



**WORKING
PAPER**

169

**EMPLOYMENT SECURITY
FOR THE UNORGANISED
SECTOR WORKERS
IN KARNATAKA**

D Rajasekhar

Suchitra J Y

**INSTITUTE FOR SOCIAL AND ECONOMIC CHANGE
2006**

EMPLOYMENT SECURITY FOR THE UNORGANISED SECTOR WORKERS IN KARNATAKA

D.Rajasekhar and Suchitra J.Y.*

Abstract

We examine the extent of employment security faced by different occupational groups within the unorganised sector and analyse the factors influencing the same. Based on a large sample including agricultural, construction and domestic workers in four districts in Karnataka, we find that the inter and intra-sectoral heterogeneity among these occupational groups have implications for the policies aiming at ensuring their employment security. A one-size-fits-all policy for the entire unorganised sector would be inadequate because it would fail to consider these differences and would not address the sector-specific needs of the workers.

1. Introduction

Employment insecurity is a pressing problem for millions in the country, the most severely affected being workers in the unorganised sector. This sector is characterised by temporary, seasonal and changing nature of employment, often resulting in long periods of unemployment, absence of a fixed employer-employee relationship, failure of wages to meet minimal requirements, poor work environment, long working hours, irregular incomes, etc., which contribute to the poor employment security of the workers.

Having recognised the problem of employment insecurity, the central and state governments have taken steps such as employment-generation programmes. The Maharashtra Employment Guarantee Scheme, which is the longest surviving programme of its kind in the field (Bagchee 2005), was introduced to provide gainful employment to those seeking it. In the past five years, the Sampoorna Grameen Rozgar Yojana (SGRY - for wage employment) and the Swarnajayanti Gram Swarozgar

* The authors are Professor and Researcher respectively at the Centre for Decentralisation and Development, Institute for Social and Economic Change, Bangalore. Email: raja@isec.ac.in. The authors thank an anonymous referee for providing useful comments on an earlier version of this paper.

Yojana (SGSY - for self-employment) have been prominent central government programmes. The National Rural Employment Guarantee Act (NREGA), 2005, which was approved by the parliament in August 2005, gives ample indication of the magnitude of employment insecurity in the country.

There are also policies intended to regulate the conditions of employment and ensure the workers' welfare. In the context of the unorganised workers, a representative example of these is the Construction Workers' Welfare Bill (GoK), which is meant to improve the employment security of the workers, including aspects like regulation of conditions of work, hours of work, payment of minimum wages, over-time, safety measures, accident compensation and other social security, etc. The casual construction workers, working for several employers, however, seldom benefit from such legislations¹ simply because of the features of the unorganised sector. The primary problem is the lack of availability of continuous employment. This is a 'promotional' social security need² of the workers, and its fulfilment is imperative for the implementation of 'protective' measures such as those included in the construction workers' bill.

In this paper, we focus on the promotional aspect of employment security among unorganised workers for the following reasons. First, given that promotional social security precedes the protective one in some sense, it seems incongruous to analyse protective measures of employment security without understanding how much employment the workers have. Second, a large majority of unorganised workers are simply uncovered by any protective employment security schemes.

There is another reason why employment security among unorganised workers is to be examined. An important constraint to the realisation of the benefits of employment programmes is the 'lumping' of the unorganised sector as one homogeneous unit by the policymakers. This failure to note that the unorganised sector is as diverse as it is vast has led to inappropriate targeting with respect to not only employment

security programmes but also other social security programmes (Rajasekhar *et al* 2005). In this context, we analyse the following questions in this paper. Is the employment security the same across different sectors within the unorganised sector? What factors influence the employment security of different occupational groups? What are the policy implications of such heterogeneity within the sector? An analysis of these questions with the help of an 'employment security index' suggests that notwithstanding the plethora of employment generation schemes, the workers still face a severe shortfall in the availability of employment, and such employment insecurity varies across the occupational groups. This has important implications from the policy angle.

The database for the paper is a large sample of 910 workers in the unorganised sector including 505 agricultural labourers, 301 construction workers and 104 domestic workers from the agro-climatically different districts of Bangalore, Dakshina Kannada, Gulbarga and Mysore. The sample workers were drawn from both rural and urban areas.

Unorganised Workers in Karnataka

The total workers (including main and marginal) in Karnataka increased from 1.49 crores in 1981 to 1.89 crores in 1991 and to 2.35 crores in 2001. The growth of the workforce in the state was 2.29 per cent during the period 1981-2001. The proportion of marginal workers increased from 8.65 per cent in 1981 to 17.72 per cent in 2001, thus implying a rise in under-employment. The growth of total workers was faster in Bangalore and irrigated districts such as Mysore, as compared to backward districts like Gulbarga. The total number of unorganised workers in the state rapidly increased from 0.97 crores in 1981 to 1.30 crores in 1991 and to 1.73 crores in 2001.

