

POVERTY AND EXCLUSION OF MINORITIES IN CHINA AND INDIA

A S BHALLA

DAN LUO

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Review by

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Ajit Bhalla, once fellow of Sidney Sussex in Cambridge, has made a successful second career in Nottingham; he has done extensive research on income distribution. He wrote a book on inequality in India and China in 1995; this is a second, but different book in the same area, written together with a fellow lecturer of Nottingham.

Minorities mean something different in China and in India. Chinese minorities are not overtly different from the majority; it is when they open their mouths that the difference becomes evident. Han Chinese is a language with millennia of history; it is the spoken and written language of China. India is linguistically much more diverse, with more than a dozen major languages. Although Hindi, its national language, is spoken by almost half the population, no one would call those who do not speak it minorities. They are distinguished by very different criteria. Some are Hindus like the majority, but are not integrated with it, being regarded as belonging to inferior castes. Some practice religions other than Hinduism; amongst them, the Muslims stand out on account of their culture and history, having once ruled much of India. Others are tribes with very different, non-literary traditions. Bhalla and Luo have taken on a heroic task in combining all these and comparing them with the minorities concentrated in western China. Inequality is the theme they employ to bring these various strands together. It is not inequality of income in the narrow economic sense that they are interested in, but social, economic and political marginalization, and the resulting polarization.

The authors begin with an exhaustive survey of the considerable literature – over 500 works on a rough count. They have, however, missed the work of Rajesh Shukla and Rama Bijapurkar in the National Council of Applied Economic Research, which provides the only check on the official estimates from the National Sample Survey; it uses income, a better classificatory variable than expenditure which is used by NSS, and their division of population into quintiles gives a reliable idea of how income distribution has changed over time.

Then the authors turn to a description and quantification of the relevant minorities. Here they face a problem. Of their Indian minorities, scheduled castes and tribes constituted 35 per cent and other backward classes, 45 per cent of the population – 80 per cent together. If they are minorities, the majority is only 20 per cent of the population. But the authors ignore this

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uncomfortable statistic because the government does so. It gives some privileges, real or formal, to the majority, which everyone pretends is the oppressed minority.

Indians have perfected the art of living separately together. As a result, they are hopelessly mixed up; but their position can be determined because they do not intermarry. Electoral politics has led to the granting of various privileges to one or another community, depending on its vote strength; they in turn have turned pulled the communities apart and turned them into political blocs. China does not have elections; even if it did, its minorities are too small and too concentrated geographically to have much impact. The problem arises in China because the Hans have been migrating to the western regions, where they form elite minorities. The Chinese case is one of colonization; it would be better compared to Australia or Latin America of the 18th and 19th centuries.

The authors proceed to calculate and present measures of poverty and inequality disaggregated by communities and regions. The results are complicated, bordering on the chaotic. But the authors' conclusions are precise. For China, they say that growth in the east has been faster than in minority-rich west because the Chinese underprice the natural resources they exploit in the west. Underpricing would not explain the growth difference; a rise in underpricing would, which the authors do not prove. The point is that development has been concentrated in the vast, fertile river valleys of the east, and that is where the Han happen to live. Members of minorities could have participated in the growth if they had migrated to the east; presumably, eastern minorities did participate. It happens in both India and China that some minorities live in hilly border areas which have been on the edge of the flourishing plains. If they have prospered less than the majority, it needs to be proved that it is because of discrimination and not geography.

For India, the authors' conclusion is even more stark: that "the economic and social plight of the disadvantaged has not improved significantly." But their Tables 3.1 and 3.2 show declines in poverty ratios for minorities that are no less (in terms of percentage points) than for non-minorities. Their explanation of Foster-Greer-Thorbecke ratio and of Thorat and Dubey's results they have cited is not explicit enough; but as far as I can see, none of them show a worsening of the relative position of SCs, STs and Muslims. My own reading of their figures is that while there will always be regional variations, the relative position of no community has worsened significantly over time; the considerable rise in incomes has been distributed relatively uniformly. That is at variance with the authors' conclusion that there has been no absolute improvement in the minorities' plight. For China, the authors are rather starved for data, and dig into irrelevancies; I do not see, for example, what GDP growth or grain output can tell us about the relative position of minorities. They have much fewer data to make time series comparisons for education and health. So while their conclusion that China is far ahead of India in these two sectors is well supported and obvious, their conclusions about temporal changes have no support.

The authors note that migration of Keralites to the Middle East is greater from districts with more Muslims, and draw the conclusion that Muslims prefer the Gulf states to the rest of India. They ignore the fact that Keralite non-Muslims also prefer the Gulf states – because their earnings there are much higher than they would be in the rest of India. In fact, so many Keralites have migrated to the Gulf that there is a labour shortage and the state has attracted migrants from as far away as West Bengal. Here, as elsewhere, the authors' deductive ambition falls short of their data. For China, their data are sparse; they only relate to the happiness and health status

of Hans and migrants. They show virtually no difference between the two groups. My guess is that there are few minority migrants in Chinese areas and that their economic status is not very different from that of Hans. In the next chapter the authors had compared the majority and the minority living in Kashmir and in Xinjiang, and find, unsurprisingly, that the locals are worse off than the mainlanders.

Thus the general message of this book is that in both China and India, the chosen minorities do worse than the chosen majorities, and that their relative position has not changed much over the fairly short periods over which most of the statistics are available. From this they conclude that the two governments' policies to improve minorities' condition have failed. They have, however, ignored the strong forces in both societies towards concentrating the benefits of growth in the privileged sections. Development in China is largely in the Han eastern China; in India, a trader is likely to employ a fellow Bania if he can get one. If, despite these disequalizing social tendencies, the authors' chosen minorities have done no worse than the majorities, one or both of two things must have happened: policies in favour of majorities must have worked, or economic incentives – in the form of employing cheaper labour and buying from cheaper sources – must have been stronger than social prejudices. I do not know which of the two things happened; but whichever did, it would go against the general trend of this book. Whether they are right or wrong, however, Bhalla and Luo have presented a vast body of data; the book is worth reading for the sheer mass of statistical information they have marshalled.

