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Caste and Meritocracy in India

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Abstract:

The caste system in India acts as a barrier to meritocracy. For centuries the lowest castes were disadvantaged socially and economically. Evidence from the colonial censuses of the early twentieth century shows large differences in literacy and occupation between the highest and the lowest castes. After independence, India adopted affirmative action in state-funded education and public sector jobs that benefited people in the so-called scheduled castes and tribes, who were the disadvantaged groups. We show that since the 1980s, there has been convergence in education and occupation between the upper castes and that population.

Keywords: caste; literacy; occupational mobility; affirmative action

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Individuals in a premodern economy are tied to the land where they are born. They inherit their parents' occupation and wealth and have no possibility for economic mobility. With economic development, opportunities for spatial and occupational mobility emerge. In a new market economy, individual ability or merit, rather than inherited wealth or social position, becomes more relevant in determining economic outcomes.

The Indian economy was historically distinctly unmeritocratic on account of the caste system of social stratification that dates as far back as 1500–500 BCE. The caste system comprises four hierarchical classes, or *varnas*: the Brahmins, Kshatriyas, Vaishyas, and Shudras. People in population groups—known today as Scheduled Castes (SC) and Scheduled Tribes (ST)—were historically excluded from the varna system and lie at the bottom of the social hierarchy. Within each varna, and among the SC/STs, are hundreds of castes, or *jatis* (Vaid 2014). Land ownership, access to occupations, and wealth more generally were determined by an individual's varna or jati. If we make the reasonable assumption that intrinsic ability is independent of the varna that an individual is born into, then the caste system, around which the Indian economy was organized, was fundamentally unmeritocratic. This absence of a meritocracy is most clearly visible when comparing the historical economic status of the SC/STs, at the bottom of the social hierarchy, with those above them.

The arrival of the British in India in the eighteenth century and the subsequent 250 years of colonial rule did little to change the caste-based structure of the Indian economy. The British assigned government jobs to particular castes (Bayly 2001), and the upper castes had preferred access to the educational institutions that the British created. Allocation of resources to primary and secondary schools was decided by subregional district boards dominated by the upper castes (Chaudhary 2015). Greater educational attainment allowed the upper castes to monopolize coveted private sector jobs in the colonial economy (Munshi 2019). If anything, colonial rule and

modernization may have widened existing differences between castes, thus making the Indian economy even less meritocratic. In the first section of this article, we provide descriptive evidence of the wide gaps in educational attainment between the upper castes and the SCs in 1911 and the overwhelming dominance of a few of the upper castes in skilled occupations.

With Indian independence in 1947, there was an explicit attempt to level the playing field between castes. The government launched an ambitious affirmative action program that reserved seats in central government jobs and institutions of higher education for the SC/STs. The development of the market economy also created new opportunities for mobility for these historically disadvantaged groups. The general view in the literature, which we review in the first section of this article, is that there has been convergence in education and occupations across varnas or caste groups in the postindependence period. This assessment is corroborated by the descriptive statistics, based on data from the National Sample Surveys (covering the 1987–2011 period) that we also report in that section.

In the second section of this article, we discuss two mechanisms that could potentially be responsible for the observed convergences of education and occupations across castes: affirmative action and caste (jati) networks that foster social mobility. Assuming that the ability distribution is the same across castes, then wide differences in education and economic outcomes across these groups implies that we are still very far from meritocratic equilibrium. Equalizing education and job opportunities will not necessarily move us closer to that equilibrium. An influential strand in the literature, going back to Galor and Zeira (1993) and Banerjee and Newman (1993), tells us that inequality could persist if credit markets function imperfectly and nonconvexities in human capital attainment persist. Caste-based discrimination, which has also been documented in the literature, acts as an additional barrier to mobility. It is possible that the affirmative action programs allowed the SC/STs to escape their historical disadvantage. Alternatively, caste networks, which help their

members find jobs, start businesses, and smooth risk, might also have allowed these historically disadvantaged groups to bootstrap their way out of the low-education, low-skill occupation trap (Munshi 2011).

