Chapter 3

FUNCTIONING OF LABOUR MARKETS IN CALCUTTA

3.1 Introduction

In this chapter, we will discuss how various components of labour market functions in Calcutta. Though the functioning of the labour market in Calcutta would have many things common with the functioning of labour market elsewhere, it is worthwhile to look into the details of functioning of labour markets in the city. To consider the functioning of the labour market we take note of the agents and institutions involved in the process, the procedure of recruitment, framing and cancellation of contracts including wage determination in the market. We will also refer to the various institutions related to the labour market, however a detail discussion about them, as it requires more space, has deferred to a separate chapter (chapter 7).

For this purpose, we will first make a typological classification of various segments of labour market and their interface with the sectoral classification of the economic activities (in section 3.2). Section 3.3 describes the functioning of various formal labour markets in Calcutta, while Section 3.4 describes the functioning of the informal labour markets. Informal labour market is heterogeneous. While in part of this labour market, employer-employee contracts exist, but that is characteristically different from that we see in the formal labour markets. There are also other segments of informal labour market, where the owner himself is a worker in his own production unit and run it with the help of unpaid family workers. One may argue whether this latter segment can be apart of labour market in true sense. Therefore, we discuss the issue of self-employed and family labour separately in section 3.5. The concluding section is section 3.6.

3.2 Typology of labour markets and labour

Labour demand is a derived demand. Its demand is linked to the demand for goods and services; given the technological factors. Labour is not like an usual commodity but it is embodied in human being. The supply of labour, provided by
human beings, is done through contracts, the forms of which depend on the organisation of production of goods and services. The typology of labour markets and labour are linked to the nature of the contracts, the process through which such contracts are drawn and these have interfaces with the form of organisation of economic activities. We are familiar with the concepts of formal and informal sector with respect to the organisation of production of goods and services. In fact, informal sector consists of a range of organisational forms including own-account enterprises run with family workers that provides self-employment and is outside the so-called employer-employee relationship. In this approach, we conceptualise labour market consists of market for various types of labour contract. The self-employment may seen as labour-contract issued by the labour-owner himself.

Using Venn diagram (in Figure 3.1), we show the various components of labour market and its interface with formal-informal classification of organisation of production of goods and services.

Figure 3.1: Venn diagram showing interface between labour market and organisational form of activities.
Formal vs. informal labour market

As may be seen from the above figure there are two broad segments of urban labour market - formal urban labour market and informal urban labour market. In formal labour market contracts are subject to various legal provisions, and the breach of contract is subject to judicial procedures. The rules and regulation not only provides for the wages, and salaries but also other types of compensation, retirement benefits and the other working conditions. These formal sector workers are normally organised under a trade union. A formal labour market can be defined as a market where the relations between the owners of the means of production and the workers are governed by certain rules and regulations. There is a legal framework within which this interaction takes place. These rules and regulations are framed by the employers and employees jointly. Once these rules and regulations have formed, both the sides try to abide these rules and regulations. In this framework, State plays an important role. Sometimes State directly takes the initiative to frame rules and regulations. Sometimes State takes the role of a mediator.

The following characteristics of a formal labour market may be noted. First, it is contingent upon the formal organisation of goods and services. Employer must run a formal organisation that has a legal entity. The other important characteristics include

(a) Employment is on a regular basis,

(b) Employees receive a formal appointment letter from the employer; and on that basis they join the organization concerned,

(c) Information flow in the formal market is generally more wide than in informal market as the vacancies, educational qualifications and wages and compensations, and other terms and conditions of employment are notified.

(d) In formal labour market, job securities are greater. Jobs are normally permanent in nature.

(e) There are various social security measures, like gratuity, pension, medical allowance, maternity leave, medical leave, etc. for the formal workers. The rules and regulations of these social security measures are normally decided by the government.

(f) Entry to the formal labour market is strongly restricted. There are many institutional barriers. A worker can get a job in a formal market only when he/she
satisfies the necessary conditions laid by the employer.

On the other hand, informal labour market is not subjected, generally speaking, to rules and regulations as such. In informal labour market, even when in the ambit of employer-employee relation; the labour laws and regulations framed by the Central and State Government are normally absent. Even when there are rules, they are more in the nature of norm setting. The contracts are informal, of varying duration. Being informal in nature the contract can be ended at any time by either the employer or the employee without paying any direct penalty. In that sense the market is always open and an entry and exit is relatively flexible. However, informal labour market is quite heterogeneous as can be understood with reference to the Figure 3.1. First, a segment of the labour market is characterised by employer-employee relationship, while the other segment consists of self-employed and family workers, lying outside the ambit of employer-employee relationship. Informal labour market with employer-employee relationship may be further segmented into two sub-sectors: i) informal labour in formal sector (B in Figure 3.1) and informal labour market related to informal sector (C). The informal labour outside the employer-employee relation can be distinguished into the following categories - self-employed and family workers. Self-employed may be single worker, worker working in a group, worker working with other family members.

**Self employed and family labour**

The concepts of self-employed and family labour are outside the narrow definition of labour market. The nature of labour contract is outside the ambit of employer and employee relationship. Self-employed are those who provides his own labour as well as entrepreneurial resources in their own farm or non-farm enterprises. The labour demand, which is a derived demand, is both obtained by the same person or persons who supply the work effort also. The labour contract is an implicit one in the sense of self-issued contract. The essential feature of the self-employed is that they have autonomy (i.e. how, where and when to produce) and economic independence (i.e. market, scale of operation and money) for carrying out their operation [NSS 55th Round, July 1999 – June 2000].
Self-employed persons constitute a part of labour market when it has defined broadly to include all kinds of transaction of work effort. There are three categories of self-employed: (a) own account workers, those who operate by and large their enterprise without hiring any labour or by occasionally hiring a few labourers; (b) employers, those who work on their own account or with one or a few partners, and who by and large run their enterprise by hiring labour; and finally (c) family workers, are those self employed persons who are engaged in their household enterprises, working full or part time and do not receive any regular salary or wages in return for the work performed.

Regular labour (employee) vs. casual labour (employee)

It is worthwhile to distinguish the concepts of regular labour and casual labour from the concepts of formal and informal labour. The former concepts have based on the nature of the contract with the employees. Regular salaried/wage employees are those employees who are engaged in others’ farm or non-farm enterprises (both household and non-household) and receive, in return, salary or wages on a regular basis (and not on the basis of daily or periodical renewal of work contract). This category includes not only persons getting time wage but also persons receiving piece wage or salary and paid apprentices, both full time and part-time. Casual labour is also engaged in others’ farm or non-farm enterprises (both household and non-household) and receives, in return, wages according to the terms of a daily or periodic work contract. Thus, regular employee may be found both in formal and informal labour market, but casual labour is to be found only in the informal labour market. (NSS 55th Round, July 1999–June 2000).

We will discuss below the components and functioning of the broad segments of labour markets, starting with the formal labour market. Our focus will be on recruitment procedure, determination of terms and conditions of employment and the interaction of agents.

