CHAPTER IX
SUMMING UP

This study has examined the process of formalisation of a major unorganised and foot loose economic activity in Kerala. The labourers who were not implicated into the formalised structures of the economy had been carrying out the headload work for a long period, but the terms of employment relations were determined by the employer alone. Later, intermediaries appeared to negotiate the relationship between the employer and the worker. With the changes in the society and polity, the labourers got united into trade unions with the direct patronage of political parties and began to determine the employer-employee relations. Thus an inversion of the power relation between the worker and the employer came into being. Such an inversion did not take place with the sole efforts of the workers. The general political ambience had contributed its share. The inversion that had taken place among the headload workers in Kerala contributed much to the creation of a widely circulated caricature of the whole class of workers in Kerala as employer unfriendly. The formalisation of the headloaders under the initiative and patronage of the state was an inevitable response to such a predicament. In this process the state incurred no financial drain from its coffers. This is an instance in which the agents of the market took the economic responsibility to formalise employment relations facilitated by the state.

State-led formalisation aimed to bring about condition under which the workers and the employers could have a more or less equal opinion over the
determination of their mutual relationship. The state was expected to be an active participant only if a consensus was not arrived at between the worker and the employer. The formalisation process followed a persuasive strategy rather than a coercive strategy to discipline the workers and to remould them so that they would become amenable to the norms of the market and society. The formalisation of the informal labour still continues even in the general context of the informalisation of the formalised structures.

We may now selectively recall a few observations that were made in the previous chapters. The introductory chapter of the thesis provided a broad historical background to situate the issues dealt with in the thesis. It examined the inextricable link between the market and the state. The state cannot be a silent spectator who leaves everything to the amorphous hands of the market, ignoring the strains and stresses of the labouring poor. Nor can it be an absolute dictator of the market processes. Instead of these two extreme situations, the state should be present in the labour market to ensure high labour productivity and labour welfare and to create an environment in which the employer-employee relations are formalised.

In the second chapter we examined the genealogy of the concept, 'informal sector'. Alternative concepts such as 'segmented market', 'fragmented market' etc. gained wide circulation during the 1980s. The acceptance of these concepts gave way to two trends in the studies on labour market: modification and alteration of the concept 'informal sector' and virtual abandonment of the concept itself. The concept is still employed by scholars due to its
applicability in a wide range of empirical contexts and its polyphonic nature. The concept ‘informal’ can be invoked into academic research, but only in a qualified manner. Alternative conceptual expressions such as formalisation, informalisation etc. are more appropriate than the usage ‘informal sector’ as they would more clearly reveal the contemporary tendencies of the market.

In the third chapter an attempt was made to review the development experience of Kerala, by focusing on the bond between labour and economic development. Kerala economy was experiencing a general economic sluggishness in the production front since the mid-1970s. The failure of the government in taking proper policies and its inefficiency in the implementation of policies were the root causes behind this situation. The government’s labour policy was one of the most criticised among its policies and it gave the state the image of a ‘labour problem zone’. The state followed a passive attitude in labour problems and this widened the schisms in the labour market. The intimidation strategy employed by the unionised headloaders and their militancy became widely projected in Kerala. Headload workers in Kerala were a foot loose category of workers until the second half of the twentieth century. Union intervention succeeded in mobilising the headloaders and in securing their rights from the employers. But it failed in ‘disciplining’ the workers and in creating a peaceful atmosphere in the market. By the second half of the 1970s the disputes between the employers and the workers were quite frequent and this converted the market areas of the state into sites of confrontations and clashes. The state became forced to give up its passivity and began to take an active role in the headload labour market.
In the fourth chapter the modality of state intervention (specifically, the different disciplinary technologies employed by it) in the headload labour market was discussed. The state intervened in the market through legislation and welfare measures. It applied a set of modern disciplinary technologies to make the headload workers a group of 'docile bodies'. A Welfare Board and Local Committees were constituted to apply the disciplinary technologies. These disciplinary technologies were intended to regulate employment, to reduce employer-employee conflicts and to better the life world of the workers and their households. This was made possible by relocating and repositioning the headloaders in a new space and situation.

