

For the more econometrically inclined, the ‘sophisticated’ test referred to in the text is the Oaxaca test of wage discrimination (allocation of differences in earnings to endowments and coefficients).

Surjit

It doesn't matter

Education and Job Discrimination

By

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Blurb: Discrimination in the job market, like the invisible hand, is nowhere to be seen.

The Sachar Committee report is noteworthy for *not* recommending quotas as a remedial course of action. Given the pro-quota atmosphere generated by Ms. Sonia Gandhi led UPA, it is surprising that a community, emphatically backward and fulfilling all the constitutional requirements for a quota, should choose this course of action. Large elements of the prejudiced Hindu political leaders, belonging to both the Congress and BJP, claim refuge in the constitution and assert that quotas for Muslims are ruled out because religion cannot be a basis for quotas.

These leaders are well aware that the Indian Constitution is the most malleable, and can become converted from clay to putty at a moments notice. Hence, the 2 amendments a year record of the Indian parliament over the last 52 years. Think about it: a constitution is meant to structure and define the rights of individuals and the working of the state, and these rights, representing universal (across time and space) rights are meant to last centuries, by definition. Yet our parliamentarians find it fit to play footsie with the Constitution and amend it every six months! If this is not a travesty of constitution, and justice, I would like to know what is.

It is also a fallacy to claim that poor and backward Muslims need a constitutional amendment to obtain quotas. This is what Article 15 of the Constitution states: “**Prohibition** of discrimination on grounds of religion, race, caste, sex or place of birth”.

So maybe the Hindu parliamentarians are right. They are, but only because they (predictably) like to read only what they want to hear. A mere three sentences later, the putty Indian constitution states, “*Nothing* in this article...shall prevent the State from making any special provision for the advancement of *any socially and educationally backward classes of citizens* or for the Scheduled Castes and the Scheduled Tribes” (emphasis added).

The Sachar report, documents in deep detail the fact that as a community, the Muslims are the most backward of all classes in India. So they qualify for any “special provision” the state can dream of. And in case it is thought that job reservations were only dreamt for the SC/STs, think again. The Constitution explicitly mentions job reservations in Article 16 for everybody, *but only for the public sector*. “Nothing in this Article shall prevent the State from making any provision for the reservation of appointments or posts (or promotions) in favor of any backward class of citizens, which in the *opinion* of the State, *is not adequately represented* in the services under the state”. (emphasis added).

So given explicit constitutional backing for all kinds of quotas, it is certainly intriguing that the Muslims, and especially the Muslim intelligentsia, is not asking for them. Neither does the Sachar report. Despite a long set of recommendations, there is no request, let alone demand, for quotas. Intriguing, and something the social scientists, and the politicians, need to study. One possible explanation: the Muslims realize that quotas in jobs, and or institutions of “higher” learning, is not what determines fate; rather, it is access to primary and secondary education. Hence, the rightful demands for primary and secondary education that is there aplenty in the report.

But what about discrimination in jobs against SC/STs, or OBCs, or Muslims? The table provides ample evidence in favor of the notion that discrimination in the workplace is not present. The table documents data for urban residents (where most of the demands for jobs, higher education etc. are) in India in 1999/00, NSSO household survey. It is the case that in terms of per capita consumption, the Muslim OBCs are at the bottom of all classes of people; their per-capita consumption is 7.5 percent lower than the SC/STs. Muslim non-OBCs are the second worse off, with an average wage some 13 percent below SC/STs.

The fact that relative incomes are low is no evidence of discrimination, which means treating a person differently based on color, race, sex, caste etc. And “differently” in the job market means receiving a lower wage, all other things being equal. But as everyone recognizes (especially the poor), the wage level is a function of education. And there is a very close correspondence between the level of education and the wage. An average member of the richest group, “others” has a 67 percent higher wage than the average SC/ST; she also has an education level that is 62 percent higher. Sophisticated econometric tests of wage determination and discrimination support the simple conclusion – differences in wage earnings are explained by differences in “endowments” i.e. education and age (as proxy for experience). Discrimination in the job market, like the invisible hand, is nowhere to be seen.

Given the overwhelming result about the importance of primary and secondary education, (and this affects chances of higher education, a fact that seems to have been missed by the quota fundamentalists) why have the politicians not pushed for equality, at least in primary education? And given that the Congress has ruled India for most of the last 59 years, how come *it* has not delivered? Maybe because education means empowerment, and empowerment means choice, and choice might mean throwing out the Congress? Something that Congress leaders from Nehru to Sonia Gandhi may have always recognized? Maybe political preservation demands the continuation of the white man’s burden, a burden that requires a divide and rule strategy. Much easier to divide the population along caste and sub-caste and sub-religion lines, than to give people their basic rights. If you do the latter, then there won’t be many sops to deliver at election time. How much urgency would there have been for the re-Mandalization of India if Sonia Gandhi and Arjun Singh did not want to so desperately do “good” in the UP elections? V.P. Singh quickly lost the elections after his bout of socio-political engineering, but this fact is lost out on our political desperadoes.

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No Job Discrimination in India: The Evidence (NSS) 1999/00, urban male workers, ages 15-59

	Mean			Fraction in population	
	Consumption	Wages	Education years	Passed 10th grade	Passed 12th grade
<i>SC/ST (level)</i>	285.4	48.5	6.1	41.2	5.1
<i>As percent of SC/ST</i>					
SC/ST	100.0	100.0	100.0	100.0	100.0
Muslim OBC	92.5	77.1	85.2	70.4	62.7
Muslim Non OBC	94.7	87.2	96.7	82.0	74.5
OBC	111.6	103.1	119.7	115.2	123.5
Others	162.2	167.0	162.3	158.2	168.6
Total	126.4	124.5	127.9	118.8	123.5

Note: Consumption in Rs. per capita per month, and wages in Rs. per worker per day; 1993 prices.