Challenging Inequalities: An indo-European Perspective

Case for support

1. *Introduction*

The worldwide success of Thomas Piketty's Capital in the Twenty-First Century, Harvard University Press, 2014) is a clear indication that inequalities in human condition continue to be one of the major challenge faced by our fast growing and integrating world. Inequalities of income and wealth have undisputedly increased in many countries – both developed and developing - over the last three decades. In developed countries, this trend can be traced back to the end of the seventies, as evidenced by the statistical series collected by Thomas Piketty and his co-authors, and centralised in the best-seller book mentioned above. In fast-growing developing countries like India and China, this increase in wealth and income inequalities results largely from the unequal sharing of the growth among the different segments of the population. In India, growth has been associated to a reduction in the participation rate of female workers, which was already very low. Despite impressive progress in the reduction of extreme poverty, a large part of the population still have limited economic opportunities because they were born at the lower end or outside of the caste system (scheduled castes and tribes respectively). Moreover, traditional social networks based on family and caste ties continue to play a crucial role in determining individuals' life trajectories (De Neve, 2016).

Yet inequality is a complex notion. Besides the usual wealth and income inequalities grandly addressed in Piketty's book, the public debate often address more subtle *inequalities of opportunities* among social groups as well as inequalities in health, education, access to new-technologies, exposure to environmental risks, etc. The complex nature of these inequalities raises important *challenges* for the individuals who are affected by them, the policy makers who want to alleviate them, and the social scientists who want to understand them.

One of these challenges concerns the very meaning and measurement of these inequalities. The standard tools for appraising income or wealth inequalities – for example by means of inequality indices or Lorenz curves - are in effect inadequate for appraising inequality in more *qualitative* or *ordinal* dimensions such as social status, health or education (see e.g. Cowell & Flachaire (2017) or Gravel, Moyes and Magdalou (2015; 2016)). The standard tools of inequality measurement are also imperfectly suited to address the *multidimensionality* of the attributes whose distribution is evaluated (see e.g. Atkinson and Bourguignon (1982), Gravel and Moyes (2011; 2012). An important output of the research project will be to propose philosophically grounded new methods for appraising these inequalities that duly account for *both* the ordinal or qualitative feature of many of the concerned variable *and* the specific issues raised by their multidimensionality.

Another challenge raised by those inequalities lies in the attitudes that people develop about them. A country like India for instance is commonly depicted as being more tolerant with respect to inequalities in social status – that underlie the continuing prevalence of the caste system – than European and North American countries. Along a different line, there is a widespread view in countries endowed with what Max Weber called the "protestant ethics" that inequalities resulting from factors that people are responsible for – for instance their effort - are not ethically objectionable. It is only the inequalities that result from circumstances - like skin colour, gender, family background, etc. - that should be reduced. This "responsibility ethics" widely shared in Anglo-Saxon countries and widely endorsed by contemporary philosophical theories of justice (Arneson (1989), Cohen (1989), Dworkin (2002)) seems less prevalent in countries with strong catholic traditions such as France or Italy. The research project will accordingly examine how these cultural differences in attitudes to inequalities affect the very way by which these inequalities are appraised and analysed.

The last challenge raised by inequalities concern their impact on *both* the design of public policies aiming at mitigating their most adverse consequences *and* the individual lives trajectories.

India has implement various programs to reduce pecuniary poverty and inequality, as well as inequalities of opportunities between men and women on the one hand and between groups of varying social status often based, in India, on caste. One of them is the well-known Mahatma Gandhi National Rural Guaranteed Employment Act (MGNRGEA). Another is the national DDU-GKY program which trains and places rural high-school dropouts into urban jobs, with quotas for women, scheduled tribes and schedule castes. The project will provide an extensive analysis of these programs. It will also examine from a more qualitative perspective the consequences that these inequalities can have on the life trajectories of individuals be they poor Nepalese migrants, households from Tami Nadu or workers in large Indian firms.

In what follows, we describe a bit more in detail the three main challenges addressed in our project. We then describe more precisely the research proposal itself, and the specific focus on Europe and India that we want to develop.

2. ***Defining and measuring inequalities***

An obvious challenge addressed by any research devoted to inequality concerns the very definition of this notion. What do we mean, in effect, when we say that one distribution of income (say) is more equal than another? The classical approach to income inequality measurement has provided a simple answer to this question, in the form of the famous Pigou-Dalton principle of transfer. According to this principle, inequalities are indisputably reduced when a transfer of a given quantity of income from a richer individual to a poorer one that preserves the ranking of these two persons is performed. The classical literature on inequality measurement has established tight connections between this principle of transfer and empirically implementable tools such as Lorenz curve dominance. It has also provided robust normative foundation to this principle by showing its equivalence with a large class of welfarist value judgements (see Gravel and Moyes (2013)).

