ONE-SIZE-DOES-NOT-FIT-ALL:
EMPLOYMENT INSECURITY OF
UNORGANISED WORKERS IN KARNATAKA

J.Y. Suchitra and D. Rajasekhar*

The unorganized sector contributes enormously to the Indian economy, but certain features innate to it render it highly insecure and vulnerable. These are the absence of a fixed employer-employee relationship, the temporary, seasonal and changing nature of employment, the failure of wages to meet minimal requirements, poor work environment, long working hours, insecure employment, irregular incomes, etc. which make the need for greater employment security an important component of social security policies for this sector. In this context, the paper finds that the extent of employment security faced by different occupational groups within the unorganized sector differs, and the factors influencing the same are also different. Such inter- and intra-sectoral heterogeneity among these occupational groups has implications for the policies aiming at ensuring their employment security. A one-size-fits-all policy for the entire unorganized sector will be inadequate because it fails to address the sector-specific needs of workers.

I. INTRODUCTION

Employment insecurity is a pressing problem for millions in India, but the most severely affected are the unorganized sector workers. This sector is characterised by the 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 poor employment security of the workers.

The central and state governments have taken many steps to address the problem of employment insecurity. Employment-generation programmes have always been given high priority. 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 recent past, the Sampoorna Gramin Rozgar Yojana (SGRY) for wage employment and the Swarnajayanti Gram Swarozgar 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 and which is currently being implemented in 200 districts of the country, is a response of the government to the massive employment crisis in the rural areas and gives ample indication of the magnitude of employment insecurity in the country.

Efforts have also been made to regulate the conditions of employment and ensure the welfare of the workers. In the context of unorganized workers, a representative example of these is the

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Construction Workers’ Welfare Bill in Karnataka, meant to improve the employment security of the workers, including aspects like regulation of conditions of work, hours of work, payment of minimum wages, overtime, safety measures, accident compensation, etc. (GoK, 1996a and 1996b). The benefits of this Bill, however, are accessed mostly by the workers in construction companies and contracting agencies as these workers, having relatively continuous employment and easily identifiable employers, can easily be covered under the Bill.

The ordinary construction worker, working for one or a number of contractors, seldom benefits from such legislations. The factors responsible for this are simply the features of the unorganised sector itself, as mentioned earlier. The primary problem is one of availability of continuous employment. This is a ‘promotional social security need’ of the workers, and its fulfilment is imperative for the implementation of ‘protective’ measures such as those included in the aforementioned Bill.

In this paper, we focus on the promotional aspect of employment security in the context of the unorganised workers. The motivation for this is two-fold. First, given that the promotional precedes the protective in some sense, it seems incongruous to analyse the 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.

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., 2006). It is in this context that we analyse the following questions in this paper: Is the employment insecurity 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?

Constructing an ‘employment security index’ based on two indicators, viz. (a) the actual state of unemployment of the workers during the reference period, and (b) their perception on whether they were seeking more employment during the same period, we find that notwithstanding the plethora of employment generation schemes, the workers still face a severe shortfall in the availability of employment, and this employment insecurity varies across the occupational groups. In addition, the employment security of workers in each sector is influenced by different factors. This has important policy implications.

The database for this 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 data was collected in 2004 and sample workers were drawn from both rural and urban areas. Dakshina Kannada, being a coastal and hilly district, is highly developed. The chief crops here are paddy and plantation crops such as areca, coconut, banana and rubber. As a contrast, Gulbarga is a semi-arid district, where mostly rain-fed crops such as jowar, bajra and sunflower are cultivated. It is also characterized by large out-migration of unorganized workers. Mysore is a well-developed district, with large tracts of irrigated lands, and therefore, good demand for agricultural labour. Bangalore Rural, owing to its proximity to Bangalore city, has undergone many changes in its rural landscape over the past decade due to rapid urban expansion. It is, therefore, interesting to observe the impact this has had on the employment of both rural and urban unorganized workers.
Of the 505 sample agricultural workers, most were landless. Some of the landless labourers, however, had entered into sharecropping agreements with the landlords in their villages. The agricultural workers in Dakshina Kannada worked on farms as well as on plantations. The sample covered both men (279) and women (226), belonging to the age group of 18 to 65 years.

Of the 301 sample construction workers, over half of the workers were skilled with employment in trades such as masonry, carpentry, painting, plumbing, electrical work, bartending, etc. and around 45 per cent were semi-skilled or unskilled. The entire sample of construction workers had only 6 female workers. Around 19 per cent of the workers interviewed were from villages, and they were daily commuters to urban areas for work.

The sample of domestic workers comprised entirely of women in the age group of 20 to 60. While some had settled in the cities for many years, quite a few belonged to erstwhile agricultural households that had come to the cities in search of employment.

