

CHAPTER VI

SUMMARY AND CONCLUSIONS

I Introduction

In this last chapter, we propose to bring together various threads of our analysis and try to weave them into some coherent and meaningful pattern, keeping in mind the major objectives of this research work. As referred to at the outset we began our enquiry with the following main objectives.

Main Objectives

- (1) What are the characteristics of labour market for clerical occupation in the city of Surat? To what extent these characteristics explain the wage differentials prevailing between the Commercial and non-Commercial organizations and further between the organized and non-organized sectors?
- (2) Has the supply glut of the clerks in the labour market led to the phenomenon 'Over-qualification' as

generally described by some researchers in this field of economics of education?

- (3) Is there any relationship between earnings and educational qualifications in this clerical occupation?
- (4) What is the picture of age-qualification-earnings profiles?
- (5) Do we find 'job-wage illusion' in this occupation?
- (6) The hypothesis of 'screening device' is well known by now, do we find this in our study?
- (7) Which are the striking differences between the organized and non-organized sector's clerical occupation?
- (8) What is the relationship between educational qualifications and the 'waiting period' for getting a job?

All these main objectives have some sub-sets of minor objectives. The data collected by us relate to (i) Personal, (ii) Academic (iii) Present Employment and (iv) Employment History of these clerks selected for field enquiry. These data are also used to throw light on issues such as (i) Caste and Community of these clerks (ii) Migration aspects (iii) Social mobility (iv) Profiles of poverty of the families of these clerks

(v) Family background (vi) Academic performance of the clerks (vii) Consistency between the degree and nature of work (viii) Horizontal and vertical mobility in this occupation (ix) Sources of their employment. How far have the results from our field survey been helpful to us in fulfilling these objectives? Again, as referred to in the beginning, the theoretical and empirical literature on the subject has given us some hypotheses concerning the theme of our enquiry. To what extent our findings confirm or reject them? We should reiterate that the scope and nature of our enquiry is limited and the data themselves have their own limitations. Nevertheless the findings of our study, it is hoped will enable us to arrive at some meaningful conclusions. It is because of these limitations of our study we don't propose to set out our conclusions in form of generalisations. We begin with giving in summary form the main characteristics and findings from personal data of our sample.

II Personal Data

In this section the basic points which we examined were related with the personal and family background characteristics, migration, profiles of poverty, social

mobility etc. What sort of results have we got in regard to these important aspects? (i) The analysis reveals that the white collar jobs have been traditionally manned by upper-caste persons and this is found here also in this occupation. It comes to 68.71 per cent in the organized sector. This is the reflection of social hierarchy in the society. The interesting point observed in our sample is the absence of persons from artisan class.

(ii) It is found that this occupation is a middle class phenomenon and is filled in by more and more persons from economically lower strata of the society. The data of parents' income and occupation support this, 60 per cent parents are/were engaged in services. While 88 per cent parents have had income per year in the range of Rs.1000 - 10,000 in the organized sector.

(iii) The data of migration indicate that this clerical occupation does not attract persons from distant places. In the organized sector we found that out of those who have migrated 85 per cent are from South Gujarat only. If we add to this natives of Surat city then those who belong to South Gujarat that figure comes to 93 per cent. Another point in regard to migration is that it is age-selective. Out of those who have migrated to Surat in

last ten years, 74 per cent are in the age-group of 20-30 years. One healthy sign can be observed from these data that out of the total migrated persons 78 per cent are from rural areas. This may indicate that spread of education in rural areas is helping persons in getting jobs.

(iv) The picture of social mobility has not changed much at least from the parents' income and occupation criteria point of view. It is still a service oriented class with low income level. From the educational level point of view, it has changed for better both in case of parents as well as for clerks themselves. It is better in case of clerks than their parents.

(v) The analysis of profiles of poverty shows that some of the clerks' families are bordering near the poverty line. They are either below it or near to it. We found 8 per cent of families below poverty line in the organized sector and 20 per cent in the unorganized sector.

