed as labourers in Rural India, 46.5% of the Adivasis are falling in the same category, as against the overall rural population in which only 40% of the individuals are labourers. It is clear that the average number of people employed as labourers in Rural India in 2009-10 are driven by the Dalits and Adivasis, implying a lack of employment opportunities for the excluded groups.

The present paper aims explain poverty and exclusionary space for rural India using the using the connotation of basic capabilities proposed by Amartya Sen and advanced by Martha Nussbaum.
The aim of the measure is to capture the absolute and the relative deprivation of the SC/ST with respect to the goalpost capability attainment by the “other/general” population, and the exclusion gap index measures the distance of the capabilities attained by scheduled caste from the others, and the distance of the scheduled tribes from others. Some of the questions raised are: What is the capability dimensions across which exclusion occurs and what is the extent of deprivations the same, across all social groups? What are the exclusion gaps and how do we measure the extent of social exclusion? The analysis provides estimates of the extent of social exclusion and the losses to basic capability attainment due to presence of regional and social inequality.

The paper will follow a quantitative methodology to capture the essence of basic capabilities index & exclusionary gaps index will be created for social groups, within each state in India. The empirical analysis for the paper is based on the three main sources: Socio-economic caste census data, DISE and DLHS-4. The basic capabilities achievement will be used as a pedestal to understand the opportunity and process freedoms available to all social groups, and where does each group stand, and how certain discriminated groups are absolutely deprived across the economic, education and health Dimension. The estimates provide an understanding of social exclusion across states, and comprehend the extent of exclusion gaps which reflects the distance that the socially excluded groups need to cover to catch up to the relative benchmark of the rest of the population.

The estimates for the Indian context shows that the basic economic capabilities are evidently indicating exclusion, since only 4% of the rural households in India have at least one member earning more than 10,000 for SC and similarly, for ST, whereas the number is 9% for the rest of the population. The overall literacy rate for India is 73%, but the SC and the ST lag behind in attainment of basic education. This highlights the abysmal circumstances of the ST and the SC, and how far they fall from the attainment of basic capabilities from the rest of the Population.

The basic capabilities indicate that the ST the impoverishment and exclusion due to poor economic achievement, inadequacy of income, insecure employment have perpetuated economic deprivation, while in the educational outcomes, we find that the SC’s ST’s are catching up with the Others. In the health dimension, there is absolute deprivation amongst the SC’s and ST’s. This evidence gets corroborated effectively with the exclusion gap, which reflects the severity of the exclusion for the SCs and the STs. The paper concludes the process and outcome indicators of poverty are differentially impacting the overall well-being of social groups in rural India, and argues for a need for social-segregation of poverty estimation and evaluate the distinctions that underlie across high middle and low income States in India.

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