

Divergent Paths: Toward a Differentiated Model of How Caste Networks and Discrimination Restrict Economic Mobility in India

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ABSTRACT

It's been nearly eight decades since the Indian constitution abolished untouchability and instituted reservation policy for communities who were the victims of historical marginalization, caste still remains a statistically robust predictor of occupation, wages, land ownership, and access to public employment. The research conducted on caste and economic mobility is extensive, but it has mostly focused on three documented causes (inherited historical asset deficits, caste-based tensions that discourage migration, and discrimination in labor markets) as interchangeable evidence for a single claim: that caste restricts economic mobility. This paper argues that portraying these mechanisms as interchangeable obscures a pattern seen in existing evidence that has yet to be explained: reservation policy is measurably more effective at improving mobility in the public sector for scheduled castes compared to scheduled tribes. By synthesising evidence from government institutions, conducting correspondence-study and wage-decomposition research, demographic decomposition analysis, and sociological and historiography, this paper will argue for a different model in which network-driven migration tensions and direct hiring discrimination operate through different channels and have different effects on different populations. It also argues that reservation policy, which is designed to bypass discriminatory screening when hiring, is structurally better to deal with discrimination issues than issues between caste networks. This model is an interpretive hypothesis that is consistent with studies but isn't directly tested by said studies. The paper closes by illustrating the type of study required to test its hypothesis.

INTRODUCTION

India's 2011 Census stated that Scheduled Castes and Scheduled Tribes make up 16.6 percent and 8.6 percent of the national population respectively which is roughly a quarter of the country (Bora et al.). These classifications aren't just demographic categories; they are emblematic of the boundaries between these communities that the Indian government itself believes requires constitutional protection and preferential access to education, public employment, and legislative representation. The persistence of these protective measures after more than seven decades of independence implies that there is still a need to protect these communities. This brings about the primary question this paper addresses: to what extent do historical caste-based inequalities continue to restrict economic mobility among lower-caste communities in India today?

The significance of the question goes beyond India's borders. India's goal of systematically eradicating a status-based, birth-ascribed system of economic stratification through constitutional law has deep outcomes on broader debates in economics and sociology regarding if formal legal equality is enough to deconstruct informal institutions that dictate opportunities based on ascription. India's trajectory also obscures the idea of social justice trending alongside the economy: India has experienced sustained economic growth since the 1991 liberalization reforms, however this growth hasn't eroded class based disparities that modernisation theory predicts.

This paper argues that caste restricts mobility through three distinct and partially overlapping mechanisms. The first is based on the historical discrimination of property ownership: lower caste communities were excluded from land ownership and formal schooling during pre-colonial and colonial era. This leaves lower-caste households today with a worse off starting-point in today's market economy where assets such as housing are increasing. The second mechanism is institutional and network-based: caste creates informal barriers which prevent mutual-insurance and coordination that discourages the permanent migration and occupational switching that is required for upwards mobility (Munshi and Rosenzweig, "Networks and Misallocation"). The third is behavioral and discriminatory: even when they possess equal qualifications, lower-caste and muslim applicants tend to receive fewer callbacks in the private sector (Thorat and Attewell).

The naming of these mechanisms in itself is not novel. What separates this paper from others is its attempt to weigh the mechanisms against one another instead of alongside each other. Doing so brings up a pattern rarely mentioned in academic circles: research using India Human Development Survey data showcases that Scheduled Castes gain more from public-sector job reservations than Scheduled Tribes do, even though both receive the same constitutional protections and are recipients of the same policy instruments (Lodh et al.). This paper's primary claim is that the divergence would be predicted by its differentiated model, since reservation is there to counteract discrimination during hiring processes but doesn't address migration frictions that the network mechanism outlines. If Scheduled Tribe populations are disproportionately exposed to the network-type mechanism compared to the discrimination-type mechanism, policies focussed on reservation would be less beneficial not because they receive less discrimination, but because the instrument is aimed at the wrong social issue. This claim has been

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developed as a synthesis interpreting existing findings instead of new empirical data, and it remains as a hypothesis instead of an established claim throughout.

The paper first provides the historical context to the debate as it examines it through a pre-colonial and colonial era lens. It then introduces a theoretical framework that draws on institutional and labor economics to distinguish the mechanisms. Then, a critical review comparing findings across economics, sociology, and anthropology and an insight into why studies using different data sources and identification strategies sometimes reach divergent conclusions regarding the nature of lower caste mobility. The paper then analyses the evidence (demographic, occupational, land-ownership, wage, and mobility data) before creating the differentiated model. It then closes with counterarguments, limitations, and implications on policy instruments.

