CHAPTER - II

CONCEPTS, THEORETICAL BACKGROUND AND REVIEW OF EMPIRICAL STUDIES

2.1 Introduction

A scientific research tries to unearth the theoretical background of the field concerned. This is understand the research works made on the topic chosen for the study so as to understand the problems to be explored, methodology to be adopted and the social relevancy to be achieved through the given research. The literature review is an important step in any research process. Review of earlier studies discloses the works and studies done by individual researchers and institutions and help to establish the need for further study. Various studies relating to the employment, working condition, social security and health insurance of unorganized sector workers have been conducted by different social scientists at micro as well as macro levels in India and abroad. While there has been much literature available on the men workers, it is found in the study that the working conditions and social security of unorganized women workers in the industrial sector is of recent development. The present chapter is devoted for those important aspects of research, viz., concepts, theoretical background and reviews of empirical studies made on the related topics. Part I deals with the related conceptual clarifications. Part II dealt with theories related to Labour Market and Labour Welfare and Part III reviews the earlier empirical studies related to the topic.

PART-I - Concepts

❖ Labour

Labour or wage labour is the socio-economic relationship between a worker and an employer in which the worker sells his/her labour under a contract (employment). The employer buys it, often in a labour market. In exchange for the wages paid, the products of the labour become the property of the employer. A wage labourer is a person whose primary means of income is from the selling of his or her labour in this way.
**Labour Welfare**

Labour welfare covers all the efforts which employers make for the benefit of their employees over and above the minimum standards of working conditions fixed by the Factory Act. The above provision of social legislation provides against accident, old age, unemployment and sickness. It is the voluntary efforts of the employers to establish, within the existing industrial system, working and sometimes living and cultural conditions of the employees beyond what is required by law, the custom of industry and the conditions of the market.

**Labour Market**

Labour market refers to the process by which workers and employers are brought into contact, and wages and conditions of work are decided. Some of these involve formal institutions: contacts between workers and employers may be arranged by Employment Exchange or agencies, either public or private.

**Labor Market Segmentation**

Segmented labour markets are dual labour markets, which consist of various sub-groups with little or no crossover capability. The labour markets are divided into two sectors namely, primary sector and secondary sector. The primary sector generally contains the higher-grade, higher-status and better-paid jobs, with employers who offer the best terms and conditions. It is a male dominated sector. The secondary sector is characterised by jobs which are mostly low-skilled and require relatively little training. There is job mobility within the secondary sector, because, the jobs are unattractive, there is little incentive to stay and there are high levels of labour turnover, with workers moving on to other jobs or employers. Wages are low, and terms and conditions of the jobs are poor. It is a female dominated sector.

**Organised Sector/ Formal Sector**

The formal/organized sector is characterized by privileged access to resources, large scale of operations, capital intensive techniques, high wage rates and salary packages.
Unorganised Sector/ Informal Sector

“The unorganised sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers” (NCEUS Report, 2009).

Unorganised Workers

“Unorganized workers consist of those working in the unorganized sector or households, excluding regular workers with social security benefits provided by the employers and the workers in the formal sector without any employment and social security benefits provided by the employers” (NCEUS Report, 2009).

Migration

The word is derived from the Latin word *migrate*; meaning, to change one’s residence. It is difficult to define the concept ‘migration’ precisely, as it encompasses many aspects. Migration is often defined by distance, direction and duration, which are all measurable variables that can be quantified by statistical measurement methods. Migration can also be defined with respect to the purpose of migration.

Mobility

All phenomena involving the displacement of individuals are generally referred to as mobility. The term migration is used only for movement involving a permanent or semi-permanent change of usual residence. The term mobility is also used when dealing with social mobility and occupational mobility.

Occupational Mobility

Occupational mobility means the mobility or movement of factors of production from one type of productive activity to another type of productive activity. The extent of occupational mobility is indicated by the number of workers who change occupations over a given period of time. Occupational mobility can be upward or downward, depending on whether a worker moves to a higher paying, higher status occupation or vice-versa.
- **Wages**
  Wage means, the payment that is made by an employer to his workers or employees as remuneration of the work that they have rendered for the employer. This remuneration may be weekly, fortnightly or monthly. Thus, wage means any amount given by an employer to his employees for their services.

- **Social Security**
  Social security is the protection which society provides for its members against the economic and social distress that otherwise would be caused by substantial reduction or ceasing of earnings resulting from sickness, maternity, employment injury, unemployment, invalidity, old age and death. It also means the provision of medical care and the provision of subsidies for families and children.

- **Health Insurance**
  Insurance provides protection against risks or uncertain events and is based on the principle that what is highly unpredictable to an individual is predictable to a group of individuals. Health insurance protects against the cost of illness, mobilizes funds for health services, increases the efficiency of mobilization of funds and provision of health services and achieves certain equity objectives. Health insurance is a mechanism of pooling resources and sharing risks or uncertainties among people.

- **Trade Union**
  A trade union is an organization of workers who have banded together to achieve common goals such as better working conditions. The trade union, through its leadership, bargains with the employer on behalf of union members (rank and file members) and negotiates labour contracts (collective bargaining) with employers. This may include the negotiation of wages, work rules, complaint procedures, rules governing hiring and firing and promotion of workers, benefits, work place safety and policies.

- **Textile Industry**
  ‘The Textile Industry’ is a term used for industries primarily concerned with the design or manufacture of clothing as well as the distribution and use of textiles. The process of making cloth depends slightly on the fibre being used, but there are three main steps, namely, preparation of fibre for spinning, spinning and weaving or knitting.
Foundry

A foundry is a factory that produces metal castings. Metals are cast into shapes by melting them into a liquid, pouring the metal in a mold and removing the mold material or casting after the metal has solidified as it cools. The most common metals processed are aluminum and cast iron.

PART-II THEORIES OF LABOUR MARKET
2.2. Theories Related to Labour Market

a) Labour Market: A Theoretical Sketch

A number of segmentation theories rather models have been evolved since late 1960s, first in the United States and then in other developed capitalist economies. The various names given to the segmented labour market theories are radical, dual (primary-secondary), tripartite (core- periphery- irregular), stratified, hierachical [multiple] and job competition (Biswal, 1995). Contributors to the analysis of labour markets are usually classified by their perspectives into broad groups, namely, Classical, Neo-classical and Segmented Labour Market or Dual Labour Market (SLM or DLM) and Radical (Marxist) theorists. The first two are also known as 'Orthodox' and the other two as Alternative. A brief taxonomy of existing labour market in its proper perspective is presented in Table 2.1.

Table 2.1
A Taxonomy of Labour Market Theories

<table>
<thead>
<tr>
<th>Theory</th>
<th>Key Element</th>
<th>Policy Prescription</th>
<th>Principal Exponent</th>
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<tbody>
<tr>
<td>Orthodox</td>
<td>Classical</td>
<td>Population Dynamics</td>
<td>Population control</td>
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<tr>
<td></td>
<td>Population Subsistence Wage</td>
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<td>Smith Malthus</td>
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<td></td>
<td></td>
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<td>Mill Marx</td>
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<tr>
<td>Neo-classical</td>
<td>Supply and Demand</td>
<td>Productivity boosters,</td>
<td>Marshall, Schultz</td>
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<td></td>
<td>Marginal Productivity</td>
<td>provision of education +</td>
<td>and Becker</td>
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<td></td>
<td>Human Capital</td>
<td>training</td>
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<tr>
<td>Alternative</td>
<td>Segmented (Dual)</td>
<td>Reduction of barriers,</td>
<td>Bluestone</td>
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<td>institutional changes</td>
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<td>Institutional structure,</td>
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<td>Mobility Barriers</td>
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<tr>
<td>Radical (Marxist)</td>
<td>Social Class</td>
<td>Development of social</td>
<td>Bowles, Gintis</td>
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<td></td>
<td>Conflict</td>
<td>class consciousness</td>
<td>Reich, Gordon</td>
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<td>Edwards</td>
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Source: (Psachroloulos, 1977).
b) The Classical Theory

Classical analysis more or less treated the labour market as a unified entity in which allocation is regulated by the price mechanism. They adopted an aggregate view of labour as a factor of production and therefore were mainly concerned with the long-term share of wages in national income rather than personal income distribution. A typical example of their thinking is Malthus's dynamic model of food and population interaction leading to a subsistence wage. Improvement of labour conditions seemed beyond the control of the individual, and translated into modern terms, population control would be one of their policy prescriptions. Smith and other classical writers believed the actions of the participants on the labour market as class-based. They arose out of the shared means of the employers who combined to pay little and of the employees who combined to raise their wages as high as possible. Marx gave the workers’ combinations a revolutionary purpose. Others did not. Both Smith and Marx regard labour as the only source of wealth. Smith realises the advantages of division of labour. So far as creation of wealth goes but does not fail to realise its disadvantage which he details in the theory of moral sentiments (Deshpande, 1983).