The total number of **agricultural labourers** (excluding marginal workers) increased from 36.55 lakhs in 1981 to 50.00 lakhs in 1991. In relative terms, the proportion of agricultural labourers increased from 24.49 per cent in 1981 to 26.44 per cent in 1991. Two of the selected

districts (Gulbarga and Mysore) not only had a large proportion of agricultural labourers but also witnessed increasing feminisation of the agricultural labour market. In Bangalore and Dakshina Kannada, the workers seemed to be diversifying into non-agricultural occupations. The proportion of agricultural labourers to the total workforce declined in both these districts. The selected districts, thus, provide interesting variations in the incidence of agricultural labour and dependence on farm work for livelihood.

The proportion of **construction workers** to the total workforce registered a modest rise (from 2.01 to 2.26 per cent during the period 1981 to 2001). Such a rise was not uniform across the selected districts. The proportion of construction workers declined in Gulbarga, while it increased in Bangalore, Dakshina Kannada and Mysore districts, where construction activity has been booming. In Bangalore and Dakshina Kannada districts, there was a substantial increase in the proportion of construction workers to total workers. This was particularly evident in the case of male construction workers. A faster growth of construction workers can be seen in Bangalore, Dakshina Kannada and Mysore districts, where important cities in the state are located. This indicates the migration of construction workers into the cities.

We do not have secondary data on spatial and temporal variations in the number of **domestic workers** in the state. Sporadic reports from newspapers and surveys conducted by NGOs have been used to provide some idea on this. It has been stated by the All Karnataka House Maid Workers Association that there are 680,000 domestic workers in the state (*Indian Express, February 23, 2005*). Another estimate puts the total number of domestic workers in Bangalore city at one lakh (*Deccan Herald, May 5, 2004*). The studies also show that the number of domestic workers is somewhat high in large and growing cities such as Bangalore, Mangalore, Mysore, etc., while it is lesser in cities located in backward districts such as Gulbarga. Most of the workers are reported to belong to depressed castes.

Working within the four walls of a home (and hence, not in the public domain), the domestic workers face hazards such as exploitation, brutality and sexual abuse (especially in the case of children). Although the Government, in June 2004, announced the minimum wages legislation for these workers, the lack of organisation among them has not only resulted in poor awareness but has also disabled them from obtaining the full benefits of this legislation. Consequently, wages obtained by them are low although they work long hours.

This paper is presented in six sections. After explaining the methodology of construction of the employment security index in Section 2, we compare the extent and type of employment security that workers in the three sectors under study have, and discuss the important reasons for the variation. In Section 3, we analyse the intra-sector variation in employment security and identify some key factors influencing this. In Section 4, we examine the relationship between employment security and income and show that these two do not always converge, which makes the need for stringent implementation of laws of minimum wages, etc., all the more important. In Section 5, we talk briefly of the importance of employment security in the larger picture of social security needs of the unorganised workers, as expressed by them. Section 6 provides a brief review of the recently passed National Rural Employment Guarantee Act and its relevance in the context of the findings of the paper.

2. Employment (In) Security: Actual and Perceived

The *Employment Security Index* is constructed for sample workers using two variables, as follows:

- a) The severity of unemployment faced by the respondent worker in the last one year – the scores assigned to this variable are as follows:
 - No unemployment faced by the worker in the past year: 1
 - Less than 6 months of unemployment faced by the workers in the past year: 2

- Six months or more of unemployment faced by the worker in the past year: 3
- b) Whether more employment was sought by the worker during the same period:
 - No: 1
 - Yes: 3

We consider both the 'actual' and the 'perceived' to be equally important. The first variable indicates the actual behaviour in the reference year – the number of months that workers were unemployed. The second variable shows the workers' *perception* on the employment they got during the same period, independent of the actual number of months of unemployment. It indicates whether or not there was a gap between the employment they sought and that which they got. Therefore, both the variables are given equal weights, and the employment security index is a weighted sum of the scores that the workers obtain on the two variables³. It thus ranges from 1 to 3; the lower the index, the greater the employment security of the worker, and *vice versa*. Based on the indices, we categorise the workers as facing either high, medium or low employment security.

Table 1 shows that the average employment-security index of all 910 workers was 1.81. Only 135 out of 910 workers (roughly 15 per cent) attained an index of 1, showing that a majority of the unorganised workers either faced considerable periods of unemployment throughout the year, or did not think that they had got adequate employment during the year, or both. Of the 135 workers having high employment security, 40 were agricultural labourers from Dakshina Kannada, 30 were construction workers, and 65 were domestic workers across the four districts. The significance of this pattern will be evident in the subsequent sections.

The mean indices for the agricultural and construction workers show that they faced relatively similar levels of employment security, the index of the construction workers being marginally higher. While

the modal class for both categories of workers is the medium employment security bracket, there exist differences in the pattern of distribution. A larger proportion of agricultural labourers as compared to construction workers are in the low security bracket.