II Academic Data

Under this heading we tried to examine the basic characteristics like the academic performance of these clerks, the nature and extent of over-qualifications in

different organizations, earnings of these clerks, wage differentials among different organizations, job-wage illusion, the consistency between the degree and the nature of work, the difference in the position of a Graduate clerk and a Matriculate clerk, age-qualification earnings profiles etc. Let us see our findings in this regard.

(i) The inconsistency between the degree and the nature of work has been observed to a certain extent in this clerical occupation. This is especially true in case of Science Graduates with subjects like Chemistry, Physics, Botany, Agriculture etc. who have no scope here to apply their knowledge. Out of total 143 Graduates and Post-Graduates, in the organized sector, 29 are Science Graduates and post-Graduates and 26 out of them are with these subjects which comes to 18 per cent of the total.

(ii) One conclusion which emerges from our study with a fair degree of certainty that this clerical occupation is tending to become more and more over-qualified. As a matter of fact in this clerical occupation, Matriculates and Graduates are perfect substitutes of each other. The nature of work is such that it does not need highly

trained persons. A Matriculate would any day serve the purpose for the job. Since the job is linked with the degree, the potential candidates in the labour market go for more and more higher education which is a must for them. And on the other hand, the employers follow the 'screening device' and select higher educated persons. They go on up-grading the qualification requirement for the job. Obviously such persons are over-qualified for such posts in the clerical occupation. Thus the 'over-qualification' phenomenon is the obvious result of the devaluation of the degree.

In our analysis of the organized sector, we found 'over-qualification' to the extent of 27 per cent. It is more in case of some commercial organizations which are relatively better pay-masters compared to non-commercial organizations. In the unorganized sector also we found it to the extent of 60 per cent.

(iii) It seems that in this clerical occupation there does exist 'Job-Wage Illusion'. The job earnings are not altered but education earnings are altered. In such a situation not only earnings of Matriculate decline but earnings of Graduates also tend to decline.

(iv) The major finding of the foregoing analysis is that there is a wide disparity in the total earnings between the clerks in the organized sector and the unorganized. Here the ratio has been found to be 2:1 ~~cent~~. The average earnings in the organized sector are almost double. But within the organized sector itself such a wide disparity is found in total earnings between the commercial organizations and non-commercial organizations. Here also the ratio is 2:1 ~~cent~~. The earnings of clerks in the commercial organizations are double than those engaged in non-commercial organizations. The inter-analysis of these organizations in the organized sector also indicates that the gap in earnings in the beginning is not wide but over a period of time it widens. This should be considered as a major finding of our research.

The analysis of individual clerks' cases has revealed that inspite of the same qualification and experience such a disparity exists in the emoluments between the commercial organizations and non-commercial organizations. More disturbing picture is when a better qualified person draws lower salary than the less qualified. So here in this clerical occupation two things are seen clearly. One is that there is no distinction between the position of a Matriculate and a Graduate clerk. They are treated at par

for all practical purposes. And secondly in this occupation what matters more is what type of organization one is able to get into rather than his qualification.

(v) The analysis of age-education-earnings profile of the clerks has come out with an important result. It is found that as the age advances the earnings tend to rise at least upto the middle age. So something which has been theorized by the economists is supported by our data also.

(vi) Since this clerical occupation is low paying one, it is not able to attract academically better persons. Our data from both the organized and unorganized sector support this belief. The percentage of pass class persons in both the sectors is more than first and second class. It is 53 per cent in the organized sector while it is 56 per cent in the unorganized sector. This is a major responsible factor for their present weak position apart from other factors like family background.

But we are in a position to say that better organizations say commercial organizations attract better qualified persons. They have more number of first class

and second class persons compared to non-commercial organizations which are relatively poorer. In the commercial organizations the percentage of first and second class is 58 per cent and of third 42 per cent, while these figures in the non-commercial organizations are 38 per cent and 62 per cent respectively. It appears that in the present situation that is prevailing in the labour market in the country, a pass class person has very slim chances of getting recruited in the commercial organizations.