However, this notion of transfer is not suitable to address inequalities in attributes such as health or social status that are not measurable on a cardinally meaningful scale. Recent work by participants of the project (e.g. Gravel, Magdalou and Moyes (2015; 2017), Cowell & Flachaire (2017a)) paved the way for providing new tools for comparing distributions of an ordinal attributes. An important output of the research project will be both the theoretical development of these tools as well as their application to appraise more finely recent changes in inequalities in both Europe and India.

Definition and measurement of inequalities become even more challenging when the inequalities concern several attributes considered simultaneously, irrespective of their measurability. There are no well-accepted definition of inequality reduction in such a multidimensional setting, even though progress have been made on this front in the last thirty years following Atkinson and Bourguignon (1982). From a conceptual point of view, the multidimensionality of inequalities raises the issue of the extent to which the different inequalities *intersect* with one another. The theory of *intersectionality* was initially constructed in order to describe how individuals may find themselves victims of multiple relations of domination —for instance, patriarchy and racism—that combine and reinforce one another (Crenshaw 1989; Jaunait & Chauvin 2012), or sometimes offset each other (Establet & Baudelot 1992). In this project, we provide methods that enable one to apprehend multiple types of social inequalities—for instance, income, caste, class, access to health—not as separate entities but as a single lived reality. The bare bone of this apprehension process will take the form of new methods for appraising these multiple and intersecting inequalities. A particular case of multidimensional inequality measurement arises when the attribute that is distributed among agents is a risk, defined as a probability distribution over a set of outcomes (see e.g. Fleurbaey (2010)). An important example of such risks to which individuals in Europe and India alike are exposed is that of life accomplishment, which may affect differently individuals coming from different social groups.

3. ***Attitudes to inequalities and inequality reducing policies***

Inequalities are important insofar as they affect people. A crucial aspect of this impact of inequalities is through the way individuals perceive them.

To some extent, people's perception of inequalities is closely related to their view about the desirability of inequality. There is for example a widespread view that an individual's freedom to choose his/her lifestyle and to decide if he/she wants to work hard and have a successful career or to work less hard and spend more time enjoying life with friends should be respected. Yet these free choices may determine to a considerable extent the income that people will earn. Should the inequalities resulting from the diversity of such free choices be corrected or alleviated through policies? Defenders of the so called "ethics of responsibility", such as Roemer (1996) (see also Dworkin 1981a; b) would be inclined to answer negatively to this question, and to argue that people should be held responsible for the inequalities resulting from their free choice. Hence, according to this view, some inequalities may be considered fair (if they result from the exercise of responsible choices by individuals) while others, which originates from circumstances (skin colour, caste, gender, family background) deemed beyond the individuals' sphere of responsibility are not fair. Yet, it is likely that individuals will hold different views as to the exact location of this famous Dworkin (1981a,b) "cut". (see e.g. Cohen (1989), Otsuka (2002) Stemplowska (2009)).

How can this plurality of view be accounted for in our appraisal of inequalities? According to venerable tradition in the social sciences that goes back to Hume, any attempt to aggregate heterogeneous preferences is a fruitless exercise. At the opposite, there is a growing demand for clarifying and rethinking our social model that can only be answered by recognising the plurality of views. An important aspect of the research performed in this proposal is precisely to identify what these views are – both by interviews or experiences – and by constructing tools for appraising inequalities that are based on somewhat large consensus among these views.

4. ***Consequences of inequalities on policies and human lives.***

Inequalities affect to a considerable extent the individuals that they harm. Inequalities can indeed maintain people in situation of dire poverty, and generate incentives to migrate either abroad or from the country side to the city slums. While a quantitative assessment of this phenomenon is important, this project will also provide a great deal of qualitative appraisal of their impact. When combined with quantitative data a qualitative analysis can be particularly valuable to identify not-so-easily measurable things such as representations, perceptions and values. Listening to what people say about their conceptualization of inequalities, and their own situation in regards with the society they are part of enables one to get deeper into people's strategies and into explanation of individuals' agency.

The study of subjective meanings can only be done with long and deep interviews. In this part of our project, we shall see inequalities, or perception of inequalities (regarding access to income, land, consumption, education, poverty, etc.), as a driving force for people to take decision regarding the way they handle their life. More precisely, we will be interested in deciphering how individuals and households adopt strategies to raise their socio-economical position. Obviously work-related strategies will be the main object of our study, but not only: multi-activity, multi-locality are also part of households' endeavour to enhance their standard of living.

In South Asia, whether at the local, regional or international level, labour migration is a common answer to the lack of capital possessed by households. This research proposal will analyse with qualitative methods the migrations induced by inequalities. In so doing, we shall not forget that the access to the economic and social opportunities provided by migration is itself unequally distributed. Social stratification also hampers the movements of the most capital deprived individuals. Therefore, one type of inequality can translate into another type of inequality, making the way out of poverty a tricky one.