Table 1: Distribution of workers (per cent) by employment security levels

Employment security levels	Agricultural workers (N = 505)	Construction workers (N = 301)	Domestic workers (N = 104)	Total (N = 910)
Mean index	1.86	1.89	1.38	1.81
High	8.71	8.31	63.46	14.84
Medium	61.98	51.50	29.81	54.84
Low	29.31	40.20	6.73	30.33

The employment of agricultural labourers is seasonal, where during the peak season, workers can get up to 20 days of employment in a month, but this may well be zero during the slack season. The actual period of unemployment for the agricultural labourers was thus quite high. Depending on the extent to which these workers could diversify their occupations during the slack season, they perceived the employment they had got during the reference period as adequate or otherwise. However, only 22 per cent of the agricultural labourers were found to have some alternative occupation in the slack season. Other factors influencing their employment security were supply-side factors such as the number of large farmers, the extent of irrigated land, number of landless households, etc., in the village.

Construction workers also had somewhat seasonal employment – having very little or no employment during the monsoon. The actual number of months of unemployment for these workers was thus high. They also tended to perceive a gap between employment that they sought and that which they got. A major reason for this is that many of these workers were recent migrants into urban areas from the rural areas, and most of them migrated in the hope of getting more employment

than they got in their villages. Although they were successful in this respect, many of them reported that they had *expected* to be employed for an even greater part of the year.

The relatively higher employment security of the domestic workers (Table 1) as compared to the agricultural and construction workers may be understood as a function of two factors. First, domestic work is usually year-long work. It does not follow a seasonal pattern, as is the case with agricultural work and to a lesser degree, construction work. Domestic workers (a) are not daily wage earners, (b) typically have employment throughout the year, and (c) are usually paid monthly salaries. Any lack of employment in their case arises more from demand-side constraints (ill-health, shifting of residence, etc) as against the lack of availability of employment.

The gender dimension helps us understand the second variable in the index, i.e., workers' perception on availability of employment. All the domestic workers interviewed were women⁴, who were not, quite often, the principal earners of their households. Their incomes only supplemented the principal source of income of the households. Several of them were not very concerned about the 'quantum' of employment they had been getting, and nor did they seek more employment than they already had. The reasons for this were mainly the fact that they were the 'homemakers', and typically had young children or elders to take care of, which meant that they were quite satisfied with the employment they had because it gave them the time to concentrate on their own domestic needs and problems.

3. Variations in Employment Security

An important result from Table 1 is that, in addition to the sector-wise variation, there is vast heterogeneity with respect to workers' employment security within each sector. In this section, we analyse important factors that contribute to variations in employment security among workers in each category. These factors relate to spatial dimensions, social organisation of production, skills, gender and so on.

District Variation

Table 2 shows differences in the employment security indices across selected districts, the variation being quite marked among agricultural and domestic workers. Across categories of workers, those from Dakshina Kannada and Gulbarga faced a relatively higher degree of employment security.

Table 2: District-wise distribution (per cent) of workers by employment security indices

Employment security indices	Bangalore	Dakshina Kannada	Gulbarga	Mysore
Agricultural labourers (N = 505)				
High	0.00	30.00	4.00	0.00
Medium	70.40	46.92	72.80	58.40
Low	29.60	23.08	23.20	41.60
Mean indices	1.92	1.63	1.73	2.15
Construction workers (N = 301)				
High	10.67	8.00	1.33	13.16
Medium	42.67	53.33	68.00	42.11
Low	46.67	38.67	30.67	44.74
Mean indices	1.94	1.85	1.83	1.95
Domestic workers (N = 104)				
High	56.00	71.43	80.00	48.00
Medium	32.00	17.86	20.00	52.00
Low	12.00	10.71	0.00	4.00
Mean indices	1.48	1.32	1.16	1.62

Agricultural workers in Dakshina Kannada were well off in terms of employment security largely due to the social organisation of production in the chosen taluks (Bantwala and Sulya). Many of the workers interviewed were permanent employees in large farms and estates, and they had been working there for many years, and in some cases, many generations. These workers had some or the other employment throughout the year, and not many of them thought

they had faced a shortfall in the same in the past year. This contributed to these workers' high scores on both actual and perceived employment security. The case of a worker, Madhava, presented in Box 1, substantiates this point.

Agricultural workers in Mysore, however, faced very high employment insecurity. This is because although there were large tracts of irrigated land and many large farmers in this district, there were also a large number of landless households. In addition, the small and marginal farmers also participated in the agricultural labour market. Therefore, invariably, the supply of agricultural labour was much higher than the demand, and several workers were marginalised in the bargain.

The construction workers in Gulbarga and Dakshina Kannada were found to have higher employment security as compared to those in Bangalore and Mysore. Gulbarga, being a district marked by a high rate of out-migration of workers, at times, entire households migrated during the slack seasons. The existing workers, therefore, did not face much competition in terms of employment in construction work. The reverse held good in Bangalore and Mysore, where there has been a high flow of migrant construction workers given the rapid increase in construction activities in the urban areas. In Bangalore, many workers said that they were often driven out of the market by the skilled migrant workers from different parts of the country. Although Dakshina Kannada has also been characterised by a boom in construction activity in the recent years, this has been mostly localised in parts of Mangalore city, and the competition among construction workers in this district was, thus, not very high.