In the fifth chapter the major provisions of the Scheme and the implementation of the Scheme were critically evaluated. The Scheme had spread to many market centres, but a large number of financially feasible markets still remain outside the scope of the Scheme. It had exhibited different levels of success in different areas depending on the specificities of the market and the efficiency of the Committees. The Local Committees, which have better financial position and administrative efficiency, are those of Ernakulam, Thrissur, Kozhikode, Palakkad and Manjery. The Committees of Kollam, Kottarakkara, Punalur, Pathanamthitta, Mavelikkara, North Paraur, Wayanad and Thalassery have been functioning with a working loss. If the administration of these Committees are not made efficient these Committees will be a liability to the Board and they may be forced to wind up.
In the sixth chapter a micro level analysis of the functioning of Ernakulam and Kollam Local Committees were made as instances of 'success' and 'failure'. Compared with the Kollam Committee the Ernakulam Committee has implemented the Scheme more effectively. This is clear in terms of the coverage of the Scheme, wage remittances in the Committee, control of unfair practices, provision of welfare benefits, trade union participation, employer-worker relations and workers' satisfaction. Even in Kollam Local Committee, which is an instance of 'failure' due to its functioning with the highest working loss in the state, there are welcoming changes in market relations. The extent of coordination among different agents such as the government, trade unions and the employers in the headload labour market determines the degree of success of the Scheme. The introduction of the Scheme did not bring about much deterioration in the managerial power of the trade unions. But, the expectation of the employers that they would get an equal power with the trade unions in decision making was not materialised. Among the different agencies, strategy of the trade unions is critical in the successful implementation of the Scheme because they are capable of influencing the headload workers and their market relations.

In the seventh chapter the impact of the Scheme on the socio-economic conditions of the headloader households was examined. The Scheme brought about positive changes in the personal, family and social life of the workers though with regional and household-based differences. The nature of their employment had contributed a lumpen status to the workers but, as a result of state-led formalisation their behaviour and life world began to change.
A comparative study of the Ernakulam and Kollam Local Committees revealed that while the Scheme had inherent potential to uplift the life world of the headload workers, the changes in the socio-economic life of the workers and their households depended on the nature and extent of the implementation of the Scheme.

In the eighth chapter the replicability, sustainability and the indispensability of the Scheme were examined. With regard to the replicability of the Scheme it was noted that as the Scheme was a self financed one, its implementation was related to the financial feasibility of the respective labour markets. Even in financially feasible markets the initiative and co-ordination of the agents of the market were pre-conditions for its successful implementation. It was inferred that in the formalisation of the informal labour market, a typical formalisation strategy could not be employed in all situations and for different informal labour markets different strategies suited to the specificities of the market should be adopted. Also, the cooperation of the different agents in the market should be ensured in the formalisation process.

It was found that the sustainability of the Scheme was considerably affected by the vested interests of the trade unions, ignorance of workers about the potential of the Scheme, the passive attitude of the employers and the lack of interest of the state. Besides, reduction in the volume of work available in the specific markets, prevalence of unfair practices, partial wage remittances, high administrative expenses, the strategy of the employers to reduce the work of the headloaders and the existence of non-Scheme areas remain as hurdles in
the path of making the Scheme sustainable. The new Act poses certain threats to the employment of headload workers. It gives a warning to the headload workers in the state that they would have to face unhappy predicaments if they resort to labour militancy.

The Scheme was found indispensable since it had the potential to improve employment relations in the market and to make positive changes in the headloader community. If the state intervention fails and the Welfare Scheme is withdrawn it will adversely affect the changed employment relations in the market and the improved life style of the workers.

The ongoing informalisation in the labour markets of the world and the over-enthusiasm of employers in welcoming this process, may open up an era of labour exploitation, particularly where there is excess supply of labour. If failure of formalisation can lead to informalisation, the evils of informalisation can naturally lead to formalisation in course of time. Informalisation of labour relations is not a remedy to the adverse effects of formalised relations. In order to ensure higher labour productivity and labour welfare provisions formalisation of employment relations suited to the specificities of each labour market is to be sorted out.
BIBLIOGRAPHY