III Employment and Employment History Data

In this part we tried to examine the basic features like horizontal and vertical mobility in the clerical occupation, job history, waiting period of a Graduate clerk and a Matriculate clerk, sources of getting employment etc. What sort of findings we have obtained in this regard? Let us look at the following findings:

(i) In this clerical occupation there appears to be a greater degree of horizontal mobility rather than vertical mobility. The chances of promotion are very much limited here. This is more true in case of ^{non-}commercial organizations compared to non-commercial organizations. Out of 163 clerks in the organized sector, there are only 27 cases of promotion i.e. 17 per cent.

(ii) We are not in a position to state that better qualified persons switch over more from one job to another. In the organized sector we found that out of 163 persons 74 switched over from one job to another. And out of them 46 are pass class i.e. 62 per cent. At least this impression does not hold true much for this clerical occupation. Those who switch over are not necessarily found to be better qualified as seen above. As such, it seems that a greater degree of mobility is not found in this occupation. In majority of cases, the present recruitment appears to be once and for all. They do not move either because they have no such opportunities or later on because of certain limitations like age, family's stability etc. it becomes difficult for them to switch over.

(iii) The hypothesis that a better qualified person has to wait less than a less qualified person has turned out to be right in case of the clerks engaged in the organized sector as well as the unorganized sector. It has been found that a Graduate clerk had to wait less for his first job than a Matriculate clerk. And secondly, first and second class clerks had less waiting period for getting a job than the pass class clerks. The data show that in the organized sector, the average waiting period

of a Matriculate clerk was 9 months, for a Graduate clerk it was 6.5 months and for all clerks it was 6.8 months. While in the unorganized sector, the waiting period for a Matriculate clerk was 8.4 months, it was 6.2 months for a Graduate clerk and an over all average for all clerks was 7.5 months.

In the unorganized sector if we examine this point class wise then we find that for IInd class and IIIrd class Graduates the respective figures are 5.4 months and 7.2 months. In the organized sector we find that the figures for an average waiting period of the 1st class, IInd class and IIIrd class Graduates are 2.4 months, 4.4 months and 7.8 months respectively.

It looks like that in days to come it would be extremely difficult for the Matriculates to enter even in this clerical occupation since the situation of employment in the labour market is progressively deteriorating over a period of time. It is becoming difficult even for Graduates now. The average waiting period of these educated persons might increase.

IV Some Other Important Points

- (1) The wide disparity that exists in the conditions

between the organized sector and unorganized sector is well known by now. The sharp contrast between these two is observed here in this clerical occupation also. Our study fully supports that the position of a clerk engaged in the organized sector is much better than one who is engaged in the unorganized sector in every respect, i.e. total earnings, extra monetary advantages, working conditions, security of employment, welfare measures etc.

The most striking difference has been observed in case of total emoluments between the two. As noted earlier the ratio is 2:1 ~~per cent~~. The gap in emoluments is big and it tends to widen over a period of time.

It is worth noting that although qualificationwise the difference between the clerks of the organized and of unorganized sector is not significant yet the gap in the total earnings is striking. Otherwise no drastic differences between these two type of clerks are found when their Personal, Academic, Employment and Employment History data are examined. It is true that similarities and dissimilarities both are found in case of these clerks. But the examination of this clerical occupation in the unorganized sector also reveals that the basic peculiarities of this sector have remained more or less the same over

these years. All points like low emoluments, absence of extra advantages, long hours of work, absence of trade union activity, extra load of work, malpractices in salary vouchers, insecurity of employment etc. are found here in one form or the other.