Box 1: Agricultural (plantation) labourer facing high employment security

Madhava is a 23 year old plantation worker in the village of Kanakalajulu in Sulya taluk in Dakshina Kannada. He started working after completing the 7th standard, and now earns Rs.55 per day. The entire household has been working in one particular estate for several years now and none of the members has been unemployed in the past year. Of late, Madhava has been learning to climb areca trees to pluck the fruits. He maintains that it is a handy skill to possess in the agricultural labour market since it renders him more employment secure.

Madhava said that the workers in Kanakamajalu have not organised themselves in any union or workers' groups since there is no need for it. There has not been any employment problem in the village so far, as employers are understanding and magnanimous.

In 2001, Madhava's mother had an appendicitis operation, which cost the household around Rs.9,000/-. The household was unprepared to face this sudden expenditure, but the landlord of the estate where Madhava's family works offered to tide over this period of crisis for them and paid for the operation. Now, over the last three years, the borrowed amount (interest-free) has been fully repaid. All the workers working in this particular plantation said that their employer was a great source of strength to them, and they could approach him singly or in a group with any problem they had, and he was always willing to help. The employer also gives them one meal in a day, and clothes at least twice a year.

On asking Madhava to rank the social security needs⁵, he gave the first preference to insurance against employment injury, because he undertakes high-risk work such as climbing areca trees to pluck the arecanut, etc. The last rank was given to unemployment benefits, as this was not a problem for him or his household. But he mentioned that such employment security should continue.

As far as domestic workers are concerned, though it is generally believed that they are quite a homogeneous set of workers, Table 2 shows differences in the employment security faced by them across districts. Workers in Gulbarga and Dakshina Kannada were much better-off as compared to those in Mysore and Bangalore. In the latter districts, the perceived employment insecurity was quite high, rather than the actual unemployment. The relatively higher costs of living in these districts, coupled with the low incomes made many of these workers respond that they were seeking additional employment.

Skill Levels and Improvements

An important variable that influences the workers' employment security is their perceived⁶ improvements in skill level. It was found that agricultural labourers who had reported improvements in their skills were relatively more secure with respect to their employment. The workers' claim that their skills had improved in the recent past must be seen alongside *how*

exactly such improvements helped them – in terms of better wages and increased employment security. Of the 27 workers, 19 reported that the improvement in skill contributed to greater employment security *to a large extent*, and 5 workers reported a *partial* improvement in employment security because of skill improvement. In all, therefore, 88.89 per cent of the workers who had reported skill improvement, also reported some degree of improved employment security⁷.

Construction is an occupation where skill improvement is important for employment security for workers. There exists a marked hierarchy among these workers based on their skill levels, and the unskilled workers (helpers) constitute a highly marginalised and vulnerable group, and face intense competition in the labour market. However, no differences were found among the sample construction workers in their employment security indices with respect to their skill level and perceived improvements in skill. Even though the skilled workers earned wages much higher than the unskilled workers, both these categories of workers faced more or less the same degree of employment security.

There were some differences based on the number of years of experience in construction work, however. Interestingly, workers who had been involved in construction work for more than twenty years were found to be the most vulnerable, with an average employment security index of 2.61, as compared to workers who had been working for between 10 and 20 years (1.91) and those workers for less than ten years (1.86). It was found that contractors usually preferred younger and stronger workers, even though these workers had relatively less experience. For workers who had been working for more than 20 years, age and physical strength often worked against their employability. These workers said they were under constant threat of competition from the younger workers, and often lost out to the latter. In addition, the employment insecurity for them was more at the level of perception. These workers had to support families, take care of elders, etc., as against the younger workers whose incomes were usually only an addition to their respective household incomes, and to that extent, their responsibilities were lesser.

Domestic work, in general, falls under the broad category of 'unskilled work'. David Chaplin, in a different, nevertheless relevant context, says that while domestic workers occupy positions of real permanence and perform highly skilled activities in the form of cooking and child rearing, the majority, however, engage in simple cleaning chores (Chaplin 1964; 527–38). He also points out that the labour-saving devices for the home and the presence of packaged home services have diminished the demand for the 'skills' of domestic help, forcing them to serve a number of employers simultaneously.

This observation has been corroborated by our data. Most of the domestic workers did not think that they had experienced any improvements in skill. A few of them who had learned some additional skills such as operating kitchen electrical appliances, washing machines, etc., for instance, said that upgrading their skills had not aided them either in earning higher wages or in employment security. In fact, one worker mentioned that it had gone against her interest, because the employer perceived it as time and labour saving for the maid and cut her salary by some percentage. This meant that the loss of income had to be compensated by additional employment in another household, and at the time of the interview, the worker said that she had not found another employer.

Gender Dimension

It is only among the agricultural labourers that we can show gender variation because all sample domestic workers were women and over ninety per cent of the sample construction workers were men. Table 3 shows that the male agricultural workers faced a greater degree of employment security than the female workers.