While classical economists were primarily concerned with the problem of distribution, they did not ignore the structure of the labour market. Adam Smith, for example, provided a number of explanations to why some workers earn more than others, including the ‘agreeableness or disagreeableness’ of the work, the tenure of the job and regularity of employment and the cost of acquiring the skill necessary to undertake the job. Smith argued in the ‘Wealth of Nations’ that education could be viewed as an investment in future earnings capacity which must replace to him the whole expense of his education, with at least ordinary profits of an equally valuable capital. Other classical economists such as J.S. Mill disputed Smith's theory of wage relativities and argued instead that the labour market was composed of non-competing groups of workers. Those in the most desirable (both high-wage and more agreeable) jobs are in these occupations as much because of their social background as because of their education or skills. Wages in skilled jobs are higher because social barriers restrict entry of these jobs, not because there are barriers based on lack of education.
c) Neo-classical Theory

The neo-classical theory of labour market represents the mainstream approach to labour market analysis. This theory has its origin in the work of early neo-classical economists such as Alfred Marshall and J.B. Clark during the 19th century. Their work was a part of the ‘Marginalistic Revolution’ which saw the introduction of a framework for analysing economic problems that remain the corner stone of current economic analysis. While the classical economists had concerned themselves with distribution, neo-classical economists focus on the process through which the economy allocates its scarce resources between their possible uses. Attention was directed, in particular, to how a free market system could achieve on efficient or optimal allocation of resources and to the economic behavior of individual aspects in this process (McNabb, 1981).

In the labour market, the implications of this approach for the demand for labour are described in the ‘Marginal Productivity Theory’ as developed by J.B.Clark (1899). Assuming that firms operate in a competitive labour market and face an inelastic and homogeneous supply of labour at the going wage rate, firms will maximise their profits if they employ labour upto the point where the wage equals the value of the marginal product. This theory provided an explanation of labour demand. It suggests that the number of workers employed by a firm and the wage they were paid depend, among other things, on the productivity of those workers. On the supply side, the neo-classical economists were concerned with the question of how the supply of labour changed with changes in the wage rate. Differences in labour quality were to all intents and purposes ignored, and education was treated as one of many goods available for consumption. This theory has provided an explanation of the general levels of wage and employment and the determinants of the wage and employment.

The proponents of the neo-classical school take pride in the contribution that their school has made to the meeting ground. They claim that they have made labour economics far more analytical than it was a few decades ago. The application of micro and macro economic theories to explain the outcomes observed commonly in the labour market has brought with it the choice-theoretic approach. It assumes that, time, personal incomes and social resources are scarce. Therefore, every individual has to choose. He is guided in his choice by costs and benefits and adopts his behaviour to the changes in perceived costs and benefits (Deshpande, 1991).
Neo-classical labour market theory is basically a theory of markets and market interdependencies without reference to societal context. In its purest form, neo-classical labour market theory is non-institutional, that is, factors like trade union influence, collective bargaining and the state do not appear as necessary conditions in the workings of their models of reality (Loveridge and Mok, 1976). Rather, the orthodox neo-classical view rests on the proposition that the worker is paid his worth; this is brought about by the existence of well behaved production functions (when good behaviour is defined by diminishing returns to factor input) and perfect labour markets (where perfection requires large numbers of capitalists and workers with equality of status within and between these groups). Given these preconditions, the equilibrium price of labour will be determined by the elasticity of substitution for capital in the production process and its relative plentitude. The problems arising from differences in skill requirement and labour quality are resolved by supposing that labour productivity results partly from natural endowment and partly form investment in human capital. The market signals for ‘quality’ labour and labour adjusts itself by increasing human capital investment [either by foregoing current income or acquiring funds in a perfect capital market] to raise its productivity and hence its price.

d) Human Capital Theory

During the late 1960s the neo-classical theory of the labour market reflected the emergence of the "Human Capital Theory." According to the human capital theorists, like Gary Becker and his associate at University of Chicago coined ‘Human Capital’ to represent characteristic such as education and on the job training are related to productivity. This theory was an off-spring of the modernisation theory which assumed a direct and positive relationship between improvements in the levels of education and increases in productivity of the labour force. Whilst the human capital literature has highlighted a number of productivity related characteristics, human capital theorists give more emphasis to the importance of education as the main component of productivity. As there is a close relationship between particular educational programme and the type of occupation can go into, the human capital theory also provides a model of occupational choice. Occupations that offer high wage will, other things equal, encourage people to invest in the particular educational programmes associated with them.
Not only does the neo-classical explanation of the relationship between education and labour market outcomes provide an explanation of wage structures and occupational choice, but it is also of crucial importance for public policy aimed at improving the distribution of income. According to the human capital theory, any such policy must necessarily include some form of education policy, since low pay, poverty, and other forms of economic disadvantages are assumed to reflect a deficiency in the level of education of the people concerned. The neo-classical theory has been developed in terms of some rather simplistic assumptions, such as that of competitive labour markets. It is in fact robust to changes in the assumption made (Psachropolous, 1977). The human capital theory takes as its model the rational economic man who acts to maximise his returns, and extends this to labour market decisions. Research into the structure of individual earnings has been voluminous. Most analysis, under the heading ‘human capital’, concentrates on ‘quality’ differences among workers. Nevertheless, other research traditions addressing essentially the same questions have taken quite different and conflicting views of wage determination. They include investigations of aggregate differences in earnings patterns arising from differences in employing industries, in occupations, and in employment location and analyses based upon production relationships and the derived demand for labour.

Major difference among the alternative theories relate to labour market definition and the modeling of how labour market structure affects individual earnings. Human capital research concentrates upon differences among individual workers while generally assuming all workers participate in a common aggregate labour market. On the other hand, direct analyses of aggregate labour market differences (denominated by the geographic area, industry or occupation of workers) display sizeable differences across labour markets but generally ignore differences among individual workers. Finally, demand studies, concentrating on differences in labour and market structure, typically ignore differences and responses of individual workers. While the different classes of research have proceeded quite independently, available evidence suggests that each has a role in explaining individual earnings.

Proponents of human capital theory have explained the unequal distribution of labour income in terms of differential amount of human capital like education, experience, training necessary behavioral traits, etc., possessed by different individuals. While doing
so, they have tried to establish a positive functional relationship between the earnings of an individual. It follows that the human capital theory puts much emphasis on the supply side of the labour markets thereby, to a greater extent, undermining the importance of demand side factors. This theory, thus turns to be a partial approach to labour market analysis. Though these theorists have succeeded in empirically verifying most of the human capital hypothesis, they fail to explain the eco-political implications of structures labour markets. Also, they have not succeeded in answering the question as to why individuals, having otherwise equal potential human capital, are rewarded differentially in the labour market at least in certain specific labour market segments (Biswal, 1995).

