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- Health Insecurities of Workers in Informal Employment
Ruma Ghosh
- Service Sector Employment in India: A Case of Accommodating Surplus Labour?
Rakkee Timothy
- Changing Profiles of Work Organisation, Terms of Work and Labour in India's Service: Sector A Case Study of Domestic Call Centres
Babu P. Remesh
- Software Industry – An Arena of Gender Equality or Disparity?
Nirmala Padmanabhan
- Labour, Employment and Social Security Issues of Private School Teachers
Sanjay Upadhyaya
- Livelihood Crisis of Working Population and Farmers in Agriculture: A Systemic Analysis of Food Crisis and Structural Change
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CONTENTS

- Health Insecurities of Workers in Informal Employment
Ruma Ghosh 1-13
- Service Sector Employment in India: A Case of Accommodating Surplus Labour?
Rakhee Timothy 14-40
- Changing Profiles of Work Organisation, Terms of Work and Labour in India's Service Sector: A Case Study of Domestic Call Centres
Babu P. Remesh 41-59
- Software Industry – An Arena of Gender Equality or Disparity?
Nirmala Padmanabhan 60-73
- Labour, Employment and Social Security Issues of Private School Teachers
Sanjay Upadhyaya 74-109
- Livelihood Crisis of Working Population and Farmers in Agriculture: A Systemic Analysis of Food Crisis and Structural Change
Sajin Philip 110-128

Health Insecurities of Workers in Informal Employment

Ruma Ghosh*

This paper explores the health insecurities of workers in informal employment based on an empirical study conducted in Delhi. The analysis indicates the high cost burden of illness covering direct as well as indirect costs. The study highlights the fact that besides quality improvements in the public health care system, extending health insurance cover for out-patient care should be considered in order to protect informal sector households from health related contingencies.

I. INTRODUCTION

The character of the labour market is undergoing a massive change in both the developed and developing countries as a result of globalization. Informal employment has grown over the years and self employment is on an increase with a decline in wage employment. In India, although as per the estimate of the 61st round (2004-2005) of the National Sample Survey Organisation (NSSO) the employment growth rate has increased from an annual 0.98 per cent in the period 1993-94 to 1999-00 to 2.89 per cent in the period 1999-00 to 2004-05, yet bulk of the increase has happened in the informal sector (NCEUS, 2009). As per the NSS data for the year 2004-05, total wage employment has gone down compared with 1999-2000, and the proportion of self-employed has increased significantly both in rural as well as urban areas (Rangarajan et al, 2006; Jha, 2009).

The growth of the informal economy implies increasing income insecurity and vulnerability of the workers. The workers in the formal sector are entitled to certain social security benefits, while hardly any such benefits accrue to workers in the informal sector. This at times creates a link between informality and poverty in most of the developing world (Sethuraman, 1998; Jeemol Unni and Uma Rani, 2002). One of the basic insecurities facing workers in informal employment is with regard to their health. Illness can create economically detrimental impact and can cause household impoverishment through income

* Fellow, V.V. Giri National Labour Institute, NOIDA

losses and medical expenses that trigger a spiral of asset depletion, indebtedness and cuts to essential consumption (Kabir et al, 2000). The financial impact of ill health consist of both direct and indirect costs. The direct costs include increased household expenditure on treatment, travel, user fees, proper nutrition for the patient, while the indirect costs include the opportunity costs of expenditure and income foregone in the event of illness. In situations of poverty where households struggle to meet daily needs, a relatively small expense on treatment or loss of wage can trigger the process of impoverishment (Wagstaff and Doorslaer, 2003). The issue of health security therefore emerges as an important factor regardless of labour force participation or employment status. And it is the function of the health care financing system to ensure that large and unpredictable costs of health care do not have catastrophic effects for individual households (ILO, 2000). However, many workers, particularly those who are outside regular wage employment, do not have any satisfactory health coverage in most developing countries.

In India, neoliberal policies practised since the early 1990s have resulted in declining public expenditure on health, thereby increasing the private provision of healthcare. Added to this is the fact that the large majority of the working population in the informal sector is outside the purview of any formal health insurance cover such as Central Government Health Scheme, Employees' State Insurance Scheme, etc. This raises concern with regard to the catastrophic out-of-pocket (OOP) spending especially by households in the informal sector. In the absence of an integrated public healthcare or universal social health insurance system, catastrophic OOP spending are likely to plunge a sizeable section of even the well-off to abysmal poverty levels (Krishna et al, 2004; Sakthivel and Karan, 2009).

Berman et al. (2010), by using the National Sample Survey Organisation's 60th Round national morbidity, healthcare survey, estimated that that around 6.2 per cent of total households (6.6% in rural areas and 5% in urban areas) fell below poverty line (BPL) as a result of total healthcare expenditure in 2004. In absolute terms, around 63.22 million individuals or 11.88 million households were pushed BPL due to healthcare expenditure in 2004. Furthermore, their analysis of the impoverishing effect of OOP expenditure on health spending across states, regions (urban and rural areas), income quintiles, and between types of care (outpatient and inpatient care) revealed that the burden

of healthcare financing affects households differentially along each of these dimensions. For example, much of this impoverishment (79.3%) was due to outpatient care which involves relatively small but more frequent payments, and only 20.7 per cent of impoverishment was due to inpatient care. Around 1.3 per cent of total households (1.3% in rural areas and 1.2% in urban areas) fell BPL as a result of expenditure on inpatient care, while 4.9 per cent of households (5.3% in rural areas and 3.8% in urban areas) fell BPL as a result of outpatient care. Examining the effect of healthcare-related expenses across income quintiles, it was seen that the impoverishing effect of healthcare-related expenses is the highest in the middle income quintile in rural areas, whereas in urban areas the impoverishing effect is felt the most by the second poorest quintile group. With regard to the share of public and private facilities in the health care market, evidence indicates that for inpatient care, individuals from both rural and urban areas prefer public facilities, whereas for outpatient care, private facilities are more used, particularly in the urban parts of India (Shariff et al, 1999; Gumber, 1997).

II. DATA SOURCE AND METHODOLOGY

Taking into consideration the above background, the broad objective of the present study is to understand the health insecurities of households involved in the informal economy. The study was conducted in Delhi which is a growing urban centre. As the idea of the study was to understand the health related vulnerabilities and insecurities of workers in informal employment with low income, it has been purposively restricted to households in slums and resettlement colonies.

To keep the sampling framework relatively simple, in the first step Delhi was divided into five zones on the basis of geographical locations – north, south, east, west and central Delhi. From each of these zones, one slum and one resettlement colony having the largest number of households was selected keeping in mind that at least one slum/resettlement colony from each of the zone had access to alternative health facilities for the purpose of drawing comparison. Thus a total of five slums and five resettlement colonies were chosen from the different geographic zones. In the next stage a mapping of households involved in the informal sector was carried out in each of the slum/resettlement colonies based on different categories of activities – petty trade; manufacturing; construction; and service sector. Households

were chosen from the slums/resettlement colonies covering each of the categories and a total of 506 households covering 2493 individuals of all ages were covered.

III. HEALTH INSECURITIES OF WORKERS IN INFORMAL ECONOMY

The study captured data on the socio-economic profiles of households and individuals including income, assets, consumption, patterns of morbidity, health seeking behaviour and the impact of the health related problems on the household.

3.1 Profile of the Respondents

The workers in the informal sector because of their low productive job and below the subsistence level income, are often compelled to reside in slums. Moreover, households with low income prefer to reside near their workplace as a result of which prefer settling down in the settlements located near the industrial areas which are either *jhuggi-jhompri* clusters (JJ clusters), slums, unauthorised colonies or resettlement colonies.

In the present study, majority of the respondents (52 per cent) belonged to the socially backward (scheduled caste) community. The low income levels, along with lack of access to basic amenities, lead to precarious living conditions that contributed to low levels of human development. The data on the literacy rate among respondents showed that 74 per cent of the respondents were literate in contrast to 86.34 per cent overall literacy rate in Delhi as per the estimates of the 2011 Census. The study further showed that only 28 per cent of the sample population had completed their education beyond the primary level.

3.2 Living Condition of the Respondents

In terms of access to basic amenities, the results of the study suggest that resettlement colonies as opposed to slums have better access to basic amenities such as sanitation facilities and drinking water, because of the legal recognition given to them. The findings show that around 75 per cent of the sample households in slums and about 90 per cent of the households in resettlement colonies had access to sanitary facilities in the form of both private and public toilets. However, in terms of access to private/own sanitary facilities, it was seen that almost 90

per cent of the households lacked this facility. In addition, there was lack of drainage and waste disposal facilities in both slums as well as resettlement colonies, thereby leading to dumping of garbage either outside the house or in common fields. The poor sanitary conditions and lack of basic amenities created vulnerabilities in terms of frequent health related problems.

3.3 Migrant Labour Households in the Informal Economy

In the present study, majority of the respondents were migrants (90 per cent), which indicates the dominance of rural to urban migration as a result of the deterioration in the land-man ratio in the agricultural sector. The migrants due to the limited opportunities in the formal sector, are absorbed in the informal sector, which is generally characterised by low productivity (Hoselitz, 1957). In our sample, majority of the migrants were from Uttar Pradesh (67 per cent), which was followed by migrants from other states such as Bihar, Jharkhand, West Bengal, Orissa and Chattisgarh.

The major cause of migration could be traced to economic determinants. It was seen that in line with the probabilistic model of migration (Harris and Todaro, 1970), migration decision among the sample households were primarily based on rural-urban expected income differential. Thus inadequate employment opportunities in the rural areas coupled with better employment opportunities in the cities was the primary cause of migration. Most of the migrant respondents in this study (52 per cent) had collected some kind of informal information about the job prospects in Delhi through their social networks and in many cases had pre-arranged a job before migrating. This indicates the strong push and pull factors leading to absorption in the informal sector, which is facilitated by social networks.

As migration of workers to urban centres is much more than the urban employment opportunities, an increasing number of workers get involved in self employment. In the present study it was observed that there is a distinct relationship between years of migration and employment status – regular informal wage employment, casual daily wage labour and self employed worker. Respondents who had migrated earlier and were staying in Delhi for a longer duration, had access to better employment opportunities in the informal sector, such as a regular wage employment, as compared to those who had migrated recently and involved in casual wage labour or self employment. Of

the total 506 respondents, covering different categories of activities, 51 per cent depended on regular informal wage employment, 33 per cent on casual daily wage labour and 16 per cent were self employed workers. This highlights the fact that almost half of the respondents (49 per cent) who are involved in self employed and casual daily wage labour did not have a regular source of income and are prey to tremendous uncertainty because of the unpredictability of income. It has been highlighted in Chandrasekhar and Ghosh's (2007) analysis of the NSSO 61st round data that most of the self-employed workers are engaged in low productivity work, which provides little remuneration. Sastry's (2004) analysis of the 1999-2000 data also highlighted that households that depend on regular informal wage employment have lower poverty rates relative to households that rely on self-employment and casual labour. Similarly Dubey et al (1998) using data from the NSS (1987-88 and 1993-94), analysed that households with regular salaried employees (both formal and informal) have the lowest probability of being poor, while those who depend on casual daily labour have the highest probability, and households that depend on self-employment falling roughly halfway in between. This shows that the large number of the workers in our study sample are without a secure and stable source of income and are constantly under the threat of being discontinued from their work, which add to their insecurities.

3.4 Incomes, Assets and Expenditure

It has been reflected by studies that the population residing in slums are usually in the lowest economic ladder. Coming to the slums of Delhi, it has been seen that 25 per cent of the population in Delhi slums live below the poverty line and their average household monthly income is ₹3073 (Mitra 2003, NCAER, 2002). In the present study, although the respondents had a higher income as compared to their native place, yet it was very low in most cases. Except for 1.6 per cent respondents, the remaining respondents had reported a monthly income below ₹5000 per month. The uncertainties related to employment and income had compelled several respondents to involve family members - including children - in economic productive activities for supplementing the family income. With regard to household income, it was seen that as many as 52 per cent of the households had a monthly household income of up to ₹5000. The low household earnings were reflected in the limited assets of

the households - except for small day to day utilities such as cycle, radio, cooler, portable black and white TV, majority of the households did not have any major asset in their place of stay. However, as many as 83 per cent of the households reported having productive assets such as land and cattle in their native place. The household expenditure was calculated on the basis of the total expenditure on food; non-food items such as clothing, education and other utilities; and health related expenditures. It was seen that the average share of health related expenditures was 4.3 per cent of the total household expenditure, which is a relatively a large amount for households with low level of income and income insecurities.

3.5 Health Outcomes and Health Seeking Behaviour

The poor sanitary and living condition of the households had an adverse effect on the health outcome of the households residing in slums/resettlement colonies. Among the common illnesses faced by the households, water borne diseases (such as diarrhoea, cholera, typhoid, jaundice) and occupational diseases (such as lung diseases, joint pain and work related accidents) were some of the common health problems. Of the total 506 households, 89 per cent reported that at least one family member suffered from some illness during the last one year and about 51 per cent of the respondents perceived that their work had an adverse effect on their health. With regard to health benefits, except for 17 per cent respondents who received partial assistance for their health problems, the remaining 83 per cent did not receive any kind of health benefits and had to pay fully for health services.