While the available evidence indicates that the Indian economy has grown more meritocratic on one important dimension (i.e., varna), we must consider heterogeneity within and between castes. We discuss these additional dimensions of heterogeneity, and accompanying directions for future research, in the concluding section.

The Caste Gap: Education and Occupations

Colonial India

Under British rule, first under the East India Company and later under the Crown, a bureaucracy drawn from the local population was needed to govern the country (Khanna and Szonyi 2022, ch. 5). Between 1844 and 1853, the British Parliament introduced a competitive exam to recruit civil servants from the Indian population. At the same time, the educational system changed, shifting away from religious institutions to a common curriculum and science-based modern education system. Both education and recruitment were meant to be meritocratic, as described by the despatch from Britain to India in 1854:

> We have always been of [the] opinion that the spread of education in India will produce a greater efficiency in all branches of administration, by enabling you to obtain services of intelligent and trustworthy persons in every department of Government; and, on the other hand, we believe that the numerous vacancies of different kinds which have constantly to be filled up, may afford a great stimulus to education. The first object must be to select persons properly qualified to fill these situations; secondary to this is the consideration how far they may be so distributed as to encourage popular education. (Wood 1854, 30–31)

At the initial stage of secular education provision, in the 1850s, the colonial government set up universities in Calcutta, Bombay, and Madras. The emphasis at this stage was on secondary

and tertiary education. In 1855, there were just over 1,200 primary schools, 169 secondary schools, and 28 colleges and institutions of tertiary education. (Nurullah and Naik 1943, 190)

Later, in the 1870s, the government decentralized educational spending and included Indians in district education boards (Chaudhary 2015). By 1882, the number of primary schools increased to over 13,000 and colleges to 136 (Nurullah and Naik 1943, 190). Despite this expansion in the supply of education and the Indian presence on district boards, access to education was restricted largely to the upper castes. Indian representation on provincial legislatures after the Montagu–Chelmsford Reforms of 1919 did little to change this inequitable access. Sixty percent of the education budget was spent on higher education (B. Gupta 2025). Chaudhary (2009) shows that districts with greater presence of upper castes spent more on secondary education and less on primary education. British policy toward higher education thus benefited the upper castes. The untouchables (today included among the SCs) were particularly disadvantaged because they were not permitted to share common spaces with other castes (Nurullah and Naik 1943). In contrast to its initial stated objective, as laid out in the despatch of 1854, the provision of education in colonial India enhanced caste inequality and was distinctly unmeritocratic.

Preferred access to (higher) education allowed the upper castes to take advantage of the new economic opportunities that had become available under colonial rule in the nineteenth century. These new technical and managerial occupations, as well as jobs in the administrative service, required higher educational qualifications and thus remained outside the reach of the lower-caste population working in agriculture, in low-skilled jobs in mining and industry, and in low-skilled service sector occupations.

We use the colonial censuses, available from the beginning of the twentieth century, to provide empirical support for the caste gap in education and occupations described above. The colonial censuses provided information on the traditional occupation of selected castes, or jatis;

the literacy rate (by gender) in these castes; and the occupational distribution (by gender) in each caste. This information was collected in those areas of the country—presidencies and provinces—that were under colonial rule. Table 1 reports this information, based on the 1911 census (Gait 1913).

Although the selected castes in table 1 are not necessarily representative, the gap between the upper castes and lower castes (classified as SCs today) is too large to be spurious. Among the upper castes—those that were traditionally priests, writers, physicians, and traders—high literacy rates (among the men) existed as early as 1911. In contrast, those castes that are classified as SC today were mostly illiterate. These differences in education map into differences in occupation. In 1911, 48 percent of men and 37 percent of women worked in their traditional hereditary occupation (Cassan et al. 2021). In most provinces, only 20 percent of Brahmans were in their traditional occupation (Gait 1913). We classify managerial, administrative, and professional occupations as "skilled" occupations. As can be seen in table 1, castes that had high literacy rates were disproportionately represented in skilled occupations, which are not necessarily their traditional occupations. Once again, the lower castes were excluded entirely from these occupations.

