

**Executive summary of Minor Research Project entitled**  
**“HOUSEHOLD INCOME, EXPENDITURE AND HUMAN CAPITAL**  
**FORMATION: AN EMPIRICAL STUDY AMONG SCHEDULED CASTE**  
**PEOPLE”**

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**By**

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❖ **Introduction**

*"The most valuable of all capital is that invested in human beings."*

*Alfred Marshall, Principles of Economic*

The term ‘SC’ appeared for the first time in Government of India Act of 1935(1). In April 1936, British government issued the Government of India Scheduled Caste order 1936, specifying certain castes, races and tribes as scheduled castes in the then provinces of Assam, Bengal, Bihar and Bombay, Central provinces and Berrar, Madras, Orissa, Punjab and United Province. Prior to these, they are known as depressed classes. The depressed classes were systematically categorized in 1931 by Hutton, the then commissioner of India.

Scheduled Castes (SCs) constitute about 16.2 percent (166,635,700) of the Indian population(2). In spite of sustained and consistent efforts on the part of the government to ameliorate the condition of Scheduled Castes, this social group continues to be categorized amongst the poorest and most subordinated in Indian society by any measure of human development. More than half the Scheduled Caste population is concentrated in the five states of Uttarpradesh, West Bengal, Bihar, Tamil Nadu and Andrapradesh (3). The deprivation of this group is associated with the historical processes of economic & social exclusion and discrimination based on caste.

Recognizing the special problems of the group, the government has, over the years, continuously introduced policies and programmes for building their human capacities and capabilities. The government’s approach towards the Scheduled Caste primarily draws from provisions in the constitution, which legally abolished the practice of untouchability and the

discrimination arising out of untouchability (Ar.17). The constitution guarantees equality before the law (Article 14) provides for the promotion of the educational and economic interests of Scheduled Castes and for their protection from social injustice and all forms of exploitation (Article 46); provides for special measures through reservation in government services; and also reserves seats in democratic political institution (Articles 330 and 335, 73<sup>rd</sup> Amendment Act, 1992) (4). Finally, the constitution provides for the establishment of a permanent body to investigate and monitor the special and economic progress of Scheduled Castes on an annual basis.

### **Origin of the research problem**

Despite various measures, to improve the socio-economic condition of the Scheduled Caste, they remain vulnerable. In fact, there has been a significant improvement in the literacy rate in Kerala, the literacy rate of Scheduled Castes, which was 79.7% at 1991 census has increased to 82.7% at 2001(5). India has been known for its numerous, well trained scientists and economists, who obtain high quality education in Indian school system. But India has done less well in extending education to the bulk of its population and it has somewhat neglected education of rural children and children from lower caste and class. An implication of this is that no country can experience significant economic development without sizable investment in people (6). In this context a study is inevitable to examine human capital investments that affect the socio economic conditions of the Scheduled Caste people.

### **Significance of the study**

*“To move forward we have to include every one”*

Alfredo j Artiles

Kerala is well known for its achievements in social sectors - literacy, basic education, sex - ratio in favour of females, health, life - expectancy, public distribution etc. But, in the specific context of the state, the scheduled castes are considered as an excluded social group[1].

The ancient world may be said to have been guilty for failing to take the responsibility for the education of the masses[2]. In the year 1881-82, only .87% of the population of aboriginal and Hill-Tribes and low caste Hindus had primary education. Population having secondary and collegiate education of low caste hindu was zero (percentage). In 1931, the

rate of literacy of the scheduled castes was as low as 1.9% as against 9.5% for all communities. According to the census of the year 1961, the literacy rate was 17.25% and in the years of 1971 and 1981, it has increased to 22.90% and 31.12%. But it has noticed that the literacy rate of sc women for the census years 1931, 1961, 1971 and 1981 was .2, 3.29, 6.44 and 10.93% respectively. In view of such poor incidence of education, of these communities, showed that the pace of achievement has been slower than that of the general population. For the same reason, there was lack of skill development among scheduled castes.