Taking into consideration the fact that majority of the households had reported some illness during the last one year, it was important to understand the type of provider accessed by the household in the event of an illness and understand as well the reasons for their choice. Table 1 shows that only 42.68 per cent of the households availed the government health facilities (government hospital or a primary health centre). Of the remaining households, 16.20 per cent households visited private hospitals/clinics and more than one-third of the households (35.57) consulted untrained doctors who are otherwise known as *quacks*, or local pharmacists in the event of an illness. A few households (5.53 per cent) also reported accessing the services of charitable clinics run in their area by trusts/NGOs.

Table 1
Type of Providers Accessed by the Households

Type of Health Provider	Proportion of Households
Government hospital (PHC)	216 (42.68)
Private hospitals/clinics	82 (16.20)
Local unregistered doctors/pharmacists	180 (35.57)
Charitable clinics	28 (5.53)
Total	506(100)

Source: Survey data

Information was sought on the reasons for choosing a particular health provider and also the distance of public health facilities from the place of stay of the respondents, so as to understand whether the distance barred households from accessing the public facilities. The data obtained provided interesting inferences. It was seen that in spite of the fact that 54.8 per cent of the households had access to a public health facility within a range of five kilometres from their place of stay, yet the accessibility of the government health facilities was less. The major reasons cited by the households for not accessing government health facilities were lack of proper attention and care given by the doctors, lack of medicine and testing facilities which resulted in households spending money, and the long waiting time to consult doctors. Households, particularly those involved in casual work found accessing government facilities difficult as it led to wasting of substantial working time and therefore loss of income. Moreover, as free medicines and tests were not available from government hospitals/clinics, households preferred consulting chemists or local doctors for their day to day health problems. Although in some of our study areas charitable clinics were operated by NGOs, yet taking in to consideration that these clinics provided only basic health services and were operational during specific time period of the day, these facilities had limited utility.

Majority of the households did not have any health benefit and relied heavily on their out-of-pocket expenses during an illness. In order to understand the burden of health related expenditure, the study analysed the expenditure pattern of households by the type of health provider. This included medicines, tests as well as costs of

travel. Table 2 shows the average expenditure incurred by households by the type of health provider.

Table 2
Average Expenditure by Type of Health Provider

Type of Health Provider	Average Expenses (₹)
Government hospital/PHC	956
Private hospitals/clinics	1758
Local unregistered doctors/pharmacists	962
Charitable clinics	280

Source: Survey data

The findings show that government health facilities which are meant to be used by the lower income group and therefore subsidised, do not facilitate the urban poor. The fact that households had to pay for the medicines/tests and also lost their income due to the long waiting hours, dissuaded the poor informal workers from availing government facilities. As a result households visited private hospitals/clinics and local unregistered doctors, pharmacists in spite of the higher expenses.

Besides the direct expenses incurred by households in the form of medicines, tests, travel charges, etc. the indirect costs associated with illness such as loss of wages added to the burden of households. As a result, households resorted to coping strategies which ranged from selling added resorted ranged assets, borrowing, to cost prevention strategies like ignoring illness/non-treatment. These coping strategies have an adverse effect on the welfare and livelihood of the household. Table 3 provides information on the type of coping strategies adopted by households in order to meet health related expenses on the event of an illness in the family lasting for five or more days. The findings show that more than half of the households (53.8 per cent) borrowed money and almost one-third of the households (31 per cent) had to sell their productive assets in their native place if the illness lasted for a longer duration. Although the findings showed that very few households could save, yet 22.6 per cent had to use their savings during health related contingencies. All these coping strategies were coupled by the fact that a substantial number of households (28.6 per cent) delayed or avoided treatment as long as possible.

Table 3
Strategies to Cope with Health Expenses

Type of Health Provider	Households (%)
Borrow money	53.8
Use savings	22.6
Delay/Avoid treatment	28.6
Sell / mortgage productive assets	31

Source: Survey data

3.6 Impact on Livelihood

Although the direct costs of illness result in households adopting coping measures such as borrowing, distress sales of productive assets (e.g. land, cattle), delays and abandonment of treatment, which affect the livelihood of the households, yet the the indirect costs in the form of income and employment loss creates a far greater devastating impact on livelihoods thereby causing impoverishment.

Table 4
Impact of Illness on the Households

Type of Health Provider	Households (%)
Loss of employment	87 (17.4)
Loss in the income	460 (92)

Source: Survey data

In the present study, as many as 92 per cent of the households had reported loss of income due to illness and 17.4 per cent of the respondents had lost their employment during the last one year as a result of illness - either of self or family member. It was seen that as many as 57.7 per cent of the households lost earnings up to ten days on account of illness. For an informal sector household surviving on low wages, this loss of income creates additional burden on the households.

IV. CONCLUSION

Given the relatively small evidence base and the impacts of health related costs on household livelihoods, the findings of this study provides understanding on health related insecurities of households.

A central focus of the study is that informal sector households without any formal health insurance protection, bears the dual burdens of healthcare expenditure as well as loss of income. This adds to the insecurities of the informal sector households which survive on low wages and uncertain income opportunities. The findings of the study showed that illness imposes high and regressive cost burdens on households, which is primarily because of the weaknesses in the public health delivery system, thereby leading to large user fees by the households.

Although Rashtriya Swasthya Bima Yojana (RSBY), a cashless health insurance scheme which provides hospital related insurance for BPL families has been operational recently, yet the scheme has limited scope and does not protect households from out-of pocket expenses for out-patient healthcare. Moreover, informal sector workers who are dependent on casual daily based wages, cannot afford hospitalisation unless of course the ailment is extremely severe. Thus, making quality improvements in the public health care system and extending health insurance cover for out-patient care, can go a long way in protecting informal sector households from health related contingencies.

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Service Sector Employment in India: A Case of Accommodating Surplus Labour?

Rakkee Timothy*

The emergence of services as the prominent income generating sector in the Indian economy has generated considerable debate, especially in the last two decades. While there is optimism regarding this services-led growth, the disproportionate relationship between income and employment in the sector is a matter of concern. This anomaly presents a critical challenge to the economy, as service has been identified as a potential sector for more employment generation. Relying on the National Sample Survey (NSS) quinquennial Employment and Unemployment Surveys (1983, 1987–88, 1993–94, 1999–2000 and 2004–05) this paper analyses the structure of services employment at the disaggregate level. By examining the trends and pattern of services employment, its nature and remuneration, the paper explores the claim of whether major share of employment in Indian services result from proliferation of low paying jobs, pointing towards unemployed entering into services.

I. INTRODUCTION

An important structural change witnessed in the Indian economy during the post-independence period was the growing predominance of services in income generation; confirmed by studies that attempted to identify sources of economic growth using econometric techniques (Rakshit, 2007; Balakrishnan and Parameswaran, 2007). Despite such optimism, concerns are raised on services-led growth, particularly regarding the disproportionate relationship between income and employment in the sector (Mitra, 1988; Bhattacharya and Mitra, 1990; Mazumdar, 1995). Share of services in employment generation continues to be low, notwithstanding high income growth noted in certain sub sectors like banking, insurance and communications during 1990s. This anomaly presents a critical challenge to the economy and services has been identified as a potential sector for more employment

* Associate Fellow, V.V. Giri National Labour Institute. This paper is part of author's doctoral thesis submitted to Jawaharlal Nehru University, New Delhi in 2009. The author is indebted to Prof. Jayati Ghosh for her comments and suggestions.

generation. Given the context, this paper attempts to understand services led growth in India from the perspective of employment.

Previous studies on services employment (Madheswaran and Dharmadhikary, 2000; Abraham and Sharma, 2007) was primarily limited to its major sub sectors. Pattern of employment at the disaggregate level and its changes over the years, crucial issues considering the heterogenous activities clubbed under services, were not fully addressed. Given the enormous increase noted in services income it is critical to understand such dynamics to explore the sector's growth potentials and challenges. Relying on quinquennial *Employment and Unemployment Surveys* for the period 1983 to 2004–05, this paper analyses structure of services employment at the disaggregate level. Patterns in services employment deserve attention in our aim to achieve full employment and possible trade off in the quality of employment in the process.

Conventional theories on the role of services suggest that countries pass through a sequence of phases in the course of development and in an advanced stage, the economy is characterised by a larger contribution of the sector in national income and employment. This was initially noted by stage theorist A. G. B. Fisher and Colin Clark, for which an empirical grounding was provided by Kuznets (1972). High-income elasticity of demand for services and low labour productivity in services were the two major reasons given for the phenomenon. Explanations for services growth in the less developed countries are primarily located in surplus labour hypothesis.¹ According to them in low income economies services employment increase essentially in activities like petty trade, domestic and personal services (Bauer and Yamey, 1951). Such increase in services employment arises from poverty where customers demand products in small quantities, also due to population pressure and inadequate employment generation in agriculture and manufacturing. Unemployed workers in such economies end up in services that require low investment and skill (Bhalla, 1970), restricting the size of employment to the supply of labour offered at that wage. So in less developed countries income elasticity of demand for services could only explain a small portion of the service sector employment (Bauer and Yamey, 1951).

Given the heterogeneous nature of activities categorised under services and its changing nature due to technological advancement

it is difficult to explain the sector's growth strictly from a single theoretical perspective. In India services growth is characterised by its low share in employment and such disproportional relationship can have implications on price stability and income distribution (Bhattacharya and Mitra, 1990; Bhalla, 2004; Papola, 2005). While it is noted that even small increase in Indian services employment could be resulting from proliferation of low paying jobs (Ghosh, 1991), pointing towards unemployed entering into services, such claims were not substantiated with empirical evidences. This paper will examine pattern of employment generation in services and changes over the years in an attempt to understand how far employment in the sector is distress induced. Towards the purpose type of activities that generate employment, its nature and remuneration are examined at the disaggregate level.

Rest of the paper is organised as follows. A short note on data source is provided in Section II. Section III examines relationship between income and employment in Indian services. Section IV analyse structure of services employment is analysed at the disaggregated level and Section V concludes.

II. THE DATA

The analysis primarily relies on the NSS quinquennial *Employment and Unemployment Surveys* ((38th (1983), 43rd (1987–88), 50th (1993–94), 55th (1999–2000) and 61st (2004–05)), covering a period of more than two decades. This time frame has been selected to match the period of rapid service sector growth in India and also taking into consideration comparability of data sources. A concordance table has been worked out to facilitate comparison between NSS rounds that used different National Industrial Classifications (NICs). For instance, until the NSS 43rd round, NIC 1970 was in use; the 50th NSS round adopted NIC 1987; and the 55th and 61st NSS rounds) resorted to NIC 1998. In the paper Usual Principal Status (UPS) and Usual Principal Subsidiary Status (UPSS) classifications is used to categorise workers. A person is considered to be employed in UPS if he/she has spent a relatively longer time of the preceding 365 days from the date of survey on some economic activity and those pursued some economic activity in a subsidiary capacity is called a Usual Subsidiary Status (USS) worker. The UPS and USS workers together constitute the UPSS workers. The NSS also

provides information on nature of employment, and accordingly an employed person is classified into self employed, regular or casual worker. A *self employed* person operates in his/her own farm or non-farm enterprises or is engaged independently in a profession or trade on own-account or with one or a few partners. A *regular salaried/wage employee* works in other's farm or non-farm enterprises and in return receives salary or wages on a regular basis. A *casual wage labourer* engages in other's farm or non-farm enterprises and in return receives wages according to the terms of the daily or periodic work contract. Results presented here is based on the analysis of absolute employment figures that have been calculated by extrapolating the Census population figures, corresponding to the NSS rounds and plotting the respective NSS estimates on the extrapolated figures.

III. INCOME AND EMPLOYMENT IN INDIAN SERVICES: A DISCORDANT RELATIONSHIP

The disproportionate relationship between income and employment generation in Indian services is presented in Figure 1. In spite of services

Figure 1.1

Share of Services in Income and Employment (UPS)

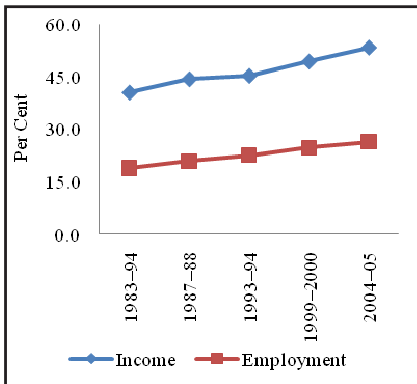
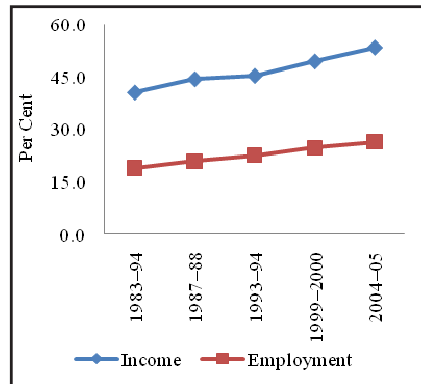


Figure 1.2

Annual Average Growth Rate of Income and Employment (UPS) in Services



Note: Income share and growth rates refer to GDP (Factor Cost) at Current Prices and Constant Prices respectively.

