

PEGFA Research Seminar: 3000 Years of Caste Discrimination in India and Counting

We would like to invite you to an exciting online seminar with Dr Navjot Sangwan, who has recently joined PEGFA (University of Greenwich) as a Lecturer in Economics.

Title: 3000 Years of Discrimination and Counting: How Caste Still Matters in the Indian Credit Sector

Time: Tuesday 8th December, 3.30pm

[Click here to join the meeting](#) [no need to sign up]

Please find the working paper version [here](#)

Abstract

The caste system has dominated the social, political and economic lives of Indian people for over three thousand years. Since independence, the Indian government has introduced a flood of quotas, schemes and affirmative action to tackle caste discrimination. Can seventy years of government policy reverse three thousand years of oppression? Taking a close look at the country's credit system reveals that a new, more subtle, and less overt form of discrimination appears to be emerging, and becoming more widespread. This paper examines whether caste-based differences influence the amount of credit sanctioned to borrowers in India utilising data from the India Human Development Survey collected in 2005 and 2011-12. Using the Blinder–Oaxaca decomposition method, along with the Heckman procedure and the instrumental variable approach to correct for selection and simultaneity bias, I find substantial credit differentials between the general caste and other lower castes. I also show evidence of caste discrimination against the lower castes. The results of this research have been complemented by qualitative data gathered from interviewing lower caste borrowers in North India to understand the nature of discrimination and obstacles faced by them in the credit sector.