# Wage difference between caste classes in 1983-2000:

## Quantile regression decomposition approach

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## Abstract

Although the caste system in India is traditional, hereditary systems of social restriction and social stratification, enforced by law or common practice, based on endogamy, occupation, economic status, race, ethnicity for a long time, it is said the discrimination due to caste system is not as severe as it used to be. On the other hand, there are some case studies, which argues the restriction of occupational choice and marrige. Thus, the purpose of this paper is to examine the change of effect of caste system in 20 years. I especially focus on the wage difference between the scheduled-caste people and non scheduled-caste from 1983 to 2000 using National Sample Survey micro data, and adopt the quantile regression decomposition technique, which is proposed by Machado and Mata (2006). The results show three important findings; first one is that the wage difference between the scheduled-caste people and non scheduled-caste has not changed since 1983, second one is that 70 to 80 percents of the wage difference between caste classes is due to the difference of endowments such as the difference of schooling year, third one is there are not large difference of decomposition results according to their quantile. It follows from these results that the caste system still has strong effect on Indian society.