Table 3: Distribution of agricultural workers (per cent) by employment security indices and sex

Employment security indices	Sex of worker	
	Mean index = 1.77 Male	Meanindex = 1.97 Female
High	12.54	3.98
Medium	60.93	63.27
Low	26.52	32.74
Total No. of workers	279	226

This pattern can be explained as a function of two factors. First, the increasing feminisation of agricultural labour. It has been noted that over the last two decades, the number of female agricultural workers has increased drastically, while the proportion of male agricultural workers has fallen since 1991 (*Census Abstracts, GoI*). Given this increased competition in the agricultural labour market of women in the face of the availability of employment having remained more or less constant, the employment security of the female agricultural workers was found justifiably lower. Second, the male agricultural workers were found to diversify occupations more frequently as compared to the female workers, since the latter typically had household chores and responsibilities, which afforded them much less time to do so⁸.

Extra-Economic Factors

Often, it is not possible to quantify some factors that play a crucial role in cementing the employer-employee relationship, which further contributes to the employment security of the workers. Some such factors are trust, faith, mutual respect, etc. These factors were most evident in the case of domestic workers as compared to agricultural and construction workers. It is not hard to understand why. Agricultural and construction workers usually work for multiple employers, and they shift from one employer to another periodically, often on a daily basis⁹. Therefore, it is more difficult for them to maintain such close contact and establish a relationship based on the aforementioned factors with their employers¹⁰.

Domestic workers were also found to work for multiple employers, but the equation was different in their cases. They worked for all these employers every single day throughout the year, and therefore, there was a certain degree of continuous contact that they were able to establish with their employers. In addition, the setting of domestic work is such that the employers are almost always at their homes when the workers are working, which lends this occupation a slightly more personal touch than the other two. This factor is important because in some cases, to a large extent, and in some, not so clearly, it played a very important role in the extent of employment security faced by the workers. Since it is not possible to provide quantitative evidence on this, we present two case studies. Box 2 presents the case of the worker where a very close relationship with the employer gave her immense confidence about her employment security, and the other which is in stark contrast to this (Box 3).

It is important to note, however, that these cases present the extreme pictures. Most of the domestic workers faced some level of employment security between these extremes. For most workers, the high employment security indicated that *continuity of employment was an assured phenomenon*. However, they were neither aware of any regulations for their welfare, nor were they organised enough to mobilise themselves and collectively bargain for their rights against their employers. Other than the exceptional cases, in general, the domestic workers were a highly exploited lot in terms of the hours of work they put in and the non-commensurate wages they were paid.

Box 2: Worker whose social security needs are met by the employer.

Ishwari is a 24-year old domestic worker from Bangalore. She has been working in one household for eight years now, where she washes clothes, utensils, sweeps and mops, does gardening and cleans bathrooms. The employers have provided her with living premises and also one connection for drinking water, both free of cost. They pay her a salary of Rs.800 per month, and also provide her with meals regularly, clothes and medical assistance. They pay her overtime on days that she does any extra work. Ishwari said that even if they didn't pay her that extra amount, she would willingly do any additional work for them.

Ishwari's employers have opened a bank account in her name, to which they contribute regularly, so that she can continue to educate her two children. The cumulative amount in her account as of the interview date was around Rs.5,000. In addition to this, the employers have also taken out a life insurance policy for Rs.50,000 in her name, and they pay the premium for that. Ishwari said that since she started working for this household, she has felt increasingly secure about her employment, and not felt the need to work in any other household additionally. The rapport shared by the employer and employee, coupled with the mutual respect, has given her this confidence.

Box 3: Highly employment -insecure and vulnerable worker.

Nanjamma, a 65-year old widow, lives in Chinigirikoppal slum in Mysore, working as a domestic help. She works in one household and gets Rs.200/- as the monthly salary, in addition to which she gets old age pension of Rs.100/- per month. She lives in a rented house, at a monthly rent of Rs.300. On asking her how she manages her livelihood since all that she gets by way of income goes for the rent of her house, she said that she has been cutting back on her expenses for many years now. For instance, earlier she had electricity connection, which has now been terminated.

Nanjamma lives by herself as she has no children. She has been looking for more employers but due to stiff competition, households generally prefer younger women as domestic help. Three years ago, she had a minor accident and incurred hospital expenses of about Rs.700/-. She borrowed from a moneylender to cover this expenditure at the rate of 10 per cent interest per month. She said that she did not request her employers to loan her some money, since they were not approachable, and she feared that if she bothered them with her problems, they might terminate her from work, which was her biggest fear. She said that she watched and weighed every single thing she said to them or did in their presence because of this fear. Not surprisingly, when Nanjamma ranked the social security needs and articulated the rationale for each one without trouble, she assigned high priority to employment security.

4. Do Employment Security and Incomes Converge?

In Section 2, it was seen that the domestic workers enjoyed a much higher degree of employment security than the other two, the construction workers being the worst-off. This analysis, however, would present an incomplete picture unless we look into the income security of households as well. We first look at the average daily wages of just the workers, and then the monthly Per Capita Income (PCI) of the entire households.