The paper is organised in the following manner. In Section II, explaining the methodology of construction of the employment security index using primary data, we compare the extent and type of employment security that the workers in the three sectors under study have, and discuss the important reasons for the variation. In Section III, we use a regression model to analyse some key factors that influence the employment security of different categories of workers. The results are discussed in Section IV. Section V concludes the paper with some policy suggestions based on the findings of the paper.

II. EMPLOYMENT (IN) SECURITY: ACTUAL AND PERCEIVED

The Employment Security Index is constructed using two variables, as follows:

(a) The severity of unemployment faced by the respondent worker in the last one year—scores assigned are as follows:

   No unemployment faced by the worker in the past year: 1
   Less than 6 months of unemployment faced by the worker 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—scores assigned are as follows:

   No: 1
   Yes: 3

The employment security index is a weighted sum of the scores that a worker obtains on the two variables—the actual months of unemployment is given 75 per cent weight and the perceived lag in employment sought is given 25 per cent weight. It thus ranges from 1 to 3; the lower the index value, the greater the employment security of the worker, and vice versa.

Based on the indices, we categorise the workers as facing high, medium or low employment security (Table 1). The average employment-security index of all 910 workers is 1.87. The modal

<table>
<thead>
<tr>
<th>Employment security levels</th>
<th>Agricultural workers (N = 505)</th>
<th>Construction workers (N = 301)</th>
<th>Domestic workers (N = 104)</th>
<th>Total (N = 910)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>10.30</td>
<td>10.96</td>
<td>88.46</td>
<td>19.45</td>
</tr>
<tr>
<td>Medium</td>
<td>47.72</td>
<td>46.84</td>
<td>4.81</td>
<td>42.53</td>
</tr>
<tr>
<td>Low</td>
<td>41.98</td>
<td>42.19</td>
<td>6.73</td>
<td>38.02</td>
</tr>
<tr>
<td>Mean index</td>
<td>1.98</td>
<td>1.91</td>
<td>1.25</td>
<td>1.87</td>
</tr>
</tbody>
</table>
group is medium security. Around 38 per cent of all workers faced high employment insecurity. The agricultural and construction workers faced relatively similar levels of employment security. Significantly, employment security was much higher among domestic workers as compared to the agricultural and construction workers. Around 88 per cent of the domestic workers faced high employment security.

1. Agricultural Labourers

Employment for 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 sample agricultural labourers was thus quite high. Important factors influencing the employment security of these workers were, on the supply side, the number of large farmers, extent of irrigated land, number of landless households in the village, etc. and on the demand side, age, sex, average daily wage and skill level of the worker, and the human development index of the household (see Section IV).

2. Construction Workers

Construction workers also have somewhat seasonal employment—having very little or no employment during the monsoon. The actual number of months of unemployment for the sample workers was high, in addition to which most of them 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 from the rural into urban areas, and most had 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 than what they got. Another important factor influencing the employment security of the construction workers was their daily wage (see Section IV).

3. Domestic Workers

The relatively higher employment security of the domestic workers as compared to the other two categories is to be understood as a function of three factors. The first is the social organisation of production in domestic work, which, in turn, influences the first variable—the actual months of unemployment. Domestic work does not follow a seasonal pattern, as is the case with agricultural work and to a lesser degree, construction work. The former are (a) 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 lack of availability of employment from the supply side.

The second factor influencing the employment security of domestic workers is the gender dimension, which helps us understand the second variable, i.e. their perception of the availability of employment. All the sample domestic workers were women, and 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; nor did they seek more employment than they already had. The main reason for this was that they also played the role of ‘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 afforded them enough time to concentrate on their own domestic needs and problems.
The third is some extra-economic considerations. Often, it is not possible to quantify some factors that play a crucial role in cementing employer-employee relationships, which further contribute to the employment security of workers. Some such factors are trust, faith, mutual respect, etc. These factors were most evident in the case of the sample 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 basis. Therefore, it is more difficult for them to maintain such close contact and establish a relationship based on the aforementioned factors with their employers.

Domestic workers were also found to work for multiple employers, but the equation was different in their case. 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, partially, it played a very important role in determining the extent of employment security attained by the workers. Since it is not possible to provide quantitative evidence on this, we present two case studies of domestic workers—one wherein the worker worked for only one employer (see Box 1), and had established a very close relationship with the employer that gave her immense confidence about her employment security. The other is in stark contrast to this (see Box 2).

It is important to note, however, that these cases present extreme pictures. Most domestic workers faced some level of employment security between these extremes. As Table 1 shows, a large majority of the workers faced high employment security, but not all of them were as fortunate as Ishwari, with respect to their relationship with employers. For most workers, 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 employers. Other than the exceptional cases, in general, the domestic workers were highly exploited in terms of the hours of work they put in and the non-commensurate wages they were paid.