Source: CSO various years; Sarvekshana 1990; NSS 1997, 2001, 2006 and applying actual and projected population figures from the Census of India.

contributing 53.2 per cent of income in 2004-05, employment share of the sector is only 26.5 per cent (109.36 million workers). During 1983 to 2005 while share of services in income generation improved by 12.7 percentage points, increase in employment (UPS) was 7.5 percentage points (CSO, 2007; NSS, 2006). Share of services in income further increased to 54.4 per cent in 2009 (CSO, 2009). Though comparable figures for employment is not available, evidence from the NSS 64th round (2007-08) do not indicate any major change in the share of services employment.

Decline noted in income growth during 2000-2005 is attributed to the poor performance of certain subsectors excluding finance. Despite dynamism noted in services income, employment growth continues to be low and almost stagnant at 3.6 per cent during last two time periods. Employment in services indicate a better performance if total employment growth in the economy is taken into account, which was only 2.3 per cent during 1999-2000 to 2004-05. However, there are several issues for concern. Firstly, employment growth in services shows a slight decline, from 3.8 per cent to 3.6 per cent respectively during the decade 1993-94 to 2004-05 in comparison with 1983 to 1993-94. Secondly, given high unemployment rates and increase noted in the share of subsidiary status workers, there is scepticism regarding the quality of jobs created in Indian economy (Unni and Raveendran, 2007), which is particularly relevant in the case of certain service that offer 'easy entry'

Asymmetrical relationship between services income and employment becomes clearly revealed at the sectoral level presented in Table 1. A positive feature is that growth of both income and employment in majority of the service sub sectors is much higher than the growth noted for the economy. However, service sub sectors with high income growth make less than proportionate contribution to employment, finance for example. At the same time sub sectors that contribute significantly to employment is growing moderately, striking is the case of trade and hotels. Explanation provided for service led income growth in India include high income elasticity of demand, increase in factor productivity, economic reforms (Gordon and Gupta, 2003) and increased input usage of services by other sectors (Banga and Goldar, 2007).

Table 1
Income & Employment Generation in Services (in per cent)

Sector/Period	Income		Employment		Employment Elasticity	
	Growth Rate (1983/94) (Share (1993/94))	Growth Rate (1994/2005) (Share (2004/05))	Growth Rate (1983/94) (Share (1993/94))	Growth Rate (1994/2005) (Share (2004/05))	1983-94	1994/2005
Trade & Hotels	5.6 (12.9)	9.6 (16.2)	3.9 (6.8)	4.6 (10.5)	0.7	0.5
Trade	5.5 (11.9)	9.4 (14.7)	4.0 (5.9)	4.4 (9.0)	0.7	0.5
Hotels & Restaurants	6.3 (1.0)	11.6 (1.5)	2.7 (0.9)	6.0 (1.5)	0.4	0.5
Transport	6.0 (6.9)	11.4 (8.5)	3.4 (2.7)	5.7 (4.5)	0.6	0.5
Transport by different means	5.8 (5.4)	8.4 (6.6)	3.5 (2.5)	5.1 (3.9)	0.6	0.6
Storage & Communication	7.2 (1.4)	21.3 (1.8)	2.7 (0.2)	10.6 (0.6)	0.4	0.5
Finance	9.1 (12.4)	8.0 (14.3)	5.7 (0.6)	9.1 (1.8)	0.6	1.1
Banking & Insurance	10.8 (4.7)	9.2 (5.8)	5.7 (0.4)	4.3 (0.8)	0.5	0.5
Real Estate & Others	8.1 (7.6)	7.1 (8.5)	5.7 (0.2)	16.3 (1.2)	0.7	2.3
Public Administration	5.9 (5.8)	6.5 (6.1)	2.9 (2.9)	-1.4 (2.2)	0.5	-0.2
Education Services	6.5 (2.9)	9.7 (3.9)	3.3 (1.7)	5.1 (2.6)	0.5	0.5
Health Services	7.2 (1.3)	10.5 (1.9)	1.7 (0.6)	5.5 (0.8)	0.2	0.5
Personal Services	4.6 (1.4)	6.8 (1.5)	4.3 (2.3)	0.2 (2.4)	0.9	0.03
Service Sector	6.6 (45.2)	8.8 (53.2)	3.8 (19.0)	3.6 (26.4)	0.6	0.4
Total Economy	4.6	6.9	2.1	2.0	0.5	0.3

Note: Employment elasticity is calculated as the percentage change in GDP (Factor Cost) 1999–2000 prices, divided by the percentage change in employment (UPS). (3) Sub sectors will not add to total services income and employment as certain services like repair, recreation and cultural services are not included.

Source: CSO various years; Sarvekshana 1988, 1990; NSS 1997, 2001, 2006 and applying actual and projected population figures from the Census of India.

The dichotomous relationship between income and employment generation in services is better captured by the elasticity of employment. Between the decades 1983 to 1993-94 and 1993-94 to 2004-05, there was

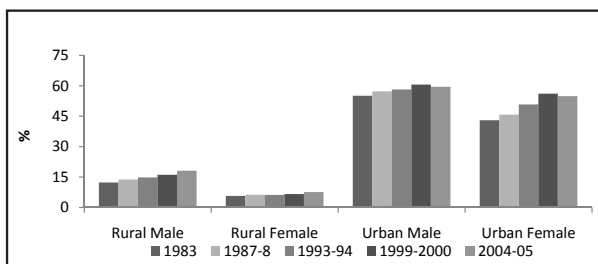
a general decline in the employment elasticity. But certain services like finance, registered an improvement in employment elasticity. Low employment generation in organised sectors and high employment generation in unorganised sectors noted by Bhattacharya and Mitra (1990) seems to be valid, indicated by employment elasticity in public administration, the most organised sub sector within services. In general, employment elasticity of services is higher in comparison with the average elasticity noted for the economy as a whole, which is positive.

IV. UNRAVELLING 'SURPLUS LABOUR' IN INDIAN SERVICES

This section attempts to analyse structure of service employment in India over the last two decades. Trends and patterns in services employment, its nature and remuneration are examined at the disaggregated level to enquire if employment in the sector is dominated by surplus labour. Before going to the details two key features of services employment is noted. Firstly, services employment is primarily concentrated in urban areas and engages a higher share of male workers. In 2004–05, 59.5 per cent of males and 49.5 per cent of females in urban areas are employed (UPS) in the sector, while the corresponding figures for rural areas were 18 per cent and 6.6 per cent respectively. However, a decline was noted in share of services employment in urban areas while rural areas witnessed a slight increase in 2004–05 as indicated in Figure 2. Trends in employment data indicates several questions that need to be addressed like the impact of such changes at the disaggregated level for different categories of workers and its affect on nature of employment and earnings? More importantly if employment generation in the sector is occurring in activities that offer easy entry?

Figure 2

Share of Services in Total Employment (UPS)



Source: Sarvekshana 1988, 1990; NSS 1997, 2001, 2006.

As noted before trade and hotels, transport, education and personal services are the main employment generating sub sectors within services. However analysis by gender presents a different picture as displayed in Table 2. For males while, trade and hotels, transport and public administration are the main employment provider, for females it turnout to be trade and hotels, personal services and education.

Table 2
Share of Services in Total Employment by Gender, 2004–05
(UPS, in per cent)

Sector	Male	Female
Trade & Hotels	12.60	4.79
Transport	5.95	0.44
Finance	2.19	0.78
Public Administration	2.61	0.95
Education Services	2.12	3.94
Health Services	0.73	0.96
Repair Services	1.45	0.02
Personal Services	1.80	4.04
Residual Services	0.80	0.55
Service Sector	30.26	16.48

Source: NSS 2006 and applying actual and projected population figures from the Census of India.

Not only share of females in service sector continue to be low (their share increased merely by one percentage point from 15.6 per cent to 16.5 per cent during 1983 to 2004–05), they are disproportionately employed in low paying jobs like personal services accounting 45 per cent of workers in the sub sector in 2004–05. Second point is with respect to nature of employment in the sector. Majority of workers in services are engaged in self-employed category, around 50.8 per cent, while the share of regular workers was 41.8 per cent in 2004–05. However, variations exist in the nature of services employment for different categories of workers. For instance, increase in the share of self employed workers is mainly applicable for males, while for females an increase in regular employment is indicated. Such trends need to be interpreted alongside pattern of employment in service sub sectors. While majority of those engaged in trade and hotels are in self employed category, within finance and personal services, regular

employment is the major form. It is already noted that given the poor employment generation workers opt for self employment, despite low remuneration and poor working conditions (Chandrasekhar and Ghosh, 2006; Unni and Raveendran, 2007). Disaggregated data also reveal that majority of females in regular employment are engaged in personal services, indicating the fallacy of associating positive connotations with regular category workers.

For analytical purpose, in the paper structure of services employment will be examined by categorizing the sub sectors into two: where job entry is relatively easy which include trade and hotels, personal and repair services and where entry is not as easy as the former category, like transport, finance, public administration, education and health.

V. SERVICES OFFERING EASY ENTRY

5.1 Trade and Hotels

Trade and hotels accounted 10.3 per cent of the employment generation in the economy in 2004-05, of which 76 per cent were engaged in retail trade. Post 1990s an increase in the employment share was noted in trade in textiles, trade in household appliances (like household durable, including computers and mobile phones) and trade in items not elsewhere classified (n.e.c)², as indicated in Table 3.

Table 3
Employment in Trade & Hotels (UPS, in per cent)

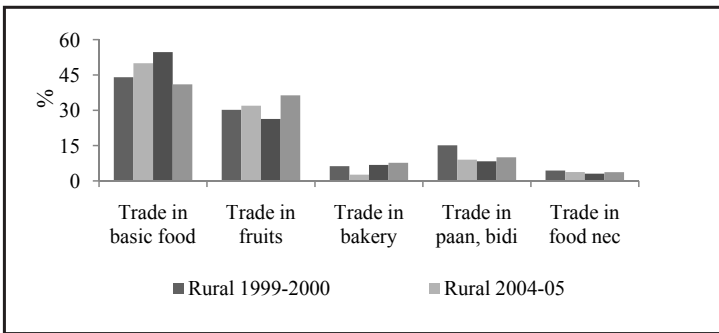
Sector/Year	Share			Growth Rate	
	1983	1993-94	2004-05	1983 to 1993-94	1993-94 to 2004-05
Retail Trade	5.1	6.1	7.9	3.8	4.6
Trade in food	3.4	3.7	3.9	3.0	2.6
Trade in textiles, etc.	0.5	0.6	0.9	4.9	6.2
Trade in household appliances	0.7	0.6	1.2	0.7	9.3
Trade n.e.c	0.6	1.2	1.9	8.5	6.4
Wholesale Trade	0.7	1.0	1.1	5.9	2.8
Hotels & Restaurants	0.9	1.0	1.5	2.7	6.0
Trade & Hotels	6.8	8.1	10.5	3.9	4.6

Note: Share as percent of total employment.

Source: Sarvekshana 1988; NSS 1997, 2006 and applying actual and projected population figures from the Census of India.

Data indicate that in 2004-05 almost half of the workers in retail trade were engaged in trade in food, more specifically in activities like trade in food stuff, fruits, vegetables, poultry, bakery products, pan/beedi and food items n.e.c. Pattern of employment generation in retail trade in food presents interesting deviation between rural and urban areas. While in rural areas increase in employment mainly occurred in trade in basic food stuff as displayed in Figure 3, in urban areas those employed in the trade of fresh fruits and vegetables and poultry increased and those in trade of basic food stuff declined. Such trends in urban areas could be either due to the diversification of consumption basket away from basic food stuff or preference towards general retail outlets like supermarkets, departmental stores that keep multiple items which are included under trade n.e.c.

Figure 3
Sectoral Share of Employment in Retail Trade in Food (UPS)



Note: As percentage of Retail Trade in Food.

Source: Computed from unit level data of NSS 55th and 61st Employment and Unemployment Survey

Trade and hotels also present clear gender segregation at work, female share in the sub sector is primarily restricted to retail trade. In urban areas situation is slightly better with a higher female participation in hotels and restaurants. However, female employment in subsidiary status indicates an increasing trend. Growth in hotels and restaurants segment is considered as an indication of diversification of consumer preferences and increase in tourism activities. In 2004-05 around 92 per cent of employment in this sub sector was accounted by restaurants, essentially small establishments selling food for immediate consumption on the premises.