**e) Segmented Labour Market Theory**

At this juncture, in late 1960s a rich non-neo classical theory of labour market analysis was evolved to fill the voids in the explanations of labour market structure and functioning. This goes under the rubric of “labour market segmentation”. However, it should be noted that the theories of labour market segmentation did not come as threat to neo-classical labour market theories in general and human capital theory in particular. Rather, they came as complementary to neo-classical theories of labour market. The existence of segmentation in the labour market, defined as different wages for workers of equal efficiency, are regarded as imperfections resulting in a misallocation of resources. These are recognised to exist both in ‘in-market’ [in the form of the monopoly power of labour and the monopsony power of capital] and ‘out-market’ [in the form of non-competing groups] situations and are generally condemned. But such imperfections are considered by neo-classical theorists to be of marginal importance compared with the ‘deep silent strong stream of the tendencies of normal distribution and exchange’ (Marshall, 1961).

The growth of large corporations, multinationals and big trade unions led many to doubt the relevance and utility of the neo-classical model in explaining the behaviour of labour market to the world as it existed. The Great Depression and the Keynesian Revolution have further weakened the following that the neo-classical school once boasted. At the same time, the number of institutionalists and radicals who offer explanations about the structure of labour markets has increased by leaps and bounds. Cain (1976) has called this crowd as the ‘Segmented Labour Market Theorists’. It is argued that the labour market
is characterized by a number of segments, each of which has different conditions of employment and recruits from among separate sections of labour force. To some theorists the types and number of jobs in each segment are determined by technological requirements; to others, segmentation occurs as a result of conscious actions by capitalists to divide the working class and reduce class consciousness. Broadly these proportions can be classified into two: Institutional Approach and the Dual Labour Market Approach.

Demand for labour is influenced by a set of factors which are not directly related to the technological and cost aspects of production function and these factors may be known as institutional factors. Employees associations and tacit or explicit agreements among them about wages and employment conditions and employment standards are also included in this set of institutional factors (Cairness, 1874). It is claimed that wage structure, even in labour market, is not determined by efficiency (productivity) criterion but, rather by customs and habits. Therefore, the distribution of jobs and income is not dictated by ability and human capital but by customs and institutional practices (Prohit, 1985). Thus, labour market segmentation theories have been evolved to provide a realistic explanation of different aspects of labour market functioning and the effects of the segmented labour markets on industrialisation, productivity of the labour force, distribution of income between households of the industrialised as well as industrialising countries (Biswal, 1995).

f) The Dual Labour Market Approach

A long standing issue in labour market studies is the extent to which inequality derives from market Vs. institutional sources. Neo-classical economic theory emphasizes market forces. It assumes that the labour market is a single arena in which wages respond to competitive pressures fairly and rapidly. In contrast, dual labour market theory argues that, due to institutional constraints, the labour market is segmented, and in that, primary sector employment is rationed by non-price mechanisms.

The two economists most often associated with the dual labour market theory are Doreigner and Piore (1971). They draw their inspirations from the works of two prominent economists of their time. They are Dunlop (1957) and Kerr (1954), who first gave prominence to the concepts of internal and external labour markets. Dunlop and Kerr viewed the growth of large firms and unions in the United States, as promoting internal
labour markets that were only weakly connected to the external labour markets. According to this theory, the entire labour market can be divided into primary and secondary sectors (segments). The variables mainly used by the 'dualists' to divide the labour market into primary and secondary segments are 'job contents', 'circumstances of employment', 'average earnings' and the level of different groups of workers and the degree of 'mobility' between the segments. The extent of worker bargaining power is probably a continuum. In the dual labour market approach, this continuum is approximated by two-sector model in which workers in the primary sector are said to have high bargaining power and workers in the secondary sector have low bargaining power. Thus, workers in the primary sector tend to be employed in internal labour markets, whereas secondary sector workers are exposed to greater levels of neo-classical market competition.

The primary sector consists of high-wage jobs with good working conditions, considerable opportunity for advancement within the firm and substantial rewards for obtaining education and training. The characteristics of secondary sector are low wage jobs with poor working conditions, considerable variability in employment, harsh and arbitrary discipline and little opportunity to advance. Labour relations are generally formalised either by union contract or in an employment relations handbook. Company policy sharply circumscribes supervisors' authority. Because of the high wages, employees tend to stay on the job for a long time. Because of firms' investment in screening and training, firms tend to hold on to workers. Also, primary firms may insulate themselves from demand swings by contracting out the more volatile portion of demand (Dickens and Lang, 1992). With primary-sector wage being relatively inflexible due to organisational constraints, labour market outcomes are clearly affected by the availability of job positions and the associated distribution of wages. The dual labour market model also differs substantially from the neo-classical approach in regard to industrial policy and earnings inequality (Thurow, 1975).

g) Radical Theory

Partly in response to the inconsistencies of the empirical findings with the hypothesis of the dual labour market theory, a more elaborate and dynamic theory of segmented labour market was developed by Edwards, Reich and Gordon during the early 1970s and this theory was modified later during the early 1980s by economists like...
Rumberger, Carnoy, Loveridge, Mok, Rosenberg, Rodgers and other empiricists. The radical theory of segmented labour market expresses a more explicit critique of capitalism, acknowledges its ties to Marxian dialectical analysis and emphasizes class conflicts. The radical theory is similar to the dual labour market theory in drawing upon sociological analysis of institutional change, but the radicals give emphasis to historically rooted class based motivations of behaviour by employers and workers. Technology is viewed as an endogeneous variable that is manipulated by employers to further class interests rather than profits. It is difficult however, to test these ideas relative to neo-classical theory, which also may view technology as endogeneous, depending on the time period analysis, and which may hypothesize non-pecuniary aspect of profit maximization.

It should be remembered that most of the issues raised by the radical theorists are similar to that of dual labour market theory. But the division of labour market into various segments and the explanation of the segmentation process provided by the radial economists are different from those of the dualists. Radical labour economists divide the labour market into multiple segments, mainly into three segments Viz., primary independent, primary subordinate and secondary. Some economists have also added another labour market segment termed as 'crafts' to the above three markets.

The radicals claim that the main cause of segmentation is monopoly capitalism as per which "employers actively and consciously foster segmentation in order to divide and conquer the labour force" (Reich, Gordon and Edwards (1973). In fact, it is the creation of human capital that further segments the labour force (Bowles and Gintis 1975). Therefore the radical policy prescription is for workers to become class conscious and fight to increase their class power and share in production. Today, the main debate is between neo - classical theory and segmented labour markets. The reason is that, on the one hand, the profession has made some progress over classical economics and on the other hand, most of the radical prescriptions are not easily implementable, atleast if one accepts the political regime as given.

2.3 Theories of Labour Welfare

A theory here means or includes a statement or formulations of principles, assumptions and presumptions which provide rational explanation to labour welfare. To different men various theories seem appropriate.
a) The Policy Theory

The Policy Theory is based on the contention that a minimum standard of welfare is necessary for labourers. Hence, the assumption is that, without compulsion, periodical supervision and fear of punishment, employers will not provide even the minimum welfare facilities to workers. Apparently, this theory assumes that man is selfish and self-centered, and always tries to achieve his own ends, even at the cost of the welfare of others. The Policy Theory therefore, leads to

1. The passing of laws relating to the provision of minimum welfare for workers,
2. Periodical supervision to ascertain that these welfare measures are being provided and implemented, and
3. Punishment of employers who evade or disobey these laws.

In this theory, the emphasis is unfortunately on form and not on the spirit of welfare which should be the guiding factor. However, in a country like India, where working conditions in many places are not at all congenial and where the majority of workers are illiterate, a certain amount of coercion is essential in the interests of working population.

b) The Religious Theory

The Religious Theory is based on the concept that man is essentially “an animal”. Even today, many acts of men are related to religious sentiments and beliefs. Thus, according to this theory, any good work is considered “an investment”: both the benefactor and the beneficiary are rewarded. Another aspect of this religious theory is the atonement aspect. Some people take up welfare work in a spirit of atonement for their sins. Thus, the benevolent acts of welfare are treated either as an investment or atonement. According to this theory, man is primarily concerned with his own welfare, and only secondarily with the welfare of others. The religious basis of welfare, however, cannot be rational. It is neither universal nor continuous.

c) Philanthropic Theory

Philanthropic Theory is based on man’s love for mankind. In Greek, ‘philos’ means ‘loving’ ‘anthropes’ means ‘man’. So ‘philanthropic’ means ‘loving mankind’. Man is believed to have an instinctive urge by which he strives to remove the sufferings
of others and promote their well-being. When some employers have compassion for their fellowmen, they may undertake welfare measures for the benefit of their workers. This theory, thus depends largely on man’s love for others, and therefore, cannot be universal or continuous. Irregular and occasional philanthropic acts of welfare may sometimes defeat the very purpose of welfare.