HISTORICAL CONTEXT

The caste system is formed by an ancient textual hierarchy of four varna categories (Brahmin, Kshatriya, Vaishya, and Shudra) and generations of endogamy. Within these varna categories are thousands of jati groups that anthropologists view as the more sociologically operative unit of caste. Communities that have been historically considered to be outside or beneath this fourfold hierarchy, are encompassed in the constitution with the category of Scheduled Castes. These groups were victims of the phenomenon of untouchability which were a wide set of social norms that excluded the scheduled castes from society. These norms included restricting physical contact, commensality with non scheduled castes, and access to resources shared by the four varnas such as wells and temples. B. R. Ambedkar, a man who wrote from scholarly and lived experience as a mahar, argued that caste should be understood not as the compartmentalization of labor like some defenders claim, but as a system in which almost every group has some group it considers inferior. According to Ambedkar, casteism is necessary to sustain the caste system (Ambedkar).

A significant and unresolved historiographical debate is regarding how much of caste's rigidity today is determined by pre-colonial discrimination and how much of it was produced by British colonial strategy. Bernard Cohn's work on colonial "investigative modalities" stated that British administrative techniques, including censuses, ethnographic surveys, and legal codification, didn't just describe pre-existing social categories but actively systematized what had before been a regionally variable and locally set of hierarchies (Cohn). Nicholas Dirks agreed with him: he stated that colonial census-taking from the late nineteenth century turned caste into a centralised religious hierarchy to better serve colonial administration (Dirks). This thesis has been challenged; critics say that they understate pre-colonial hierarchical jati distinctions, untouchability, and the practice of endogamy which are shown in pre-colonial textual and epigraphic sources. They argue that treating colonialism as the foundation for caste can minimize internal responsibility for the system's seemingly everlasting nature. This paper doesn't focus on that debate; it views the historiographical disagreement as an illustration of a recurring tension in broader works examining caste. Mainly between structural explanations that place weightage

on external institutions (colonial rule, market structure) and explanations that believe the fault is in the caste system's inherently discriminatory logic.

Whatever the origins, the colonial period had distributional consequences that are more straightforward to document than the constructivist thesis. Colonial land revenue settlements - including the permanent zamindari settlement introduced in Bengal in 1793 and the ryotwari settlements in parts of Madras and Bombay presidencies - restructured property rights regarding agricultural land in a way that reinforced existing caste hierarchies as it concentrated proprietary rights amongst dominant castes that held land whilst lower castes were cultivators or landless laborers. Land, as Ambedkar emphasized, wasn't just an economic asset but a marker of social standing. This led to caste-linked landlessness compounding the subordination of economic and social status (Ambedkar). Contemporary data on land ownership suggest that the link between caste and land ownership is surprisingly durable.

The post-independence Indian state took constitutional steps to dismantle caste based hierarchy. Article 17 of the Constitution of India abolished untouchability and forbade its practice. The Constitution also established reserved seats in legislatures, public employment, and public educational institutions for Scheduled Castes and Scheduled Tribes. Reservations were then expanded in 1990, when the government implemented the recommendations of the 1980 Mandal Commission which argued for extending reservations to Other Backward Classes. This is a broader heterogeneous category of castes that face social and educational disadvantages that aren't considered to be part of the scheduled castes. This moves Indian society from one where caste hierarchy was interlinked with administration to a post-independence period caste based discrimination was abolished and numerous compensatory policies were introduced (Deshpande, *Affirmative Action*).

THEORETICAL FRAMEWORK

This paper will refer to three completely theoretical frameworks to construct its analysis. The first is institutional economics, specifically the framework developed by Kaivan Munshi and Mark Rosenzweig that looks at caste not as a cultural phenomenon but as a functioning informal institution that solves a legitimate economic problem. Rural India suffers from the absence of formal credit and insurance markets. This is partially solved through the organisation of mutual insurance and information-sharing within caste-based networks (Munshi and Rosenzweig, "Why Is Mobility"). This framework is rather distinctive from the rest: caste networks can persist and could even strengthen under economic development, not because of conservatism in rural areas, but because they provide a function in the informal sector which the government is incapable of providing. The cost of this insurance function disincentivises members of the Scheduled Castes to migrate or learn skills that are outside the network's traditional domain, as leaving the network would mean forgoing insurance and other community benefits (Munshi and Rosenzweig, "Networks and Misallocation").