Majority of the workers in trade and hotels are in the self employed category. During 1999–2000 to 2004–05, a sharp increase was noted in the share of self employed workers in retail trade, which employed highest share of those in trade and hotels. For instance, the share of self employed urban males increased from 72 per cent to 78 per cent during 1999–2000 to 2004–05 and that of urban females from 83 per cent to 86 per cent respectively.

Trade and hotels, which employ major share of workers within services, recorded the lowest wages as indicated in Table 4. In 2004–05, the average daily wages declined, except for rural males employed in regular work. Though part of the problem could be with the 55th NSS data itself, an increase in the number of workers entering trade and hotels due to low employment generation in the economy could also depress wage rates. Ironically, within trade and hotels, the lowest wage rate in urban areas in 2004-05 was recorded for those involved in retail trade (Rs. 76 and Rs. 69 for male and female workers respectively). Wages for casual workers is also low; in 2004-05 the average daily wages for males in rural and urban areas is noted as Rs. 51 and Rs. 47 respectively.

Table 4
Average Daily Earnings of Regular Workers in Trade & Hotels
(in Rupees at 1999–2000 Prices)

Employment/Year	1983	1987-88	1993-94	1999-2000	2004-05
Rural Male	32.3	51.5	48.4	65.1	67.8
Rural Female	15.9	52.8	47.0	59.9	46.0
Urban Male	56.4	64.8	71.8	98.1	85.2
Urban Female	56.0	52.8	71.5	129.9	86.0

Source: Sarvekshana 1988, 1990 and 50th, 55th and 61st rounds unit level data of the Employment and Unemployment Survey.

Are such patterns sufficient to indicate that major share of employment in trade and hotels is ‘created by surplus labour’? The answer will be yes, if employment data is substantiated with other evidence. First point emerges from the nature of enterprises in trade and hotels. To elaborate, out of the 11 million retail trade outlets operating in the country, only 4 per cent are bigger than 500 square feet in size (Guruswamy et al., 2005). Moreover, out of the 48.45 per cent

non-agricultural own-account enterprises engaged in retail trade, 21.9 per cent operate without a fixed place (Economic Census, 2005). The share of street vendors in retail trade is also high, estimated around 30 to 43 lakhs in 1999–2000, among which males in urban areas have a disproportionate share (NCEUS, 2006). Secondly, evidence indicate that a significant share of those in street vending is accounted by those migrating from rural to urban areas in search of employment. A study conducted in New Delhi noted that 52.2 per cent of street vendors were unemployed before entering into trade while the share of migrant workers in the sample was around 82.4 per cent (Dasgupta, 2003). In this context it do not come as a surprise that share of informal employment tend to be high in the sector, noted as 95.5 per cent in trade and 86.7 per cent in hotels and restaurants in 2004-05 (NCEUS, 2006). Though existence of a high remunerative organised trade and hotel segment is not contested, given the evidence it is unlikely that major share of those employed in the sector do not belongs there.

5.2 Personal and Repair Services

Increase in the employment share of personal and repair services provide a classic case of surplus labour entering into services. In 2004–05 personal services employed 2.4 per cent (9.97 million) of the workforce and records highest female work participation rates within services. As indicated in Table 5 the increase noted in the employment share of personal services was mainly attributed by urban females. Around 16 per cent of females in urban areas are engaged as manual labour/domestic worker in households and in petty services like hair dressing, washing, cleaning and waste disposal, that are clubbed under personal services.

Table 5
Share of Employment in Personal Services (UPS, in per cent)

Sector/Year	1983	1993–94	2004–05
Rural Male	1.6	1.8	1.4
Rural Female	2.1	2.0	1.5
Urban Male	3.0	4.7	2.7
Urban Female	12.8	14.7	15.5

Source: Sarvekshana 1988; NSS 1997, 2006; and applying actual and projected population figures from the Census of India.

A number of field based studies have already noted that majority of women engaged as domestic workers are migrants, who face deplorable living and working conditions (Neetha, 2002). It is likely that major employment share in the sub sector is 'created' by the unemployed due to lack of other viable opportunities. Majority of women in the sub sector who do domestic work are engaged as regular workers, 82 per cent in 2004-05, while males who are mainly engaged in petty services are self-employed. Though wages and working conditions of both these workers may not be good, two points need emphasis; the need to demystify higher share of women in regular work in services, which is majorly accounted by domestic workers and gender gap in the earnings of regular workers engaged in domestic services as indicated in Table 6.

Table 6
Average Daily Wages of Regular Workers in Domestic Services
(in Rupees at 1999–2000 Prices)

Year	Rural Male	Rural Female	Urban Male	Urban Female
1999–2000	72.9	32.9	73.0	35.0
2004–05	61.0	28.1	71.6	34.0

Source: Computed from unit level data of 55th and 61st Employment and Unemployment Survey unit level data.

Repair services employed 1.1 per cent of the total worker in 2004–05. Considering the increase in the use of motor vehicles and consumer durables there is immense scope of employment generation in repair services. However female employment accounts mere 0.5 per cent of the total repair service workers. Majority of workers in the sub sector are self-employed, whose share registered an increase from 37 to 43 per cent and 37 to 46 per cent for male workers in rural and urban areas respectively between 1999-2000 and 2004-05. Moreover casual male workers engaged in the sub sector record the lowest wages within services as indicated in Table 7, raising concerns on the quality of employment.

Table 7
Average Daily Wages of Male Workers in Repair Services
(in Rupees at 1999–2000 Prices)

Employment	Rural Male		Urban Male	
	1999–2000	2004–05	1999–2000	2004–05
Regular	58.9	62.1	67.3	78.2
Casual	45.4	46.7	52.3	45.5

Source: Same as Table 6.

VI. SERVICES OFFERING RESTRICTED ENTRY

6.1 Transport Sector

Land transport continues to be the major employment provider within transport, except for an increase noted in post and communication and services incidental to transport in the last decade as indicated in Table 8. Major employment within land transport is contributed by railways and scheduled transport. Transport sector employment is biased towards males particularly in urban areas except for post and communications and travel and transport agencies clubbed under services incidental to transport. In 2004-05 around 47.6 per cent of urban females in transport sector were engaged in post and communications.

Table 8
Employment in Transport Sector (UPS, in per cent)

Sector/Period	Share			Growth Rate	
	1983	1993–94	2004–05	1983 to 1993–94	1993–94 to 2004–05
Land Transport	2.36	2.77	3.83	3.6	5.3
Other Transport	0.11	0.08	0.05	-1.6	-2.4
Incidental Services	0.05	0.07	0.11	4.5	7.5
Post & Communication	0.19	0.19	0.48	2.2	11.6
Transport	2.71	3.09	4.47	3.4	5.7

Source: Sarvekshana 1988; NSS 1997, 2006 and applying actual and projected population from the Census of India.

Though post and communications record high employment growth its employment base continues to be small. A major change within this sub sector is the declining share of national post services in employment generation, while that of private courier services and telecommunication increased. There is immense potential for employment growth in STD/ISD booths, mobile and cable operators included in telecommunications. However, there is a trend towards increasing female subsidiary status employment in such activities.

Table 9
Nature of Employment in Transport Sector (UPS, in per cent)

Worker/Year	Self Employed			Regular		
	1993-94	1999-2000	2004-05	1993-94	1999-2000	2004-05
Rural Male	34.8	37.5	44.0	41.4	36.4	34.5
Rural Female	22.4	16.8	22.9	44.5	67.4	49.6
Urban Male	31.3	36.7	44.2	50.2	47.7	45.3
Urban Female	9.8	18.8	26.5	69.0	74.9	68.8

Source: Computed from unit level data of NSS 50th, 55th and 61st Employment and Unemployment Survey.

In comparison with trade and hotels, share of self employed is relatively lower in transport sector as indicated in Table 9. One major reason is the relatively higher investment required to start self employed business in transport. This is true even for non-mechanised transport like rickshaws as purchase cost and fee to secure license may be unaffordable for the unemployed (NCEUS, 2006). However, in 2004-05 an increase in the share of self employed is noted for all categories of workers. Disaggregated analysis indicates that major increase in self employment was in services incidental to transport and post and communications.

Table 10
Average Daily Earnings of Regular Workers in Transport Sector
(in Rupees at 1999–2000 Prices)

Sector/Year	1983	1987–88	1993–94	1999–2000	2004–05
Rural Male	63.2	91.9	95.5	112.7	114.3
Rural Female	61.6	111.0	103.3	92.8	129.4
Urban Male	92.1	119.2	123.2	160.2	170.8
Urban Female	87.6	135.6	127.8	191.2	229.2

Source: Sarvekshana 1988, 1990 and NSS 50th, 55th and 61st Employment and Unemployment Survey unit level data.

Urban females in regular work records high average daily wages in transport sector. One possible reason is that female employment in the sub sector is concentrated in post and communications which offer high remuneration, while majority of males are engaged in land transport which provides low wages, thereby affecting their average earnings, as indicated in Table 10. Trends and pattern of employment in transport sector offer mixed results. Though employment base of the sector continues to be low, high growth witnessed in post and communications post 1990s provides hope, considering its employment generating potential and relatively high remuneration.

6.2 Finance Sector

Despite contributing 14 per cent to income generation, share of finance sector in total employment continues to be low around 1.8 per cent in 2004-05. Within finance, banking and other business services n.e.c. contribute the major employment share as noted in Table 11. A shift in the employment pattern within the sector is observed during 1990s; employment growth declined in banking and increased in other business services. High employment growth in banking sector during 1983 to 1993–94 can be attributed to the changes in branch expansion policy of the Reserve Bank, following the nationalisation of banks³ in 1969. However, in the later phase, employment declined and even the entry of private players during the late 1990s could not revive the situation. Wide computerisation of transactions is a probable reason for decreasing employment share, which had invited resistance from the employees union.⁴

Table 11
Employment in Finance Sector (UPS, in per cent)

Sector/Period	Share			Annual Average Growth Rate	
	1983	1993–94	2004–05	1983 to 1993–94	1993–94 to 2004–05
Banking	0.37	0.53	0.59	5.7	3.2
Insurance & Pension	0.05	0.07	0.16	6.0	10.4
Real estate activities	0.01	0.04	0.10	19.2	11.4
Legal services	0.08	0.09	0.14	3.3	7.3
Renting of machinery	0.02	0.02	0.12	6.1	19.1
Other business services	0.11	0.15	0.82	5.4	19.9
Finance	0.62	0.90	1.81	5.7	9.1

Source: Sarvekshana 1988; NSS 1997, 2006 and applying actual and projected population figures from the Census of India.

A shift also occurred in the pattern of employment within banking; an increasing share of officers and a decline in the number of clerical and subordinate staff (Ranjan, 2000). The reasons cited for such changes include the gradual substitution of messengers with private courier operators and the introduction of Automated Teller Machines (ATMs). During 1993–94 to 2004–05 insurance and pension funding also witnessed high growth and within the sub sector major employment generator was life insurance activities, especially for urban females. As indicated in Table 12, within finance, monetary intermediation, which includes the operation of central and commercial banks accounts for the largest sectoral share in employment. Financial intermediation, which include activities of *chit* funds/*kuri* and money lenders record high growth in female employment.

Table 12
Urban Employment in Finance at Disaggregated level
(UPS, in per cent)

Sector/Period	Share				Average Growth Rate (1999–2000 to 2004–05)	
	Male		Female		Male	Female
	1999–2000	2004–05	1999–2000	2004–05		
Banking Monetary Intermediation	27.3	18.6	39.3	29.7	1.6	5.1
Credit granting	2.3	5.1	3.6	2.7	27.4	5.1
Financial intermediation n.e.c.	4.5	3.4	3.6	5.4	3.3	19.9
Auxiliary to financial intermediation	2.3	3.4	7.1	--	17.9	--
Other business services Software / hardware consultancy	4.5	8.5	3.6	10.8	23.0	36.9
Data base activities	2.3	3.4	3.6	10.8	17.9	36.9
Accounting, market research, etc.	20.5	18.6	14.3	13.5	7.3	9.7
Miscellaneous business services	15.9	18.6	14.3	13.5	12.6	9.7

Note: As percentage of Finance.

Source: Computed from unit level data of NSS 55th and 61st Employment and Unemployment Survey and applying actual and projected population figures from the Census of India.

In 2004–05, hardware and software consultancy provided employment to 0.52 million workers (UPS). Despite impressive growth in employment, contribution of the sub sector to total employment is low, around 0.1 per cent in 2004–05, much lower than the sector's income share, around 2.6 per cent of GDP for the same period. The share of employment in IT sector increases to around 0.9 million if data processing and other computer-related activities are taken into account. A positive feature about the employment is the relatively higher share of female workers in the sub sector. However, employment in IT sector is biased towards urban workers and employability limited to those with certain technical skills and proficiency in English language while the average educational qualification of workers in India continues to

be low. Further, rigid employment relations including the absence of collective bargaining in the IT sector is a major point of criticism (Remesh, 2004). Within other business services, a major share is contributed by miscellaneous business services which comprise activities like photostat, printing, security services and labour recruitment.