5. ***Description of the research project:***

Our research consortium gathers together top scholars from various disciplines of the social sciences and major institutions in Europe and India. The leader of the project, as well as all its French participants, belong to the *Centre de Sciences Humaines* (CSH). This centre is part of a larger multidisciplinary French research unit (jointly managed by the French Ministry of Foreign Affairs and the French *Centre National de la Recherche Scientifique*) located in both Delhi and Pondicherry. This double location in India makes the centre particularly well-suited for organizing the consortium, and easing the circulation and meeting of participating scholars from both India and Europe. The multidisciplinary character of *both* the centre *and* the perspective adopted in the project is important in our view for at least two reasons.

First, the interdisciplinary collaboration across humanities and social sciences seeks to integrate cutting edge philosophical work on the salient ethical dimensions of inequality with social scientific approaches, both quantitative and qualitative, to measuring and addressing inequality. This collaboration is particularly strong within the interdisciplinary UK components of the project, but also infuses the international collaborations across the project as a whole. The philosophical aspects of the project are led by prize-winning philosopher Hyams (U. Warwick), who will collaborate closely with the other Co-Is both within the UK and internationally to place philosophical research on both inequality and the ethics of international development at the core of empirical and theoretical approaches to inequalities.

But interdisciplinary research also enable one to rely on quantitative and qualitative research methods with the aim of making the two work hand-in-hand in a “mixed-method approach” (Creswell 1994; Denscombe 2008). Mixed-method approaches are helpful for understanding complex social phenomena. They allow researchers to apprehend these phenomena through mathematical modelling and statistical analysis on the one hand and qualitative tools of research such as ethnography, interviews, archives, and cultural productions on the other. Finally the mixed method approach enables the analysis of inequalities in a multi-scalar perspective, in which the scales themselves can be considered as epistemological categories (Jones 1998). Country or region-wide surveys do not produce the same results as socially and culturally grounded ethnographic fieldworks. While the latter may open access to what is hidden in large-scale surveys—the subjective dimension, or the lived experiences of inequalities— it also suffers from a lack of generalizability.

The research proposal will not cover all aspects of inequalities just outlined. Rather, it will examine specific challenges raised by these inequalities for both India and Europe. The main expected contributions of the project are as follows.

5.1 Defining and measuring inequalities

The research conducted under this general heading deals with the issue of appraising inequalities. The first part of this section is concerned with the theoretical development of new tools and criteria for this purpose. The other parts apply these tools or others to the appraisal of specific inequalities that concern India and Europe.

5.1.0 Theoretical advances (R. Aaberge, Statistics Norway; F. Cowell, LSE; N. Gravel CSH-IFP; K. Hyam (Warwick), A. Kjelsrud, U. of Oslo; B. Magdalou, U. Montpellier; A. Sen, ISI; R. Somonathan, CDE, Delhi School of Economics)

This part of the project will formulate new criteria for appraising inequalities when the unequally distributed "variables" are either multidimensional or ordinally significant. It will also provide new methods for measuring income inequality when the prices of some important public goods are subsidized.

Concerning multidimensionality, the research will develop new tools for measuring in an ethically robust manner these inequalities. The building block of the methodology is a generalization, to distributions of several attributes, of the famous Hardy-Littlewood-Polya theorem that remains the most common foundation of conventional one-dimensional income inequality measurement. This theorem establishes an equivalence between *four* possible different answers to the basic question of when a distribution of a given total sum of income can be said to be "more equal" than another. The four answers are the following:

1) When one distribution has been obtained from another by a finite sequence of bilateral transfers of income from richer to poorer income.

2) When the distribution of welfare brought about by one distribution of income would be judged better than that of the other by all inequality-averse welfarist philosophers who assume that individuals convert income into welfare by the same concave utility function.

3) When poverty, as measured by the minimal income required to eliminate all poverty defined as shortfall vis-à-vis a poverty line, is lower in one distribution than in another for any specification of the poverty line.

4) When the Lorenz curve associated to one distribution lies everywhere above that of the other.

The equivalence between these answers is important because it ties together three important aspects of the process of inequality appraisal. The first one, contained in answer (1), is an *elementary operation* – a transfer of income between a rich and a poor - that captures crisply the nature of the equalization process at stake. The second one, associated to answer (2), is an *ethical principle* that provides a (philosophical) reason for preferring a more equal to a less equal income distribution (Rawls (1999). Answers (3) and (4) provide empirically usable statistical tools that enable to check in a systematic and easy fashion when a particular income distribution is more equal than another. With the exception of Gravel and Moyes (2012) who adopt a very particular approach to the issue (two variables only, one variable being ordinal), we do not have available for the multidimensional setting an analogue of the Hardy-Littlewood-Polya theorem. However, some recent works by Gravel and Magdalou gives us hope that such a result could be obtained extremely soon. It is beyond the scope of this case of support to provide the details. But there has been recent advances in mathematical analysis – especially convex analysis in functional spaces – that makes us confident that a generalization of Hardy-Littlewood-Polya theorem to any number of dimensions could be proposed.