<table>
<thead>
<tr>
<th>Box 1</th>
<th>Domestic Worker Whose Social Security Needs are Met by the Employer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ishwari is a 24 year old domestic worker in 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 did not 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 on 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 been feeling increasingly secure about her employment, without the need to work in any other household additionally. The rapport shared by the employer and employee, coupled with mutual respect, has given her this confidence.</td>
<td></td>
</tr>
</tbody>
</table>
4. District Variation of Employment Security

The different agro-climatic conditions across the chosen districts are likely to have had an impact on the employment security of the workers. Table 2 shows the variation of workers’ employment security across the districts.

Agricultural workers in Dakshina Kannada were well off in terms of employment security and this may be attributed to the social organisation of production in the surveyed villages. 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 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. Box 3 substantiates this point.

### Box 2

**Highly Employment-insecure and Vulnerable Domestic Worker**

Nanjamma is a 65 year old widow 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 from the state. 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 had to incur hospital expenses of about Rs. 700. She borrowed money 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 any 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 at that point. She said that she watched and weighed every single thing she said to them or did in their presence because of this fear.

<table>
<thead>
<tr>
<th>Employment security indices</th>
<th>Bangalore</th>
<th>Dakshina Kannada</th>
<th>Gulbarga</th>
<th>Mysore</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agricultural labourers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>0.80</td>
<td>30.77</td>
<td>4.80</td>
<td>4.00</td>
</tr>
<tr>
<td>Medium</td>
<td>53.60</td>
<td>41.54</td>
<td>69.60</td>
<td>26.40</td>
</tr>
<tr>
<td>Low</td>
<td>45.60</td>
<td>27.69</td>
<td>25.60</td>
<td>69.60</td>
</tr>
<tr>
<td>Mean indices</td>
<td>2.08</td>
<td>1.71</td>
<td>1.85</td>
<td>2.27</td>
</tr>
<tr>
<td><strong>Construction workers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>14.67</td>
<td>8.00</td>
<td>2.67</td>
<td>18.42</td>
</tr>
<tr>
<td>Medium</td>
<td>37.33</td>
<td>52.00</td>
<td>62.67</td>
<td>35.53</td>
</tr>
<tr>
<td>Low</td>
<td>48.00</td>
<td>40.00</td>
<td>34.67</td>
<td>46.05</td>
</tr>
<tr>
<td>Mean indices</td>
<td>1.90</td>
<td>1.89</td>
<td>1.92</td>
<td>1.92</td>
</tr>
<tr>
<td><strong>Domestic workers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>80.00</td>
<td>85.71</td>
<td>92.00</td>
<td>96.15</td>
</tr>
<tr>
<td>Medium</td>
<td>8.00</td>
<td>3.57</td>
<td>8.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Low</td>
<td>12.00</td>
<td>10.71</td>
<td>0.00</td>
<td>3.85</td>
</tr>
<tr>
<td>Mean indices</td>
<td>1.36</td>
<td>1.23</td>
<td>1.12</td>
<td>1.30</td>
</tr>
</tbody>
</table>
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 supplied themselves in the agricultural labour market. Therefore, invariably, the supply of agricultural labour was much higher than the demand, and several workers were marginalized in the bargain.

Only marginal differences were found in the employment security of construction workers across the districts. While the proportion of workers facing high employment security was the largest in Bangalore and Mysore, the proportion of those facing low security was also the largest in these districts. These districts are characterised by high in-migration of 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 skilled migrant workers from different parts of the country. Although Dakshina Kannada has also been characterized by a boom in construction activity in the recent years, this is mostly localized in parts of Mangalore city, and the competition among construction workers in this district is not very high.

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

III. DETERMINANTS OF EMPLOYMENT SECURITY

An important result from Table 1 is that in addition to inter-sector variation, within each sector as well, there is vast heterogeneity with respect to workers’ employment security. In this section,

<table>
<thead>
<tr>
<th>Box 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plantation Worker in Dakshina Kannada Facing High Employment Security</strong></td>
</tr>
<tr>
<td>Madhava is a 23 year old plantation worker in the village of Kanakalajulu in Dakshina Kannada. He started working after completing the 7th standard, and now earns Rs. 55 per day. His entire household has been working in one particular estate for several years now and none of the household members has been unemployed in the past year. Of late, Madhava has been learning to climb areca trees to harvest the fruit. He maintains that it is a handy skill to possess in the agricultural labour market since it renders him more employment secure.</td>
</tr>
<tr>
<td>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 problems they had, and he was always willing to help them. The employer also gives them one meal per day, and clothes at least twice a year.</td>
</tr>
<tr>
<td>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-related problem in the village so far, and the employers are understanding and magnanimous.</td>
</tr>
</tbody>
</table>
we use a probit model to identify the key determinants of employment security for the agricultural and construction workers. Employment security is the dependent variable, and a range of independent variables have been identified as in Table 3. Given the highly skewed nature of the dependent variable among domestic workers, regression analysis has not been done for this sub-sample.