3.3 Formal Labour Market and its Functioning

Jobs in formal labour market consists of (a) jobs in government and semi-government organisations, (b) government undertakings operating with profit motive
and (c) jobs in organised private sector, where contracts with labour are regulated by act and rules and regulations formulated by the government. The functioning of labour market in all these sectors has the common feature that the markets are functioning at a point of time as fixed-price buyers' market. The wages and the terms and conditions are pre-fixed in the market and those who are willing to work offer themselves at that terms and conditions. However, actual amount of employment is determined by the demand made by the employer.

Further, generally speaking, employment contract in these markets is a life long contract. Therefore, at any period of time the size of the active market, that is the number of new recruits, is only a very small fraction of the total employment in this sector.

In the formal labour market apart from the demand and supply agents (employers and employee respectively) there are agents (organisations) who act on behalf of the ultimate demand and supply agents, and also agents who facilitate the functioning of the labour market by organising the flow of information. These include, on demand side, the service commissions; and the trade unions and employees associations on the supply side and employment exchanges are the bodies that facilitate the flow of information in the labour market.

With government as the demanding agency, there are various institutional agents (service commissions) who conduct on behalf of the government or semi-government organisations the screening and selection of the prospective candidates. The existence of such agents can be justified on the basis of: (a) as government makes large number of recruitment, a specialised recruitment agency minimise the transaction cost of selecting the suitable candidates; (b) given the almost life-time nature of the employment contract in the government jobs, there is a need for selecting candidates with as much care as possible to avoid the adverse selection problem; (c) finally as the government have to ensure neutrality, fairness and uniformity in the recruitment process, an autonomous screening and selecting body is preferred. For the last reason the Constitution of India provides for central and state level service commissions for the civil servants. In the context of Calcutta (as well as West Bengal) there are apart from the service commission for civil servants (Public Service Commission), School Service Commission (for teachers of the
government-aided schools), College Service Commission (for college teachers), Municipal Service Commission (for municipal staff). It is important to mention that service commission only prepares a panel of the successful candidates and it is not guaranteed that all of the successful candidates in that panel get a job. After one or two years, the existing panel is cancelled and many successful candidates are deprived from getting a job. After some time, Government again moves to prepare a new panel and repeats the same process. It may be noted here that service commission, does not have any role in the deciding the terms and conditions of the employment, which are decided by the Government itself. However, Government has to appoint Pay Commission which revises the terms and conditions of the employment of the civil servants from time to time. It is made mandatory in the Constitution of India. (Details about the various service commissions (in Calcutta and/or West Bengal) are given in Appendix A3.1).

In contrast to the service commissions, on the supply side the employees associations (in government and semi-government sector) and trade unions (in government undertakings and private sector) are concerned with the terms and conditions of the employment and its implementations. Terms and conditions of employment include monthly fixed wage, annual increment of the wage rate, dearness allowance, house rent allowance, annual bonus, gratuity, pension, leave encashment, leave travel concession etc. and even in some jobs, Tiffin and car allowances. Though the terms and conditions are determined by the demand agents; trade unions or employees associations, as the case may be, act as negotiators on behalf of the employed workers only. Trade union negotiates and influences the ‘terms of contract’ in favour of employed workers but once these new terms and conditions have accepted by the ‘Industries’ then these new ‘terms and conditions’ operate in the formal labour market and the new entrants in the market can enjoy these benefits also. While trade unions are operative in the public and private enterprises undertakings, employees associations are related to employees in the government and semi-government organisation.

(More about the trade unions and employee's associations have been discussed in Chapter 7).
The third agent that operates in the formal labour market is Employment Exchange, which is supposed to enhance the information flow in the labour market. Those who are in search of employment register their details with the Employment Exchange, and those who require skilled and unskilled hands with certain specification may get the suitable candidates through the Employment Exchange. The Employment Exchange has a role in integrating the labour market over the space. We discuss more about the Employment Exchange in Appendix A3.2. It has observed that ‘Employment Exchange’ plays an insignificant role in the placement of the job seeking persons. Employment Exchange related statistics (as discussed in details in Appendix A3.2) indicates the inability of the State Government to provide jobs to the unemployed youths in the State. When we compare the total number of registered job seekers in the state and the total number of placement of the job seekers through Employment Exchange (see Table A3.2.1 and table A3.2.2) we find that as a formal institution in the formal labour market, Employment Exchange has failed to generate any confidence among the job seeking persons in the state.

In the formal labour market, particularly in the government jobs, the notification of jobs are done in newspapers and therefore there is better information flow that integrates the market over space. However, selection procedure being centralised through service commissions, in a sense formal labour market is concentrated in Calcutta, which is the location of various service commissions, although the actual jobs may be located in different parts of the state. As the selection procedure by the various service commissions is relatively lengthy, and often involves a number of tests and interviews, which implies that the job seekers have to incur both direct and indirect costs, this spatial concentration gives advantage to candidates for Calcutta and its neighbourhood.

In the formal labour market in services, the nature of transaction is different. Here the supply agent (say, doctors’, lawyers’ service, a computer or television mechanic) puts his / her terms and according to that terms and conditions, the demand agent purchases their services. In some services (Computer or Television or Motor mechanic), there may be a bargaining between the supply agents and the demand agents on the price of the services but in some cases (particularly doctors’, lawyers’ service), the supply agents enjoy some degree of monopoly power. The demand
agents accept the price offered by the supply agents.

In a formal labour market, termination of contract normally depends on the 'terms of contract'. In the central and state government services, it was very difficult to terminate the contract between the employer and the employee before time. But today in the age of liberalization, government is also adopting different measures to terminate the contract between government and the employee before time. Government as a demand agent of the labour market resorts different measures to reduce the gap between the demand and supply of the labour in its enterprises. One of the important measures adopted by the government is 'Voluntary Retirement Scheme'. Government offers a financial package to its employees and forced the employees to take an early retirement from their workplace. This volunteer retirement has already taken place in commercial nationalised Banks, central and state government run enterprises / or industries. Government also sells its industries to the private hands. By selling its industries to the private hands, government terminates its commitments to the workers in the concerned industry. Initially, when a worker joins in a public sector enterprise, he / or she is assured about his job security, regular payment of wages and about his retirement age. But when the public sector changes its characteristics, that is, when it is handover to a private owner (by selling the majority / entire shares of the public sector enterprises to the private industrialists), the very nature of the job security is threatened. In the private sector, the employer resorts different ways to terminate the contract between the 'employers and the employees'. The private sector employer adopts severe measures in this case. Employer resorts lay-off, closure or declare lockout in the industry. In the jute industry in West Bengal, the mill owners often declare 'closure' or 'lockout' in the industry. 'Closure' or 'lockout' is declared in the mill when there is a recession in the market. During the period of recession, it is profitable to close the industry for a temporary period than to run the industry. Again at the time of purchasing the raw jute, jute industry declares closure or lockout in the mill. This closure / or lockout keeps the demand for raw jute low and this ultimately lowers the price of the raw jute in the market. Sometimes employer declares 'lockout' in the industry only to reduce the size of the workforce. The industry will reopen only after the retrenchment of the workers. A sizeable
portion of the workforce is compelled to retire from their services. The retrenched workers are offered only a nominal financial assistance and this financial assistance is not timely paid. Many industries in West Bengal, even government enterprises also, do not deposit the employees’ share in the provident fund timely. Millions of rupees of the workers are unpaid by these enterprises (Details are given in chapter seven).