The statistics in table 1 are consistent with historical descriptions of the colonial economy. Although there are differences across provinces, the difference between high and low castes is visible in every province. The administrative services, railways, public health, and educational infrastructure all required educated personnel. In the private sector, managerial staff, engineers, and supervisors also needed to be educated. While the preceding description of caste gaps in occupational choice were based on the labor market, these differences were also observed in business: To grow, economies, including the colonial economy, need entrepreneurs. Several trading castes moved from trade and moneylending into industry as entrepreneurs (B. Gupta et al. 2022) and diversified into other modern commercial sectors, such as banking and retail. However,

these trading castes were less represented in administrative and legal services, medical professions, and universities—sectors dominated by other castes, such as the Brahmans, Kayasthas, and Baidyas (Risley and Gait 1903, 217–218). As with the labor market, where they were relegated to low-skill occupations, the lower castes were entirely absent from business activity.

Table 1. Literacy and Occupation by Selected Castes (1911)

	Traditional Occupation	Literate (%)		In Skilled Occupation (%)	
		Male (1)	Female (2)	Male (3)	Female (4)
Bombay		12.1	1.5		
Brahman	Priest	59.1	7.4	25	29
Vani	Trader	68.1	11.3	6	10
Mahar (SC)	Watchman	<1	<0.1	2	0
Bhangi (SC)	Scavenger	2.1	<0.1	1	0
Bengal		14.0	1.0		
Brahman	Priest	64.3	11.2	36	36
Kayastha	Writer	56.8	11.5	27	31
Baidya	Physician	71.9	34.5	49	54
Namasudra (SC)	Boatman	9.5	<1	1	4
Hari (SC)	Scavenger	2.6	<0.1	6	8
Dom (SC)	Scavenger	2.7	<0.1	5	1
Central Provinces		6.8	<1		
Bania	Trader	45.5	1.8	4	4
Brahman	Priest	43.1	2.6	10	4
Chamar (SC)	Leatherworker	<1	<0.1	0	0
Dhobi (SC)	Washerman	2.1	<0.1	0	0
Madras		13.1	1.4		
Brahman Tamil	Priest	71.9	11.9	45	50
Mala (SC)	Field laborer	1.4	<0.1	N/A	N/A
Cheruman (SC)	Field laborer	3.0	<0.1	3	0
Madiga (SC)	Leatherworker	8	<0.1	2	0
United Provinces		6.11	<1		
Kayastha	Writer	54.4	7.7	12	16
Brahman	Priest	21.7	1.0	4	4
Agarwal	Trader	41.2	3.0	7	10
Bhangi (SC)	Scavenger	<1	<0.1	2	0
Dhobi (SC)	Washerman	2.3	<1	1	0
Chamar (SC)	Leather worker	<1	<0.1		
Punjab		6.5	<1		
Brahman	Priest	19.5	1.2	6	9
Agarwal	Trader	38.1	1.3	7	16
Arora	Trader	36.7	2.8	8	12
Chamar (SC)	Leatherworker	<1	<0.1	2	1
Chuhra (SC)	Scavenger	<1	<0.1	1	0

SOURCE: Data from tables 7, 9, and 16 in Gait (1913).
NOTE: Skilled Occupation includes living on income from land and other assets; agents and managers in agriculture, mines, and industry; transport owners and managers; officers in public administration; and lawyers, doctors, teachers, and other professionals.