If we consider the nature of employment, majority of workers in the finance sector are engaged in regular work, around 57 per cent of urban males and 82 per cent of urban females. The high share of regular work is explained by the fact that major share of employment in the sector is accounted by banking and other business services. In 2004–05, the share of urban regular male workers in banking and computer-related sectors was 86 per cent and 76 per cent respectively and the corresponding figures for females were 94 per cent and 98 per cent. However, over the years, the share of self employed category display an increasing trend, which can be attributed to other business services and renting of machinery which improved its share during 2004–05.

Table 13
Average Daily Wages of Regular Workers in Finance
(in Rupees at 1999–2000 Prices)

Sector/Year	1983	1987-88	1993-94	1999-2000	2004-05
Rural Male	88.6	132.5	144.0	161.0	180.6
Rural Female	61.6	111.0	103.3	92.8	129.4
Urban Male	144.7	178.4	207.3	262.4	296.4
Urban Female	118.9	154.9	174.8	272.7	250.3

Source: Sarvekshana 1988, 1990 and 50th, 55th and 61st rounds computed from unit level data of Employment and Unemployment Survey.

Within services, the finance sector provides highest remuneration for both regular and casual workers as indicated in Table 13. However, urban females in regular work recorded a decline in real wage rates in 2004-05, while gender gap continues to be high in the sector. Considering the fact that the majority of females in finance are employed in banking, other business services and renting of machinery, this needs some explanation. One reason could be the significant share of employment in the sub sector taking place in services which operate without any formal contract. Further the possibility of female workers, segregated

at lower ranks cannot be overlooked. Wage differentials even in sectors like IT services and banking point towards this. For instance in 2004–05, while urban male regular workers in banking and IT sectors recorded average daily wages of ₹ 322 and ₹ 326, the corresponding figures for urban females were ₹ 268.2 and ₹ 316 respectively.

6.3 Public Administration and Social Security

This sub sector provided employment to 2.2 per cent of workers (around 9 million) in 2004–05. Female participation in this sector is low, around 12 per cent. The disaggregated data on employment indicates that administration of the state comprising activities of the Union and the State Governments and the local bodies engages majority of workers in the sub sector. It seems that decline in employment noted in public administration and social security has mainly occurred in administration of state services, which severally affected male workers. High share of male employment in provision of services to the community is explained by the fact that the sub sector comprises defence services where men predominate. Even in public administration and social security which mainly provides organised sector employment, there exists gender gap in earnings as indicated in Table 14. In addition, the gender gap in earnings has increased during 1999–2000 to 2004–05. One possible explanation for the phenomenon is the segregation of women at lower levels of administration.

Table 14

Average Daily Wages of Regular Workers in Public Administration and Social Security (in Rupees at 1999–2000 Prices)

Year	Rural Male	Rural Female	Urban Male	Urban Female
1999–2000	175.2	103.9	229.6	209.9
2004–05	181.9	76.1	236.9	202.5

Source: Computed from unit level data of NSS 55th and 61st Employment and Unemployment Survey.

6.4 Education Sector

The education sector employed around 2.6 per cent (10.9 million) workers (UPS) in 2004–05. Employment trends in this sub sector deserve special significance considering high share of female employment. Disaggregated analysis indicates that majority of workers are employed in primary education, followed by secondary level as indicated in Table

15. This is more conspicuous for women, engaging more than 60 per cent in primary education, raising questions on gender segregation of employment in the sector.

Table 15
Employment in the Education Sector at Disaggregate Level
(UPS, in per cent)

Sector/Year	Share				Growth Rate (1999–2000 to 2004–05)	
	Male		Female		Male	Female
	1999–2000	2004–05	1999–2000	2004–05		
Primary Education	42.4	39.5	60.8	60.6	3.2	7.9
Secondary Education	35.3	33.6	26.0	25.7	3.6	7.7
Higher Education	14.1	13.1	5.2	5.1	3.2	7.4
Adult & other education	8.2	10.4	8.0	9.1	9.3	10.6

Note: As percentage of Education Sector.

Source: Computed from unit level data of NSS 55th and 61st Employment and Unemployment Survey.

Majority of the workers in the education sector are engaged as regular workers. However, the share of the self employed indicates a slight increase during 2004–05. Analysis at the disaggregate level indicates that increase in self employment is noted in coaching and tuition centres included in adult education. Segregation of female workers especially at the lower levels of the education sector is reflected in the wide gender gap in wages as indicated in Table 16. Such a difference in wage rate between male and female workers even in sub sectors which engage educated labour is a matter of concern.

Table 16
Average Daily Wages of Workers in the Education Sector
(in Rupees at 1999–2000 Prices)

Employment	Rural Male		Rural Female		Urban Male		Urban Female	
	1999–2000	2004–05	1999–2000	2004–05	1999–2000	2004–05	1999–2000	2004–05
Regular	195.4	199.6	228.0	105.2	224.1	228.1	161.5	168.1
Casual	92.8	51.7	19.1	44.8	48.3	71.0	40.9	66.1

Source: Same as Table 15.

6.5 Health Sector

Employing 3.30 million workers in 2004–05, health sector accounted 0.79 per cent of the total employment in the economy. Like education sector, health services engage a higher share of females, particularly in urban areas. Analysis at the disaggregate level presented in Table 17 indicate that majority of workers in health services are engaged in medical care associated with hospitals followed by other health activities, which include practitioners in systems of medicine other than Allopathy, paramedical practitioners and operation of diagnostic labs. The share of female employment shows an increase in independent medical practitioners that include consultation and treatment of medical practitioners and dentists during 2004-05, majority may be owner-run institutes.

Table 17
Share of Employment in Health Sector at Disaggregated Level
(UPS, in per cent)

Sector/Year	Male		Female		Annual Average Growth (1999–2000 to 2004–05)	
	1999–2000	2004–05	1999–2000	2004–05	Male	Female
Hospital Activities	46.1	44.3	63.1	63.7	3.2	9.0
Independent practitioners (Allopathic & Dental)	26.9	25.5	8.1	14.7	2.9	22.0
Other health activities	26.9	30.2	28.8	21.6	6.3	2.9

Note: As percentage of Health Sector.

Source: Same as Table 15.

Except rural males, majority of workers in health services are engaged as regular workers. However in 2004-05 an increase in the share of self employed was noted for urban males. If interpreted alongside the pattern of employment at two-digit level, this would mean an increase in the share of independent medical practitioners not attached to any hospitals. As in the case of the education sector, a

significant gap exists in the wage rate between male and female workers as indicated in Table 18. This may be due to the segregation of women workers at low end occupations as in the case of the education sector. For instance, analysis based on the occupational classification indicates that women are concentrated as nurses, midwives and para-health workers, who are likely to receive low remuneration, than men who are concentrated as physicians (NCEUS, 2007). Health services have witnessed an increase in employment share more sharply during 1999–2000, although from the data, it is not possible to conclude whether the increase is occurring in the public or private sector. However, certain trends like increase in the share of independent medical consultants in health sector indicate that the employment increase is largely taking place in the private sector.

Table 18
Average Daily Wages of Regular Workers in Health Sector
(in Rupees at 1999–2000 Prices)

Year	Rural Male	Rural Female	Urban Male	Urban Female
1999–2000	165.4	94.0	217.6	154.3
2004–05	163.3	114.2	183.1	154.3

Source: Same as Table 15.

VII. CONCLUSION

This paper analysed changing structure of service sector employment in India based on the NSS quinquennial *Employment and Unemployment Surveys*. Analysis indicates that during 1983 to 2004–05 several changes have occurred in the pattern of employment in services, particularly at the disaggregated level. For instance there was a shift in the employment within retail trade from basic food stuff to trade in items n.e.c, increase in the share of post and communications in transport sector and other business services clubbed under finance. The pattern of employment needs to be read alongside the nature of work to get a complete picture of the emerging structure of services employment. Analysis suggests that the increase noted in new avenues of work is mainly in the nature of self employment. Further, remuneration of casual and regular workers in the majority of services continues to be low and in those sub sectors where education does matter, males and those in urban areas continue to secure higher payments. The increase

in the share of female employment in health and education, needed to be interpreted with caution as they are concentrated in sub sectors that are at the lower end of the wage spectrum, a higher share of them employed in domestic services, for instance. If interpreted in relation with the poor employment growth in the economy, such trends supports the argument that the bulk of such service employment in created by surplus labour.

Although further evidence like the educational qualification and social characteristics of workers entering into the service sector are required to firmly argue the case of surplus labour in Indian services, picture of booming services portrayed by income is unfounded in employment data. Such trends are not restricted to services that offer easy entry, but also visible in services that offers restricted entry, hinting that *All is Not Well* in Indian services growth.

NOTES

1. Dependency school propounded by Samir Amin and Andre Gunder Frank also explains services growth in the less developed countries as deeply embedded in the historical development process of these countries.
2. Consists of activities like sale of motor vehicles/accessories, automotive fuel, non specialised trade in stalls, general and departmental stores, sale of pharmaceuticals, hardware, paints, etc.
3. Branches of commercial banks increased from 32,412 in 1980 to 52,638 in 1985. However, expansion drive lost its vigor by 1990s, with the total number of branches in 1990 noted as 60,515 and 63,817 in 1995. See RBI (various issues) and Panagariya (2006).
4. During the initial phase there existed formal agreement between the management and employees union regarding number of main frame and accounting machines to be used. See Gothoskar (1995) for details.

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Changing Profiles of Work Organisation, Terms of Work and Labour in India's Service Sector: A Case Study of Domestic Call Centres

Babu P. Remesh*

Based on the findings of a study of 91 agents in 6 domestic call centres, the essay maintains that the employment conditions and profile of the workforce in the domestic call centres vary considerably vis-à-vis their international counterparts. The analysis points towards an undesirable trend in the overall production organisation frame, where secure jobs are being displaced by temporary, flexible and insecure forms of employment. It is viewed that with the overall deterioration of the work conditions in the outsourced domestic sector, there has been a massive transfer of jobs from bargainable zones/categories to non-bargainable zones/categories.

I. INTRODUCTION

India is currently in an extended phase of 'outsourcing revolution' which is characterised by a marked growth in outsourcing of work processes within the domestic economy. Learning lessons from globally distributed work organisation in the preceding period (of widespread practice of offshore outsourcing¹), the firms in the domestic sector of Indian economy are increasingly finding the logic of business process outsourcing quite attractive, mostly on account of its cost minimising potential.

* Associate Professor & Coordinator, GLAD@IGNOU (Group on Labour and Development, IGNOU), School of Interdisciplinary and Transdisciplinary Studies, Indira Gandhi National Open University (IGNOU), New Delhi. Email: babu@ignou.ac.in.

This paper is based on the findings of a research study (Remesh, 2009) carried out by the author at the V.V. Giri National Labour Institute, NOIDA. The views expressed in the paper are purely of the author and do not necessarily represent those of V.V.Giri National Labour Institute. A draft version of this paper was presented in the CEC Silver Jubilee Seminar on 'Labour in Contemporary India', April 2-3, 2009, India Islamic Centre, New Delhi. The author is thankful to the participants of the seminar for constructive comments. Usual disclaimers apply.

As per the National Association of Software and Services Companies (NASSCOM) estimates, in FY2007-8, the Domestic market for IT-ITES Sector grew at 26 per cent in INR terms and clocked USD 11.6. Billion (NASSCOM, 2008). In 2008, more than 25 per cent of the total revenue from IT sector in India is estimated to be derived from the domestic sector and the available data suggests that the contribution of the domestic sector to the overall revenues is steadily growing, over the years. In the employment front also the contribution of domestic sector outsourcing is not too little. As per the NASSCOM estimates, the domestic sector currently provides about 4, 50,000 employment and the overall growth trends suggest that the employment opportunities in this sector is likely to increase considerably in the immediate future (Remesh, 2009). Given the increasing prominence of the domestic sector outsourcing in Indian economy, the present essay discusses the ongoing transformations in work organisation in the context of service sector and its implications on labour - especially in terms of work intensification and deteriorating work conditions. The essay shares the findings of a recently conducted study on labour in the domestic segment of ITES/BPO Sector.² Within this segment, the case of call centres that cater to domestic customers/economy is selected for detailed empirical study, which was conducted in the NCR region.

The selection of domestic call centres for the case study is based on several counts. Preliminary observations strongly suggest that the employment conditions and profile of the workforce in the domestic call centres vary considerably vis-à-vis their international counterparts operating in the Indian territory, despite the fact that the principle of production organisation (i.e., business process outsourcing) is same for both these segments. Preliminary field level enquiries indicate that as the time of operation and the linguistic requirements of the international and domestic call centres do vary considerably, there has been a corresponding change in the composition of the workforce as well as in the scheduling and execution of work within the firms. The social structure and composition of the workforce as well as the labour issues in the domestic call centres (e.g. those related to work/worker organisation and gender dimensions) are also found not confirming to the stereotype conceptualisations of 'call centre work' and 'worker' - which are strongly based on the images/norms concerning international BPOs. Availability of a rich base of empirical data on labour in the international call centres in the study region also provide ample scope for comparing and contrasting the situation of domestic call centres.