(2) The prolific expansion in higher education which took place in the country over these years has had its adverse impacts and they are very much reflected in this clerical occupation. There appears to have taken place a 'snow ball model' or say 'Hobbesion snow ball model'. Since the job is linked with the degree in the labour market, the students are on the escalator of education and most of them just move on without specific aim in mind. Some experts are advocating a policy of delinking a job from the degree in the prevailing situation. But how far it is useful? It seems that this proposal tems from an extreme version of the Screening Hypothesis. The suggestion looks to be a bit negative in its approach. Especially when in the country equity is not found in the spread of education over these years. The policy followed so far has been urban biased. One thing is certain, if most of the jobs are delinked from the degrees, one danger of such a course would be that we would be left with no uniform standard of reference. It is true that it calls for considerable

diversification of courses. But it must be remembered that in our great zeal of vocationalisation, the fallacy of it has to be avoided.

From our analysis of the clerical occupation, it has come out clearly that the over all trend in the field of higher education has more or less remained the same. Most of the students still go for Arts, Commerce and Science degrees. The 'open door' policy followed so far has been responsible for this and for the standards that have been deteriorating over these years. The phenomenon of 'over-qualification', the devaluation of degree is the obvious result of this. And this is very much reflected in this occupation.

In the given situation, we are not merely interested in controlling the quantitative prolific expansion in higher education but also in the qualitative improvement of it. Educational level has both quantitative and qualitative attributes and it is not certain that both these attributes move in the same direction and by the same intensity.

It is true that with the quantitative restrictions, the qualitative aspect of education may be expected to

improve. But there a number of factors in the labour market which would inhibit the improvement of the qualitative aspect of education. There is no point of disagreement at all among the experts that an effective policy to meet the prevailing situation in the country at present is called for. However, it must be remembered that education policy does not function in a vacuum. It is circumscribed by the structure of the economy and also by the functioning of the labour markets in the country. If we try to understand the role of education policy in the context of the economy and the labour markets, we would be in a better position to evaluate the pros and cons, strength and weaknesses of the policy measures which are often put forward in this regard.

So there is ample evidence of 'Educational Inflation' in the country. As discussed so far in our analysis, part of the explanation and its remedy lies in the sphere of educational policy while part of it lies in the dualistic nature of the Indian economy and the manner of functioning of labour market. There appears to be an inverse pyramid in the field of education so far in the country. There is a strong case for increasing the rates of enrolment at the lowest stage of education and controlling

the rates of enrolment at the higher education stage.

Some experts advocate in the given situation a Full-cost fee principle combined with system of loans and students' aid. They feel that in the situation in which we are at present in India, large scale public subsidies to higher education are wasteful as well as inequitious. This policy in financing higher education in the country appears worth trying. It might help to a certain extent in controlling quantitative expansion of higher education. Here is the Robbins Committee aptly notes "higher education should be available for all those who are qualified by ability and attachment to pursue them who wish to do so".

(3) The present study of the clerical occupation and the analysis of the labour market clearly show that there exists the dichotomy between the organized sector and unorganized sector. The wide disparities between the two in many respects, pecuniary and non-pecuniary both have been existing since long. And the picture is more or less the same even at present. But the striking point which has come out is that there exists a big gap between different organizations within the organized sector itself. The commercial organizations are much ahead compared to non-commercial organizations.

But whether it is a wide disparity between the organized sector and unorganized sector, or it is within the organized sector, in both the cases it speaks of the inconsistent wage policy followed so far by the government. Such a policy should be considered defective planning. And at present there are no indications of major changes likely to be adopted in this policy.

(4) The detailed analysis of this clerical occupation has posed the problem of educated unemployment in its proper perspective which threatens to be still more acute in years to come.

It clearly indicates that what is called for is proper and effective policy both in regard to educational and manpower planning. The present disturbing picture is obviously the outcome of past improper policies. If at all it is high time to act, it is right now. Both should be geared in such a way that they meet the requirements of the economy and do not create imbalances and the paradoxes. Any policy in this regard should have efficiency and equity as its objectives in a country like India.

It is clear by now that our selection of the clerical occupation in Surat city has served our purpose of research. In the present study, we have been not only able to examine in detail some of the important aspects of educational field in the country but also could examine the peculiarities of labour market. More important is that we have been able to test some of the well known hypotheses of the field of Economics of Education and establish them with empirical research. This may be treated as the major outcome of our research.