Postindependence changes

Two major changes occurred in the postindependence period: First, the market economy expanded, providing new opportunities for all caste groups. Second, an ambitious affirmative action program was implemented. The colonial censuses had enumerated individuals by caste or jati, thereby creating lists of the lowest castes. The enumerators considered the lowest castes, including the untouchable castes, to be "depressed" social groups (Osborne 2001). In independent India, these lists served as the template for affirmative action policies. Seats in higher education institutions and the central government were reserved for former untouchables, now known as the scheduled castes (SC), and for scheduled tribes (ST) that had previously been isolated and thus excluded from the process of modernization. After 1931, the censuses stopped recording data by specific castes. The main source of caste-level evidence after independence are the various rounds of the National Sample Survey (NSS) from 1983.

One line of research on the postindependence economy focuses on heterogeneity in the trajectory of different castes. For example, Kumar and Somanathan (2016) document the changing literacy of specific scheduled castes. They find significant increases over the decades, but also heterogeneity within the group. Literacy among the Mahars, an untouchable caste in Maharashtra, rose from less than 20 percent in 1961 to 75 percent in 2001. In contrast, another untouchable caste, the Musahars in northern India, saw an increase from 2.7 percent to just 8.7 percent. Using two rounds of the NSS (1999–2000 and 2009–2010), Deshpande (2016) finds that although the correlation between educational outcomes for fathers and sons declined in all groups—a finding that implies greater intergenerational mobility over time—this decline was weaker among the SC/STs. For a later NSS round (2011–2012), Deshpande and Ramachandran (2019) find narrowing of the education gap between high and low castes across generations. Using the India

Human Development Survey of 2012, Asher et al. (2024) link fathers and sons to show that the average years of education in the general population of men rose from 5.1 years to 8.5 years between 1950–1959 and 1985–1989. They consider three underprivileged groups—scheduled castes, scheduled tribes, and Muslims—and find intergenerational upward mobility for SC/ST men but a decline among Muslim men. The first two groups benefited from affirmative action, while the Muslims landed outside the system.

A second line of research has examined the impact of affirmative action. Early research in this area pointed to the underperformance of SC/STs. A survey of students admitted under affirmative action in 1965/1966 found that only 36 percent completed their degrees (Weisskopf 2004). Kirpal and M. Gupta (1999) found that the average graduation rate of SC/ST students in the 1980s from the prestigious Indian Institutes of Technology (IITs) was 84 percent compared to 94 percent for other students. It has been documented that SC/ST students fall behind in their performance over the course of their program (Frisancho and Krishna 2016) and that graduating doctors from underprivileged backgrounds are more likely to be employed in (less selective) public institutions, where they have access to reserved positions (Weisskopf 2004).

More recent research on affirmative action in higher education has documented its benefits. Combining survey data on all individuals who took the engineering entrance exam in one Indian state in 1996 with NSS data, which is representative of the state population, Bertrand et al. (2010) show that although lower-caste applicants are positively selected from their population subgroup, affirmative action does redistribute educational resources to less wealthy households. An examination of affirmative action in higher education by Bagde et al. (2016) uses similar data to estimate the effect of reservation in engineering colleges in one Indian state on the performance of lower-caste students one year into the program. Their results show that affirmation action increases the entry of SC/ST students into elite colleges and improves their performance. Moreover, these

students select the most competitive disciplines for study. Thirty-six (35) percent of scheduled caste male (female) students study electronics and communications, compared to 28 (27) percent in the general group. In computer science, the numbers are 33 (40) percent and 24 (25) percent, respectively.

To study the trajectory across castes in the postindependence period at a more nationally representative level, we use several rounds of the NSS from 1987 to 2011. In tables 2 and 3, we disaggregate the data into low castes (SC/ST) and high (all other) castes and find gains in literacy and years of schooling for both males and females. The gains in education for females in high and low caste are large. The gain for low-caste men is also large and shows convergence between high and low castes. Particularly striking is the gain for low-caste men in years of schooling and convergence with high-caste men.