1. Area-specific Factors

Rural or Urban

Studies have shown that there exists a rural-urban divide in terms of indicators such as growth rates, proportion of population below poverty line, per capita consumption expenditure, etc, with the rural areas being more disadvantaged. Besides, the dominant occupation in the

<table>
<thead>
<tr>
<th>Table 3</th>
<th>Main Variables Used in the Probit Model and their Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent variable:</strong> Employment security (Dummy variable: 1=High security, 0 otherwise)</td>
<td></td>
</tr>
<tr>
<td><strong>Independent variables</strong></td>
<td><strong>Definition and measurement</strong></td>
</tr>
<tr>
<td>Sex of the worker</td>
<td>(Dummy) 1=Male; 0 otherwise</td>
</tr>
<tr>
<td>Skills</td>
<td>(Dummy) 1=Skilled; 0 otherwise</td>
</tr>
<tr>
<td>Age</td>
<td>Age of the worker (in years)</td>
</tr>
<tr>
<td>Caste</td>
<td>(Dummy) 1=SC/ST; 0 otherwise</td>
</tr>
<tr>
<td>Daily wage</td>
<td>Average daily wages of the workers (in Rs.)</td>
</tr>
<tr>
<td>Occupational diversification</td>
<td>(Dummy) 1 = Yes; 0 otherwise</td>
</tr>
<tr>
<td>Human development</td>
<td>Human development index of household (Scale of 1–100)</td>
</tr>
<tr>
<td>Additional perks</td>
<td>(Dummy) 1=Yes; 0 otherwise</td>
</tr>
<tr>
<td>Organisational membership</td>
<td>(Dummy) 1=Yes; 0 otherwise</td>
</tr>
</tbody>
</table>

| Construction workers (N = 301) |
|-----------------------------|-----------------------------------------------------------------|
| **Locality** | (Dummy) 1= Rural; 0 otherwise | Proportion of rural construction workers = 18 % | Negative |
| Skills | (Dummy) 1=Skilled; 0 otherwise | Proportion of skilled workers = 55.8 % | Positive |
| Age | Age of the worker (in years) | Average age of sample workers = 32 | Positive |
| Caste | (Dummy) 1=SC/ST, 0 otherwise | Proportion of SC/ST workers = 43.2 % | Negative |
| Daily wage | Average daily wage of the workers (in Rs.) | Average daily wage of workers = Rs.79 | Positive |
| Occupational diversification | (Dummy) 1 = Yes; 0 otherwise | Proportion of households with occupational diversification = 62.8 % | Positive |
| Human development | Human development index of the household (Scale of 1 – 100) | Average HDI of the households = 51.02 | Positive |
| Additional perks | (Dummy) 1=Yes; 0 otherwise | Proportion of workers getting additional perks = 35.2 % | Positive |
| Organisational membership | (Dummy) 1=Yes; 0 otherwise | Proportion of households with organizational membership = 32.9 % | Positive |
rural areas is agriculture, and employment in agriculture is still subject to the vagaries of monsoons in India. In urban areas, on the other hand, there is much greater occupational diversification. The mass migration (temporary or permanent) of workers and their households from rural to the urban areas primarily in search of employment substantiates this. The expectation, therefore, is that workers in the urban areas are more employment secure than those in the rural areas. Since agricultural workers form an entirely rural sample, we are able to test this variable only for the construction workers.

The workplace of all construction workers is almost always urban areas. By rural and urban, we mean the place of residence of these workers. Considering that the workers residing in the rural areas would have to commute on a daily basis, and may not have as well-established networks of contacts as the urban workers have, they are expected to be less employment-secure.

2. Household-level Factors

(i) Human Development Index

The position of the household with respect to some basic human development indicators, such as education, literacy and primary health, is important in determining the employment security of the workers. This is so because unless the household has reached a certain minimum level in relation to these indicators, no amount of employment may seem adequate to the workers. The expectation, therefore, is that workers belonging to households with a lower human development index will face greater employment insecurity as compared to those belonging to households with a higher human development index.

It was observed that, in general, the construction workers were better off with respect to the human development index, primarily because of the higher incomes of their households, which allowed them to educate their children, access reliable health facilities, etc. Agricultural workers were highly vulnerable with respect to both health and education. Education was given considerable importance by domestic workers mainly because of the patronage of their employers. Most domestic workers strived to educate their children to the extent possible.

(ii) Caste

The Scheduled Castes (SCs) and the Scheduled Tribes (STs) constitute the most oppressed sections of the Indian population. Historically among the most socio-economically vulnerable, they have been targeted under several state programmes as beneficiaries. With respect to employment generation programmes, this targeting is practised directly or indirectly. For example, the SGRY guidelines stipulate that 50 per cent of the total fund allocation should be undertaken for the development of SC/ST habitations in villages (GoI, 2002). Although this does not directly contribute to the workers’ employment security, it will have an impact on the livelihood and human development of the people, which further has a bearing on their employment.