**d) Trusteeship Theory**

Trusteeship Theory is also called the Paternalistic Theory of Labour Welfare, according to which “the industrialist or employer holds the total industrial estate, properties and profits accruing from them in trust”. The main emphasis here is on the idea that employers should provide, out of the funds under their control, for the well-being of their workers. Mahatma Gandhi very strongly advocated this Trusteeship Theory. Here too, labour welfare depends on the initiative of the top management. Since it has no legal sanction its value is related to the moral conscience of the industrialist. Also, this theory treats “workers as perpetual minors and industrialists as eternal guardians”. The self-reliant growth of the trade union movement is ignored in this theory, though it may create a basis of goodwill between labour and management.

**e) The Placating Theory**

The Placating Theory is based on the fact that labour groups are becoming demanding and militant, and are more conscious of their rights and privileges than ever before. Their demand for higher wages and better standards cannot be ignored. According to this theory, timely and periodical acts of labour welfare can appease workers. They are some kind of pacifiers by way of friendly gesture. Sincerity may lack in these programmes, though discontent can be bought off in this manner. Psychologically, this theory is unsound, though it has often been acted upon to secure the workers’ co-operation.

**f) Public Relations Theory**

The Public Relations Theory provides the basis for an atmosphere of goodwill between labour and management and the public. Labour welfare programmes, under this theory, work as a sort of an advertisement and help an industrialist to build good and healthy public relations. This theory is based on the assumption that the labour welfare movement may be utilised to improve relations between management and labour. But this
kind of programme may also lack sincerity and continuity. When such a programme loses its advertisement value, it may be neglected by the employers even though it is still useful for employees. Here, welfare may tend to become a publicity stunt. Nevertheless, these programmes do improve industrial relations (Meenakshi Gupta, 2007).

g) The Functional Theory

The Functional Theory is also called the Efficiency Theory. Here, welfare work is used as a means to secure, preserve, and develop the efficiency and productivity of labour. It is obvious that if an employer takes good care of his workers, they will tend to become more efficient and will thereby step up production. This theory is a reflection of the contemporary support for labour welfare. It can work well if both the parties have an identical aim in mind, that is, higher production through better welfare. This will encourage labour’s participation in welfare programmes. These theories treat labour welfarism as different people look at it. These articulate the rationale behind welfarism. As no two persons think in the same way, a philosopher, a philanthropists, a social worker, a trade unionist and the like must think of labour welfare differently. In each theory, there is an aspect of truth. Consistent with the value ethos of a society, one theory may be more relevant than the other. But, no one single theory articulates all the justification on reason. Taken together, they articulate, rationalise and pragmatise the labour welfarism.

In India, it is said, the industrial system clings largely to the paternalistic approach. Some management, however, oblige to achieve results through police control. Either way, workers start expecting too much from employers, as a result of which employers provide welfare measures in a somewhat half-hearted manner. The trusteeship theory too can be applied suitably in Indian conditions, though in the longer run, it is better to act on the basis of the functional theory of labour welfare, for it works more effectively by reason of ensuring an intelligent and willing participation of workers (Meenakshi Gupta, 2007).

Part III

2.4 Review of Empirical Studies

The increased proportion of women workers in the total work force, their concentration or segregation in the informal sector and the issue of wage disparity were the subjects of research in India too. Of this, the pattern of female employment and the distribution of
female work across various activities, social security measures have been subjects of much interest and debate, especially since the initiation of economic reforms. Many contributors have recorded and reflected on the main aspects of women in unorganized sector, since early fifties. Against this background, the earlier studies collected by the researcher on this subject would be broadly classified into four sub-themes, namely,

A. Studies related to Unorganised Sector,
B. Studies Related to Employment and Working conditions,
C. Studies Related to Social Security, and
D. Studies Related to Occupational Health Problems and Health Insurance.

A. Studies related to the Unorganised Sector

Molly Mathew (1986), in her study on women workers in the unorganized sector of coir industry in Kerala, interviewed 400 respondents. Among them, 324 respondents were found reporting that they are under the same employer for about 15 years. The majority of these workers reported that their employment in coir units had adversely affected their intellectual development as well as the studies of their children. Many of them were not aware of the exact minimum wages declared by the government. Many work for long hours and tediously under unsanitary and unhealthy conditions in order to make a reasonable minimum return. The study concluded that working mothers and young women with a long trade union background and with a measure of economic independence seem to be contributing positively to the changes in the attitudinal and cultural factors of women’s status in Kerala.

A study conducted by Thippaiah (1989) examined the problem of urban informal sector in Bangalore metropolitan area with the help of interview method to collect field data which has, inter alia, the following inferences:- Women workers in urban unorganised sector can be broadly grouped into the self-employed and the wage-employed. The wages employed are mostly skilled, semi-skilled, unskilled and casual workers. They also belong to the category of contract workers in construction activities and industrial and commercial enterprises. In addition, women workers are also manifested as paid on piece rate basis or part-time or full-time domestic servants for a fixed payment. It was found that, those in self employment activities and earn their livelihood independently or with the
co-operation of family labour constitute an overwhelming majority. A vast segment of women in the urban informal sector are migrant families to the city of Bangalore at different points of time on account of drought, jobs and marriages and wage differentials between urban and rural sector. The informal women labourers are paid low wages and their wages are just around the subsistence level. Proper medical facilities and safety measures are not guaranteed for these women who work in hazardous conditions.

Tripathy et.al. (1991) have examined the problems of informal women labourers in the tribal district of Orissa. Their study was based on primary data collected through a field survey conducted at the micro level covering Phulbani town. The researcher analysed the growth and size of informal labourers in the study area. A total of 125 households were covered with a view to assessing economic conditions and work character of informal labourers. The study brought to light that tribal woman of Phulbani, though they cannot enter formal sector jobs because of low education and training, contribute a significant amount to total family income through their engagements in informal sector activities. The study points out that less than 50 percent of the women labour forces are in the age group of 15-60 years and 33 percent of the sample labourers come under the age of 15 years. Hardly, 8 percent of women labourers have school education up to 8-9 years. An important factor determining the amount of income of the informal households is the size of landholdings. From the study it was revealed that 38.4 percent of the workers have no land, 32 percent have a marginal land, 23.2 percent a small size of land holding and 6.4 percent have landed property of five acres and above. The study further pointed out that the maid servant's income is the lowest among all categories of informal workers. Most of the sample women belonging to this category are divorcees, widows and young girls.

David Nancy (1996), in her study on ‘Unorganized Women Workers: Problems and Prospects’, discussed the structure and composition of urban informal sector. It was concluded that the informal sector faced two major problems. First, was the increasing large segment of work population, which was forced to live at the margin of survival. Second was given the availability of cheap labour in urban informal sector, employers are likely to divert activities to such organizations. Further, informal sector has been classified as institutionalized and non-institutionalised. The components of institutionalized
informal sectors are construction work, small industrial units like beedi-making, domestic match stick, food processing units and other registered units but employing workers by low waged, low capital intensive and crude technology. The non-institutionalised informal sector comprises workers engaged in casual work like domestic servants, sweepers, scavengers, vendors, hawkers and those who are self-employed. The urban women working in this sector face insecurity, have no legal protection, go through long working hours and are easily exploited.