What has been the impact of the increase in education, documented above, on occupational mobility? One way to study mobility in a caste-based society is to see whether individuals remain in their caste's traditional occupation. Access to higher education weakened the association of caste and skilled occupations (Vaid 2016). Cassan et al. (2021) document a move out of traditional caste occupations over the course of the twentieth century. Compared to the high shares of men and women working in their traditional occupation in 1911 (48 percent and 37 percent, respectively), 17 percent of men and 8.1 percent of women worked in their traditional occupation in 2011. However, there is substantial heterogeneity in this exit from traditional occupations. In some occupations, such as medicine, there are few ties to traditional occupation, while in others, such as dyeing, the ties remain strong.

Table 2. Literacy Rates by Caste and Gender (%)

Gender:	Both		Male		Female	
Caste Group:	Other (1)	SC/ST (2)	Other (3)	SC/ST (4)	Other (5)	SC/ST (6)
1987	47.6	27.0	59.7	36.8	34.8	16.9
1999	59.3	40.2	69.5	49.7	48.7	30.1
2004	62.7	49.8	72.9	59.9	52.3	39.5
2009	70.5	60.2	79.5	69.4	61.3	50.7
2011	71.9	62.8	80.3	71.4	63.2	54.2

SOURCE: Data from National Sample Survey Office (1987–1988, 1999–2000, 2004–2005, 2009–2010, 2011–2012).
NOTE: Sample restricted to individuals aged 15 and above. Literacy is defined as having at least primary education.

Table 3. Mean Years of Education by Caste and Gender

Gender:	Both		Male		Female	
Caste Group:	Other (1)	SC/ST (2)	Other (3)	SC/ST (4)	Other (5)	SC/ST (6)
1987	4.29	2.06	5.50	2.85	3.00	1.23
1999	5.88	3.46	7.05	4.39	4.66	2.49
2004	6.13	4.36	7.34	5.38	4.91	3.31
2009	7.35	5.60	8.51	6.64	6.16	4.53
2011	7.64	6.04	8.76	7.05	6.51	5.01

SOURCE: Data from National Sample Survey Office (1987–1988, 1999–2000, 2004–2005, 2009–2010, 2011–2012).
NOTE: Sample restricted to individuals aged 15 and above. Years of education assigned as follows: 0 years for no education, 4 years for primary education, 8 years for middle school, 12 years for secondary education, and 16 years for higher education.

Another way to study mobility is to examine changes over time. Hnatkovska et al. (2012) use data from five successive rounds of the NSS, covering the 1983–2005 period, to measure differences in education, occupations, wages, and consumption between SC/ST and non-SC/ST households. The key finding is that there is significant convergence in all these outcomes over the

period under consideration. Decomposition analysis indicates that much of the convergence in wages and consumption is driven by convergence in education between the SC/STs and non-SC/STs. Using the same data, Hnatkovska et al. (2013) compare the intergenerational mobility in occupation and income of SC/STs and non-SC/STs. Complementing their previous findings, intergenerational mobility of SC/STs was lower than that of non-SC/STs in 1983 but rises faster over the subsequent decades and was roughly equal by 2005. These gains in mobility are observed at all points in the distribution. In particular, the largest intergenerational changes in education for SC/STs—out of illiteracy into primary and secondary school—are at the bottom of the distribution. As they note:

> Indeed, it has now become far more likely that the son of a poor illiterate SC/ST cobbler would become a machine worker with middle or secondary school education having a much higher rank in his generation in income distribution than his father did in his generation. (Hnatkovska et al. 2013, 437)

In table 4, we use NSS data on occupations, over five rounds covering the 1987–2011 period, to describe occupational mobility across castes. We divide occupations into low-, medium-, and high-skill levels and denote SC/STs as low castes and all other castes as high castes. The high castes are more likely to be in medium-skill and high-skill occupations than the low castes at each point in time. Moreover, there is a substantial increase in the share of high castes in high-skill occupations: up from 4 percent in 1987 to 13 percent in 2011. However, the share of low castes in low-skill occupations declines, from 86 percent to 79 percent, while their share in high-skill occupations increases from 1 percent to 8 percent. There appears to be as much occupational mobility for the low castes as there is for the high castes.