3.4 Informal Labour Market and its Functioning:

There is more heterogeneity in the informal labour market compared to the formal labour market. The heterogeneity may be seen with respect to nature of contract and also in terms and conditions. While one segment of the informal labour market involves employer-employee relationship, but another segment, in fact the largest one, consisting of self-employed and family workers, is outside the domain of employer-employee relationship. The contracts are in general of short duration, or can be ended at any time by the either party, and therefore employer has the ‘hire and fire’ type flexibility, even though a person may continue to work with the same employer for years. Further the terms and conditions, particularly those relating to working hours and wages per hour varies greatly.

In the informal labour market, as workers belong to small units, often spatially scattered, the workers are seldom unionised. Informal activities also take place in the formal labour market. In different industrial units, informal workers do same work side by side with the formal workers in that industry. There is a huge gap between the wages paid.

Informal labour markets across the economic activities

If we arrange workers by earning, it is generally true that the informal labour market involves primarily the workers at the lower end of distribution. The single workers providing services, for example the plumbers, carpenters, and other job workers belong to this category. Even at the upper-end of the distribution, there are workers whose work contracts have the characteristics of informal labour contract -

1 The terms ‘closure’ and ‘lockout’ are defined in the appendix of Chapter 7.
for example the professionals. Their earning is quite high and sometimes, particularly when the skills are scarce, the person supplying the labour (effort) dictates the terms and conditions of the contract. Usually these markets look like flexible price market, but fixed price suppliers’ market is not inconceivable.

**Informal labour within organised sector**

Informal labour is not confined to the unorganised units only. The informal labour is used in the formal sector units also, and this is not a recent phenomenon. There is a vast difference between the informal worker and the formal worker in the formal sector in all respects. In the jute mills of West Bengal, most of them are located in the neighbourhood of Calcutta, uses informal labour with formal labour. There are two categories of informal labour in organised jute industry: *badlis* and *bhagdars*.

The system of *Badli* or temporary workers, who are employed on a daily basis, typified the informal system of recruitment in an organised formal sector. Majority of the jute workers in West Bengal are migrant workers from other states. These migrant workers frequently visit their native land, particularly during the period of harvesting and social occasions. *Badlis* are casual workers who are employed in place of these absentee permanent workers. The mill owner does not recognize these *Badli* workers. They have no record in the factory register. These *Badli* workers do not enjoy any type of social security that permanent workers enjoy.

*Bhagawalas* are employed not by the employer but by the piece-rated permanent workers to cope with their production targets [Sen Samita, 1999, pp. 100-104]. In this system, the piece-rated workers, unable to fulfil their quotas, normally avail of the assistance of unemployed family members. This practice is fairly widespread in such jobs as sack sewing, finishing, packaging, etc. The system of *Bhagawalas* exists even in machine operations where operators are forced to bring in helpers at no extra wage. (Details are given in Appendix A3.3).

Though the use of informal labour in the formal units is not new, it has been more widespread with the process of liberalisation and globalisation. As the process of globalisation leads to increased competition and uncertainties in the market, there is a growing tendency to use informal labour even by the formal units, to reduce costs,
particularly the committed costs. Further, as part of the reform programme the central and state governments had to put a break on the growth of the committed expenditure. To achieve this end government has adopted (a) the policy of hiring services wherever possible, instead of giving permanent employment, and (b) employing staff with yearly contract for a consolidated monthly payment. The semi-government and government-aided organisations are also induced to follow such policies.

In case of hiring services like security services, clerical and accounting services, the government gives contract to a supply agency, usually on yearly basis, who provides the required personnel. The supply agency in turn recruits the workers on its own terms and conditions. In ultimate analysis the formal sector hires the services (work effort) in the informal labour market. The supplying agency takes the trouble of coordinating the transactions in informal labour market and gets a margin for it. The supply agencies make the recruitment through advertising in the newspapers, often in anonymous manner, and through personal contacts also.

In the other case, the employing organisation enters into contract directly with individuals but it is only a yearly contract and the usually for a job the terms and conditions of the contract is standardised by the government. This happens with relatively skilled jobs. For example in recent year, teachers at various academic institutions and the doctors in hospitals have recruited on yearly contract basis. The contract can be terminated at the end of the period by the employing organisation and by the employee at any time, as there is no penalty clause as such, except the implicit risk of having a ‘bad-will’ in the market. Some details have given in Appendix 3.4.

The agents who work on commission basis in various service sectors are also informal labour in the formal sector. They are not regular employee of the formal sector units, work on the commission basis, but under direct supervision of the formal sector unit, and therefore are informal worker attached to the formal sector. For instance, in Calcutta as also in other cities there are many deposit collectors who work as agents of different financial institutions like Life Insurance Corporation, Post office, and Mutual Funds like ICICI-prudential and Unit Trust of India. The nature of the business is such that the formal units depend on the informal workers with whom they have piece-rate contract, as it would minimise monitoring problems. However,
sometimes the whole activity may be fanned out to outside agencies and then the formal sector activity is organised in the informal sector. One such example is banks farming out the promotional activity of credit cards to outside agencies. These agencies though working for the formal sector as the commission agents, they are separate entity and therefore the corresponding labour transactions belong to the informal labour market and discussed elsewhere.

In the formal sector, the volume of informal activities is also rising. Metro Rail in Calcutta is a part of the Indian Railway system. But there are many casual workers like ticket checkers, cleaners in the Metro Rail. Today, in the government hospital many jobs are contract jobs. Even doctors are appointed on ‘contract’ basis. Teachers are appointed in the academic institutes on a consolidated salary. All are the examples of informal within formal sector. Today this trend is increasing with increasing rate.

**Informal labour in the informal sector (with employer-employee relation)**

In informal sector one segment of informal labour consist of hired workers, within the framework of employer-employee relation. In the informal manufacturing units labour recruitment is mostly through personal contacts with the employer, or the existing workers. Sometimes initial employment is given as ‘apprentice’ or ‘trainee’, and during this training period, may extend up to two years, the wage rate is at minimum subsistence wage rate. After acquiring the necessary skill, the workers get higher wage rate. ‘No work no pay’ system prevails in these small units. The workers normally get ‘one month’ salary as bonus at the time of Durga Puja (the main festival in the state). The duration of work in the small manufacturing units varies between 10 to 12 hours daily.

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2 For example, in the small gold-ornament manufacturing units in Calcutta, where migrant workers, who mainly come from two districts, Howrah and Medinipur, are engaged initially for a period of 1 to 2 years as trainee, and get from employer food and lodging only. After two or three years, once these workers become skilled they receive salary.