In spite of such protection provided to these groups, large sections of the SCs and STs continue to be oppressed and vulnerable. A simple case is control over land. Most of the SC and ST households in the study area were found to be landless. We, therefore, expect that the workers belonging to the SC and ST are more employment insecure than those belonging to other castes.

(iii) Occupational Diversification

It is expected that those households that diversify occupations and are, therefore, able to earn income from different sources, will be more employment secure than those that do not.
This is because occupational diversification tends to bring down the dependency ratio of households. Agricultural workers’ households in villages closer to urban/semi-urban areas had some scope to diversify occupations as some or the other members of each household (during the slack season) had the opportunity to go to the towns for some form of wage employment. Other forms of diversification included farm activities like cattle, buffalo rearing, poultry, sericulture, etc.

(iv) Organisational Membership

Organisational membership involves the membership of any member of the household in Self-Help Groups (SHGs), and other organisations such as gram panchayats, etc. Such membership contributes towards the building up of social capital for the household, and is expected to positively influence employment security of the workers. For instance, the membership of a household member in a micro-finance group implies the availability of credit for the household, which may help them start some income-generating activities, and thus contribute to cementing the employment security of the workers. Membership in SHGs was more common among the sample agricultural and construction worker households in the villages, because of higher incidence of such groups in rural areas.

3. Personal Factors

(i) Sex

It is only among the sample agricultural workers that we can demonstrate gender variation, since more than 90 per cent of the sample construction workers is male. Employment security of male agricultural labourers is expected to be higher than that of female workers. This is because of three factors.

First, there is the increasing feminisation of agricultural labour. 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 (GoI, 1981; 1991; 2001). Given this increased competition in the agricultural labour market of women in the face of availability of employment having remained more or less constant, the employment security of female agricultural workers is expected to be lower.

Second, the sample 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 so.

A third factor is the wage rates for men and women. The average daily wage of male workers was around Rs. 40, while it was around Rs.28 for the female workers.

(ii) Age

The average age of the sample agricultural and construction workers was 38 and 32 respectively. Since the older workers are more likely to have been working for a longer duration and therefore more experienced and likely to be more familiar with the labour market, we expect a positive relationship between workers’ age and their employment security.

(iii) Skill

In general, skill is an important asset in determining the employability of the unorganised workers. It is reasonable to expect that the acquisition of skills would contribute to workers’ employment security positively, either in terms of ensuring more employment or better wages.
In the case of construction workers, skill level and continuous improvements in the same are very important for upward mobility. There exists a marked hierarchy among these workers based on their skill levels. The sample construction workers included skilled, semi-skilled and unskilled workers. Skilled workers included masons, painters, polishers, carpenters, electricians, road-layers, etc. Semi-skilled workers usually belonged to the category of apprentices, i.e. those learning a particular skill such as masonry or carpentry. The unskilled workers constituted helpers in all trades, and usually, they were involved in carrying mud, bricks, cement, etc. These workers were highly marginalized and vulnerable in terms of the competition they faced and the low wages they were paid.

A gender differential was found in the case of construction workers and skill levels. Women construction workers are, in general, unskilled workers, and are paid wages even lesser than those paid to the men unskilled workers. The few women workers interviewed mentioned that no matter what skills they learned (for instance, some had learned brick-laying, basic masonry, etc.), they were always classified as unskilled and paid the associated wage.

Among agricultural workers, there is a very thin line differentiating the skilled workers from the rest. While most of the sample agricultural labourers were involved in ploughing, sowing, weeding, transplanting, etc. some were, in addition to these, also involved in some-what specialised jobs such as spraying pesticides, driving tractors, climbing areca trees to harvest the fruit (in the case of Dakshina Kannada), etc. Some labourers were also given supervisory duties.

4. Work-specific Factors

(i) Wages

The relationship between employment and income security is well-established, and it is accepted that better employment security leads to higher incomes. Here, we look at the reverse-causation. What is the impact that the wages of the workers have on their employment security? We expect that the wages they earn would influence their employment security positively. This is because at higher levels of wages, there is greater scope for the household to save some money over and above what is needed for basic consumption. This saving would help them tide over periods during which they are unable to find employment, and therefore, perhaps inducing them to perceive that they have adequate employment, because they did not really feel the impact of the gap.

However, as an aside, it is worth pointing out that at the level of occupations, it is not necessarily true that the higher-wage-earning groups are more employment-secure than those earning lower wages. Box 4 demonstrates this point.