Table 4. Occupation Distribution by Caste Across NSS Survey Rounds (%)

Occupation Skill:	Low		Medium		High	
Caste Group:	Other (1)	SC/ST (2)	Other (3)	SC/ST (4)	Other (5)	SC/ST (6)
1987	75.0	86.2	21.2	12.6	3.8	1.1
1999	70.0	82.5	23.5	14.8	6.5	2.7
2004	68.6	77.9	24.8	18.8	6.6	3.3
2009	71.3	81.8	17.5	13.0	11.2	5.2
2011	70.0	79.1	16.9	13.4	13.1	7.6

SOURCE: Data from National Sample Survey Office (1987–1988, 1999–2000, 2004–2005, 2009–2010, 2011–2012).
NOTE: Sample restricted to individuals aged 15 and above. Low-skill occupations include agricultural workers, elementary occupations, and machine operators. Medium-skill occupations include craft workers and service workers. High-skill occupations include professionals.

Explaining Caste Convergence

Given their historically disadvantaged circumstances, the lower castes lagged far behind the upper castes with respect to education and other socioeconomic indicators at independence in 1947. As seen in the previous section, a large caste gap in education and occupations has persisted over time. Nevertheless, there appears to have been convergence across castes, both for males and females.

One explanation for the observed convergence centers on caste-based affirmative action, as discussed above. To rectify the lower castes' historical disadvantage, Article 46 of the Indian Constitution put into place one of the largest affirmative action programs in the world. Seats in universities and central government jobs are reserved for SCs and STs to match their share of the population, 15 percent for the SCs and 7.5 percent for the STs. In an economy where university seats are heavily oversubscribed and unemployment is high, affirmative action very likely improved educational and accompanying economic outcomes for the SCs and STs. This is

supported by empirical studies of caste reservation in Indian universities discussed above (Bertrand et al. 2010; Bagde et al. 2016).

While affirmative action may have contributed to the observed convergence across castes, it is evidently not the only mechanism at work. Some of the catch-up could be mechanical, since the SC/STs lagged far behind the other castes when the Indian economy started to grow after independence, or it could be because the aspirations of the SC/STs changed with exposure to the market economy. After independence, expansion in primary education increased literacy in the population from its 1931 rate of 17.8 percent for men and 3 percent for women (Chaudhary 2015). Moreover, affirmative action targeted higher education and thus cannot explain the steep increase in literacy that we documented in the previous section. Rather, it is more likely an endogenous response to the increased returns to education in a growing economy, coupled with the expansion of basic education by the government over the past decades. Perhaps most important, any analysis of occupational mobility in a developing economy must take account of the informal (in this case, caste-based) networks that emerge endogenously to support the economic activity of their members.

When evaluating India's affirmative action program or studying caste-based discrimination in its market economy, it may be appropriate to situate the analysis at the level of the varna. However, any analysis of networks in the Indian economy must be based on the caste, or particular jati, and not on the broad caste group, or varna. The Hindu population is divided into approximately 4,000 castes and genetic evidence indicates that individuals have been marrying strictly within their caste for more than 2,000 years (Moorjani et al. 2013). The resulting dense social ties within castes support high levels of cooperation (commitment) and facilitate the flow of information. Not surprisingly, economic networks serving different functions have historically been organized and continue to be organized around the caste.

The dominant occupation in the premodern economy was rain-fed agricultural. This economy was characterized by wide variation in income (food supply) across seasons and years. Since a caste typically spans many villages over a wide area, caste-based mutual insurance networks would have been particularly well suited to smooth consumption in the face of local rainfall shocks (Munshi and Rosenzweig 2016). We would thus expect these networks to have been in place long before the onset of economic development and, indeed, even prior to the colonial period. With the arrival of the British in India, new economic opportunities opened up in urban areas. A rich social history literature, reviewed in Munshi (2019), describes how caste networks supported migration from the village to the city and helped new arrivals find jobs in urban labor markets. Traditional trading and moneylending castes also exploited their networks to establish industrial enterprises (B. Gupta et al. 2022).