The field work for the study was conducted in the NCR region, which involved, an exploratory survey of domestic call centres in the study region; discussions with 20 key resource persons (including HR managers, consultants and recruitment agents in the sector); and interview of 91 call centre agents³ working in 6 identified domestic call centres. Of the 6 firms selected, three firms each were engaged in outbound and inbound segments, catering to domestic economy and local customers. While the outbound firms are mostly into telesales (selling of credit cards, canvassing for insurance policies, opening bank account and so on), the inbound centers mostly handle customer care operations (helpdesk, providing online information and so on). All these firms are beginners in the field of domestic outsourced work and are with less than four years of experience. Except two, all the firms have more than one client (business provider) and thus handled different processes within the same work place.

Based on the information provided by the respondents, it is estimated that, altogether, the 6 sample firms in the study engaged about 4300 workers at the agent level, of which, about 1700 (about 40 per cent) were women.⁴ These agents are engaged in telesales, customer care and help desk activities. The workers were mostly interviewed at their residences and outside their workplaces (near bus stops or at eating joints near the call centres). Given their aptitude to engage in long term telephonic conversations, most of them were contacted later on, for extended telephonic interviews, once the initial rapport building was over.

II. UNDERSTANDING DOMESTIC CALL CENTRE WORK

As mentioned earlier, notwithstanding the substantial spread of domestic call centre operations in the recent past, the conceptualisation of call centre work in India is overwhelmingly influenced by the image of work in international (offshored) operations. Accordingly, notions such as unearthly timing and rigid pattern of work organisation are still found dominating the discussions even in relation to the domestic sector call centres. In view of this, to provide a vivid conceptualisation for the ensuing analysis, some elaboration of work in domestic call centres is attempted in this section.

In the present study, the term 'domestic call centres' is used to denote all those firms which cater to the business of domestic economy and deals with local customers. These firms can be owned by domestic

enterprises, multi national corporations or transnational collaborative ventures. Therefore, it is not the ownership pattern but the sphere of operation of the firms that defines the sector. A major distinction of domestic call centres from their international counterparts is the medium of interaction itself. As the work demands good command over Hindi or local language only, it allows the participation of a vast majority of moderately qualified youth with a command over local language, thus, drastically redefining the composition and characteristics of workers vis-à-vis the employees in the international work.⁵ While the lower skill requirement of the sector offers an easy entry for the workers into the job, employers also find this as a boon as it helps them to easily draw and retain an adequate pool of agents, by offering much inferior salary packages (compared to international centres).⁶

It is wrong to presume that all call centres in the domestic sector are homogeneous entities. Firms do vary drastically in terms of their size, the nature and type of processes handled, work organisation, nature and status of technology used, number of employees and so on. While some of the firms are with jazzy buildings and use state of the art technology on a par with the international centres, some others are with blatantly low end technologies and facilities at workplace. In certain firms, agents have to even bring their own mobile phones, as the company provides only SIM cards to them! Thus, the preliminary round of investigation in the study revealed that the term 'call centers' is liberally used to denote a spectrum of establishments (in the domestic sector) - ranging from a highly sophisticated centre to a highly informal entities, with few employees and with minimal infrastructure. It was also evident that there is a strong presence of intermediaries/allied services, facilitating and catering to the establishment and functioning of call centres – especially in terms of acquiring infrastructure, provision of technology, trouble shooting and recruitment of personnel. There were some cases where petty entrepreneurs organized the infrastructure for domestic centres, on a purely rental basis (For instance, ₹ 7000 per seats).⁷ While some firms had only a few employees, some other firms had hundreds of employees in their pay roll. In few cases, the agents were working along with Direct Sales/Marketing Associates, and did not have any direct link to the original service providers.

In view of this highly diversified nature of domestic call centres, the study has strictly limited its focus on those call centres, which are fairly

established and with at least more than 100 workers. As the present analysis, based on a small sample of domestic call centres, it does not purport to provide an all-embracing picture of the entire complexities of the sector. Rather, it is an attempt to delineate some salient features which hold true for a fairly larger segment of domestic call centres.

III. PROFILE OF RESPONDENTS AND PATTERNS OF WORKFORCE PARTICIPATION

Similar to the international call centres, operating in India, the workforce in domestic call centres was found fairly young. Most of the agents were below 30 years and unmarried. The mean age of the sample of respondents was 23 and only one employee was more than 30 years. Of the 91 agents interviewed, 15 (16.5 per cent) were women. The share of women in the overall employment in the identified call centres was found around 35-40 per cent, as per the perceptions of the respondents.⁸

63 out of 91 respondents (69.2 per cent) have studied at least upto their graduation, of which 9.9 (9 agents) are with post graduation. The rest were mostly with at least 10+2 education. While 10th pass is the lowest educational qualification, Master degree is the highest qualification among the respondents. Most of the respondents did their schooling and even higher studies in Hindi medium either from schools/colleges located in rural areas/small towns or from government institutions in the NCR region. A good proportion of the respondents (51 persons; 56 per cent) had their graduation or specialisation in social sciences or in languages (mostly Hindi).

Only less than one third of the respondents reported that they are from NCR region itself. Of the rest, a major proportion belonged to smaller towns which are situated within a radius of 30-40 kilometers from the NCR and the rest were from far away places – mostly from rural areas and small towns in the states of Uttar Pradesh, Punjab, Uttara Khand, Haryana and Bihar. Mostly, these respondents migrated alone to the NCR in search of suitable job, around completion of their graduation. Familial and neighbourhood connections are found crucial in arranging initial place of stay and getting opening contacts in the urban set up. Many of them received some financial support, at the time of their leaving home and during their initial period of job search in the city. This pattern of fairly long distance migration for work in the urban milieu is found more or less characteristic for the male

respondents, where as a considerably proportion of female workers (11 out of 15) was found belonging to NCR and nearby localities. While staying in rented accommodation (on sharing) is the predominant pattern among the male respondents.⁹ staying with own family or with close relatives is the common practice among female workers.

The occupational and educational profile of parents show that the agents are mostly from middle or lower income backgrounds, especially with respect to the respondents from NCR regions and nearby urban areas. Altogether, more than two-third of the parents are with less than graduation. Many of the parents are with smaller jobs in the government or private sector (clerks, teachers, accountants, technicians and so on). There were also some factory workers and those who are engaged in skilled casual work as well as farming among the parents. These aspects, when juxtaposed with the caste profile of the respondents, provide a unique profile vis--vis the respondents which is quite different from those of the agents in the international call centre segment. 75.8 per cent of the respondents were from general category. 17.4 per cent were from other backward castes and 6.6 per cent from SC/ST. Roughly one-fourth share of backward/scheduled castes in the sample is quite different from the international call centres, where the general socio-economic profile of the agents are from urban creamy layer and from upper castes (Remesh, 2004; Upadhya and Vasavi, 2006).

IV. WORK ORGANISATION, LABOUR PROCESS AND TERMS OF WORK

A striking difference between domestic and international call centres is related to the timing of work. .While (due to geographical reasons) the workers in the international firms have to work during odd hours and with atypical timings, the workers in domestic call centres are predominantly working with normal working hours which compare very well with other firms and sectors in the domestic economy. As the firms mostly deal with domestic customers, it is natural that the services of call centres are required only till early hours of night. For instance, a firm dealing with telesales generally does not work after early night hours – as odd hours are considered inconvenient for customer canvassing. It is only in the case of some help line services, the employees may have to work in late night shifts. Here also as the call flow is comparatively low during late hours, the number of workers required is much lower vis-à-vis the staff strength during

day time shift. Working in day-time and dealing with local population implies that workers do not experience much social isolation, unlike their counterparts in the international call centres. Further, there is no requirement of accent neutralisation or locational masking (through accent training / neutralising mother tongue influence –MTI; assumption of pseudo names and so on), which means a reduction in the training costs on these heads.

Unlike their counterparts engaged in international business, the domestic call centres are primarily based on voice-based operations.¹⁰ The striking absence of non-voice segment is primarily due to the profile of Indian customers – who are not largely internet savvy or computer literates. The voice-based centres can be further divided into firms dealing with inbound and outbound operations. As explained elsewhere, in the case of inbound operations, agents attend to incoming calls and mostly deal with customer care operations (helpdesk, attending to enquiries – such as credit card operations, online trouble shooting and so on). The major sphere of outbound operations is telesales, where the agents make phone calls to the customers as per the requirements of clients.

By the nature of work involved, inbound call centres require more knowledgeable workers, with some expertise in handling databases/computers. Accordingly, these centres are found engaging slightly more qualified or skilled workforce (e.g. those with some hands on experience in computer or those who can handle data bases). Due to this superior profile of work, the scope for learning and skill upgradation is often more in inbound work.¹¹

The work is normally scheduled in various shifts, of 8-9 hours duration.¹² Barring one of the selected firms, all the selected firms have two shifts starting from early morning and ending by early hours of night (upto 9 PM). Only one firm (dealing with inbound calls) is found having late night shifts. The workers in the late night shifts in this firm are found given a night shift allowance ₹ 50 per night.

The number of employees deployed in late night shift was found considerably less, as compared to the day time shifts. In four out of the six selected firms, the workers are given one side transportation (either during their reporting in the early morning or during their leaving the shift in the night). Such facility for transport is mainly provided to ensure that employees will be able to report in time in

early hours of the morning and reach back their residence in the night (when normal public transport facilities are not available). In other two firms, there were no transport arrangements available and the workers had to ensure their presence in the workplace at their own arrangements. Wherever, one side transport is available, barring one firm, a small sum is found deducted from the salary of the employees towards transport charges. In these firms, the employees are also given an option of arranging their own transport and receive the payment for transport along with their salary. This aspect is quite distinct from that of international call centres, where the firms generally provide transport arrangements to the workers for both the sides, at subsidized rates or even without any charges.¹³

The work is normally organised in teams, consisting of 10-20 members, with a team leader. Against this common trend, in two of the selected firms (both outbound and low skilled work), about 30-40 members are found working under one supervisor. The team leaders/supervisors are in total charge of the team, and the agents are required to report to the team leaders – right from reporting for daily work to all other workplace related dealings. Unlike the case of international call centres, the team leaders are found mostly working along with the agents to achieve the assigned targets of the team. In that sense, team leaders are performing similar work as that of agents, along with carrying out some supplementary jobs (such as coordination, control, consolidation and reporting). There are separate targets attached to each of the individual members as well as the team as a whole. As team leader or supervisor is in charge of reporting the team's performance, an employee who does work beyond the stipulated individual target receives some degree of freedom and flexibility (e.g. going early or taking few leaves together etc.). In one firm, the agents who consistently achieved the targets are found deployed for some premium services of the firm (for instance, to handle a specially designated project called 'Pratiksha').

As explained before, the inbound and outbound centres were found using separate norms for evaluating the work carried out by the agents. In inbound call centres, the call flow (rate of incoming calls) is a critical parameter for work effort and the number of calls attended is the norm for evaluation. While the intensity of work effort in inbound call centres is closely linked to the call flow (rate of incoming calls), in the case of outbound firms, the agents are found assigned with

stringent, time-bound and multiple work targets (e.g. in terms of number of calls to be made per day, number of 'leads' (successful calls) per day and the quantum of business to be done per month). Failure to meet targets often implies increase in daily working hours, reduction in salary/incentives and in a few cases, termination from the job.¹⁴ In some cases, successful completion of targets or achieving beyond target is rewarded mostly with a monetary incentive (e.g. ₹ 500 per every two additional purchase order/customer). All these, obviously, make the work in outbound firms more stressful and demanding.

Meeting the targets, according to the agents is a difficult task, which is especially so in the case of outbound call centres. In the case of inbound call centres, the workers have to only work according to call flow and accordingly on a busy day, they have to stress out considerably to attend one call after another. At the same time, they will be relatively free on a day when the call flow is very low. But, in the case of outbound call centres, the workers need to complete a stipulated number of calls (which ranged from around 60- 150 calls a day in the selected call centres). Apart from making these calls, they have to ensure that at least a particular number of calls are converted to a 'lead', which will be followed up by him/her or other team members subsequently. Normally, a telesales agent explains the customer about the product or service that the company offers to the customers and if the customer is willing to accept the product or services, the agent will prepare a brief form – which contains the details of the customer such as phone number, alternative phone numbers, residential and office address etc. The agent will also enquire the customer as to where and when he/she or her/his colleague can pick up the relevant documents from the customer for further processing of the matter.¹⁵ Subsequently, a team member will go and pick up the documents from the customer and then after a round of cross checking these documents will be sent for final processing to the original client, who provides the business to the firm.