The second perspective is the labor economics' treatment of discrimination. This perspective separates "taste-based" discrimination where employers are dissuaded during the hiring process due to

stigmatisation, from "statistical" discrimination where employers use caste as a low cost proxy for unobserved productivity. Correspondence and audits are designed precisely to isolate discrimination from confounding differences in qualifications, as resumes are constructed to be identical barring last names which indicate caste (Thorat and Attewell). Identifying taste-based from statistical discrimination is important for policy: statistical discrimination should decline as employers gain more information about their applicants/laborers whilst taste based discrimination may not change even with better information.

The third perspective is the normative and sociological framework by Ashwini Deshpande, who distinguishes reasonings for affirmative action (correcting historical injustices) from present discrimination justifications (Deshpande, *Affirmative Action*). These two justifications aren't just variants of the same idea: they have different empirical tests and argue for different policies. A historically compensatory justification argues that reservations will become inessential once historical asset and human capital gaps close. A present discrimination justification argues that reservations are needed for as long as evidence continues to detect discrimination, regardless of if historical gaps have been closed. This paper's tripartite mechanism structure (historical assets, network effects, and direct discrimination) can be loosely likened to this interpretation and can help prevent the conflation of different view points.

When read together these three view points lead to a question arising that doesn't occur by only reading one of them: if Deshpande's idea that reservation is a remedy focused on discrimination and historical inequalities instead of network driven migration obstacles, and if the network mechanism outlined by Munshi and Rosenzweig is independent of the discrimination mechanism studied in the labor-economics audit, then a single uniform reservation policy across the Scheduled Castes and Scheduled Tribes would work unevenly across the two groups to the extent that their exposure to the mechanisms is differentiated. This inference, that policy uniformity will be ineffective when the underlying mechanisms are unevenly distributed across the groups targeted, is the main theoretical focus of this paper.

CRITICAL LITERATURE REVIEW

The literature on caste and economic mobility can be usefully grouped into five strands that differ in discipline, method, and, consequently, in the kinds of claims they can support.

The first strand, anchored in development and institutional economics, is the Munshi-Rosenzweig research program. Using panel data on migration and schooling decisions in Mumbai, Munshi and Rosenzweig show that caste-based occupational networks that historically eased entry into manufacturing employment became a drag on human-capital investment once economic growth shifted opportunity toward the service sector, since network members had less incentive to invest in the general skills that services demanded ("Traditional Institutions"). Their later work formalizes the insurance-versus-migration trade-off and argues that caste-based rural insurance networks help explain why India's rural-urban wage gap has remained unusually large and persistent relative to other developing economies ("Networks and Misallocation"). Methodologically, this strand is notable for combining a structural economic model with empirical tests, which allows the authors to make a causal argument

about mechanism rather than simply documenting a correlation between caste and outcomes. Its principal limitation is external validity: the identifying variation comes primarily from a single city's manufacturing-to-services transition, and it remains an open question how directly the mechanism generalizes to other regions, to the contemporary platform and gig economy, or to non-Hindu caste-affected communities.

The second strand consists of correspondence and audit studies of direct labor-market discrimination. Sukhadeo Thorat and Paul Attewell's correspondence study sent matched fictitious applications, identical in qualifications but varying in caste- and religion-signaling names, to real private-sector job postings and found that Dalit and Muslim applicants received markedly fewer callbacks than equally qualified upper-caste Hindu applicants (Thorat and Attewell). This design has a methodological advantage over observational wage studies: because the researchers themselves construct and randomly assign the fictitious applicant characteristics, the design directly addresses the omitted-variable and self-selection problems that plague observational comparisons of caste and labor-market outcomes. A complementary study by S. Madheswaran and Paul Attewell applies Oaxaca-Blinder wage decomposition to National Sample Survey data, splitting the observed SC/non-SC wage gap into a portion explained by measured disparities in education and experience as well as an unexplained residual that is often interpreted as a proxy for discrimination (Madheswaran and Attewell). The decomposition approach is more representative in comparison to a correspondence study as it examines nationally representative survey data instead of a singular city's job postings. However, the causality is weaker: the unexplained disparity could be reflective of genuine discrimination, but it could also be because of unobserved difference in education levels, and network based job referrals, a concern the researchers themselves take into account. Correspondence studies and decomposition studies are best viewed as complementary rather than substitutable: the former offers stronger causal identification but narrower external validity, and the latter offers broader representativeness but weaker identification. Ashwini Deshpande's monograph *The Grammar of Caste* synthesizes this and related evidence into the most comprehensive single economic treatment of caste-based discrimination available, and is the source this paper draws on most heavily for the normative distinction between compensatory and present-discrimination justifications for policy developed in the theoretical framework above (Deshpande, *Grammar of Caste*).