(ii) Perquisites

The non-wage component of the earnings of the workers is an equally important factor. This includes items like food and beverages, medicines, transport charge, clothes, etc. It is expected that workers who do receive from time to time some or the other perquisites of this nature would be more employment secure, since this takes care of aspects of their livelihood other than just income. Among the three categories of workers, domestic workers regularly received such perks from their employers (almost 70 per cent).

Construction workers seldom enjoyed this luxury, and by the admission of some of their employers (contractors), they were supposed to manage all their expenses within the wages they got. On the odd occasion, they were paid over-time or transport charge. To that extent, the employer-employee relationship was highly informal among these workers.
Agricultural workers also received some non-wage perks, the most common one being one meal per day. In Dakshina Kannada, as compared to other districts, workers were better off in this respect as many were provided housing facilities on their employers’ estates and enjoyed a more personal relationship with their employers.

IV. RESULTS OF ECONOMETRIC ANALYSIS

In this section, we discuss the results of the Probit Model applied to the agricultural and construction workers to analyse the main determinants of employment security. Table 4 shows the results for agricultural workers and construction workers. The models for both agricultural and construction workers meet the \textit{a priori} expectations and are significant. For the agricultural workers, the variables that meet the expected sign which are significant are sex of the worker, average daily wage, skills, human development index and additional perks. For the construction workers, the variables that meet the expected sign which are significant are daily wages and human development index.

1. Age

One of the surprising findings of the econometric analysis is that employment security declines with age, and this is significant for both agricultural and construction workers. An important reason for this lies in the way that employers perceive the workers. Notwithstanding the fact that older workers are likely to have more experience, it was found that employers usually preferred younger and stronger workers. For older workers, age and physical strength often worked against their employability. These workers said that they were under constant threat of competition from the younger workers, and that they often lost out to the latter.

2. Caste

The results for agricultural workers show that the SC/ST workers were not marginalized in terms of employment security, and this result is significant. This could be because the SC/ST workers have benefited considerably from the state policies and programmes targeted at them, and therefore, the caste barrier in their employability and employment security has decidedly reduced. Alternatively, this could imply that not only the SC/ST workers, but workers belonging to all castes are just as vulnerable with respect to employment security, and therefore, there

\begin{table}[h]
\centering
\begin{tabular}{|l|c|}
\hline
\textbf{Wages and Employment Security by Occupations} & \\
\hline
Average daily wages of the workers (in Rs.) & \\
Agricultural & 42.58 \\
Construction & 78.54 \\
Domestic & 23.1 \\
\hline
The average daily wages of the three categories of workers show that there is no apparent relationship between wages and employment security at the occupational level. The sample construction workers commanded a much higher daily wage than the other two categories, and therefore, despite their having a very low average employment security, the higher wage provided them the income security to offset periods of unemployment. In contrast, domestic workers, despite their high employment security, were paid exploitatively low wages. Agricultural workers faced the lowest employment security, but their average daily wage was higher than even that of the domestic workers. & \\
\hline
\end{tabular}
\end{table}
needs to be an intensification of employment generation programmes across all castes. Among the construction workers, the SC/ST workers did face less employment security as compared to the others, but this is not significant.

3. Organisational Membership

Among agricultural workers, the presence of organisational membership in the household shows an inverse relationship with the worker’s employment security, while among construction workers, there is a positive relationship, though insignificant. It may be argued that the different types of organisational membership that we consider (SHGs, micro-finance groups, etc.) are still in the nascent phase of development, at the most about five years, and therefore, it is perhaps premature to expect that such social capital will have immediate implications for employment security. Besides, many studies show that micro-finance and other SHGs take up considerable time of the workers (time away from their labour) in terms of mobilisation, meetings, etc. and also the income-generation activities that the former promote are not always successful (Rajasekhar, 2002 and 2004) thus indicating lack of or limited impact of these groups on employment security.
4. **Occupational Diversification**

Occupational diversification at the household level shows an inverse relationship with employment security for the agricultural workers, and for the construction workers, there is a positive but insignificant relationship. The following factors may help explain this anomaly.

First, occupational diversification would have an impact on employment security only if the additional income brought in by the different occupations is a sizeable amount. Among the sample households, it was found that in many cases, the additional occupations pursued by the household members were not very fetching, and ultimately, the per-occupation income of the household was quite low. This would obviously have an impact on the employment security index of the worker since it would induce him/her to perceive any amount of employment got as inadequate.

Second, on many occasions, the alternative occupations undertaken by the workers and their households were indicative of ‘distress-diversification’, i.e. they were forced to undertake them for their basic survival. Such occupational diversification is unlikely to have any bearing on the employment security of the worker.

Lastly, some motivational factors, i.e., in spite of the occupational diversification of the household, perhaps to the individual worker, this is only incidental to his/her employment security rather than influential. It is possible that each worker is motivated by factors not entirely related to what the other members of his/her household do. Even if there are four members of the household pursuing four different occupations and bringing in more and more income, the worker herself/himself is not satisfied until and unless s/he is gainfully employed for the most part of the year and perceives that s/he has got as much employment as s/he is seeking.