Such a theorem could then be applied to the issue of measuring equality of opportunities. The idea underlying this application would be to see "opportunities" as probability distributions over a set of outcomes (for example income or education levels), and to focus on the difference in these probability distributions across groups based on gender, castes or others. Equalizing opportunities in this setting would then amount at equalizing these probability distributions among groups. Members of the consortium are currently working on this definition and are expecting key progress in the next two years.

The project will also contribute to a recent important theoretical development that concerns the definition of equality when the relevant variables have only an ordinal, significance. This is not just a specialized theoretical point. There are many important examples of categorical data in several areas of social and economic study that are immediately relevant to real-world inequality: examples include: educational attainment, happiness, health. A consensus view on how to handle this type of problem has not been established. We will carry out an evaluation of alternative approaches [including Cowell and Flachaire 2017a), Cowell, Kobus and Kurek (2017), Gravel, Moyes and Magdalou (2015) and will develop a set of practical tools for the empirical analysis of inequality that will be applicable to both developing and developed economies.

One of these tools defines inequality as a distance from a reference point. This reference point may change over time as the economy grows. The usual reference point used to measure income inequality – the per capita income - has the unfortunate property of being sensitive to outliers with the consequence that standard inequality measures such as the Gini coefficient are likely to underestimate increases in inequality as the rich get richer. We will build on the approach of Cowell and Flachaire (2017b) to develop a toolkit suitable for analyzing inequality in fast growing economies such as India by allowing the reference point to change over time.

Finally, a combination of theoretical and empirical work will be conducted to incorporate the value of publicly funded schooling in the appraisal of pecuniary inequality and poverty in India, following the initial empirical analysis performed by Kjelsrud and Somonathan (2017).

5.1.1 Inequality in health and access to digital technologies (M. Al Dahdah, N. Gravel CSH-IFP, O. Telle, CSH-IFP, J. T. Lind (U. Of Oslo), A. Kjelsrud (U. of Oslo), K. Moene (U. of Oslo),

Europe and India have witnessed significant increase in the risk of getting either new diseases (such as Dengue) or more traditional disease that were thought to be under control (such as turberculosis). In an increasingly connected and integrated world, it is likely that both the level of such risks and their unequal distributions across individuals will increase in the future. It has been shown by Telle (2016) for example that in Delhi, the Dengue virus was spreading from deprived to more privileged areas trough daily urban mobility.

Using the methodology developed in Gravel and Tarroux (2015), the project will assess the evolution of the distribution of risk of contracting Dengue in Delhi in the last 10 years. It will also use these methods to investigate the impact of access to new digital technologies on the individual probability of getting contaminated by the virus. The recent years have in effect seen the emergence of innovative programs of digital management of epidemics that target the most vulnerable population. One of such programs, managed with Facebook India, aims at sending good practice messages concerning prevention of Dengue to specific segments of the population. The research project will then identify the effectiveness of this program by looking at whether or not the distribution of risks of Dengue within the population of individuals who use the Facebook program is better than that of those who do not. Access to Facebook and, more generally, digital technologies is also a variable that is unequally distributed in the population. The project will contribute to appraise the socio-economic inequalities in access to these technologies in India both through time (say in the last 10 years) or between individuals in a given time period.

The research project will also examine, from a more macro perspective, the extent to which the observed cross-country correlation between per-capita income and life expectancy is caused by the material improvement that comes with high GDP rather than the specific public health policies that countries with high per capita income and low inequality tend to adopt. The basic intuition is that egalitarian countries with high political competition should be more prone to adopt generous public provision of health. The proposed research will then empirically examine if a similar relationship can be observed across Indian districts based on the most recent wave of the National Family Health Survey (NFHS) combined with various waves of the NSS consumer expenditure survey.

5.1.2 Spatial inequalities O. Telle (CNRS CSH), E. Denis (CNRS, Geographie-cités, Paris 1), P. Mukhopadhyay (CPR), A. Mukhopadhyay (ISI).

Space is an important horizon on which inequalities can be apprehended. The proposed research will examine the recent evolution of some aspects of these inequalities by using a unique multi-criteria geodatabase gathering the 650,000 settlements of India (⅙ of the world human landscape), developed by the World Bank and enriched by some participants to the consortium. This data base will be plugged to a Geographical Information System (GIS) developed by French and Indian research centers (*Géographie-cités* in France and Center for Policy Research in India). Various questions will be examined with this data set. One concerns the inequality of development across the various states of India, as measured by the per capita intensity of the night lights in the districts of the state. We will look at the evolution, on the period 1991-2011, of the within state distribution of light intensities in the urban part of the various states of India. As light intensity is admittedly an ordinal measure of urban development, we shall use for this endeavor methods for comparing distributions of an ordinal attribute discussed above (section 6.1.0).