Nigam (1997), in his study, blamed that the unorganised sector has been neglected by the government. A glance at the documents put out by the Ministry of Labour or the Indian Labour Conference is enough to show how the unorganised sector has been ignored. Nigam classified the unorganised sector workers into two different entities. First, there are the traditional vocations, mainly the artisanal, fixed according to caste and involved in the production of handicrafts or goods for the subsistence economies. These would also include, forest workers, the potters, weavers and leather workers, etc. The second category consists of the enclaves of casualization and sub-contracting within the modern sector of the economy and the impoverished artisans working as wage labourers. There is a huge small scale sector which falls between unorganised sector and the properly organised industry. The unorganised sector workers, therefore, include workers in such enterprises as well as the traditional artisans.

Jeemol Unni (1998), in her study on ‘Women in the Informal Sector: Size and Contribution to Gross Domestic Product’ reviewed the concept of work, production boundary, informal sector, certain categories of workers and methodologies for estimation of labour force and contribution to Gross Domestic Product. Further dimensions of women’s work, statistics paucity and growing recognition have been discussed. It has been stated that all informal sector and other hidden economic activities have gained prominence in the context of structural adjustment, globalization and other problems. But emphasis is laid to recognize the work of informal sector workers especially the women, since their employment was significant and bear the maximum brunt.

Sridevi (1999), in her study ‘Women in unorganized sector in Vijayawada’ addresses that approximately 28 percent of the population of this city lives in slums.
There is a limited range of occupational choices to the lower strata of women. Most of them have dependent children and / or husbands. These women lack necessary skills and social contacts to find employment in organized sector. Out of the sampled 107 women, it was found that 16 were working as street vendors, 18 as coolies, 45 were domestic servants, 24 were in petty business and 4 were working in a plastic company. The data revealed that nearly 55 percent of the women, compared to 3.4 percent males were married before entering 16 years. Another 41 percent were married between 16 and 20 years. She further observed that the returns from their work in unorganized sector are not high. Worse was that the females earned much less than their male counterparts. Nearly 65 percent of women workers engaged in unorganized sector would prefer to switch over to jobs in the organized sector, if they are given opportunity.

**Shanthi’s (2006)** study ‘Female Labour Migration in India’, examined the extent of employment oriented migration of females in India and the inter–state variations in its magnitude, using NSSO 55\(^{th}\) Round Household level data on migration. The study found that, though the percentage is very small for ‘employment oriented migration’, an analysis of work force participation of female migrants in the age group of 15-60, irrespective of the reasons for migration, revealed that in the post-migration period, work participation of these migrants increases steeply in all the states. Though marriage was identified as the reason for migration, they work prior to and after migration which was not brought to limelight. The extent of this independent migration was arrived at indirectly, using proxy variables such as the ‘never married’ category among the migrants and those who identified themselves as ‘heads’. In all the states in South India, this percentage was high. In the north, at the disaggregated level, the percentage of ‘never married’ and ‘heads’ was high in rural-urban and urban –urban migration. The issues and challenges to be faced were highlighted and this study concluded that gender dimensions should adequately be captured in the official data system for the purposes of effective policy interventions.

**Sundaram (2008)** conducted a study titled ‘Employment, Wages and Poverty in the Organized and the Unorganized Segments of the Non-Agricultural Sector in India during the years 2000-2005’. He analysed the Unit Record Data from the NSS 55\(^{th}\) and 61\(^{st}\)
Round Employment-Unemployment Surveys and found that the Organized Sector Work force in non-agriculture is shown to be larger than the corresponding Directed General of Employment and Training (DGET) estimates by 16.5 million in 2004-05 and to have increased by 5.4 million between 2000 and 2005 instead of the 1.6 decrease indicated by the corresponding DGET estimates. He examined some features of employment contracts of the regular wage/salary workers who account for 88 percent of the organized sector work force. It is shown that 14 to 27 million of the 41.5 million workers in organized non-agriculture are perhaps better labeled as informal workers who were without access to a set of social security benefits though they are located in the formal sector. Also, he presented some estimates of work force in the unorganized segment of non-agriculture in the country as a whole as also those in urban India who constitute the Urban Informal Sector. An analysis of labour productivity in the organized-unorganized segments of broad industry groups for 1999-2000 and 2004-05 is followed by an examination of differences across the organized-unorganized divide in average daily earnings and in the poverty status of adult workers in non-agricultural activities for 2004-05.

Ishola Rufus Akintoyeb (2008) in their study ‘Reducing Unemployment through the Informal Sector’ seek to establish unemployment as one of the macro-economic problems that could be reduced through the informal sector participation, provided, it is well supported and managed. The informal sector in itself may not be able to achieve much, due to inaccessibility to credit. But with the on-going policy of the Federal Government through the Central Bank of Nigeria on micro-financing the macro-economic objective of reduced unemployment, full employment will become a reality in Nigeria. The microfinance policy has empowered the many microfinance institutions to provide credit to the informal sector. The researchers therefore, suggested that the Nigerian Government and all relevant stakeholders continue in their quest towards reducing unemployment while they give their undivided support, in making sure that the informal sector continues to enjoy access to credit to finance its activities and accomplish its goal of unemployment reduction.

Arun Kumar Acharya et.al. (2009) conducted a study on Female Migration and Urban Informal Sector in Monterrey Metropolitan Region. More and more women are involved in internal, regional and international migration to find jobs and most of them
are employed in agricultural and domestic work. In this study, an attempt has been made to see the migration of Mexican women to urban informal sector, particularly to Monterrey Metropolitan Region. This study has found a constant flow of female migration to informal sector, though there was a declining trend during 2000 and 2002, but after that it again started increasing significantly. Moreover young populations do not have any economic pressure to sustain the family livelihood. When this study compared these migrant women with their education and marital status, it gave a clear picture that most of them who are occupied in the informal sector are having little education and are married.

Fiona Leach (2010), in her study ‘Women in the informal sector’ reviewed the extent to which the educational system has acknowledged the importance to women in the informal sector of the economy and the extent to which it has sought to prepare them for employment or self-employment within it. It assesses the record of both formal and non-formal education, in providing women with the necessary skills to compete with men for employment, and concluded that both have generally failed to assist women to obtain skilled, well-paid, and secure jobs, leaving them in overwhelming numbers in subsistence-level activities in the informal sector. Within the non-formal approach to education, this study examined training in income-generating projects, which are a major conduit for assistance to poor women in developing countries. Some recommendations for improved strategies of education and training provision were presented in the study.

B. Studies Related to Employment and Working Conditions of Workers in Unorganised Sector

Sudha Kumari (1989) examined some of the aspects of women working in the unorganized sector in India. She found that the unorganized sector provided employment to the tune of 96.33 percent of women workers. The working conditions of women workers in the unorganized sector are still far from satisfactory. The unorganized sector gives to women only insecure and unprotected employment. She reveals that women are not only insecure in the employment but are also discriminated in wage payments. Their wages for the same work are lower than that of male workers.

Sundram et.al. (1996) in their study ‘Plight of Unorganised Women Workers’ projected that woman workers in informal sector were generally illiterate, had high
unemployment rate as compared to men of this sector and worked under exploitative conditions. It was also brought forward that these women were sliding down to low paying or unpaid work, which worsened their condition. The study concluded that the factors responsible for the prevailing conditions of women of informal sector were poverty, unequal distribution of income, illiteracy, disparity and male dominance.

**Mohiuddin et.al. (1996)** conducted a study on ‘Problems of rural women workers in readymade garments in Andhra Pradesh and Karnataka’. The main objective of the study was to ascertain their working conditions, job opportunities, income patterns, wages and nature of work. Four hundred respondents, 200 each from Andhra Pradesh and Karnataka State were selected as a sample of the study. Semi-structured interview schedules, case study and observations were the mode of data collection. The findings revealed that the working conditions and the other facilities were stated to be satisfactory only for those who were working with units/centres established under any Government scheme. On the other hand, for those who are working in the unorganized sector, the working conditions were voiced as "unsatisfactory". The main problems cited by most of the respondents were (i) Payment in irregular instalments, (ii) Low/poor quality of raw material, (iii) Employer's bad treatment, and (iv) Low demand for the trade.