3 For instance, in ornament manufacturing units or in sweat-meat shops in Calcutta there is no fixed working hour. In these units, workers stay at workplace or near it and start work at early morning and take rest from 2 p.m. to 6 p.m. and again work up to 10 to 11 p.m.
Sometimes a formal sector unit farms out some activities to the agents in the informal sector that function on a contract basis. It has been a source of growing demand for informal labour within the ambit of employer-employee relationship. As referred earlier the banks are now recruiting agents on contract basis for selling the credit cards and other financial instruments in a particular area. The marketing agent, in turn, appoints qualified young persons to promote credit card among the people. The marketing agent, though generally maintains a well-equipped office, is essentially running a service sector informal unit and offers the young qualified salespersons, his employees, only short duration informal labour contract. The nature of recruitment, duration of work and remuneration are different from the other informal labour in manufacturing units. In this informal service sector the marketing agent recruits the salespersons through advertisement. The marketing agent announces the requirements through advertisement in city's leading daily newspaper. The required qualification is normally graduates from any recognised university. After scrutinising the application, the marketing agent calls the applicants for an interview. The successful candidates get an appointment after that interview. In this service sector there is no fixed monthly salary or fixed daily wage rate. The remuneration is commission based. The marketing agent gives daily transport allowance to his/her salespersons and other part of the earning depends on the volume of sales.4

There is no fixed working hour. The salespersons have to work according to the need of the business as their commission depends on the sale. Since they are scattered and their contract is of short-time span they have no organisation or trade union. There is a good mobility in these jobs. After getting some experience these salespersons join in a bigger organisation, even in a formal sector organisation with a higher salary and other benefits.

4 The marketing agents have a margin of 30 to 40 percent of the contract money after meeting the commission and allowances to the salespersons.
3.5. *Self-employed and Family-worker — Informal Labour Outside Employer-Employee Relation:*

Informal labour outside employer-employee relation consists of those self-employed who sale their labour indirectly with the produced goods (household manufacturing) or the trading of goods (retailers, hawkers and peddlers) or directly provide services to multiple customers (plumbers, carpenters, part-time domestic hands). In some cases when service delivery is regular, the customer who pays for the services may appear to be an employer, but as the customer is not using the services for self-consumption, she/he cannot be treated as an employer.

*Self-employed producers of goods*

Today in many cases, large industries carried their different operations in the informal labour market. These large industries provide raw materials to the informal units and control the quality of the product only. The large industry buys all the products from the small producers and sells the product in the market in their own brand name. This type of putting-out system is a common practice in the Hosiery industry. In Jute industry, there are many daily workers who work on the basis of daily wage rate. A unique type of workers called *bhagawala* exist in jute industry for long times. A *bhagawala* works in place of a regular worker when necessary and the regular worker pays a portion of his income as a daily wage to the *bhagawala*. This daily wage is far below the existing minimum wage in the industry. In the Bidi industry, the *mahajon* (money lender) or the employer supply the bidi leaf and other raw materials to the individual worker (this worker is mainly a female worker) and pay a piece rate wage. These workers are deprived from government fixed wage rate and other social benefits given in this industry.

*Self-employed traders of goods*

Generally ‘trader’ in the labour market can be considered as a ‘self-employed single worker’ in the informal labour market. Trader’s service in the labour market is a derived demand. Formal or informal employer – employee relation does not exist in trading. Traders can take their decision independently to
other persons. They collect commodities from the producers and sell these products in the market with a difference. This difference between trader’s price and the producer’s price gives the remuneration of a trader. Within this remuneration there are two parts: a) wages of the trader and b) earning for the organisation of the trading activities. This remuneration cannot be divided. It is just a residual part. In the trading market, barrier to entry is minimum. Anyone can easily enter in this market and can easily exit from the market. In the retailer market, space acquires a dominant role. A hawker or a retailer who use the footpath for his activities must go for a tacit understanding with the local police station and also with the local influential political persons. Without a political patronage, it is impossible to get a space on a footpath in Calcutta. All the hawkers who run their business on a footpath in Calcutta, must be a member of a trade union affiliated to a political party. By paying to local police and paying a daily subscription to the union, these hawkers assure their position on a footpath in Calcutta. Again, space acquisition for a vendor within a market and outside the market (footpath) is totally different. A vendor (fruit sellers, vegetable sellers, grocers, fish sellers and so on) within a market normally acquires space in the market by paying one time lump sum amount of money (known as ‘selami’) to the owner of that space. Apart from the ‘selami’, the vendor pays monthly rent. This rental amount is fixed by negotiation. In this whole process, a middleman operates between the vendor and the owner of that space.

Self-employed service-providers and professionals

In this category at the one end of the market, there are low unskilled, uneducated manual workers and at the other end, there are very high skilled workers and educated professionals. Though apparently there is a great deal of differences in terms of earning and social respectability, at the conceptual level the groups have similar structure of labour market functioning. We first consider (a) the lower end of the market consisting of unskilled low earning occupations and then (b) the upper end of the market comprising the high skilled well-off professions.

(a) The lower end of the market

(i) Self-employed single worker: The carpenter, plumber, electric mechanic, domestic servant, Ayah etc. are the different categories of self-employed single
worker in an urban informal labour market. The nature of work contract and wages varies from occupation to occupation.

In case of low skilled or semiskilled labourers in carpentry and plumbing, the workers gather early in the morning in some specific places of the city (for example, near Esplanade, Rajabazar crossing, Hatibagan etc) and the buyers from the neighbourhood come to hire labour for day's work. Usually a fixed wage rate prevails in the market, although a buyer can bargain with the wage rate. After they (buyer and seller) agreed with the wage rate, the single worker goes to the working place and work. The duration of work time is normally 8 hours per day. In Calcutta, the ongoing daily wage of a plumber/carpenter/mason varies in the range of Rs.120 to Rs.130.

(ii) A person recruits a domestic servant or an Ayah after taking the necessary information about him/her. In this recruitment, linkage or past acquaintance plays a dominant role. Majority of these domestic maid-servants are daily commuters in the city. Their wage rate varies between Rs. 200 to Rs. 400 per month only. The domestic servants (almost all of them are females) come twice a day in their working house. They take 45 to 60 minutes in a house to complete their work. Normally they cover 4 to 6 houses in a day. They work seven days of a week. There is no declared holiday but they can take leave if necessary. There is no wage cut due to this absence. They get one month extra salary as a bonus during Puja festival. The domestic servants are recruited purely on the basis of reference and trust.

(b) The upper end of the market

In the upper strata of the society, there are also self-employed single workers. Doctors, lawyers are the example of ‘self-employed single worker’ in the labour market. In this service sector of private practitioners, there is a strong barrier to entry. Highest academic qualification is required to start a profession in medical service or in legal service. These private practitioners have must registered them in Medical Council of India and in Bar Council of India respectively. Rigorous formal training is required to become a private practitioner in medical service (‘internee’) and in legal service (junior under a senior lawyer). So private medical practitioners and legal practitioners are included in the formal labour market. These private
practitioners sell their service in the labour market. The practitioner determines the price of his service. This price widely varies between the practitioners. A private doctor can comparatively charge higher price for his service than another private doctor for the same service. The degree of variation in price depends on the quality of the service, experience of the private practitioner and on the popularity among the patients / clients.

3.6 Conclusion

In the introductory section, we wanted to make a typology of the urban labour market but with the changing economic situation all the concepts are overlapping and different heterogeneous economic activities across the labour market make it difficult to distinguish between formal and informal concept of labour.