Caste networks have continued to be active in the postindependence economy, and we expect that they will continue to be so as long as markets function imperfectly. However, their effects are now more nuanced: Although some studies show that preexisting networks can restrict the mobility of their members and discourage them from taking advantage of new opportunities that arise with economic development (Munshi and Rosenzweig 2006, 2016), other research indicates that these networks have allowed their members to move into new occupations, notably business (Damodaran 2008; Munshi 2011). In an economy where parental wealth, connections, and knowledge are key to establishing a successful firm, the caste networks have been seen to substitute for such parental support, thus enabling first-generation entrepreneurs to bootstrap their way from traditional occupations into business. Munshi (2011) shows theoretically, and verifies empirically, that these mobility-enhancing networks will strengthen most rapidly in historically disadvantaged castes with worse outside options. Although his analysis focuses on entry into

business, the argument is more general. The observed occupational convergence across castes outlined above could thus be attributed (in part) to underlying mobility-enhancing networks.

Conclusion

The caste system is arguably the single largest barrier to meritocracy in India. The lowest castes—the SCs and the STs—have been severely disadvantaged, both socially and economically, for centuries. If we make the plausible assumption that the intrinsic ability distribution is the same in all caste groups, then the wide gap in educational and occupational outcomes between SC/STs and others is indicative of a substantial departure from a meritocratic equilibrium.

In the preceding discussion, we show that modernization in colonial India had magnified the differences between high and low castes as new occupations emerged. However, economic development and affirmative action after independence diminished the privileges enjoyed by the upper castes. The caste convergence in education and occupations that we have also documented implies that the Indian economy is slowly moving toward a meritocratic equilibrium. In our view, affirmative action, together with mobility-enhancing caste networks, likely contributed to this convergence. While this interpretation of the evidence may be reasonable, some unanswered questions remain.

First, in an economy where laws are difficult to enforce, how was affirmative action so effectively implemented? The answer to why people in the castes at the top of the hierarchy went along with the policy lies in India's political economy and is largely beyond the scope of our analysis in this article. Still, it is intriguing to consider why the upper-caste elites allowed the implementation of a (redistributive) policy that was detrimental to their own economic advantage—at least clearly so at the onset of independence. Subramanian (2019; Khanna and Szonyi 2022, ch. 8) documents case studies of resistance by castes at the top of the distribution,

but such incidents were isolated and did not lead to policy change. We would suggest that one reason for elites' acceptance of affirmative action may lie with their introduction of a new category—Other Backward Classes (OBCs)—that, although excluding SCs and STs, still benefited from affirmative action. In introducing this new category, the upper castes created a new group from which they could extract rents for themselves.

Second, the liberalization of the Indian economy, starting in the early 1990s, appears to have increased income inequality substantially (Chancel and Piketty 2019; Bharti et al. 2024). How then could the observed convergence between the lowest castes and the upper castes have occurred? One possible explanation is that this finding ignores the substantial heterogeneity within caste groups. For example, some SCs, such as the Mahars, took early advantage of educational opportunities (in part due to a historical accident) and subsequently benefited disproportionately from affirmative action in higher education. Similarly, historical accident led to the formation of a relatively small number of caste networks in advantageous occupations (Munshi 2019). These particular castes thus benefited from the occupational mobility that their networks provide. Moreover, even within castes, there is substantial heterogeneity in endowments and outcomes (Munshi and Rosenzweig 2016), and it has increased over time (Bharti 2018).

While the broad caste convergence we have documented is heartening, the preceding discussion suggests that we must be cautious when applying these findings at the population level. A 2023 report by the Parliamentary Committee found that the quota remains unfilled by two percentage points for senior-level jobs every year (Nagarajan 2024). Further research that takes account of underlying heterogeneity within caste groups would be useful but is hampered by the absence of caste-level data in many major surveys, including the National Sample Surveys, and in the population census.

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