5.1.3 Appraising inequalities of opportunities among social groups (N. Gravel, CSH-IFP, B. Magdalou, U. of Montpellier)

Europe and India are rather different insofar as their social and stratification organization are concerned. India has a Caste system that still plays an important role, even though it has been formally abolished more than seventy years ago. While European countries do not have a social structure that is as deterministic as the Caste system, they do exhibit a significant degree of social inertia with respect to the family backgrounds and social origins.

Both Europe and India have put into place policies aiming at mitigating the impact of social origin on individuals' trajectories. In India, an important affirmative action policy has been implemented, with admission quotas reserved for individuals coming from scheduled castes and tribes, and other backwards castes. In France, one has seen the creation of "*zones d'éducation prioritaire*" in underprivileged areas that provide significant additional means in public schools located in these zones.

The research will evaluate the efforts made by France and India to equalize the opportunities of life achievement for individuals coming from different backgrounds. It will do so by using the criterion for appraising equality of opportunities discussed above (section 5.1.0). We will evaluate with this criterion whether or not gains in equalizing opportunities among caste in India, and among groups based on other factors in Europe have been realized in the late forty years.

5.1.4 *Unequal access to social networks and skills in South India (G. Carswell, U. of Sussex (UK); G. de Neve, University of Sussex (UK); V. Gille, IRD-DIAL; S. Michiels, CSH-IFP; C .J. Nordman, CSH-IFP; G. Venkatasubramanian, CSH-IFP;*

This part of the research focuses more specifically on the Indian state of Tamil Nadu, which is one of the most developed, urbanized, and industrialized of the country. It is therefore an ideal site to explore the persistence of inequalities of opportunity and outcome as the state is considered a 'model' of development in India today. The research will examine the ways in which access to (new) labor markets, socio-economic mobility, and social protection schemes are shaped by the interplay between skill formation, social networks and individual enterprise.

The acquisition of skills and formal education matter a great deal to access market opportunities. Cognitive skills refer to a person's intellectual capacity, whereas non-cognitive skills refer to qualities such as motivation, leadership, self-esteem and social skills. Studies in economics suggest that individuals with higher cognitive skills have access to broader and more diverse social networks (Lee, Li and Lin 2014; Wu, Foo and Turban 2008; Pollet, Roberts and Dunbar 2011). Hilger, Nordman and Sarr (2017) similarly provide evidence that cognitive and non-cognitive skills affect the usage of different hiring channels in a low-income developing country, Bangladesh.

Until now, however, the role of skills (cognitive or non-cognitive) has been evaluated in isolation by purely focusing on their effects on individual choices and preferences, thereby neglecting the social structures within which individuals and families act. Anthropological studies in South India have shown that a lack of skills is not the only cause of exclusion of certain social groups from particular labor market segments. Social networks, gender, age and caste significantly affect the opportunities of both individuals and groups, such as Dalits and Scheduled Tribes, to access skill formation and labor market opportunities (De Neve and Carswell 2017). Work by economists has similarly questioned whether traditional networks enhance economic opportunities or limit opportunities for those poorly connected (Platteau 2000; Munshi and Rosenzweig 2006; Grimm et al. 2013; Nguyen and Nordman 2017; Chandrasekhar, Kinnan and Larreguy 2017). Marginalised social groups have historically been constrained in their access to formal education, and so it remains to be seen if new skill formation and networking opportunities are more widely available to them today.

The three key questions that guide this part of the project are:

1. **How is access to labor markets and (new) job opportunities shaped by education, skill formation and social network membership?** What types of education, skill formation and social networks can be accessed by who and with what employment results?
2. **To what extent does the acquisition of new skills enable members of marginalized communities to overcome caste, class and gender based forms of exclusion and inequality?** How do social networks and skill formation foster or hinder forms of social and economic mobility?
3. **How does the current neoliberal policy focus on skills development intersect with social protection policies, such as NREGA and PDS?** To what extent do they act as complementary tools in addressing forms of inequality and poverty in rural India?

We will address these questions empirically by building on surveys previously conducted in two regions of Tamil Nadu: the eastern region of Cuddalore and Villupuram districts and the western region around Tiruppur. Re-surveys of both study regions will be complemented with extensive interviews to obtain an in-depth qualitative and quantitative understanding of the current role of skills, networks and individual enterprise in mitigating rural inequalities. The interdisciplinary research team includes economists, sociologists, geographers and anthropologists, and will develop a longitudinal approach to the study of inequality and its dynamics over time.