The third strand is the quantitative intergenerational mobility literature, which is also the strand exhibiting the most internal disagreement. Sripad Motiram and Ashish Singh's early transition-matrix analysis of occupational mobility across generations established a baseline against which later work is measured (Motiram and Singh). Sam Asher, Paul Novosad, and Charlie Rafkin propose a rank-based measure of upward mobility designed to work under the data constraints typical of developing-country settings and find that aggregate intergenerational mobility in India has remained essentially flat since before liberalization; disaggregating by social group, they find mobility rising specifically among Scheduled Castes over the period studied, and a natural experiment reported in the same paper attributes that rise to affirmative action policy (Asher et al.). A. Bheemeshwar Reddy, using National Sample Survey rounds spanning 1983 to 2012, similarly finds that intergenerational occupational mobility declined over this period once changes in occupational structure are controlled for, and that the decline was sharper for

Scheduled Castes and Scheduled Tribes than for the rest of the population, directly complicating any simple growth-driven convergence narrative (Reddy). By contrast, Tamalika Lodh, Poulomi Roy, and Malabika Roy, using the second round of the India Human Development Survey and Altham statistics of association, find that Scheduled Caste sons are significantly more mobile across generations than either General-category or Scheduled Tribe sons, and that Scheduled Tribe sons show markedly greater persistence in their fathers' sector of employment specifically where fathers held public-sector jobs, a direct test, in effect, of job reservation's differential reach (Lodh et al.). A 2025 three-generation household survey conducted in Uttar Pradesh similarly finds modest upward occupational mobility among Dalit households across generations but a persistent, and in some measures widening, gap relative to upper-caste Hindu households (Pradeep and Goli).

This third strand's internal disagreements are not simply a matter of some studies being right and others wrong; they trace to genuine differences in data source, time period, and measurement strategy. Studies using repeated cross-sectional National Sample Survey rounds can track aggregate trends over long periods but cannot follow the same households across generations, forcing reliance on synthetic cohort methods that assume stable population composition. Studies using the India Human Development Survey panel can follow actual father-son pairs but only across a single generational transition observed at one historical moment, limiting their ability to speak to long-run trend. Retrospective three-generation household surveys, such as the 2025 Uttar Pradesh study, can reconstruct multi-generational trajectories directly from household memory but are geographically limited and subject to recall bias. None of these designs is strictly superior; each answers a different version of the mobility question, and a central contribution of a synthesis like this one is recognizing that apparently contradictory findings often reflect different questions rather than a genuine empirical dispute.

The fourth strand is sociological and anthropological scholarship documenting the persistence of caste practice independent of aggregate labor-market statistics. Ghanshyam Shah and coauthors' large multi-state survey documents the continued practice of untouchability in rural India well into the twenty-first century, decades after its constitutional abolition (Shah et al.). Ajantha Subramanian's ethnographic and historical study of engineering education at India's elite Institutes of Technology shows how the language of individual merit can coexist with, and even obscure, caste-patterned advantage in access to the preparatory resources that make competitive examination success possible (Subramanian). Surinder Jodhka and Katherine Newman's interview-based study of corporate human-resources practice in liberalized India finds that employer language about "culture fit" and "soft skills" can function as a coded proxy for caste-based screening, operating alongside, rather than instead of, the audit-study evidence of direct discrimination (Jodhka and Newman). Ashwini Deshpande and Katherine Newman add a further, more psychological dimension to this strand, finding in survey data collected just before graduation that lower-caste students themselves anticipate worse labor-market prospects than their upper-caste peers with equivalent qualifications, suggesting that discrimination shapes not only the outcomes lower-caste job-seekers receive but their expectations going in (Deshpande and Newman). This strand's qualitative methodology cannot establish population-level prevalence in the way a correspondence study or survey

can, but it supplies causal-mechanism detail (how discrimination is actually enacted in institutional practice, and anticipated, by those subject to it) that quantitative studies, by design, cannot capture.