The functioning of a labour market in an urban metropolis is unique in its characteristics. The different economic activities across the labour market give us the typological classification of the labour market. A regular employee when receives his salary or wage on a regular basis and covered by adequate social security measures; he is definitely in the formal labour market. But when a regular employee works in the city’s private transport sector (drivers and conductors in the private buses) year after year and receiving salary or wages on a regular basis but not adequately covered by the existing social security measures, would perhaps be included in the informal labour market (not just social security, the terms and conditions for appointment are also different). Here social security and other terms and conditions are the determining factors whether a regular employee included in the formal labour market or in an informal labour market not withstanding his regularity.

The formal labour market normally operates within a legal or statutory framework drawn by the Government. The formal market is vertically divisible between the two agents; employers (demand agents) and employees (supply agents). Government (one of the demand agents) as the largest recruiter in the formal labour market tries to ensure fairness, neutrality and uniformity in the selection process and prefers an autonomous recruiting bodies, like the public service commission, in this regard. The supply agents (employees) at the point of entry in the urban formal labour
market have considered as ‘individuals’ only. The market is a buyer’s market at the time of recruitment. The employees recruited on basis of the conditions laid by the demand agents in the market. Once they (employees) joined in the formal labour market, they become organised and the organisation bargains with the demand agents (employers) regarding the terms and conditions of the employment.

The informal labour market is more heterogeneous in functioning. In many segments of this market, the formal employer – employee relationship does not exist. The employer himself works as an employee and many units run by the family workers.

In a broad sense, one relevant question is in what sense a self-employed worker should considered a part of the labour market. The possible explanation is that the labour demanded from the self-employed worker is an implicit demand.

A person who runs a ‘snacks-counter’ on the pavement of the main street in Calcutta (It is a common feature on the Calcutta street’s pavement) prepares food (say, egg-roll / chowmin etc.) and sells his product to the customers. Here his labour power implicitly demanded by the buyers / customers. There is a demand for egg-roll from the customers and the demand for labour power of this self employed person varies according to the demand for egg-roll. When there is no demand for his product, the self-employed person is totally unemployed. Therefore, a self employed person should be a member of the labour market in true sense.

In the name of liberalisation, privatisation and globalisation; the formal labour market is rapidly acquiring the characteristics of an informal labour market. In different organised industries, employing casual or informal worker has become a common feature. Employing casual workers or letting a part of the industrial work to the informal labour market reduces the wage bill of the organisation and at the same time decreases the cost of social securities incurred by the employer. It is much easier for an employer to push out a worker in an informal labour market than in a formal market. Today, informalisation of work has wide spread across the economy. The inflow of new technology has drastically changed the recruitment policy in the formal labour market. In the organised industry, the number of white-collar salaried workers has are being reduced rapidly. The number of permanent jobs is going down. The high differential in wage between the formal worker and the informal worker in the
economy for the same job implies the increase in social discrimination in the society. Most of the informal activities in an urban area today are arising from the needs of the higher strata of the society. The high pay-scale of the central and state government employees, employees of the organised private sectors like bank, insurance, information technology, and enormous profit enjoyed by the private organisers and traders etc. and small family size are the main two factors behind the affluence of the society. Recent policies of the Government also help to widen the gap between the wages in formal activities and in informal activities.

The next chapter (chapter 4) will discuss the spatial dimension of the city's labour market. The nature and type of employment (particularly for the informal activities and women activities) in a city like Calcutta is closely related with the place of residence. Chapter 4 will discuss the changing pattern of occupational distribution in the city. Over the decades, the city has expanded vertically and simultaneously the composition of the residential population has changed. This in turn changes the occupational pattern of the resident population. These changing characteristics will help to understand the nature of the labour market that functions in Calcutta.
Appendix 3.1
Agents in formal labour market: Service commissions

We will give here details of the screening and selecting agents/institutions, namely service commissions, for government and government-aided jobs of the Central, State and Local governments. Though these commissions functions for the respective governments and their jurisdiction is not limited to the Calcutta City, the formal labour market related to these jobs in Calcutta are influenced by their functioning. The institutions through which West Bengal Government recruits their employees are mainly:

a. Public Service Commission,
b. School Service Commission,
c. College Service Commission,
d. Directorate of Employment,
e. Municipal Service Commission.

a. Public Service Commission:

Public Service Commission normally through advertisement in newspapers, inform their candidates about the number of vacancies, nature of job, amount of salary and perks and other terms and conditions like minimum and maximum age limit, required minimum educational qualification etc. The age limit and academic standard depends on the importance and responsibility of the job. Sometimes, Public Service Commission sells application forms to the job seekers. Through written examination and interview, Public service commission recruits the Government employees.

b. School Service Commission:

School Service Commission recruits school teachers (secondary and higher secondary) for the non-government (but government bears all the financial responsibilities) schools in West Bengal. The required minimum academic qualification and the minimum and maximum age limit are well defined and vary for secondary teachers and higher secondary teachers. For Government schools, Public Service Commission recruits the teachers. In the recruitment policy, academic qualifications and personal interview carry separate weights. The School Service Commission is an apex body and there are four regional school service commissions
which function under this apex body. Through these regional centres, School Service Commission conducts a written examination for the applicants and the successful candidates called for interview. Finally, the name of the successful candidates published subject-wise in a panel and according to this published panel, Commission give the appointments to the successful candidates in different schools of the State.

c. College Service Commission

College Service Commission mainly recruits teachers for non-Government under-graduate colleges in West Bengal. Public service commission recruits Government college teachers. College Service Commission conducts ‘State Level Eligibility Test’ for the applicants and the candidates who qualify in this written test are called for interview. The successful candidates are empanelled and get appointment according to the merit list. It is important to mention that a ‘Honours’ degree and 55% in the post-graduate level along with success in NET / SLET are the minimum academic qualifications required for an applicant applying for a college / university teaching post.

(Note: NET: National Eligibility Test; SLET: State Level Eligibility Test).

d. Municipal Service Commission

It recruits employees for the municipalities and local bodies in West Bengal. The procedures of the recruitment are more or less same like other institutions.

e. Directorate of Employment

It plays the role of an intermediary in the job market. Through its network of Employment Exchanges the Directorate primarily acts as a placement agency for the non-‘Public Service Commission’ vacancies arising in state government establishments, state government undertakings, quasi-government establishments and local bodies and for certain vacancies in the central government / quasi-government establishments. It is responsible for administration, development and co-ordination of programs relating to employment service. Registration of unemployed persons is recorded by employment exchanges. The educational profile of the recorded persons vary from illiterates, literates, below Madhyamik to graduates, post-graduates in arts, science, commerce, engineering, medical and other technical subjects.

Private Sector in the organized labour market recruits their employees mainly through advertisements in the different newspapers. The private sector mentions their
requirements and terms and conditions in the advertisement and the job seekers applied accordingly. In the private sector, personal contact is also an important factor in getting a job.