It is clear from Table 4 that construction workers obtained a much higher daily wage than the other two categories. Although construction workers faced the lowest employment security index, they were not necessarily rendered very vulnerable during periods of unemployment, because the higher wage provided them the income security to offset such periods. In contrast, the domestic workers, despite their high employment security, faced vulnerability constantly on account of their exploitatively low wages¹¹. The agricultural workers not only faced a relatively low level of employment security, but also got quite a low amount as the daily wage.

Table 4: Average daily wages of workers (in Rs.)

Workers	Average daily wages (in Rs.)
Agricultural	42.58
Construction	78.54
Domestic	23.10

The point, therefore, is that the employment security of workers is not to be mixed up with their income security, or even the income security of the household, as we shall see. One often comes across cases where a domestic worker has employment for 30 days a month and earns Rs.250/- per month, while her husband, a construction worker, would be employed only ten days in the month, and would earn Rs.100/- per day. It is also pertinent to point out here that while a good many construction workers, especially the skilled workers, were found to get wages at least as high as the minimum wages specified, this was not so in the case of agricultural and domestic workers. For one, the awareness of the minimum wage law was abysmal among these workers, and just a handful of domestic workers and *none* of the agricultural workers were found to get as much as the minimum wages specified for their categories of work.

In the above analysis, we have taken only the workers' incomes into consideration. When we observe the employment security of workers

in the context of their *entire household incomes*, we find some interesting results. Table 5 shows the average monthly per capita income of the households of the three categories of workers. We find that within each category of workers, as we move from low employment security levels to higher levels, the average monthly PCI of the households increases. Across categories of workers, the construction worker households are the highest income earners, followed by the domestic worker and agricultural worker households in that order. While Table 4 shows that the average daily wage of the agricultural workers was higher than that of the domestic workers, here we see that at the household income level, the domestic worker households were better off.

Table 5: Average monthly PCI of households (in Rs.) by employment security levels

Employment security levels	Agricultural	Construction	Domestic
High	667	1,015	688
Medium	404	851	525
Low	402	777	522

A crucial point emerging from Table 5 is that the average monthly PCI of the construction worker households facing low employment security was higher than that of even the highly employment-secure agricultural and domestic worker households. This section helps us make an interesting proposition. While within each occupation, the employment security of the worker and the income of his/her household are positively related, across occupations, both of these vary widely, and not necessarily in the expected direction, i.e., a higher income earning occupation is not necessarily highly employment secure, and *vice-versa*. The significance of such a result lies in addressing the specific employment needs of each occupation.

5. Employment Guarantee as a Social Security Need

We have thus far shown that workers in the unorganised sector faced different types and levels of employment security. A related question then is how important is this shortfall in employment security, in relation to certain other social security needs such as old age, employment injury, sickness and death. The sample workers were asked to rank these 'protective social security' needs to get an understanding of their priority needs.

Table 6 shows that old age pension was the top priority for agricultural and domestic workers, followed by unemployment benefits. For construction workers, the unemployment benefits dominated, followed by old age and employment injury insurance. If we look at the row indicating the proportion of first preferences for unemployment benefits, we find that among the three categories, the domestic workers gave it the least importance and the agricultural workers the maximum importance. This is largely consistent with the findings from other sections of the paper. It was seen that domestic workers enjoyed relatively greater employment security, and Table 6 shows that only 25 per cent of their first preferences were for unemployment benefits. The agricultural workers felt the need for unemployment benefits more than the construction workers despite their employment security being marginally higher than the latter. This is because of their low household incomes in comparison to those of the construction workers, which we have explored in the previous section. Table 6 undoubtedly points to one important fact – a sizeable majority of all three categories of workers found the absence of employment security a constraint serious enough to rank it over and above the other needs.

Table 6: Preference matrix of workers for social security needs

Social security needs	Agricultural workers	Construction workers	Domestic workers
Unemployment benefits	32.48	29.90	25.00
Sickness	9.50	12.29	11.54
Employment injury	7.72	22.92	5.77
Old age	35.64	24.92	36.54
Death	5.15	6.64	10.58

Note: The percentages in the table are the proportion of first preferences indicated by each category of worker. The columns do not add up to 100 per cent because in each category, some workers were unwilling to express their preferences.

It is essential to note that what the workers expected in terms of unemployment benefits were not really unemployment ‘doles’ as the conception is in developed countries. For, this would be unthinkable and impractical in the context of these workers, given that for them, the state of being without employment was more the norm than an exception. When the unorganised workers said that they preferred unemployment benefits over and above the other needs, they really meant that they needed the *assurance of continuous employment*. Several workers even clearly articulated that the reason they gave top priority to security against unemployment was that if the state was able to assure them continuous employment, then the workers were willing to take the responsibility of providing for the other needs themselves. This shows the significance of establishing promotional security before pursuing protective policies.