The government of India has introduced various schemes at the central, state and even at grass root level. Yet, they are still living in a very pathetic condition. In this context, the socio-economic development of scheduled castes has been considered to be an important obligation.

## **Objectives**

The main objectives of the proposed work are;

- To examine various welfare programmes and schemes for the upliftment of the scheduled castes by the government.
- To evaluate the socio-economic conditions of Scheduled Caste in Wadakkancherry Panchayat of thrissur district.
- To analyze the relationship between the household income and expenditure on human capital formation of Scheduled Castes of Wadakkancherry panchayat.

## **Hypothesis**

- Household Income and expenditure on the factors of human capital investment has significant relationship among the sample population.
- Various Government schemes and programmes have significant role in Human Capital Formation among Scheduled Caste.
- Socio -economic Conditions of sample population also have a significant relationship with the capital formation among them.

## **Different Approaches to Growth and Development**

The theoretical perspective developed in this proposal may be prefaced with a discussion of the existing theories development have been evolved by academicians to explain the process of development. The classical theory based primarily on the work of

Adam Smith is taken as the first attempt to explain economic growth. According to his theory, growth is the result of expansion of productive inputs and improvements in technology. For him investment in physical and human capital is the key to economic growth. Adam Smith identified three main factors, which determine development viz., productivity of labour, markets and zero political interventions [1]. Solow, the best exponent of neo-classical theory, included the productivity of labour and its re-investment as the two determinates of growth. The neo-classical economists assumed that individuals in the economy are independent of political control.

The second category is the geographic and location theory largely popularized by Jeffrey Sachs and Diamond. This theory suggests that climatic conditions and access to market are the primary determinates of development.

The third approach emphasizes substantive nature of the economy. It is known as the institutional approach and stresses the importance of creating an institutional framework and policy environment conducive for the smooth operation of markets, realization of gains from trade and entrepreneurial activities. Douglass North and Peter Bauer are the main proponents of this theory.

## **SUMMARY AND FINDINGS**

To find the development of weaker sections of the society particularly of the scheduled castes has been on the agenda of the government since the starting of planned development process in the country. Education, income and health are considered as the pivotal anchors of the development in every society.

### **The major findings of the present work are given below:**

The female – male ratio shows a higher female – population ratio. The age-wise distribution of the households shows the number of person between 30-40 years constitute largest of the SC population. The size distribution of households shows that nuclear families are slightly increasing. There are persons still uneducated among scheduled castes. Very few SC students get opportunity for professional and technical education.

Higher education is comparatively low. Most of them were educated only up to SSLC only. The female participation of job present is very low. The BPL families outnumber APL families. Most of the employed persons are engaged in manual labour work like construction work. The income level of households seems to be very low. Number of families using own well for water is low. The survey highlights that every house under

survey are electrified. The survey shows that majority of land holdings among the scheduled caste population are below 4 cents. Majority of household construction come under the category of pucca. The survey shows that majority of households depends on Allopathic system of treatment. The saving behaviour is very low. Only 14 out of 50 households possess saving behaviour. Most of the households depends local money lender for funds. Most of the household have essential consumer gadgets.

In the case of some households expenditure on human capital investments is low. But some households spends more on education attainment, private tuitions, health policies etc. There is significant relationship between income and expenditure on human capital formation. One of the objective is to study the relationship between income of Scheduled Caste and their expenditure on human capital formation. For this both ANOVA and t-test is used. The result of ANOVA and t-test reveals that there is significant variation in the mean values of expenditures on health and education of various income groups. It shows that there is relationship between income and expenditure on human capital formation.

### **Suggestions**

- Improve in educational facilities will reduce the backwardness of them to an extent.
- Free and equal access to health improvement programmes are essential.
- Government should ensure employment to the growing labour force by creating more job opportunities.

The present study shows that there is relationship between income and expenditure on human capital formation.