Monitoring of work is done mainly through manual supervision and with minimal use of technology, which is a striking difference between domestic call centres and international call centres. Only one firm used some monitoring mechanisms which are on a par with some of the international firms operating in India. This firm had its international business centre also, in the same premises where the domestic call centre has been functioning. Minimum use of standard

technology for call centres was characteristic of all the selected call centres. As explained earlier, there are also firms in which agents were not even provided with head phones. In the 6 selected firms, only one firm used the integration of telephones and computers. In all other firms, though the team leader or the firm had some common and generic computers for data maintenance, the agents were not provided separate and specifically earmarked computers.

The firms are also found standardising work by stipulating parameters for good and bad calls. For doing a good and successful call, the employee is expected to be knowledgeable, courteous and helpful. To meet the stipulated target of the day (in terms of number of calls), the employees have to complete each call in a stipulated time period (say, 1 to 3 minutes). In 5 out of the selected 6 firms, these parameters are internally examined with the help of team leaders/ supervisor and in some cases, even with minimal equipments. In the remaining one firm, some customer feed back was also taken, randomly to assess the performance of the workers.

All the selected firms worked with a 6 days week schedule. In two firms, Sunday is the fixed off day. In the case of other firms, the weekly holiday was assigned on various days as per the firms' requirement on the basis of the understanding between the team leaders and the agents. Barring two firms, the respondents informed that they are allowed to take one or two special casual leaves, if they meet their targets well ahead of the specified time.

Most of the agents were found working in temporary and time bound contracts, though they have been given oral assurance that their services will be continuously required, if their contribution is fairly enough as per the firm's requirement. Thus, the appointment orders are found time bound or project specific (three to six months), the tenure of which is further extended as per requirements. On the whole, the profile of employment was dominated by the prevalence of temporary work. Some firms are also found portraying the temporary and casual work as opportunities for 'part-time and flexible work'!¹⁶

Given the lower educational profile, 'surplus labour' situation and the low skill requirement of the sector, the salary of the agents were found at an abysmally lower level. The salary structure also found varying in terms of the nature of work being carried out by the firm (e.g. inbound versus outbound). While the initial salaries offered by

the two inbound firms in the sample ranged between Rs.5000-6000, in the case of outbound firms, this was in the range of Rs. 3000-5500 only. The maximum salary reported for customer care operators (agents) in the inbound call centres is Rs. 9000, while it is Rs. 6000 for the outbound firms. A cursory comparison of this salary structure with that of international call centres would reveal the strikingly lower level of payments in the domestic sector.

Many of the respondents opined that their work is really tedious, monotonous, and boring, especially after the initial thrill of getting the job. They feel that it is a continuous run for attaining targets or attending to a ceaseless flow of incoming calls. Many of the respondents pointed out that their monthly salary is often linked to the performance. For instance, an agent told that he has to successfully complete 20 cases in a month and if he meets this target, he is eligible for the full month's salary. In case, if he is fall short of one-fourth of the stipulated target, his salary will also be deducted to that extent. However, when the agents achieve beyond the stipulated target, their rate of return is not in the same proportion. They may get some incentives, only if they successfully complete a few more (3-4) cases, from their required minimum level of performance. Around one third of the respondents reported that their salary was cut at least once during their tenure with the present firm, as they could not meet the targets. Due to the very nature of work, the stress at work is more in the outbound centres than in the inbound firms. Many of the respondents working in the outbound processes told that meeting targets is relatively easy if the 'data' is good. Here, 'data' refers to good set of telephone numbers provided to the agents. If it is a set of fresh phone numbers, the probability of getting 'successful calls' and 'leads' is very high. However, quite often, what they get is recycled or used data, which is not only with lesser chances to get potential customers but also with a higher likelihood for getting abusive customers.

Apart from salary cut, the agents reported that usually non-compliance of targets means strong warnings and even verbal abuse by the team leader/supervisor. While in international call centres such corrective measures are taken in a much sophisticated way in the form of 'counselling', in the case of domestic sector it is in a more open way. "To achieve the targets", one agent reports that "we have to even tell half lies or provide incomplete information to customers to pursue them to subscribe our product".¹⁷

Stresses out of abusive calls are also reported by many respondents. In the case of inbound calls, such calls are normally related to poor delivery of services by the parent organisations. In the case of outbound centres, mostly the agents have to confront abusive customers, when they call those who are not at all interested in their services or products. Some of the agents also reported that there are instances when female agents have to deal with customers who make sexually coloured remarks and engages in undesirable conversations. Though the firms will not normally follow up this matter in a formal manner, it is reported that, the male members as well as team leaders often help the female agents in such situations by attending these calls to properly fix the caller!

The firms were not having much interior facilities, unlike their international counterparts. Barring a canteen or restaurant – that too in select cases – there are not much facilities available to the workers. However, most of the firms provide tea two times a day free of cost. Only one of the selected firms had some interior facilities like rest room, clinic, refreshment centre and so on. In fact, this firm had its own international call centre running in the same premises of the firm.

V. RECRUITMENT, TRAINING, AND SKILL DEVELOPMENT

The respondents are mostly recruited through direct selection and through placement/recruitment agencies. In the first mode, the respondents got some information regarding the job openings in the firm through bit notices, banners or through friends. At times, direct enquiries at the gates of these firms also gave them information. For persons from far off places, mostly these jobs are their second or third engagement in the city and they came to know about these openings only after reaching the city. Unlike the international call centres, who flag the brighter sides and development prospects of the call centre occupations, domestic sector call centres are found highlighting the low skill requirements and casual/part time nature of work as the attractions of the job. The respondents generally found that domestic sector call centres the ideal place for youngsters– who are with moderate academic qualifications and who have some soft skills (like command over Hindi and communication capabilities). Due to the lower level requirement of skills, they find it very easy to enter the job also. Most of the respondents were recruited in one day's interview, in which the interviewers mainly verified whether they can communicate effectively in local language. In many cases, the firms were also interested to pick

up those candidates who are ready to run around – to follow up leads and pick up documents.

Apart from direct selection and walk-in, many of the respondents got selected through placement agencies. It was found that recruitment agencies as well as some mediators even portray the work as government job or job with a bigger company to attract the youngsters and give them an impression that they can join a firm which has permanent career prospects. There were also stray cases where the employees have bribed selectors or mediators to get their jobs (upto ₹ 10,000). The recruitment agencies were found charging a consolidated fee or a sum which is equivalent to about half to one month's salary from the employees for their services. This is in addition to their income received from the firms for the placement services.

Generally, no formal training was provided to the workers. Immediately after the recruitment, they are asked to observe the work that is happening in the floor and then gradually oriented to participate in the work. A brief orientation on products/services/processes is also normally provided during the preparatory term, along side this practical learning. Normally, the firm stipulates one-three month's testing period during the time the worker needs to establish his/her credentials in handling calls. If this 'probation period' is not completed successfully they are forced to quit.

The agents feel that there are not much avenues for skill acquisition in this job. Yet, as they do not have many attractive qualifications and since they belong to lower or middle income families, they do not find the job in domestic call centres as a bad option. While many of the male agents see it as a gateway to better jobs in the city in the hospitality or sales sector, most of the girls see it as a safer job, which is in any case better than factory jobs.¹⁸

VI. MOBILISATION, WORK RELATIONS AND ATTRITION

As in the case of international call centres, presence of organized trade unions was absolutely absent in the selected firms. In the absence of collectivity, which protects the interests of the call centre workers, the massive exploitation knew no bounds. Most of the workers knew that their continuance in the job is fully dependent upon their 'good' relations with the management. Though some of them felt that there is a need of worker collectivity, they are generally found unclear about how to realize such collectivity to fight for their rights.

There are visible differences between the perceptions of workers in the international and domestic sectors in terms of their own identity, 'worker status' and as regards their approach towards management. By now, it is widely established in the literature that the aversion of international call centre agents towards trade unionism is due to multiple reasons such as differently conceived identity, trust towards 'caring management' and dislike towards destructive aspects of trade unionism. (Remesh, 2004; Noronha and D'Cruz, 2006). As against this, the workers in the domestic sector call centres do believe that their profile and workplace issues are similar to workers in other sectors of the economy. However, they are largely found clueless about the lower spread of trade union activities in the sector.

When the non unionisation aspects of international call centres were discussed in various forums, the unearthly timings of international BPOs and resultant restrictions in the socialisation pattern of the workers are often identified as barriers to trade unionism in the sector. The results of the present study shows that even with normal work timings, the penetration of trade unions in the domestic sector call centres are minimal. This leaves a question to the researcher as to whether the logic of outsourcing itself is a deterrent towards trade unionism. It is quite understandable that outsourcing is an extended version of division of labour, which demands stipulated and time bound work effort from each worker, who specialises on a particular process. The logic itself demand intensified work effort, which is easily divisible and monitorable. In such situations, the workers will not be normally left with any spare time at the workplace as they are in the continuous run for achieving the day's target. This along with the other inherent disadvantageous such as lower educational profile (with no saleable skills in hand) force the workers not to think about organisational activities which will attract displeasure from the employers.

Near absence of trade unions does not mean that there are no conflicts at the work place between the employees and the management. Minor conflicts are reported by many of the respondents. In quite a few cases, working beyond stipulated working hours led to arguments between employees and team leaders. Several respondents reported that they had to often sit and work for extra hours – without any over time payment – as they could not achieve the day's target during their stipulated hours. As they have to travel a distance to reach their residence, such undesirable delays some times lead to arguments.

Similarly, when salary is deducted due to non-attainment of targets, several workers reported that they had to openly raise their voice against such undesirable actions. "What can we do, if the 'data' provided is bad. They provide us 'bad' data and expects that we will do good work", says a desperate worker.

As the employees need to resort to public transport, mostly, they found it very difficult to report in time, especially when they have to reach the firm early in the morning. Similarly, if they are forced to work beyond stipulated working time, they will miss their bus or regular transportation arrangement. Such issues are found repeatedly cropping up between the workers and the team leaders or supervisors. At times, some workers report that, this will even lead to situations where worker quits the job or team leader expels the employee.

Among the various reasons, non-provision of leaves to attend family functions and festivals are found the major one that leads to acute conflicts between the workers and employees. Most of the workers (especially male employees from far off places), leave their job during festival seasons, if they are not allowed to take a long leave. As these workers are generally from comparatively well off families in the rural set up, they even do not mind quitting the job during such occasions and to restart the job hunt afresh once they are back from the vacation.

VII. CONCLUDING OBSERVATIONS

From the foregoing discussion in the paper, it is evident that the domestic call centres are distinctly different from their international counterparts in terms of profile of workforce, organisation of work, terms of work, work relations and so on. Despite the changes in the working time and changed requirements of customers, the work in domestic sector exhibits acute insecurity of job and unimpressive working conditions. Given the low level requirements of skill, the workers are found given inferior salary packages. The work in domestic call centres is also found providing less scope for skill up gradation. Thus, on the whole the work is found as 'low end', which provides little scope for human resource development.

An interesting finding of the study is that with the extension of call centre activities to the domestic sector in the country, the profile of workforce becomes more comparable to that of workers in Western

countries – where the call centre employees are found with low human resource base (in terms of education and training) and with lower salary packages vis-à-vis other sectors of the domestic economy such as manufacturing. The overall deterioration of the work conditions in the outsourced domestic sector also strengthens the argument that with increased penetration of outsourcing, there has been a massive transfer of jobs from bargainable regions/categories to non-bargainable regions/categories. Thus, on the whole, the findings of the study points towards an undesirable trend in the overall production organisation frame, where more and more secure jobs are being displaced by temporary, flexible and insecure job forms.

NOTES

1. For definitions of concepts such as off-shoring, outsourcing and domestic sector outsourcing see OECD (2007).
2. As in the case of the international sector (offshored outsourcing), one of the visible and vibrant segments of the domestic outsourcing in India is the Information Technology Enabled Services/Business Process Outsourcing (ITES/BPO) Sector, which works in tandem with a range of core business fields including banking, insurance, finance and trade.
3. In the study, specific efforts are made to gather overall information about the total workforce, their socio-economic backgrounds and to trace the distinct patterns in workforce composition, giving due attention to rural-urban and gender wise disparities. Thus, the discussion that follows is more of broader trends and patterns pertaining to the overall workforce in the selected firms, than the case of 91 interviewees. Based on the information provided by the respondents, it is estimated that, altogether, the 6 sample firms in the study engaged about 4300 workers at the agent level, of which, about 1700 (about 40 per cent) were women.
4. Due to the exploratory nature of the study and its specific objective to gather overall information about the total workforce, the discussion that follows provides more of broader trends and patterns pertaining to the overall workforce in the selected firms, than the case of 91 interviewees.
5. As good command over English and exposure to western ways of life is considered essential qualifications in international call centres, the agents largely well educated from public schools of metros

and towns. Due to the highly paying and attractive nature of the job, a good proportion of the workers has impressive educational attainments and mostly belongs to the creamy layer section of urban society (Remesh, 2004). As against this, to quote the words of an HR professional, “any one, who could communicate forcefully and convince a local customer over phone, is an eligible candidate for the domestic call centre, where English speaking is only an added advantage”.