6. Conclusions

This paper finds that, for unorganised workers, employment security means primarily the guarantee of continuous employment, and only after this is guaranteed, policies intending to regulate conditions of employment, etc., become pertinent. When the unorganised workers report that they are employment-insecure, they most often mean that they do not know whether or not they will have work the next day or the next week, rather than that the conditions of work have been poor, overtime has not been paid, etc. Each worker category in the unorganised sector faces a different kind and extent of employment security, and any policy meant to improve the employment security of these workers should factor this in. The analysis also points out that there are differences in the extent of security faced by the workers *within* each occupational category as well. Given such heterogeneity in the unorganised sector, there has to be a serious attempt to revisit some of the policies pertaining to employment security and address the sector-specific employment needs of the workers. Three basic suggestions are thus made with respect to the three categories of workers under study:

- 1) Domestic workers have employment throughout the year, but their incomes are exploitatively low. For this category of workers, it is pertinent to bring in policies relating to conditions of work, holidays, payment of wages, overtime, etc. The Minimum Wages Law must be stringently enforced¹². Some mobilisation of workers must be attempted in order to organise them and increase their bargaining power capacities.
- 2) Construction workers are highly vulnerable with respect to their employment security. But these workers are in general high-income earning groups and therefore, they are somehow able to offset the periods of unemployment. They are also a relatively easier group of workers to bring into the organised sector and this is already happening in the case of workers who are part of construction companies. There are several trade unions involving these workers.

There are also laws regarding their conditions of work, payment of wages, accident compensation, etc., (Construction Workers' Welfare Bill - See, Section 1), the benefits of which are availed of mostly by those working for construction companies.

The important point here is that while these aspects of employment security are not unimportant, as a first step, attempts must be made to *ensure continuous employment* to these workers. As mentioned above, currently, only an 'elite' section of the construction workers enjoy the benefits of the social security policies of the government, because they are registered and are also employed throughout the year. For the large majority, who work for an assortment of contractors for daily wages, these policies would be very difficult to implement in the absence of continuous employment. It is guaranteed employment that will not only enable them to earn steady incomes, but also help them move closer to the organised sector.

- 3) Agricultural workers fall in between these two extreme groups. This category, by its very nature, presents several complications. The employment opportunities available to these workers, in addition to being seasonal, are also highly erratic. The incomes earned by the agricultural workers and their households are also very low. While many households try to overcome periods of unemployment through occupational diversification, seasonal migration, etc., the availability of employment in other occupations is also erratic. For this category of workers, therefore, wage employment programmes like the SGRY should be tightened and effectively operated. Such programmes have the potential to help agricultural labourers cope with periods of unemployment (in addition, they also contribute to the food security of households), *but* only if they are not mismanaged.

In this context, the National Rural Employment Guarantee Act, 2005, which was approved by the parliament in August 2005, is significant. The key provisions of this Act are as follows:

- ❑ It provides for the enhancement of livelihood security of rural households in 200 districts by providing at least 100 days of guaranteed wage employment in every financial year to every household, whose adult members volunteer to do unskilled manual work.
- ❑ The wages will be disbursed on a weekly basis or at least within a fortnight from the date on which the work is undertaken.
- ❑ The minimum wages specified by the respective state governments for the agricultural labourers is considered as applicable. This rate should be a minimum of Rs.60 per day.
- ❑ Every applicant is entitled to a daily unemployment allowance when s/he is not provided employment within 15 days of receipt of his/her application seeking employment. This allowance will be at least one-fourth of the wage rate for the first thirty days during the financial year and at least half of the wage rate for the remaining period.
- ❑ The panchayats at the district, intermediate and village levels are the principal authorities for the planning and implementation of the schemes. The grama panchayats are responsible for identifying projects in the area and also monitoring the work.

This Act is a step forward in India's history of employment generation programmes because, for the first time, the state has a *legal* responsibility to provide employment to those seeking it. It not only guarantees employment but in the event that such employment is not available, it promises an unemployment benefit. This is important in the light of the finding that the workers consider lack of *guaranteed employment* to be a serious constraint.

The Act, however, fails to take into consideration the heterogeneity within the unorganised sector. For one, it covers the rural areas under the main premise that it is the agricultural labourers who face the greatest shortfall in employment. This paper shows that

the construction workers are equally if not more vulnerable with respect to employment availability. The high migration of workers and their households from rural to urban areas has been ignored. The millions of skilled and unskilled unemployed living in the urban areas will not be covered under the act. Second, the restriction of employment to unskilled manual employment may not be incentive enough for many of the skilled workers under different sectors to avail of it. It may even be inconvenient to some sub-sections, for instance, women workers (Kannan 2005).

Finally, despite its precedence over the protective needs of workers, employment guarantee must not be treated as an isolated need of the workers. As the paper shows, the unorganised workers require a range of social security products, among which they show high preference towards employment guarantee. The provision of such employment under the Act should be followed by the provision of basic social security for the workers. This necessitates some integration of the Employment Guarantee Act with the forthcoming Unorganised Sector Workers' Social Security Bill. A provision has to be made whereby all workers receiving employment under the Act are automatically registered under the social security bill as well. Such collaborated efforts are likely to be more fruitful in the long run.