For Eastern Tamil Nadu, the research will build upon two earlier surveys: the RUME survey (*Rural Microfinance and Employment*) conducted in 2010 and the NEEMSIS (*Networks, Employment, dEbt, Mobilities and Skills in India Survey*) carried out in 2016/2017 by participants to this project (C. J. Nordman, S. Michiels and G. Venkatasubramanian). Stemming from the 2010 survey, conducted in ten villages of eastern Tamil Nadu among 405 households, the NEEMSIS recollected information from the same households. An improved questionnaire included new questions on labor force participation, professional aspirations, cognitive skills and personality traits inspired by psychology and cognitive sciences (McCallister and Fischer, (1978). The original socio-economic survey focused on all aspects of rural life, including households' financial practices, migration, remittances, labor, agricultural activities, while in 2016 additional questions were added on individual migration, social protection schemes, family events (marriage), financial practices, and network formation and usage. In 2019-2020, we aim at implementing a third wave of this rural survey in order to produce unique longitudinal data on labor market access, skills, social networks and socio-economic mobility that will straddle a 10-year period.

In western Tamil Nadu, a re-survey will be carried out in two villages in the hinterland of Tiruppur, where a first survey of around 500 households was completed in 2008-9 by Carswell and De Neve (funded by ESCR-DfID). The original survey focused on rural livelihoods, rural industrialization, urban labor markets, and new forms of rural-urban migration and commuting. Research questions covered access to new job opportunities, processes of exclusion based on caste, class, and gender, and the reproduction of inequality in a context of industrial opportunity. A resurvey in 2019-20 will cover similar topics, while including new questions on access to skills training, socio-economic mobility, and social protection programs (NREGA, PDS and pensions). The survey will be accompanied by in-depth interviews to explore how skills are acquired and turned into labor market opportunities and to assess how social protection intersects with labor market inclusion/exclusion.

5.2 Inequality reducing policies (C. Imbert and R. Rathelot, Warwick; K. Moene, U. Oslo; S. Mitra, Indian Institute of Management, Bangalore)

This part of the project examines three important policies put in place in India to reduce some adverse consequences of inequality.

One of them is the DDU training and placement program designed to tackle both the skill and spatial mismatch between employers and employees in India. This mismatch is obviously a primary source of income inequalities in India. The literature has identified the rural-urban productivity gap and the misallocation of labour in rural areas as a major impediment to development (Gollin et al. 2012). Current explanations include credit constraints (Bazzi 2017), the lack of skills (Young 2013), information (Bryan et al. 2014), and insurance networks (Munshi and Rosenzweig 2016). The efficacy of training and placement programs for unemployed workers in developed countries is often limited by the lack of jobs locally (Crépon et al. 2013). Blattman and Ralston (2015) conclude that training programs in developing countries have disappointing labour-market impacts compared to their costs. The originality of DDU-GKY is to bundle training and placement, a strategy found successful for adolescent girls in Liberia (Adoho et al. 2014). The research will specifically focus on rural workers who are at particular disadvantage to access economic opportunities. This is the case of women, whose labour force participation is limited by cultural norms, family obligations, and the lack of off-farm employment in rural areas (Chatterjee et al. 2015). This is also the case of schedule castes and schedule tribes, who still face discrimination in access to education and jobs despite recent improvements (Hnatkovska et al. 2012)

The research will focus on three different aspects of the program: mobilization, screening and preparation to placement.

The recruitment of potential trainees in villages is the very first step of DDUGKY implementation. It is the time where candidates and their parents gather information about the program and decide whether to participate. We will test experimentally two mobilization methods. One will use videos to provide information on training, as well as living and working conditions. The other will engage parents of past trainees to share their positive and negative experience about the program. This will allow us to test the effect of social learning on the number and the type of trainees who enrol in the program, and their long-term performance.

The screening occurs when candidates join the training centre. Counsellors appointed by the training providers use a short test and an informal interview to screen candidates and advise them on their training choice. We will experimentally compare this simple process with a more data-driven one, which uses a battery of tests for cognitive and non-cognitive skills to predict training completion and placement, and can be used to identify which candidates are more likely to drop out of the training or unlikely to stay in the job once placed.

The preparation to placement is a critical aspect of training. The DDU-GKY curriculum includes soft skills training, e.g. communication, hygiene and time management. We will experimentally compare a standard soft skill training, with a training specifically designed by psychologists to help the trainees to deal with the transition between training and placement. This may be particularly useful to social disadvantaged candidates, who may lack family or social support, and who may face special difficulties and discrimination at the workplace.