The fifth strand consists of demographic and public-health research that, while not framed as economic-mobility research, supplies evidence on the human-capital channel through which historical disadvantage is transmitted. A study of under-five mortality across several "high focus" Indian states finds that Scheduled Caste and Scheduled Tribe children experienced persistently higher mortality than non-SC/ST children between 1992 and 2016, with Scheduled Caste children facing the single highest risk among the three groups even as Scheduled Tribe children saw the steepest decline over the period, and that a formal decomposition analysis attributes 83 percent of this caste-based mortality gap to differences in maternal educational attainment and household wealth between SC/ST and non-SC/ST populations (Bora et al.). This finding is significant for the paper's argument because it demonstrates, using a rigorous decomposition method outside the labor-economics literature entirely, that even outcomes seemingly unrelated to labor markets trace back to the same underlying asset and human-capital gaps identified in the historical section above.

Reading these five strands together reveals a literature that is more interdisciplinary than any single sub-field's citations typically acknowledge, but also one with a specific and consequential gap: no study surveyed here attempts to weigh the relative causal contribution of network effects, direct discrimination, and inherited asset gaps against one another within a single framework, and none directly asks why a uniform reservation policy would produce the Scheduled-Caste/Scheduled-Tribe divergence that the third strand's mobility literature documents. Each strand tends to hold the others' mechanisms fixed in the background while identifying its own with the tools its discipline privileges: the network strand treats discrimination as outside its model, the discrimination strand treats network effects as outside its model, and the mobility-measurement strand documents the SC/ST divergence without proposing a mechanism for it at all. This paper's contribution is not new primary data but an explicit attempt to connect these three findings (the network mechanism, the discrimination mechanism, and the unexplained SC/ST policy divergence) into a single interpretive claim, developed in full after the evidentiary record below.

EVIDENCE AND ANALYSIS

Land ownership offers the clearest illustration of the historical-asset mechanism, though the available statistics vary considerably in how directly they can be traced to primary government data and should be read with that variation in mind. The 2011 Socio-Economic and Caste Census found that a majority of rural Indian households own no agricultural land at all, and the 2015–16 Agricultural Census found that Scheduled Caste landholdings are overwhelmingly marginal in size (0–2 hectares), accounting for a small share of total agricultural land relative to the Scheduled Caste share of the population, as reported in a secondary summary of that census ("Caste, Landownership"). This pattern is broadly consistent with village-level and survey-based academic work on caste and land distribution, which likewise finds Dalit and Adivasi households under-represented in land ownership relative to their population share, though

specific percentages vary across studies depending on region, survey year, and whether homestead land is counted alongside cultivable land. Taken together, this literature corroborates the historical argument above that colonial-era land settlements interacting with caste hierarchy produced a landlessness gap that eight decades of independence, including land-ceiling legislation and tenancy reform, have not closed, even though no single figure in this paragraph should be treated as a precise national estimate.

Occupational data from the India Human Development Survey similarly show sharp caste stratification in the types of work available to different groups. Survey-based estimates find that agricultural wage labor accounted for a much larger share of employment among Dalit and Adivasi women (39 percent and 45 percent, respectively) than among forward-caste and Other Backward Class women (13 percent and 26 percent, respectively), while salaried employment showed the reverse pattern: more than 30 percent of forward-caste men held salaried jobs compared with only 13 percent of Adivasi men (Desai et al.). This occupational segmentation is precisely the pattern the network-based theoretical framework predicts: groups historically excluded from salaried and professional employment remain concentrated in the lower-return occupations, agricultural and casual wage labor, that traditional caste networks have long organized, even as the aggregate economy has diversified toward salaried and service-sector work.

Direct discrimination evidence complements this structural picture. As discussed above, Thorat and Attewell's correspondence study found lower callback rates for equally qualified lower-caste and Muslim applicants in private-sector hiring, and Madheswaran and Attewell's wage decomposition found a substantial unexplained wage residual between SC and non-SC workers even after controlling for measured education and experience (Thorat and Attewell; Madheswaran and Attewell). Taken together with the occupational segregation data, this suggests that lower-caste workers face a compounded disadvantage: they are disproportionately confined to lower-return occupational segments to begin with, and within any given segment or application pool, they face an additional discriminatory penalty in hiring and pay.