Notes

- ¹ This has led to considerable discussion and debate in the Karnataka government, and the bill is currently being revised with the aim of reaching out to all construction workers in the state, including migrant workers.
- ² The term *promotional social security* was first used by Dreze and Sen in *Hunger and Public Action* (1989). In *Public Action for Social Security: Foundations and Strategy* (1999), they argued that in developing countries, given the vast and diverse unorganized sector, the promotional needs of the workers and their households, including food, education, employment, housing, health and drinking water security should be addressed on a priority basis, without which, the protective schemes such as pensions, compensations, etc., would not be successful. More recently, Rajasekhar *et al* (2005) have shown that important links exist between the promotional and protective social security needs of the unorganized workers, even in the workers' own perceptions.
- ³ The two variables taken in the construction of this index are inter-related, but they are taken as separate components with a reason. They are inter-related in the sense that, for instance, if a worker has actually been unemployed during a year, a natural implication might be that s/he would have been seeking more employment during the same period. However, the question pertaining to their perceived gap in employment was asked independent of the actual situation. It was found that in many cases, workers would have been employed throughout the year, but would still feel that they had not got adequate employment. Evidence of the converse was also found, i.e., workers who actually faced severe unemployment during the reference year did not *feel* that there had been a gap between the employment that they sought and that which they got. Among other reasons, one of the main explanatory variables for such responses is the non-convergence between employment security and incomes earned by these categories of workers (See, Section 4). Other important factors that influenced this perception were found to be the state of employment of the workers *at the time of interviews*, crises they had faced in the recent past, etc.
- ⁴ While male domestic help was observed quite often even around half a century ago, this trend has changed, and most domestic workers today *are* women. Exceptions may be in the form of men who work in households as gardeners, drivers, agricultural workers, etc., and also undertake some domestic chores in their employers' houses as part of their overall employment agreement.

- ⁵ The respondents were asked to indicate their preferences for a range of social security needs in order to understand their priorities (See, Section 5).
- ⁶ The term 'perceived' is important here. The workers were asked whether *they thought* they had experienced any improvements in skill levels in the recent past. This is relevant in the context of their response to the question about the perceived lag in the employment they had got during the reference period.
- ⁷ However, only 6 of these workers reported skill improvement to have had a great impact on their earnings, while 15 workers reported that it only partially influenced their earnings. This substantiates an important point that we make in this paper, that employment security and income security are not necessarily convergent (See, Section 4).
- ⁸ Dakshina Kannada was a notable exception where almost all women agricultural workers also undertook beedi rolling at least for two days every week.
- ⁹ The typical response from agricultural workers when asked about their principal employer/s was, 'Whoever calls us, we go and work for them. There are no one or two employers'. Many workers also left the confines of their villages routinely to go and work for farmers in other villages.
- ¹⁰ Obviously, several agricultural workers in Dakshina Kannada were an exception to this.
- ¹¹ Male workers are usually paid much more than the female workers. In that sense, it may seem unreasonable to compare construction workers (largely a male sample) to domestic workers (an entirely female sample). But, on comparing the wages of the few sample women construction workers with the wages of domestic workers, it was found that even the former commanded higher daily wages than the latter.
- ¹² Even though the problem of low income is not so acute in the households where there are multiple earners and therefore, the earnings of other household members usually make up for the low income of the worker herself, arguing from a rights perspective, where the employer has a legal and moral obligation to ensure that the rights of the worker are not violated, there must be a sincere effort in popularising these laws and implementing them effectively.

References

- Bagchee, A. (2005). Political and Administrative Realities of Employment Guarantee Scheme. *Economic and Political Weekly*, XL (42).
- Chaplin, D. (1964). Domestic Service and The Negro. In Arthur Shostak and William Gomberg (eds.), *Blue Collar World*, Englewood Cliffs, NJ: Prentice-Hall.
- Dreze, J. and A. Sen (1989). *Hunger and Public Action*. Oxford: Clarendon Press.
- Dreze, J. and A. Sen (1999). Public Action for Social Security: Foundations and Strategy. In E. Ahmad *et al* (eds.), *Social Security in Developing Countries*. New Delhi: Oxford University Press.
- GoI (1981, 1991, 2001). *Karnataka: Primary Census Abstract, Part II-B(i), General Population*. Bangalore: Directorate of Census Operations, Karnataka.
- GOI (2005). National Rural Employment Guarantee Bill. www.nac.nic.in
- GoK (1996). *Building and Other Construction Workers' (Regulation of Employment and Working Conditions) Act*. Karnataka.
- GoK (1996). *Building and Other Construction Workers' Welfare Cess Act*. Karnataka.
- Kannan, K. P. (2005). Linking Guarantee to Human Development. *Economic and Political Weekly*, XL (42).
- Rajasekhar. D., G.K. Karanth, S. Madheswaran, and J.Y. Suchitra. (2005). Design and Management of Social Security Benefits for the Unorganised Sector Workers in Karnataka. *ISEC Research Report*. Bangalore: ISEC.