5. **Area**

At the level of occupations, we find that agricultural labourers are the worst off with respect to employment security, and given that they constitute an entirely rural sample as compared to domestic and construction workers’ largely urban samples, there is merit in the greater concentration of employment generation programmes in rural areas. But, when we consider only the sample of construction workers, we find that the rural workers are more employment-secure than their urban counterparts and this result is significant.

The sample of urban construction workers constituted in part households which had settled down in these areas and were, therefore, fairly well-established, and in part the migrant households. The latter category, as mentioned earlier, constituted those households who had moved into urban areas in search of employment, but faced such severe competition that they were unable to find as much employment as they sought. In addition, these households typically did not have a permanent place of residence, and practically led a nomadic existence, moving from one work-site to another. Their human development and lifestyles were thus also on the poorer side. All these factors explain the relatively lower employment security of the urban construction workers.

In the rural areas, the general opinion was that the lifestyles they led living in the villages were much superior to what the construction workers who had migrated to the urban areas led. According to these workers, the cost of living was much higher in urban areas, the savings much lesser, and therefore, that the workers in urban areas were more employment secure was a myth.

6. **Skills**

The result that for the construction workers, although their skill level is positively related to employment security, it is not significant, is quite surprising, because it is for these workers that
constant upgrading of skills is very important given the skill-based hierarchy. This may be explained in terms of the extent of competition faced by the skilled workers, which is so high that the mere acquisition of skills may not always ensure higher employment security. For instance, in Bangalore, many local construction workers, including highly skilled tile-layers, polishers, etc., mentioned that they were practically driven out of the labour market because of the increase in the highly demanded migrant workers from different parts of the country.

V. CONCLUSIONS AND POLICY IMPLICATIONS

This paper treats employment security as primarily the availability of employment and the workers’ perception of the shortfall of employment that they have faced. Using the employment security index constructed, we show variation of employment security across categories of workers. We also use a regression model to analyse the determinants of employment security in each sub-sector. This analysis has been done for the sample agricultural and construction workers but not for domestic workers. We find that the key factors that determine the extent of employment security of agricultural workers are sex, age, skill and average wages of workers, perquisites they get from employers, and the position of their households with respect to human development indicators. The factors that determine the employment security of the construction workers are area of residence, human development, average wages and age of workers.

Based on the findings of the paper, the following are some policy implications we have arrived at.

1. One-size-does-not-fit-all

Given the heterogeneity in employment security faced by different occupational groups in the unorganised sector, there is a pressing need to address the sector-specific employment needs of the workers.

(i) Domestic workers have employment throughout the year, but their wages are exploitatively low. Among the sample workers, none was aware of minimum wage laws for their categories of work. For these workers, it is pertinent to bring in policies relating to conditions of work, holidays, payment of wages, overtime, etc. Some mobilisation of workers must be attempted in order to organise them and increase their bargaining power capacities.

(ii) Construction workers are highly vulnerable with respect to their employment security. But these workers are, in general, high-wage 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, as also laws regarding their conditions of work, payment of wages, accident compensation, etc. The important point here is that while these protective aspects of employment security are not unimportant, as a first step, attempts must be made to ensure continuous employment to these workers. Currently, only an ‘elite’ section of the construction workers enjoys the benefits of the social security policies of the government, because they are registered and they are also employed throughout the year. For the large majority, who work for an assortment of contractors for daily wages, these policies will be irrelevant and also 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.
(iii) The agricultural workers being the worst-off with respect to employment security, the NREGA, 2005, is both timely and significant. This Act 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. In addition, 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 (GoI, 2005). 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.

2. Rural vs. Urban

Although it is undeniable that the rural workers are, in general, more vulnerable, it should be cautioned that the urban unorganised workers cannot be neglected. As we have shown, urban construction workers face much more employment insecurity than that of their rural counterparts. The result indicates that there is a 10.3 per cent probability of urban construction workers being more employment-insecure than rural construction workers. There are several such ‘unorganised’ occupations in urban areas, including the self-employed and the wage-employed, where workers are in a similar position, and need to be covered under some form of employment guarantee.

3. Gender-sensitive Policies

Women agricultural workers are clearly more employment-insecure when compared to their male counterparts. Our results indicate that the probability of male workers being more employment secure is around 5.8 per cent. Besides, women workers are paid wages much lower than that of the men workers. Although the NREGA stipulates that both men and women shall be paid equal wages for the same nature of work, the history of employment guarantee schemes in the country shows that such equal treatment has never been the case despite the law. Therefore, there also needs to be some affirmative action in terms of a certain percentage of the total employment provided being reserved for women workers.