In the state government service, if an employee is died on duty; his / or her nearest kin will get a job in any department of the state government. In the private sector when an employee died on duty, his / her nearest kin normally get a job in that concern. Even in some cases, an employee after his retirement can request the management for a job for his / her son or daughter and sometimes, management accept the request. In some reputed private organizations, a system of nomination is still operating. Even, in Calcutta Municipal Corporation, there is a nomination system in the ‘fourth-class’ (mainly sweepers, zamadars, etc.) category jobs. A sweeper in Calcutta Municipal Corporation, at the time of retirement, can nominate his /her nearest kin in the post. Now, in the name of ‘Globalization’ a new form of appointment has come up in the labour market. By passing the established institutions like Public Service Commission, Government are recruiting persons directly from the market on purely temporary basis. Presently, West Bengal government offers ‘contractual appointment’ in some areas, like college teaching, medical service, panchayat service etc. Only a consolidated salary has offered in these professions. Normally, the period of the contract is two years. These are ‘ad-hoc’ appointments.

Again, in college and university teaching, there are part-time appointments. Teachers are appointed on the basis of number of classes. Here, the appointing authority is the college governing body or the concerned department of the university. Here remuneration is fixed on the basis of number of classes taken in a month.

**Appendix 3.2**

*Agents in Formal Labour market: Employment Exchange:*

Employment Exchange functions as an operating agent in the formal labour market. The unemployed youth register their name for a placement and the Employment Exchanges maintain live register of the unemployed in the area under their jurisdiction. In Calcutta which cover 141 wards of the Calcutta Municipal Corporation there are five Employment Exchanges while there are 71 Employment
Exchanges covering all the sub-divisions of all the districts in West Bengal (Government of west Bengal, 'Labour in West Bengal' 2000, pg. 138).

The five Employment Exchanges in Calcutta are:
1. Regional Employment Exchange, Calcutta.

The jurisdiction of these five Employment Exchanges from the functional point of view are summarised below:

<table>
<thead>
<tr>
<th>Employment Exchange</th>
<th>Functional jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Employment Exchange, Kolkata</td>
<td>Matriculates/SF/HSS/Madhyamik/Graduate (with or without Hons.) in Commerce, Arts, and Science, licentiate diploma holders, stenographers, typists.</td>
</tr>
<tr>
<td>East Calcutta Employment Exchange</td>
<td>Below Madhyamik standard and technical and non-technical category.</td>
</tr>
<tr>
<td>North Calcutta Employment Exchange</td>
<td>Below Madhyamik and technical category only</td>
</tr>
<tr>
<td>South Calcutta Employment Exchange</td>
<td>Below Madhyamik standard and non-technical category only</td>
</tr>
<tr>
<td>Kidderpore Employment Exchange</td>
<td>Below Madhyamik standard and both technical &amp; non-technical categories.</td>
</tr>
</tbody>
</table>

The State Government has set up Special Employment Exchange / Cells for Physically Handicapped in the state. The Special Employment Exchange for Physically Handicapped, Calcutta was originally meant for covering the entire State but its jurisdiction is now confined for all practical purposes to the city of Calcutta only as Employment Exchanges. Physically handicapped cells in Employment Exchanges of Howrah, Barrackpore, Kharagpur, Purulia, Chinsurah, Burdwan and Bankura have the jurisdiction over the respective districts for physically handicapped registrants.
At Calcutta, one Professional and Executive Employment Exchange also functions for post-graduates, engineering and technical graduates, medical graduates, chartered / cost accountants, law graduates, and those having professional degree / diplomas from recognized institutes.

There are Employment Market Information Units which are functioning in 31 Employment Exchanges and Vocational Guidance Units which are functioning in 35 Employment Exchanges. There are four University Employment Information and Guidance Bureau that are working in Calcutta, Jadavpur, Rabindra Bharati and Burdwan Universities for their students (Government of West Bengal, 'Labour in West Bengal' 2000, p. 138).

These units and Bureau assisted applicants in giving employment (including self-employment), occupation and educational information for planning their careers, both individual and in groups through career talks, group discussions, career exhibitions etc. Since the lion's share of vacancies in employment market is dealt with by different Service Commissions and Recruitment Boards, the scope for placement in service through Employment Exchanges is very limited. During the year 2000, altogether 13758 candidates including 2316 women candidates were placed in salaries employment and the situation was no different in the other years in late 1990's. (Table A3.2.1).

The role of 'Employment Exchanges' proves very insignificant in the formal labour market when we consider the number of registration of the job seeking persons in 'Employment Exchanges' and the number of placements through the Employment Exchanges' (Table A3.2.1). The gap between the number of registration in Employment Exchanges and the placement through Employment Exchanges is beyond imagination. We should also remember that a huge number of job seekers in the labour market remain outside the 'Employment Exchanges'. They do not put their names in the register of the 'Employment Exchanges'. It is important to mention that the number of registration of the job seeking persons including the number of women registration has declined in the year 2000.
Table A3.2.1: The number of job seekers registered in Employment Exchanges and the number of placement of the job seeking persons through Employment Exchanges in West Bengal:

<table>
<thead>
<tr>
<th>Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Registration (‘000)</td>
<td>482</td>
<td>453</td>
<td>537</td>
<td>507</td>
</tr>
<tr>
<td>Total no. of persons get placement (‘000)</td>
<td>11.0</td>
<td>8.3</td>
<td>14.5</td>
<td>13.8</td>
</tr>
<tr>
<td>Women Registration (‘000)</td>
<td>146</td>
<td>136</td>
<td>179</td>
<td>166</td>
</tr>
<tr>
<td>Total no. of women get placement (‘000)</td>
<td>n.a.</td>
<td>n.a.</td>
<td>2.8</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Source: ‘Labour In West Bengal 2000’ Government of West Bengal, Graph No. 20 and 21.

In West Bengal, public sector is the largest employer for these registered job seekers. More than 82% of the total placement in 1998 and also in 1999 placed in public sector. In 2000 this percentage was 91 (Table A3.2.2).

Table A3.2.2: Sector-wise break-up of placement for the years 1998 – 2000

<table>
<thead>
<tr>
<th>Sector</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Government Offices</td>
<td>478</td>
<td>834</td>
<td>275</td>
</tr>
<tr>
<td>Central Government Undertakings</td>
<td>737</td>
<td>1288</td>
<td>138</td>
</tr>
<tr>
<td>State Government Offices</td>
<td>2873</td>
<td>5065</td>
<td>5503</td>
</tr>
<tr>
<td>State Government undertakings</td>
<td>208</td>
<td>364</td>
<td>1651</td>
</tr>
<tr>
<td>Local Bodies</td>
<td>2506</td>
<td>4377</td>
<td>4953</td>
</tr>
<tr>
<td>Public Sector Total</td>
<td>6802</td>
<td>11928</td>
<td>12520</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Establishment Type</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Act Establishments</td>
<td>1376</td>
<td>2408</td>
<td>1101</td>
</tr>
<tr>
<td>Non-Act Establishments</td>
<td>73</td>
<td>129</td>
<td>137</td>
</tr>
<tr>
<td>Private Sector Total</td>
<td>1449</td>
<td>2537</td>
<td>1238</td>
</tr>
</tbody>
</table>