**Ahluwalia (1998)** in his study analysed the working and living conditions of the labourers engaged in Readymade Garments (1991), Bakery (1993), Stone Quarry (1994) and the Man-made Fibre Textile (1996) industries, all covered under the unorganized sector surveys, conducted from time to time, by Labour Bureau, Government of India, Chandigarh. The study finds that the average family size was 4.43 in the Stone Quarries, 3.85 in Readymade Garments, 2.52 in Bakery and 4.05 in Man-made Fibre Textiles industries. There were 26.86 percent women in Stone Quarries, 33.88 percent in Readymade Garments, 21.74 percent in Bakery and 25.69 percent in Man-made Fibre Textiles industries. It was further noticed that the majority of workers did not have independent source of drinking water, and in most cases, the sources were outside the dwellings.

**Singh (2001)** has focused on the problems of women domestic workers and dealt with the working environment, conditions of work, factors forcing them to undertake this work, family life and effects of work on the health of these workers. The study also
looked into some of the approaches for improving their quality of life and work, job security options and resource development. Singh found out that 41.33 percent of these workers were in the age group of 31 to 40 years and 48 percent were less than 30 years. 40.67 percent of these workers were from backward castes while 21.22 percent were from lower castes. 25.33 percent workers possessed *kachcha* houses, 20 percent had *pakka* houses, and 65.33 percent houses had no electricity while 14.67 percent had no toilet. Around 64 percent of the domestic workers were under debt. Singh pointed out that unlike the workers of the organized sector, the domestic workers did not enjoy better conditions of work and working conditions and neither did they get satisfactory wages.

**Surati (2001)** conducted a study on work related problems of women workers in textile industry. The objectives of the study were to study the welfare facilities, health problems of the women working in textile industry, the work culture of organization and participation of women in the process of decision making in trade union activities and the perception of working women towards harassment at work place along with the situation of women and inter-personal relation with other employees. Around 70 working women in textile industry in Ahmedabad city were selected as a sample for the study. The sample was selected by simple random sampling technique. Interview schedule and observation method was used for data collection of the study. The major finding of the study was that literacy rate among working women was very low. Women have come out from the four walls and they have accepted the work in industry, mill and factory and have become earning members. A reason for working was monetary need and inadequate family income and unemployment of husband. Majority of the women did not face any problem in fulfilling job responsibility while only 37 percent of the women faced problems. A majority of the women are facing domestic problems and some of the women also faced personal and social problems. Most of the respondents did not have any health problem due to working in textile industries, while other women were facing health problems such as respiratory, vision, hearing, blood pressure, cough and joint pain problem. Most of the women did not face any harassment while working. Authorities were very positive and sensitive/supportive and always respondent in cases of complaints.

**Supriya Roy Chowdhury (2005)** analysed wages and working conditions in Banglore’s rapidly expanding garments export sector, which employs a large number of
women who remain completely unregulated. Governments and mainstream trade unions have been largely indifferent to this sector. A number of Non-Governmental Organisations and new trade unions have now stepped into this vacuum. Their framework of activism focuses on developmentalism of a certain kind-credit associations, slum or neighbourhood development, internationalizing the issue of workers’ rights rather than on confrontational struggles over wages and working conditions. This genre of activism is based on a broad understanding of the informal sector, where a large number are self-employed, as one in which the employer-employee or capital labour relationship is opaque, if not absent. However, this understanding and activism may indeed be limited in a context where capital is internationalized and labour was recast, into contractual, casualised and in this case, feminized work force.

C. Studies Related to Social Security

Agarwala (1946) studied the nature of progress on ‘The Social Security Movement in India’. The movement was extremely slow in the period preceding the outbreak of World War II. But the period of the World War II witnessed a rapid progress of the movement. The researcher felt that India had not yet evolved a full picture of her social insurance structure: nothing beyond health, maternity, unemployment, injury and insurance. Considerable efforts in the sphere of social assistance were required. Also, he suggested that, mere plans would not carry the country forward on the road of progress and what was really required was action along these lines indicated in the schemes already prepared.

Olson (1994) in his study ‘Women and Social Security: A Progressive Approach’ explored some major assumptions underlying the social security system and alternative approaches to rendering the system more economically viable, meeting the income needs of the elderly and/or providing greater equity under its benefit and taxation provisions. It attempts to show that the current structure of social security not only reinforces but also exacerbates the underlying economic inequalities in India’s political economy under the guise of a social insurance programme. In addressing selected benefit and taxation issues, the study focused on how working and older women are faring in the 1990s under the social security system. It argued that although the programme is theoretically gender neutral, its impact is not. Women, particularly those who are single, are poorly served.
The study concluded that a progressive restructuring of the social security system itself is imperative if we want to meet the needs of a large percentage of workers, older people, and the economic and social demands of the 1990s and beyond. It also offers some suggestions for such change.

Mahendra Dev (1996) in the study ‘Social Security for Indian Workers: Performance and Issues’ provided an overview of the performance and issues relating to concepts, policies, financing and effectiveness of social security for Indian workers. The performance and issues related to five types of social securities, viz., food, employment, health, education and women. The performance has not been satisfactory during the first few years of the reform period. Expenditure in some of the social security programmes may have to be increased in order to cushion the poor during the reform period. For effective implementation of the programmes, it was necessary to have decentralization, transparency in decision making, right to information and social mobilization. The need to document experiences of various social security programmes in different states using secondary data and primary data was stressed in this study.

Velayudha Perumal (1996) in analysing the ‘Social Security for the Unorganised Workers in the Small Plantations in Tamil Nadu and Kerala’ found that plantations play an important role as a source of employment and livelihood for two million workers in India. Employment in plantations, which are far away from the villages, necessitates certain social security and welfare measures to be provided. They include housing, medical aid, maternity benefit, sanitation, food, clothing and water supply. But these provisions are available only to workers in big plantations which are under the coverage of Plantations Labour Act. But a large number of workers in the small holdings of rubber and tea are denied these welfare measures as their places of work are outside the coverage of the Act. This case study revealed the very bad conditions of work of the labour forces in small holdings. Their standard of living is deplorably poor as there is no guarantee against retrenchment. Their work is highly seasonal. There is no provision for provident fund, gratuity and pensions benefits which are available to their counterparts in organised big plantations. Housing, medical aid, maternity benefit and crèches are completely absent to these workers in the small holdings.
Renana Jhabvala (1998) in his study ‘Social Security for Unorganised Sector’ emphasized the need for social security for women workers and explored the mechanism for security provisions, insurance and security funds for women in informal sector. This points out that the women of informal sector could be helped by decentralizing, participatory social security and implementation of programmes and creative work. The employment based programmes should have social and financial security for women in informal sector.

Van Ginneken (1999) on the working of ‘Social Security for the Informal Sector: A New Challenge for the Developing Countries’ showed that informal sector workers constituted a large and increasing part of the labour force in developing countries. Many of them were not able or willing to contribute a significant percentage of their income to finance formal sector social insurance benefits that do not meet their priority needs. Therefore, informal sector workers themselves needed to set up health and social insurance schemes that better meet their needs and contributory capacity. In addition, special social assistance schemes were necessary to protect the most vulnerable groups outside the labour force. It also assessed some key implications of these developments for formal social insurance schemes.

Amita Shah (2001) examined the life among informal industrial workers and showed that the increasing informalisation of labour force in industrial sector poses serious challenges for evolving new mechanisms that can simultaneously take care of the two major concerns, viz., flexibility and social security. In this context, the expanding size of contract labour working in the industrial sector needs immediate attention. This study looks into a rather novel experiment by an industry association to promote infrastructural support and thereby improve quality of life among the workers living in the periphery of an industrial estate in Gujarat. It is argued that the time has come when the industry’s initiatives towards social development should shift from ‘charity and voluntarism’ to ‘responsibility and accountability’ and thereby provide social security to the informal workers. The study highlights some of the important aspects pertaining to the status of contract workers and suggests the need for a public debate.