In order to evaluate these interventions, we have developed a comprehensive data collection process which is composed of three parts. First, a baseline survey measures trainees' cognitive and non-cognitive skills at the time of enrolment, and collects information on their aspirations and family background. Second, administrative data from the training providers allows us to measure training completion, placement and tenure in the job. Third, a follow-up phone survey provides information on employment and migration outcomes, up to two years after the training.

The research will be conducted in close collaboration with ORMAS, the government agency in charge of DDU-GKY in Odisha and two private training providers, Gram Tarang and NIAM. If the interventions evaluated are deemed successful, they will be immediately adopted by our two private partners and will become part of the recommendations made by ORMAS to all other training providers. We are also in constant communication with the Ministry of Rural Development, Government of India, which will readily show case the findings of this project to other states. Given the scale of DDU-GKY, the project could improve employment outcomes of millions of poor rural youth.

Another program is the Government of Bihar's bicycle program launched in 2006. This program provides every girl enrolled in grade 9 with a bicycle. Empirical studies suggest that a girl with a cycle is much more likely to complete school or college compared to a girl who do not get a cycle. Cycle girls are also less likely to be working in agriculture, the dominant job sector for women who work in Bihar. Cycle girls happen also to be less likely to be married early and more likely to delay child birth than those without cycles. The project aims at examining further the impacts of this cycle program. K. Moene and S. Mitra have collected data by interviewing some 10 000 girls from the states of Bihar, Uttar Pradesh, and Jharkhand. Using these unique data they intend to examine more precisely how the program changes inequality in opportunities, education and earnings.

A third program examined in this section is the effects of the so-called universal basic share proposal by Ray (2016) and Moene and Ray (2016) , by exploring how basic income to everybody can be tied to GDP per capita, and what social incentives that may create. The possible reform complements the *Mahatma Gandhi National Rural Employment Guarantee Act* (MGNREGA), which gives every individual in rural India the possibility of working 100 days per year at a daily wage of 180 rupees (a little less than $3 US). Giving income to roughly 180 million individuals in India**, the** MGNREGA is the most important program of guaranteed employment in the world.

5.3 Experiences and Politics of Social Inequalities (P. Bhandari, CSH-IFP; S. Bommier, Science Po, Paris; T. Bruslé, CSH-IFP; R. de Percegol (CSH-IFP) S. Jodhka, CSH-IFP; J. Levesque, CSH-IFP; C. Renouard, ESSEC)

In the Indian context, social inequalities are commonly described and explained in terms of caste (see e.g. Dumont (1966), Srinivas (1962), Ghurye (1969), Gupta (2000) and Jodhka (2017)) and class (Srinivas (1995), Ghurye (1957), S. Deshpande (2003) and A. Deshpande (2011)). Both notions are often pinned against one another—the former deemed traditional, rigid, and hierarchical, while the latter being commonly understood as being more fluid and associated with an open economy. While caste and class are analytical notions used by scholars to describe inequalities in social status, they are also used by people themselves in order to make sense of their own social environment. Moreover, caste and class encompass a wide range of lived realities and experiences, depending on religion, region, language, gender, urban/rural setting, and other dimensions that shape people's lives. Caste and class in India also play a determining role in electoral politics. Political leadership has mostly stemmed from the higher sections of the social hierarchy, both in terms of caste and class. Yet this trend has been challenged in the last decades of the twentieth century (Jaffrelot 2003).

It appears in this perspective important to further understand the particular ways by which these inequalities are generated, legitimized and reproduced as well as challenged, contested and resisted against. Inequalities are apprehended as being embodied in practices as much as in discourses.

The research will address a range of questions pertaining to everyday experiences of inequalities. It will also explore the interplay between social stratification and representative politics.

P. Bhandari's main focus will be on the perceptions and experiences of inequality amongst professional middle class women as well as the super-rich housewives in New Delhi. She will also conduct ethnographic research on bankers and traders based in Mumbai and those who have recently migrated to London, in pursuit of higher salaries and better quality of life. On the basis of these fieldworks she will explain the constitutive role of gender in understanding social inequalities. She will also explore the affective dimensions of inequality, including humiliation, honor, shame, aspirations and anxiety of attaining upward mobility and maintaining class status.

J. Levesque will focus on the social and political role of *sayyids*, the highest social group among South Asian Muslims. More specifically, his work will compare the place of *sayyids* in power relations in two localities, one town in India (Uttar Pradesh) and one in Pakistan (Sindh).

T. Bruslé and B. Ripert will focus on Nepalese households' experience of inequality in rural areas. They will investigate to what extent the perception of inequality leads people to venture out of the village. Inequalities will be appraised both in terms of access to migration itself, to land, to economic opportunities and to other non-pecuniary goods such as education and access to health. The analysis will be conducted using a mixed-methods approach that combines a quantitative survey on about a hundred households and a qualitative interview-based approach. Fieldwork will be done in two Nepalese settings, one in the hills, and the other in the eastern plains.