| Grand Total | 8251 | 14465 | 13758 |

Source: ‘Labour In West Bengal’ 2000, Government of West Bengal p.140

Employment Exchange maintains ‘Live register’ for the job seekers in the State. At the end of 2000, number of job seekers according to Live Register reached nearly 59 lakhs and the number of women job-seekers in the State stand at 14.7 lakhs (‘Labour in West Bengal 2000, pg. 139). The educational attainment of these job seekers is considerably high. Thirteen percent of these job seekers have graduate / post-graduate degrees (technical & non-technical) and twelve percent are higher secondary passed or equivalent. Fortyfour percent of these job seekers are below Madhyamik / school final standard and thirty one percent are school final /
Madhyamik passed or equivalent. Table A3.2.3 shows the educational attainment of these job seekers who are seeking jobs in the formal labour market. The ‘Live Register’ shows that 59 lakhs job seekers (as on 31.12.2000) formally registered their name for an employment in the formal labour market. It is also quite possible that there are many qualified persons who are not enrolled their name in the ‘Employment Exchange’. It is possible that a good number of job seekers are already employed in other gainful activities. It is also observed that a sizable number of job seekers after employed, do not struck off their names from the ‘Live Register’.

Table A3.2.3: Education-wise break-up of Live Register as on 31.12.2000

<table>
<thead>
<tr>
<th>Educational Level</th>
<th>Total Number (in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Illiterates, Literates and below Madhyamik/S.F. standard</td>
<td>2596</td>
</tr>
<tr>
<td>ii) S.F. / Madhyamik passed or equivalent</td>
<td>1828</td>
</tr>
<tr>
<td>iii) Higher Secondary passed or equivalent</td>
<td>708</td>
</tr>
<tr>
<td>iv) Graduate / Post Graduate (non tech.)</td>
<td>649</td>
</tr>
<tr>
<td>v) Diploma in Engineering / Technical Subjects</td>
<td>059</td>
</tr>
<tr>
<td>vi) Engineering Graduate and above</td>
<td>044</td>
</tr>
<tr>
<td>vii) Medical Graduate and above</td>
<td>015</td>
</tr>
<tr>
<td>Total:</td>
<td>5899</td>
</tr>
</tbody>
</table>

Source: ‘Labour In West Bengal’ 2000, Government of West Bengal p. 139

Among the job seekers, more than half (53%) is young job seekers [(14-24) age bracket]. There is a declining trend in the percentage share after (20-24 year) age group. It is possible that after a long period of waiting, the job seekers do not renew their names in the register of the Employment Exchange.

Table A3.2.4: Age -group wise break-up of ‘Live Register’ as on 31.12.2000

<table>
<thead>
<tr>
<th>Age - Group (year)</th>
<th>Total Number in live Register</th>
<th>Percentage distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 – 19</td>
<td>943840</td>
<td>16.0</td>
</tr>
<tr>
<td>20 – 24</td>
<td>2182620</td>
<td>37.0</td>
</tr>
<tr>
<td>25 – 29</td>
<td>1769702</td>
<td>30.0</td>
</tr>
<tr>
<td>30 – 34</td>
<td>707858</td>
<td>12.0</td>
</tr>
<tr>
<td>35 – 39</td>
<td>235952</td>
<td>4.0</td>
</tr>
<tr>
<td>40 and above</td>
<td>58970</td>
<td>1.0</td>
</tr>
<tr>
<td>Total:</td>
<td>5898942</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: ‘Labour In West Bengal’ 2000, Government of West Bengal p. 139
Comparing with the number of job seekers registered in the employment exchanges every year, the 'vacancies notified' by the employment exchanges is poorly low. One can justifiably question the very existence of such employment exchanges. State government bears a huge expenditure in running these 'employment exchanges' but number of placements through these 'employment exchanges' is insignificant. Table A3.2.5 shows the number of vacancies notified by the 'employment exchanges' during 1998 – 2000.

Table A3.2.5: Sector wise break up of vacancies notified during the year 1998 – 2000.

<table>
<thead>
<tr>
<th>Sector</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Government Offices</td>
<td>938</td>
<td>1660</td>
<td>517</td>
</tr>
<tr>
<td>Central Government Undertakings</td>
<td>656</td>
<td>1162</td>
<td>345</td>
</tr>
<tr>
<td>State Government offices</td>
<td>2547</td>
<td>4524</td>
<td>5187</td>
</tr>
<tr>
<td>State Government Undertakings</td>
<td>694</td>
<td>1230</td>
<td>6207</td>
</tr>
<tr>
<td>Local Bodies</td>
<td>1401</td>
<td>2481</td>
<td>2931</td>
</tr>
<tr>
<td>Public sector Total:</td>
<td>6236</td>
<td>11057</td>
<td>15187</td>
</tr>
<tr>
<td>Act Establishments</td>
<td>2925</td>
<td>5181</td>
<td>1852</td>
</tr>
<tr>
<td>Non-Act Establishments</td>
<td>183</td>
<td>321</td>
<td>202</td>
</tr>
<tr>
<td>Private Sector total:</td>
<td>3108</td>
<td>5502</td>
<td>2054</td>
</tr>
<tr>
<td>Grand Total:</td>
<td>9344</td>
<td>16359</td>
<td>17241</td>
</tr>
</tbody>
</table>

Source: Government of West Bengal, Directorate of Labour: 'Labour In West Bengal', 2000, p.139
Appendix 3.3

Informal labour in Jute Industry

In jute Industry, employing casual labour is an old age practice. The jute mills employ a small number of monthly-rated permanent workers, a stagnant contingent of daily-rated workers called special Badlis, and a growing number of purely casual labourers called ordinary Badlis.

Badli system: The system of Badli or temporary workers, who are employed on a daily basis, typified the informal system of recruitment in an organised formal sector. Badlis are casual workers who have employed in place of absentee permanent workers. "This system came into existence because most of the jute workers who are migrants from the neighbouring states of Bihar and Uttar Pradesh, return to their villages between the months of February and June which is the lean period for jute production" (Sen, Ratna 1992 p. 45).

Salary and other terms and Conditions:

In the Badli system, a large number of men gather at the mill gates at the beginning of each shift. The daily vacancies would be filled from these men. Their employment was for the day. It is possible for workers to work months and years together on this basis. There is no guarantee of employment from day to day, except the goodwill of the trade union leader or supervisor or the clerk concerned. Such goodwill could of course be obtained at a price (Sen Samita 1999 p. 50). The Badli workers have not registered in factory records. This system enabled the mills to create a sufficiently large pool of labour, with the necessary skills, to keep wages depressed. Since the employment of the badlis became a regular feature in the industry, the 1984 industry-wide agreement gave them formal status as a special category called Special Badlis. As per agreement, they were to be provided with at least 220 days of employment in each calendar year. In 1988, there was a tripartite agreement between the mill owners and trade unions. This agreement ensures them with provident fund benefits. The Special Badli gets the same wage as the permanent workers. However, there are two major differences between these two categories. One, the Special Badli is daily rated whereas the permanent workers are monthly-rated. Two, the Special Badli is not entitled to retirement benefits while the
permanent workers are. Other categories of workers who are not mentioned anywhere in the official figures are Benami workers (i.e. under fictitious names or under the names of retired employees. Such workers are paid usual wages, but not given any statutory benefits) and the Bhagawalas. Bhagawalas are employed not by the employer but by the piece-rated permanent workers to cope with their production targets. In this system, the piece-rated workers, unable to fulfil their quotas, normally avail of the assistance of unemployed family members. This practice is fairly widespread in such jobs as sack sewing, finishing, packaging, etc. The system of Bhagawalas exists even in machine operations where operators are forced to bring in helpers at no extra wage. Labour department of the West Bengal Government says "The employers of jute mills have been resorting to unethical practices like engaging labours popularly known as 'zero number workmen' on voucher payment / as Bhagawala / as Learners at low wages depriving them of due wages payable in terms of industry-wise settlement and other statutory benefits like provident fund, Employees State Insurance, Gratuity etc." ('Labour in West Bengal', 2000, p.18).
Appendix 3.4