Ambalavanan et.al. (2001) made an attempt to analyse the ‘Social Protection for Urban Informal Sector Workers in Erode District, Tamil Nadu’. The problem was approached
with the objective of studying the working conditions, the security of employment, income, health status, health security of workers, the nature of relationship between employer and employees and the willingness to participate in a contributory insurance scheme. To accomplish the fulfillment of the objectives, the respondents were selected using stratified random sampling from tannery, bleaching, calendaring, dyeing, sizing, screen-printing and power loom units. The descriptive analysis showed clearly that the workers in the Erode urban informal sector faced high degree of employment and health insecurity. As far as income of these workers was concerned, it may apparently seem that they were enjoying income security, but if high cost of living at Erode town was taken into account along with average weekly income of the workers, it could be concluded that they do not have a secured income to meet the minimum requirements of life.

Renana Jhabvala et.al. (2001) conducted a study on ‘Social Security for Women Workers in the Unorganised Sector’ and argued that, advent of gloabalisation in India has seen an increasing informalisation of employment, including home based, contract and casual labour. There was complete absence of any widespread system for social security in this sector. Women were concentrated in the lower end of the spectrum – their work was insecure, low paid, irregular and often unorganised. They balanced between home and work, and more often than not, their income was not commensurate with their work. This study examined the needs of the social security for this segment of workers, and made recommendations on how to reach social security to cover the women in the unorganised sector.

Velayutham Saravanan (2001) made a study on ‘Impact of Social Security Initiatives in Unorganised Sector: The Case of Women Beedi Workers in Rural Areas of Tamil Nadu’ by analysing the impact of government sponsored social security initiatives for the women beedi workers in the rural areas of Tamil Nadu. This study concluded that the social security initiatives have not reached the targeted and thus produce the expected results, due to meddling of contractors/agents, who exploited most of them. This study called for an appropriate social security policy initiative of the women beedi workers.

Uma Rani et.al. (2003) made a study on ‘Women, Work and Insecurities in India’. This study empirically examined the insecurities faced by poor women in a developing country like, India while they try to cope with the dual responsibilities of productive and
reproductive work. The poor women in developing countries are burdened with the dual responsibility of taking care of housework and the need to supplement household income to meet the subsistence needs. The on-going flexibalisaton process world over has no doubt created new jobs, most of them informal, but they lie beyond the reach of labour legislation and social protection and are characterized by low income and high levels of insecurity. In such a context, this study argues for a need to address the economic needs of the women and a need to reform the social security system to recognize the value of women’s labour at home.

Suchitra (2006) in her study ‘Employment Insecurity of Unorganized Workers in Karnataka’ argued that employment insecurity is a pressing problem for millions in India, but the most severely affected are the unorganized sector workers. This sector is characterized 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 and the like which contribute to poor employment security of the workers.

Sakthivel et.al. (2006) in their study ‘Unorganised Sector Workforce in India Trends, Patterns and Social Security Coverage’ argued that India’s work force comprises of nearly 92 percent in the unorganised segment, with the entire farm sector falling under the informal category, while only one-fifth of the non-farm workers are found in the organised segment. Estimates suggest that in the non-farm sectors, as we move up the income ladder, the share of the informal sector gradually declines. However, as far as the agricultural sector is concerned, irrespective of economic class, the share of the unorganised work force remains flat. Further analysis revealed that the coverage of social security schemes has been extremely sparse among the economically and socially vulnerable sections. The pro-rich, pro-capital policy of the present regime is reflected in the recent downward revision of the interest rate to the subscribers of Provident Fund. Further, the move towards defined contributory schemes away from defined benefit schemes of pension funds is fraught with danger. Therefore, the researcher argued that given the poor affordability and lack of an institutional mechanism, any design of social security that relies heavily on a contributory basis is bound to fail dismally.
Dhas et.al. (2008) in their study ‘Social Security for Unorganized Workers in India’ argued that the unorganised workers account for nearly 93 percent of the total workforce and there is a steady growth in it over years in India. It was also argued that India had a long tradition of informal social security and social assistance system directed particularly towards the more vulnerable sections of the society but underwent steady and inevitable erosion. The social security initiatives of the Centre, State and NGOs implemented during the past indicated that the needs are much more than the supports provided and the efforts must be targeted and vast enough to cover the growing number of unorganised workers. It was discussed that the major security needs of the unorganised workers are food, nutrition, health, housing, employment, income, accident, and old age security. In sum, the study calls for a Comprehensive, Universal and Integrated Social Security System for the unorganised workers in India.

Akawasai et.al. (2009) conducted a study on ‘Social Security of Female Workers in Informal Sector: Perspectives of Structure and Agency Thailand’. The findings showed that there were three important perspectives related to the structure and the agency that influence social security of female workers in the informal sector: risk, poverty and right and responsibility. The risk as in the perspective of those female workers indicated three elements: welfare, social security and social assistance. This study concluded that poverty, from their view, was the insufficiency in income. The right and responsibility included accessibility and equality in working. The study confirms that, the female workers’ life experiences were the product of both social structure and agency. Additionally, the result of such workers’ action was reflected through the social conditions and the social action which consequently indicated gender inequality. The findings of this study provided an understanding of social security of female workers in the informal sector in the rural area, which would lead to further study on how the female workers create their own social security.

Le Bach Duong et.al. (2011) in their report on ‘Social Protection for Rural-Urban Migrants in Vietnam’ analysed how lack of adequate policies and institutional programmes of social protection for migrants in general, and the residence-based nature of the current social policy framework in particular, created multiple vulnerabilities and social exclusion among rural-urban migrants in Vietnam. The report also introduced
some recent limited responses by the State which were intended to address the situation. It is proposed that the State should firstly recognise the legal status of migrants in destination areas and secondly increase migrants’ access to key social and economic resources. In most instances, a strategy based on this proposition would call for a significant departure from current approaches, practices and institutional arrangements underlying the government’s social protection policies.

D. Studies Related to Occupational Health Problems and Health Insurance

Shram Sakthi (1988), in a study on “National Commission on Self Employed Women and Women in the Informal Sector” expressed occupational health problems of postural at work, particularly of home-based workers such as beedi workers, zardozi, zari and chikan workers and lace makers. They constantly come into contact with hazardous materials like dyes, wood-smoke, cashew oil, chemical fumes, tobacco and silica dust. The lack of light, toilets, water, ventilation, space and related work environment create problems. There are problems related to women’s work action, like tying, stitching, lifting and bending. Problems related to lifting weight, especially in construction and brick work, give rise to health problems like menstrual disorders, prolapsed of the uterus, miscarriages and problems. Due to long hours of work and the non-availability of rest in order to recover from health impairments, most serious health problems get aggravated. The repetitious movements in work cause dullness of the mind, extreme fatigue and tenosynovitis. Mechanization and technological advancement has qualitatively and quantitatively worsened the health situation of women workers in the beedi, slate and mining industries. The varying forms of sexual exploitation experienced by women workers in the informal sector affect their mental health.

Chatterjee (1993) has conducted 4 longitudinal, community-based studies to survey the occupational health of self-employed women in Ahmedabad and Indore, India. It included the workers in all stages of research. The Self-Employed Workers' Association (SEWA) staff examined women in readymade garment, bidi, agarbatti and masala fields. Since SEWA did not use control groups, they could not establish cause and effect relationships. The most common occupational health problem while working was pain in the limbs for bidi (63 per cent) and readymade garment workers (80 per cent). They also experienced back pain and headaches. Gynecological problems and abdominal pain were
common in all the groups. These results demonstrated a need for further research on occupational health and gynecological diseases; health facilities to adjust services to meet self-employed workers needs; provision of safe and subsidized tools, safety equipment, benefits (e.g., sick leave and child care) and health insurance and health education. SEWA recommends that self-employed workers receive identity cards, the government enforce minimum wage laws and regulate working hours and workers are provided basic amenities (e.g., potable water and sanitation).