Evidence on affirmative action's effectiveness is more mixed than either proponents or critics typically acknowledge. Nishith Prakash's evaluation of employment quotas finds real, measurable effects on the economic lives of disadvantaged minority beneficiaries, suggesting that reservation is not merely symbolic (Prakash). At the same time, the India Human Development Survey-based analysis of intergenerational mobility into public-sector employment, discussed above, finds that Scheduled Castes benefit from job reservation more than Scheduled Tribes do (Lodh et al.), a pattern independently consistent with Asher, Novosad, and Rafkin's separate finding, using a different rank-based mobility measure and different underlying data, that Scheduled Caste mobility specifically has risen in a manner their own natural experiment attributes to affirmative action policy. Two independent studies, using different data sources and different measures of mobility, thus converge on the same conclusion: reservation's benefit is detectably concentrated among Scheduled Castes rather than spread evenly across all groups the policy nominally covers. This indicates that a policy designed around a broad SC/ST/OBC classification produces uneven results across the very groups it is meant to serve equally. This heterogeneity matters analytically because much of the public debate over reservation treats "lower caste"

as a single category, when the underlying quantitative evidence suggests the category conceals substantial variation in both starting conditions and policy responsiveness.

Finally, the mobility-trend evidence introduced in the literature review bears directly on the paper's central question. The finding that intergenerational occupational mobility declined between 1983 and 2012, with a sharper decline for SC/ST populations than for the general population (Reddy), suggests that India's post-liberalization growth era has not, on its own, produced convergence; if anything, the relative position of historically disadvantaged groups may have worsened even as the country as a whole grew wealthier. The 2025 Uttar Pradesh three-generation survey's finding of modest absolute upward mobility alongside a persistent relative gap is consistent with this picture: lower-caste households may be doing better than their grandparents in absolute terms while not closing, or even widening, the gap relative to upper-caste households experiencing their own upward trajectory over the same period (Pradeep and Goli).

TOWARDS A DIFFERENTIATED MODEL OF CASTE AND MOBILITY

The evidence assembled above contains three findings that the literature has never placed side by side. First, the network mechanism documented by Munshi and Rosenzweig is fundamentally a story about the absence of formal credit and insurance markets: caste networks persist because they substitute for institutions that do not otherwise exist, and the cost of that substitution is reduced migration and occupational switching ("Networks and Misallocation"). Second, the discrimination mechanism documented by Thorat and Attewell and by Madheswaran and Attewell is a story about hiring and wage-setting in observed, largely urban, formal-sector labor markets, operating independently of whether an applicant is embedded in a functioning caste network at all. Third, the India Human Development Survey-based mobility literature discussed above finds that Scheduled Castes benefit more from public-sector job reservation than Scheduled Tribes do (Lodh et al.), independently corroborated by Asher, Novosad, and Rafkin's finding that Scheduled Caste mobility specifically has risen under affirmative action policy. No cited study connects these findings to the network mechanism, yet they fit together in a specific way.

Reservation policy operates by reserving posts and admission seats, which functions primarily as a bypass around discriminatory screening at the point of hiring: a reserved seat cannot be denied to a qualified applicant on the discriminatory grounds the correspondence-study literature documents. Reservation does nothing, however, to supply the formal credit and insurance markets whose absence, in the Munshi-Rosenzweig account, is what makes caste networks economically necessary in the first place. If Scheduled Tribe populations are, on average, more dependent on network-based insurance relative to formal-sector employment exposure than Scheduled Caste populations are, then a policy well-suited to counteracting discrimination would be expected to help Scheduled Castes more than Scheduled Tribes, independent of any difference in how much discrimination each group actually faces. This pattern is consistent with, though not established by, Scheduled Tribes' greater geographic concentration in areas where formal financial infrastructure is least developed.. This would explain the SC/ST reservation gap without requiring the assumption, for which no cited study provides direct evidence, that Scheduled Tribes face more severe or more resistant discrimination than Scheduled Castes do.

It is important to be precise about what kind of claim this is. It is not a finding reported by any source cited in this paper; it is an interpretive synthesis this paper constructs by reading three separately documented results against one another, offered as a hypothesis rather than a demonstrated result. A direct test would require data not assembled here: household-level measures of both network-insurance dependence and formal-sector labor-market exposure, disaggregated by Scheduled Caste and Scheduled Tribe status, linked to individual reservation outcomes. Absent that data, the model's value is that it generates a specific, falsifiable prediction: that within the Scheduled Tribe population, reservation should be relatively more effective for the subset with lower network-insurance dependence and relatively less effective for the subset with higher dependence, and symmetrically for Scheduled Castes, where the existing literature offers only an unexplained aggregate difference between the two groups.