4. Old Age Pension, a Necessity

The inverse relationship between age and employment security should sound a warning to intensify and improve the old age pension schemes for the unorganised workers. Every year’s increase in age shows a 0.31 per cent probability of increased employment insecurity in the case of agricultural workers and 0.21 per cent in the case of construction workers.

Rajasekhar et al. (2006) have shown that among a range of social security needs which unorganised workers were asked to preference-map4, a majority of the workers considered old age pension as the most important. And this need was felt most pressingly by the workers above the age of 40-45. Clearly, there is a link between the low employment security at higher ages and the need for pensions. Interestingly, the next most significant need was unemployment benefits, since workers faced continuous employment insecurity. This shows the internal links between the two. A current need is the shortfall in the availability of employment, which necessitates employment guarantee. For the future, however, even in the event of employment guarantee, workers will be unable to work, which necessitates pensions.
5. Increased Focus on Human Development

The link between the human development index and employment security is very significant. While we find that better human development leads to improved employment security, it is quite certain that the reverse will also be true. In support of our finding, we extend the Dreze and Sen (1991) argument that adequate fulfilment of promotional social security needs is a necessary condition for the success of protective social security, i.e. unless the household has reached a certain minimum ‘threshold’ level with respect to key human development indicators, it is very likely that no matter how much employment the worker has, it will seem to be inadequate to him/her.

An important implication of this is that alongside employment generation programmes which will ensure employment security, there is a need to improve housing, health, education, drinking water and other basic facilities, so as to bring households to the threshold level.

6. Promotion of Viable Activities through SHGs

The result that organisational membership and occupational diversification do not have a significant impact on employment security should not be interpreted as their being unimportant. It only goes to say that just being engaged in two or more occupations, or just being members in SHGs will have little impact. For instance, the micro-finance groups give loans to help the members start income-generating activities, but not much support is extended in order to ensure that these activities are viable and do in fact generate additional income for the households. The policies should, therefore, aim at strengthening the capital base of the activities, and services other than micro-credit should also be provided.

7. Skills Do Matter

The positive relationship between skills and employment security of construction workers being insignificant should not be seen as implying that the skills do not influence employment security. Rather, it is merely indicative of the fact that even among skilled workers, there is such intense competition that mere acquisition of new skills is not seen as and does not always guarantee employment security. This is, however, a ground for further research—to what extent the workers are affected by competition, which tends to reduce the impact of skills acquired.

To conclude, employment insecurity is a pressing problem for the unorganised sector workers in India. The effort of the state to address it thus far has, by and large, been an ‘umbrella’ approach, without really accounting for the sector-specific nuances. In this paper, we have given some preliminary indications of the extent of heterogeneity, and how it may be treated. Policies on these lines will be more fruitful in the long-run in order to narrow the gap between organised and unorganised sectors.

Notes

1. These workers are usually referred to as ‘informal workers in the organised sector’.
2. This has led to considerable discussion and debate in the Karnataka government, and the bill was, at the time of writing the paper, being revised with the aim of reaching out to all construction workers in the state, including migrant workers.
3. The term promotional social security was first used by Dreze and Sen (1989). And Dreze and Sen (1991) have 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. (2006) have shown that important links exist
between promotional and protective social security needs of the unorganized workers, even in the workers’ own perceptions.

4. While male domestic help in India was observed quite often even around half a century ago, this trend has changed, and now, most domestic workers 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 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, the 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. *Inter alia*, one of the main explanatory variables for such responses is the non-convergence between employment security and incomes earned by these categories of workers (Rajasekhar and Suchitra, 2006). Other important factors that influence this perception were found to be the state of employment of the workers *at the time of the interviews*, crises they had faced in the recent past, etc.

6. 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 work for farmers in other villages.

7. Several agricultural workers in Dakshina Kannada were an exception to this evident in the section on district variation.

8. See, for instance, Rajasekhar and Sahu (2004).

9. The human development index used in this paper has three components – proportion of adult literates to total adults, proportion of children in the age group of 6-14, who are not in school or dropped out of school as a proportion of total children in the household, and the frequency with which the households are able to access some primary health facility. It takes values from 0 to 100, the higher the index, the better off the household.

10. This is not considered for construction workers since this sample was almost entirely male.

11. This is not considered for agricultural workers since all of them belong to rural areas.

12. Dakshina Kannada was a notable exception, where almost all the women agricultural workers also undertook beedi rolling at least two for days every week.


14. The social security needs that workers were asked to prioritise were old age pensions, health insurance, employment injury insurance, unemployment benefits, life insurance and maternity benefits (the last only for women workers).

15. See, also, Kannan (2005).

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EMPLOYMENT INSECURITY OF UNORGANIZED WORKERS


GoK (1996a), Building and Other Construction Workers' (Regulation of Employment and Working Conditions) Act, Government of Karnataka, Bangalore.