The study by Prabhu (1996) titled ‘Health Security for Indian Workers’ was concerned with the analysis of health security of Indian workers in a social security framework and examined the issues pertaining to (a) the extent of coverage under various prevailing schemes, (b) the efficacy of such provision, and (c) the measures required for ensuring an equitable and efficient system of health security in the country. The study finally pointed to the utter inadequacy of the present measures to ensure health security for workers, particularly in the unorganised sector, and the suggestions put forth by the researcher for providing health security need to be considered seriously.

Tripathy (1996) conducted a study titled ‘Women Labour in Construction Sector in Orissa’ where the main objective was to analyze the history, organization nature and working of construction sector in our country. The other objective was to examine the socio-economic conditions of women construction labourers, with special reference to Orissa. Around 40 women labourers from Uttar Pradesh State Bridge Corporation were selected. Questionnaires, interviews, observations and field notes were used as a tool for data collection of the study. The findings revealed that it was lack of toilets on the sites that put women to a great deal of inconvenience and every site worker had to look for water and walk some distance for it. In general, no medical facility was provided by the employers and the labourers were compelled to spend money for medical care. Accidents involving simple injuries occur every day while fatal accidents are not uncommon. Women workers who carry the cement mix and wet bricks on their heads suffer serious problems like headache and fever. Pregnant women who carry heavy loads run a high risk of abortion.
Kwadwo Asenso *et al.* (1997) made a study on ‘Willingness to pay for health insurance in a developing economy of Ghana using contingent valuation method’. In the midst of high cost of health care both at the macro and micro levels, health insurance becomes a viable alternative for financing health care in Ghana. It was also a way of mobilising private funds for improving health care delivery at the macro level. This study used a contingent valuation method to assess the willingness of households in the informal sector of Ghana to join and pay premiums for a proposed National Health Insurance scheme. Focus group discussions, in-depth and structured interviews were used to collect data for the study. There was a high degree of acceptance of health insurance in all the communities surveyed. Over 90 percent of the respondents agreed to participate in the scheme and upto 63.6 percent of the respondents were willing to pay a premium of $5000 or $3.03 a month for a household of five persons. Using an ordered probit model, the level of premiums, households were willing to pay, were found to be influenced by dependency ratio, income or whether a household has difficulty in paying for health care or not, sex, health care expenditures and education. As income increases, or the proportion of unemployed household members drop, people were willing to pay higher premiums for health insurance.

Anil Gumber *et al.* (2000) conducted a pilot study on ‘Health Insurance for Informal Sector in Gujarat’ and explored the availability of health insurance coverage for the poor and especially women, their needs and expectations of a health insurance system, and the likely constraints in extending current health insurance benefits to workers in the informal sector. The study found that Employee State Insurance Scheme has substantial scope for improvement of its services. The survey showed that the poor prefer public sector management for health care facilities.

The study by Indrani Gupta *et al.* (2000) showed that individuals and households would be willing to participate in private health insurance schemes. A longitudinal survey was conducted in Delhi, based on a purposive sampling frame. The survey included socio-economic and demographic profiles of households, patterns of morbidity for both acute and chronic illness, information on types and amount of expenditure on health care participation in existing health and other insurance schemes. In order to understand the characteristics of those who had insurance, a multivariate analysis was carried out.
Probit Analysis was carried out in order to find out whether the individuals had coverage or not. The results indicated that older individuals have a lower probability of being covered. As for gender, there was no difference between males and females. The education indicated that compared to highly educated individuals, both low and middle level educated individuals have a significantly lower probability of being enrolled in any schemes. The poorer households spent 10 percent of their consumption expenditure on health, in contrast to 3.3 percent and 2.8 percent by middle and higher-income households respectively.

The study by Anil Gumber (2001) presented the health expenditure, morbidity pattern, demand for insurance and health seeking behaviour of low income households covered under ESIS, mediclaim and SEWA health insurance scheme. The survey reveals that share of direct medical costs was about two-thirds of the total costs in all groups and rural households invariably paid higher costs as compared to their urban counterparts. The per capita expenditure on treatment was much lower for ESIS households as compared to SEWA and non-insured households, both in rural and urban areas. A majority of households indicated strong inclusions for any kind of health insurance scheme and demand for SEWA scheme was the highest among the non-insured. Both rural and urban households were willing to pay an annual per capita premium of Rs.80 and Rs.95 respectively, for the coverage of services of hospitalisation, chronic ailment, specialist consultation and the like. The researcher strongly felt a need for health insurance among low-income households due to heavy burden of out-of-pocket expenses while seeking health care.

Hengjin Dong et.al. (2003) studied the willingness to pay for a proposed community –based health insurance scheme in order to provide information on the relationship between the premium that is required to cover the costs of the scheme and expected insurance enrolment levels. Data were collected from a household survey, using a two-stage cluster sampling approach. Overall, 800 households were selected, 480 in the rural area and 320 in the town of Nouna. There were no significant differences in key variables such as religion, location of residence, occupation and years of schooling between the responders and the non-responders. There were significant differences
however, in sex, age and marital status. In the 776 households, 705 (90 per cent) heads of
the households answered questions on willingness to pay for health insurance.

Santerre (2006), in his study, developed a relatively simple model to incorporate
a broader measure of marginal access value into the demand for health insurance.
The conceptual model incorporated accessed value, by treating the demand for health
insurance as being derived from the demand for good health. This study used national
data (1960-2002) and multiple regression analysis to track and explain changes in the
marginal access value of private health insurance over time at the national level in the United
States. Based on multiple regression analysis, marginal access value is shown to have
increased over time in response to rising income, more generous benefit coverage and new
medical technologies. In addition, expansions in the Medicaid programme have shown to
have slowed the growth of the marginal access value of private health insurance.

Inke Mathauer et.al. (2008) analyzed the demand for health insurance of
informal sector workers in Kenya by assessing their perceptions and knowledge of and
concerns regarding health insurance and the Kenyan National Hospital Insurance Fund
(NHIF). It serves to explore how informal sector workers could be integrated into NHIF.
It was found that the most critical barrier to NHIF enrolment is the lack of knowledge of
informal sector workers about NHIF, its enrolment option and procedures for informal
sector workers. Inability to pay is a critical factor for some, but people were, in principle,
interested in health insurance and thus willing to pay for it. In sum, the mix of demand-
side determinants for enrolling in the NHIF is not as complex as expected, the study found.

2.5 Summary

Although the literature on unorganized sector workers in India has provided
valuable information and theoretical insights, it also has several limitations. The aforesaid
studies highlighted the following aspects of labour welfare and social security measures:

1. Scope of different phases of labour welfare and social security measures in India,

2. Employment and working conditions of unorganized women workers all over the
world,
3. The varying forms of occupational health hazards and sexual exploitation experienced by the unorganized women workers, and

4. The high degree of acceptance of health insurance among the surveyed population.

As is clear from the literature that the informal sector is a multi-situation syndrome. It is characterized by non-uniformity in the nature, characteristics and conditions of jobs. The urban labour market discriminates against women much more than the rural labour market. This discrimination results in decline in the participation of women in economic activities. The biggest problem with the informal sector in India is that there is no precise information on the total number of workers engaged in the sector and also their respective ratios in various diversified occupations. It is also found in the earlier studies that the unprotected unorganized workers are, by definition, disadvantaged workers. The degree of disadvantage, if one may say so, varies from segment to segment. It is possible that some workers in the organized sector also do not enjoy any job security, work security or social security. It is realized that none of the studies have touched the unprotected women workers in the organized sector who are mainly in the categories of regular, casual and contract workers. They remain unprotected because of non-compliance of the provisions of the existing laws. Nowadays, this is a growing segment in the organized sector which needs immediate attention. Hence, there is a need to enquire into the different aspects of unorganized women workers in an urban setting.