COUNTERARGUMENTS

A fair account of this literature must acknowledge genuine counter-currents, including counter-currents to the differentiated model just proposed. First, some scholars point to rising within-caste heterogeneity and to the emergence of a caste-diverse urban middle class as evidence that market forces and urbanization are gradually eroding caste's economic salience, particularly in occupations and regions most exposed to liberalization; this paper's own evidence of occupational segregation and wage discrimination does not rule out gradual, uneven erosion occurring simultaneously with continued aggregate disadvantage, and future work with more granular regional and occupational data would be needed to adjudicate how much erosion has actually occurred outside the specific labor markets studied here.

Second, a normative critique associated with debates Deshpande's work engages holds that reservation policy, by requiring individuals to be officially certified as members of a Scheduled Caste, Scheduled Tribe, or Other Backward Class to access benefits, may entrench caste as a salient administrative and social category rather than hastening its dissolution (Deshpande, *Affirmative Action*). This is a serious argument about the second-order effects of policy design, distinct from the empirical question of whether reservation improves beneficiaries' economic outcomes in the near term, and the two questions should not be collapsed into one another.

Third, the differentiated model proposed above is not the only explanation consistent with a Scheduled-Caste/Scheduled-Tribe reservation gap. A simpler alternative is that Scheduled Tribe applicants, on average, enter the relevant selection processes with lower measured qualifications for the specific posts examined, for reasons entirely unrelated to either network dependence or discrimination, for instance because schools in the geographically remote regions where Scheduled Tribe populations are concentrated are of systematically lower quality, independent of any caste-specific mechanism at all. This omitted-variable alternative cannot be ruled out by the evidence assembled here, the same overall pattern is compatible with multiple mechanisms and adjudicating between them would require data this paper lacks.

Fourth, and more generally, the finding that Scheduled Castes and Scheduled Tribes show different mobility trajectories under reservation policy is itself a caution against treating "lower caste" as an

economically homogeneous category, whether or not the specific differentiated model proposed here turns out to be correct. Any strong claim about caste's aggregate effect on mobility should be read as a claim about a weighted average across quite different sub-populations, and the paper's conclusions should be understood with that caveat attached throughout.

LIMITATIONS

This paper's evidentiary base has several limitations that should qualify its conclusions. First, the statistics cited here are drawn from secondary academic and policy sources that themselves analyze National Sample Survey, India Human Development Survey, Census, and Agricultural Census microdata; this paper does not present original computation on primary microdata, and precise figures should be verified against primary datasets before being used in any context requiring exact precision, such as policy design.

Second, endogeneity concerns identified within the literature itself are not fully resolved even by its strongest designs. The Munshi-Rosenzweig network framework, for instance, models migration and network reliance as jointly determined outcomes of an insurance problem, which strengthens its causal interpretation relative to purely observational studies, but the framework's external validity beyond the specific labor markets it studies remains, by the authors' own account, an open empirical question. Wage-decomposition studies, as discussed above, cannot fully separate discrimination from unobserved productivity differences correlated with caste.

Third, most of the most methodologically rigorous individual studies (correspondence experiments, village censuses, and three-generation surveys) are geographically bounded to a single city, state, or set of villages, which limits confidence in extrapolating their specific magnitudes nationally, even though their qualitative conclusions are corroborated across multiple such studies in different regions. Fourth, the evidence surveyed here spans more than four decades of considerable institutional change in India, from a largely closed pre-liberalization economy to an increasingly globalized one, and studies conducted at different points in this trajectory are not always measuring a stable underlying phenomenon.

Fifth, and specifically regarding this paper's own differentiated model of network versus discrimination mechanisms: that model is an interpretive synthesis constructed by this paper from findings reported separately in three different literatures, none of which measures the two mechanisms jointly or disaggregates them by Scheduled Caste and Scheduled Tribe status within the same dataset. The counterargument raised above, that an omitted-variable explanation involving regional school quality could produce the same aggregate pattern, has not been ruled out by the evidence available here.