Informal employment in a formal service sector: Education and Health

Employment of part-time workers or casual workers in the organised service sector is a common practice in the city’s labour market. Globalisation has accelerated this type of employment only. Casual or part time workers are employed in banking services, educational services, insurance services, information services and so on. Today banking sector is selling different type of services in the market through their informal network. Different banks in Calcutta sell ‘credit card’ to the customers through private agency. Bank appoints private agents to sell credit card in the market. This authorised agent finally appoints selling personnel for selling credit card in the market. In this section we discuss the nature of casual or part time appointment in the organised educational service sector in Calcutta.

In Calcutta, there are nearly seventy undergraduate colleges run by state assistance directly. Today teaching and learning of these colleges are entirely dependent on the services rendered by the part time / guest teachers. Even universities appoint part time / guest lecturers frequently.

Recruitment Procedure of a part time lecturer in a college / university:

Normally college authority / university authority gives an advertisement in the city’s leading daily newspaper. This advertisement invites application from the qualified Post Graduate persons. Minimum qualification required to apply is a post-graduate degree having at least 55% marks in the post-graduate level with an Honours degree at the under-graduate level. After scrutinising the application papers, short-listed candidates have called for an interview. SLET (State Level Eligibility Test) or NET (National Eligibility Test) qualified candidates get an added advantage at the time of interview. Sometimes, there is no advertisement. College authority directly calls the candidates without any advertisement. Here personal connection is very important. After the interview, authority gives appointment letter to the successful candidate.
Salary and Other Terms and Conditions:

There is a high degree of wage discrepancy between the full time lecturer and a part time lecturer in the college teaching service in West Bengal. Again, there is also wage discrimination between the part time teachers in various academic institutions. Some academic institutions pay higher rate and some academic institutions pay lower wage rate to a part time teacher for same kind of job / duty.

A part time lecturer receives salary on basis of classes taken per month. Generally, for each effective class (normally 45 minutes duration), the part time lecturer receives Rupees 75 only. In some colleges in Calcutta, this amount varies from Rupees 25 to Rupees 50 only. Calcutta University at present pays Rupees 150 (one hour duration) per lecture which is payable at every three months to a guest lecturer. But in colleges it is payable every month. For any external reason (e.g. college sport, student strike, cultural meet etc.), if classes not held, they do not get any remuneration. During summer holidays or Puja holidays there is no pay. A part time teacher in a college normally earns fifteen hundred to two thousand Rupees per month. It is important to note that a full time lecturer having the same qualification joining on a UGC pay scale receives more than thirteen thousand Rupees per month. Full time lecturer receives full salary at the time of college holidays and also summer and Puja holidays. These part time teachers are deprived from any social security benefits like provident fund, gratuity or pension.

Part-time lecturer normally does the other duties like invigilation during college examination, evaluation of the answer scripts of the students and counseling the students also without any extra remuneration.

The duration of appointment of a part-time lecturer is normally for four to six months in an academic year (Normally from August to January – peak academic session). After four or six months of service, there is a break from one day to next six months. In many cases, after completing the four or six months service, the authority terminates the job and issue a fresh appointment letter to the concerned teacher. This practice deprives the part time teacher from a claim on permanency. In Calcutta University, the appointment is normally for one year.

In Calcutta, the total of number of permanent full time lecturers in colleges are decreasing over time. The vacant posts are lying idle for a long time. But
maintaining the academic environment and smooth functioning of the daily work, college authority is compelled to fill up these vacant posts by part time lecturers. Normally, according to the workload, three part time lecturers are equivalent to one full time permanent lecturer. But the total salary of a full time permanent teacher is nearly 15 times higher than a part time lecturer. As a result, there is a drastic fall in the salary burden of the state government. Again the salary of a part time teacher is arranged from college fund only. State government does not take any financial responsibility for part time teachers. As a result, state government is reluctant to fill up the vacant posts in different colleges timely. In this situation the role of the trade union is very important. There is a single trade union, WBCUTA, (West Bengal College and University Teachers' Association) for the college teachers in West Bengal. College teachers, irrespective of their political affiliation are organised under the umbrella of this single organisation. In Calcutta district, at present nearly 1900 teachers are permanent full time lecturers. But the number of part time teachers is more than 1000 in Calcutta district. There are some part time teachers who are 'full time permanent teachers' in another college. The University Grant Commission (UGC) fixed rupees 2000 only (6 classes per week) for a part time teacher appointed in a college. West Bengal Government also agreed with this rate and issued directive in this respect. But unfortunately, there are many colleges in Calcutta who pay the amount sufficiently less than the amount fixed by UGC or state government. The college authority practices an unfair mean at the time of appointment. College authority gives appointment letter as a 'guest lecturer' instead as a 'part time lecturer'. The salary varies between rupees 400 to rupees 800 per month. In this way, the college authority deprives the 'casual' teachers from their usual wage rate. The university also appoints ad-hoc-basis as guest lecturer. The organisation (WBCUTA) is silent about this exploitation.

Mobility to Permanency:

A part time or a guest lecturer is always a temporary teacher. There is no scope for permanency for them. They only gather experience of teaching. If they want a permanent job in teaching, they must fulfil the terms and conditions laid by the state government. After a rigorous written test (State Level Eligibility Test /
SLET) and interview, if they qualified in the test and interview their names will be listed. From this final list (prepared by the State Government nominated authority), the appropriate authority issues appointment letter according to the number of vacant posts. So name in the final list does not ensure a permanent full time job in the college. There are many candidates (including part time lecturer also) whose names appeared in the final list but do not get an appointment letter. After getting this appointment letter, only they can shift to permanent post of a lecturer and enjoy the usual pay-scale benefits. When a part time lecturer join in a permanent lecturer post in any college or university, the past service rendered by him as a part time lecturer is not counted in his service record. As a result, the retirement benefits are sufficiently low.

In terms of mobility, these part time lecturers are treated separately from others. The recruitment policy of the state government is discriminatory to them. Generally, different industries in organised sector appoint ‘trainees’ in the industry for a period of one or two years. After successful training period these trainees are absorbed in a suitable permanent post with higher salary in the industry. But a part time lecturer in a college never absorbed later as a full time lecturer automatically in an appropriate pay scale after successful service of two to ten years; though they are highly qualified and highly competent.