R. de Bercegol will focus on the socio-spatial relegation of waste workers. He will conduct interview with rag pickers and waste workers living on the outer fringes of Delhi and commuting daily to the city center to collect the waste materials from the middle class neighborhoods. He will conduct ethnographic research on their conditions of living, taking into account their access to basic urban services, their modalities of working and their daily interactions with wealthier residents of Delhi.

S. Bommier and C. Renouard will conduct qualitative research in India's industrial estates to understand how income inequality is apprehended in the workplace, and how it shapes debates on equity in India's development trajectory. Building on the general methodology sketched in Renouard (2013), the proposed research will provide qualitative insights on the differing perception of inequalities by workers and managers operating in India's industrial sector as well as on how these perceptions affect their overall sense of fairness and equity in the organization of Indian large corporate firms.

5.4 Attitudes toward inequalities and inequality-reducing policies (F. Cowell, LSE, A. Deshpande, Delhi University, V. Gille (DIAL), B. Magdalou (Montpellier), B. Tarroux (U. of Rennes)

As discussed in section 3, the value attached by people to freedom of choice is an important determinant of their attitude toward inequalities. This part of the project will investigate, by experimental methods analogous to that followed by Le Lec and Tarroux (2017), the differences in attitude toward freedom of choice between Indian and European subjects. The question addressed by this research is whether there exists a significant diversity in preferences for freedom of choice – and therefore in the acceptability of some inequalities – between individuals coming from different horizons and "cultures". To put it bluntly, is the (liberal) preference for freedom a universal value or is it, instead, more prevalent in the European culture?

The methodology adopted for answering such questions is experimental. It will involve samples of Indian and European subjects from the same background (students are often used for that purpose). Several complementary experimental procedures are envisaged. Some of them involve subjects in a controlled environment in which they are observed taking specific decisions reflecting preference for freedom. In some other, simple hypothetical choices can be proposed through questionnaires survey.

Another attitude to investigate is that relative to Affirmative action policies. These policies seem to be quite appropriate for countries like India where a large part of the economy is informal and, as a result, redistributive taxation is hard to implement. Affirmative action is also *a priori* interesting for promoting the ideal of equality of opportunities among social groups formed on discriminatory grounds such as race, genders and caste. The primary instrument of affirmative action developed in India is the reservation system, i.e. caste-based quotas for designated beneficiary groups – Scheduled Castes (SCs), Scheduled Tribes (STs) and Other Backward Classes (OBCs) – in government run educational institutions, government jobs (and for SC-STs, also electoral quotas at all levels of elected positions, starting with rural and urban local bodies).

Yet, Caste quotas are often vilified by many people. The opponents to affirmative action claim that such quotas prevent qualified and deserving students to access education and qualified workers to access public jobs, while at the same time benefiting the relatively better-off among the low-castes ("creamy-layer"). Affirmative action beneficiaries are often stigmatized as incompetent, adding a layer of stigma over and above the stigma they would face on account of their marginalized group identities. The purpose of the research is to examine in more detail the sources and evolution of the negative attitudes towards affirmative action policies and their beneficiaries with students in universities and colleges in Delhi. This population is largely concerned by affirmative action policies and has the advantage of being easily accessible.

The research will conduct an experiment that will enable one to identify some of the factors underlying stigmatizing attitudes. It is proposed for this sake to conduct a modified dictator game with students in universities and colleges in Delhi, starting with an effort task, on which each student will earn a score. Pairs of student will then be matched using a random lottery. One person in each pair will be the dictator and the other person the partner. The dictator will be given an endowment. The dictator will know both his/her own score, as well as the partner's score. S/he will be asked to split the endowment between herself/himself and the partner in any division they desire (100-0 or any other split). Subjects will then be divided into three groups. In one group, only the effort of the partner will be revealed to the dictator. In the second group, it will be revealed whether the partner is a caste quota beneficiary or not. In the third group, it will be revealed if the partner is on any of the other quotas – management (with and without donation), domicile, PH or war. We will then analyze the pattern of splits that the dictators make to see if for the same effort (revealing ability), dictators give more to non-quota partners compared to quota partners. Also, if they give less to caste quota partners compared to partners who entered on other quotas.

Finally, the project will also investigate some of the drivers of the willingness to redistribute in the Indian population. It will apply for this sake a model of individual identity due to Costa-Font and Cowell (2015a 2015b). Using this model, it will investigate the relationship between identity perception and willingness to support redistribution. This model has previously used to investigate the issue in European countries (Costa-Font and Cowell 2015b). India presents an interesting challenge and opportunity for developing this research: the presence of the caste system, the multiplicity of local languages and the multilingualism of a large proportion of the population offer an excellent opportunity of empirically investigating the relationship between identity and attitudes to redistribution using the *World Values Survey*.

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