DISCUSSION

Returning to the paper's central question, the evidence reviewed here supports a qualified but firm conclusion: historical caste-based inequality continues to restrict economic mobility for lower-caste communities in India through multiple, only partially overlapping channels, and the restriction is substantial rather than residual. It is substantial because it appears not merely in one domain but across

several independently studied domains (land ownership, occupational segregation, hiring callbacks, wage-setting, and multi-generational mobility trajectories) using methodologies ranging from randomized correspondence experiments to large-scale panel surveys to ethnographic fieldwork. The convergence of qualitatively similar findings across such different methods and disciplines is, in itself, evidence against the possibility that any single method's limitations are driving the overall picture.

But the more analytically useful conclusion is not that caste restricts mobility (a claim the literature has established many times over) but that it does so unevenly, and that the unevenness is patterned rather than random. The differentiated model proposed above offers one account of that pattern: its uneven effectiveness across Scheduled Castes and Scheduled Tribes isn't a contest over which group faces more discrimination but rather which three mechanisms (asset deficits, network frictions, or direct discrimination) dominates for which population. This reframes the policy question. The question is not simply whether reservation "works," but which specific market failure a given instrument is built to correct, and whether that failure is the one actually constraining the population it targets. A defensible synthesis, then, is that caste functions today as an adaptive rather than a static institution, one that has retreated from some domains under direct legal and policy pressure while persisting robustly in others, and that a single, uniform policy instrument should be expected to track that unevenness imperfectly, helping most wherever its underlying logic happens to match the locally dominant mechanism.

POLICY IMPLICATIONS

Several policy-relevant patterns emerge from this synthesis, though they are presented here as implications of the evidence rather than as this paper's own normative recommendations, since reasonable observers disagree about how to weigh the competing considerations involved. If the differentiated model proposed above has merit, its most direct implication is that a single instrument should not be expected to remedy mechanisms with different structures, and that evaluating reservation policy solely by its aggregate effect risks missing exactly the sub-group variation this paper treats as most informative. The persistence of private-sector hiring discrimination documented by correspondence studies, occurring in a domain where current reservation policy has essentially no reach, suggests that debates over extending anti-discrimination enforcement (as opposed to quota-based reservation) to private employment are addressing a documented empirical gap rather than a merely hypothetical one; at the same time, extending mandatory quotas into private enterprise raises separate and genuinely contested questions about firm-level efficiency and administrative feasibility that this evidence base does not resolve.

The differential effectiveness of reservation for Scheduled Castes relative to Scheduled Tribes suggests that policy debates might benefit from disaggregating the SC/ST/OBC category rather than treating it as a single policy target, though doing so raises its own administrative and political complexities. The persistence of caste-linked landlessness despite decades of land-ceiling and tenancy legislation suggests that whatever barriers have prevented land reform from closing this gap (implementation gaps, weak enforcement, or political capture by dominant landholding castes at the local level, as some of the sources reviewed here suggest) warrant further, more geographically comprehensive study before any confident policy prescription can be offered. Finally, the network-based literature's finding that caste networks

persist because they provide a genuine insurance function, not merely out of inertia, implies that expanding access to formal insurance and credit markets in rural India might reduce the economic cost of leaving caste-based networks, independent of any direct anti-discrimination or land policy.

CONCLUSION

This paper has argued that caste-based inequality in contemporary India operates through at least three distinguishable mechanisms (inherited asset and human-capital deficits, network-based frictions that discourage migration and occupational diversification, and direct discrimination in hiring and wages) and that the existing interdisciplinary literature, while extensive, has rarely attempted to weigh these mechanisms against one another within a single framework. Doing so here surfaces a specific, previously unexplained pattern: the greater effectiveness of reservation policy for Scheduled Castes than for Scheduled Tribes, with the discrimination mechanism and its structural mismatch with the network mechanism, rather than any difference in how much discrimination the two groups face. The evidence reviewed here, spanning economics, sociology, anthropology, and public health, converges on the conclusion that caste continues to restrict economic mobility substantially, but unevenly, and that the unevenness itself is informative about which mechanism dominates where. Caste, in this reading, is best understood not as a fading pre-modern residue awaiting dissolution by markets and growth, nor as a static and unchanging system impervious to policy, but as an adaptive institution whose different channels respond to different remedies. The most direct test of the model proposed here would require household-level data measuring network-insurance dependence and formal-sector discrimination exposure separately, disaggregated by Scheduled Caste and Scheduled Tribe status, linked to individual reservation outcomes, a study this paper has not conducted but whose absence from the existing literature is itself among this paper's central findings.

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