6. Given the present favourable situation of abundant supply of aspirants, the firms do not find any threat of attrition (employee turn over), which is the most worrying concern of HR managers in international business.
7. In the international outsourcing sector also the emergence of such mediators is being reported very recently, though not in a very prominent manner (Remesh, 2008).
8. The lower representation of women in the sample is mainly on account of difficulties to get women respondents, who are willing to share detailed information in different rounds of visits and repeated rounds of telephonic enquiries. As most of the women respondents (unlike their male counterparts) are found staying along with their family, they generally do not entertain repeated phone calls or visits. For a detailed account on this aspect see Remesh & Neetha (2008) and Remesh (2009).
9. As the rent rates in nearby areas are very high, often they have to stay in far away places and then commute. This adds to their working hours. The rent is around 2500 -3500 per room/house. On sharing basis, it generally becomes around Rs. 1000 per head.
10. As per the available estimates around 20 per cent of international call centre operations in India deals with non-voice operations (attending and responding to internet/e-mail based queries).
11. Conformingly, a comparison of inbound and outbound centres (covered in the present study) suggests that duration of training and the allocation towards manpower upgradation is more in inbound centres.
12. Though the stipulated working hours is 8 hours, the agents often had to work for more than 10 hours.
13. Due to inadequate transport facilities, most of the workers are found staying in a range of 5-10 kilometers. While most of the women

employees and a few of the male respondents stayed along with their parents or relatives at their residences, many of the male agents (especially those who are from far away places) are found staying in rented accommodations, sharing rooms with colleagues or friends who are working/studying in the city). Most of them found using public transport (shared autos, buses etc.) for their daily travel.

14. All these, obviously, make the work in outbound firms more stressful and demanding.
15. This part of the work is normally referred to as 'fayal udana' (picking up the file).
16. Unlike the international call centres, who flag the brighter sides and development prospects of the call centre occupations, domestic sector call centres are found highlighting the low skill requirements and casual/part time nature of work as the attractions of the job.
17. To substantiate this he narrated his work with a past employer, where he was in charge of selling petro cards. An offer attached to this was the customer will get some discount per every 600 rupees petrol purchase. As the capacity of petrol tanks of two wheelers are too small to contain Rs.600 worth petrol, most of the two wheelers are deprived of this advantage. However, agents would not disclose this matter while selling the product. Rather they will give an impression to customers that every time they are visiting petrol pumps with their petro card assure some benefits.
18. There are differences in the job aspirations, occupational mobility and career prospects between male and female respondents. For a detailed account see Remesh & Neetha (2008) and Remesh (2009).

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Software Industry – An Arena of Gender Equality or Disparity?

Nirmala Padmanabhan*

Developments in Information and Communication Technology have had far reaching impact on labour markets of the world. Among other changes, it has disempowered the trade union movement and ushered in a new system of wage fixation which is highly individualised and performance based. In India, research also indicates increasing female participation in software labour market. This paper explores the issue of gender parity in the software work arena based on remuneration obtained by professionals in Kerala. The study reveals no gender disparity as far as the specific group of young graduate engineers are concerned indicating that knowledge content of work has indeed succeeded in counterbalancing the constraining effect of gender. However female professionals with non Engineering educational qualifications appear to be competing in an unequal arena warranting a more detailed analysis of the quality of their education as well as experience in the work field.

I. INTRODUCTION

Developments in Information and Communication Technology (ICT) have led to the emergence of the knowledge economy, which represents a shift from raw materials and capital equipment to information and knowledge as inputs for production (Low, 2000). This in turn is reported to question many traditional concepts and warrant a re-thinking of existing theories and organisational structures (Unni and

* Associate Professor, Department Of Economics, St. Teresa's College, Kochi -11, Kerala, India.

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Rani, 2000). For these new knowledge industries, a theory of acquired or artificial comparative advantage is believed to be more useful than the traditional international trade theories based on comparative advantage in natural resources (Porter, 1990). Further it has brought in the concept of leapfrogging where a country can bypass some phases of development in the conventional stages of structural transformation from agrarian to industrial and ultimately to knowledge based service sector (Stiglitz, 1995, 1998) .

It has also had far reaching impact on the organisation of production, global division of labour and labour markets of the world. Traditional methods of production are being replaced by new post-fordist or flexible specialised production systems (Webster, 1995). There is a change in the organisation of work towards flatter hierarchy and project based teams. Multi-skilling, flexibility and team orientation are necessary requirements of the workforce in the post-fordist era. Firms pursue internal or functional flexibility which involves a series of labour practices that increases the ability of workers inside the firm to adjust to changing demands, such as multi-skilling, broad job categories, re-deployability, team work as well as external or numerical flexibility. In many organisations it has resulted in the creation of a core of permanent employees and large pools of peripheral labour. It has also led to an assault on organised labour by disempowering the trade union movement (Benner, 2004). Wage fixation in this deunionised work arena is highly individualised and performance based with no standardised system of salary increases.

The changing labour market also envisages a departure from the prevailing gender employment norms. Unlike traditional manufacturing sector employment that has been dominated by male workers, work in the knowledge based sector is viewed as less physically tough and amenable to flexible hours and hence is considered conducive for employment of women. To quote World Employment Report 2001, "The networking economy offers genuine potential for striking a better balance between work and family responsibilities, or work and leisure..... The independence of work from its location can be liberating not only in spatial terms, but also in the ability to schedule work when desired. The increasing knowledge content of work should favour the equality of women and men in the workforce." (ILO, 2001). It was also opined that the IT industry being still in its nascent stage will not have acquired the sex-role identification as a male or female

field that limits the opportunities to one sex or the other (Nieva and Cutek, 1981). The shortage of qualified people was expected to further favour women since it ruled out the possibility of exclusion of anyone who had the necessary skills. Given the hypothesis of seniority based mobility, the IT firm's organisation with a decentralised network, high inter-firm mobility and less vertical integration was considered favourable for female professionals since it opened up a career path to those who opted to leave the labour market for domestic reasons such as child bearing and child rearing. All these factors have led to the consensus that this industry has the potential of initiating fundamental changes in gender relations through the large scale entry of women into decent jobs (Rothboeck et al, 2001). In other words, the process of feminisation of jobs observed in the manufacturing sector was also expected to occur in the new IT field.

Application of a gender lens to IT took off in the 1980's and 90's and extensive literature has come up dealing with women and IT sector. Gender analysis of IT in western countries - U.K, USA, Netherlands, Finland, Australia to name a few- while reflecting a pattern of prominence of women in the less skilled ITES sector reveal a disquieting trend of declining participation of women in IT related technical courses/work leading to the opinion that this new technology is not as gender inclusive as expected (Varma, 2003, Fountain, 2000, Panteli, 1999). Conversely several developing countries, particularly from Asia, provide evidence that rapid diffusion of IT has had some beneficial impact on women (Mitter & Rowbotham, 1995, Ng, 2001). In India, the country that has captured global attention as a result of its success in software service industry, research indicates that while women remain under-represented in the technical software industry (Upadhy, 2005, Rothboeck et al *ibid*), a trend of increasing female participation is also revealed pointing to a gradual gendering of software employment as well as related engineering education (Nasscom and Mercer, 2009, Padmanabhan, 2008, Parikh and Sukhatme, 2004, Arun and Arun, 2002). A query that arises in this context is whether such a trend towards gender parity is confined only to the entry point or is it characteristic of the entire work arena? A study of software workplace in India in terms of core work characteristics reveal that women are the same as men with respect to skill variety, task identity, length of work hours and feed back from jobs (Ilavarasan, 2006). Other studies report the existence of a clear process of gender exclusion in further career progression and a reproduction of traditional gender based vertical

segregation in the software industry with more females concentrated at the bottom of the work pyramid (Padmanabhan *ibid*). This paper explores the issue of gender parity in another significant work dimension namely remuneration obtained by software professionals. Existing literature indicates a clear gender gap in earnings of scientific and technical personnel in the country with females earning less than their male counterparts in almost all science and technology fields such as agriculture, veterinary science, general science, engineering and technology, dentistry and allopathic medicine with greatest gender disparity being observed in the field of engineering and technology (Duraismy and Duraismy, 2009). Another comparative study by them on the two southern states of Kerala and Tamil Nadu also reveal that such gender disparity in earnings is noted in all age groups in the two states with the gap reflecting a widening tendency at later stages in the life cycle. While they consider about 17 per cent of male female wage differentials in Kerala as attributable to occupational segregation, they attribute the unexplained part (45 per cent) to labour market discrimination (Duraismy and Duraismy, 1999). Such evidence raises a pertinent question - how do female professionals fare in the new individualised, performance based system of remuneration in the software industry where they are not under the protective cover of standardised, collective wage fixation? This paper examines this query based on primary data collected from a sample of young software professionals in Kerala. It may be highlighted that the experience of women in Kerala have special connotations since they stand out on the gender map of India with highest literacy and greatest entry into engineering education (Duraismy and Duraismy, 2009) which equips them to leverage the recent dynamic trends noticed in software industry in the state with the entry of IT majors like Infosys, Wipro etc.

II. METHODOLOGY

Disparity in remuneration between male and female professionals in software industry in Kerala is explored based on cross section data on gross salaries per annum for a sample of 230 professionals employed in software firms located in the two major IT hubs (Technopark in Trivandrum and Infopark in Kochi)in 2007. On the basis of discussion with the director of Software Technology Park of India, Trivandrum, the firms located in these parks were first classified into large (having more than 500 employees), medium (having 50-500 employees) and

small (having less than 50 employees). A few typical firms were chosen from each of these categories and professionals were chosen from these firms. An inherent difficulty faced in this context was the secrecy surrounding salary levels. With Human Resource managers refusing to reveal salary details of their firms, the only recourse was to contact the employees at their residences and collect information. Even then, the junior professionals were more co-operative than those in senior age and job categories. The analysis is thus based on primary data collected from 230 young professionals with the help of a questionnaire. The technique of Ancova analysis is used to test for significant differences in remuneration between male and female professionals since it facilitates controlling of factors such as years of experience and average number of hours worked in a week and also allows us to check for significant interaction effect between independent variables.

III. SAMPLE DESCRIPTION

The sample consisted of 129 male and 101 female professionals. As mentioned above, most of the professionals belonged to the younger age group with the maximum age being 28 (Table 1). Thus more than half of the sample professionals were less than 24 years old with the largest number of professionals belonging to the age group 23- 24.

Table 1
Age and Gender Composition of Sample Professionals

Age	Male		Female		Total	
21	2	(01.55)	1	(00.99)	3	(01.30)
22	19	(14.73)	12	(11.88)	31	(13.48)
23	29	(22.48)	35	(34.66)	64	(27.83)
24	25	(19.38)	20	(19.80)	45	(19.57)
25	16	(12.40)	8	(7.92)	24	(10.43)
26	11	(8.53)	14	(13.86)	25	(10.87)
27	11	(8.53)	8	(07.92)	19	(08.26)
28	16	(12.40)	3	(02.97)	19	(08.26)
Total	129	(100.00)	101	(100.00)	230	(100.00)

Figures in parenthesis indicate percentage.

Source: Survey data.

Correspondingly almost 90 per cent of sample professionals also occupied junior positions such as software engineer/ developer or senior software engineer (Table 2). Qualification wise they consisted of 3 per cent diploma holders, 19 per cent M.C.A/ M.Sc computer science degree holders around 74 per cent B.Tech./ B.E degree holders and 3 per cent M.Tech/ M.E degree holders (Table 3), which was in conformation with the general trend that engineering constitutes the main pipeline supplying labour force to the software industry.

Table 2
Distribution of Sample Professionals According to Job Designation

Position occupied/ Designation	Male		Female		Total	
Software engineer	104	(80.62)	87	(86.14)	191	(83.05)
Senior software engineer	11	(08.53)	6	(05.94)	17	(07.39)
Team lead/project lead	9	(06.98)	6	(05.94)	15	(06.52)
Asst project manager / project manager	5	(03.87)	2	(01.98)	7	(03.04)
Total	129	(100.00)	101	(100.00)	230	(100.00)

Figures in parenthesis indicate percentages.

Source: Survey data.

Table 3
Educational Qualification of Sample Professionals

Educational qualification	Male		Female		Total	
Diploma/other certified courses	5	(03.88)	2	(01.98)	7	(03.04)
M.C.A/M.Sc Computer Science	25	(19.38)	19	(18.81)	44	(19.13)
B.E / B. Tech	96	(74.42)	75	(74.26)	171	(74.35)
M.E / M.Tech	3	(02.32)	5	(04.95)	8	(03.48)
Total	129	(100.00)	101	(100.00)	230	(100.00)

Figures in parenthesis indicate percentages

Source: Survey data

IV. AN ARENA OF GENDER EQUALITY OR DISPARITY?

The issue of gender disparity in salary was prima facie analysed by comparing the median as well as mean salary by age for male and female software professionals (Table 4 and Figure1 and 2). The median

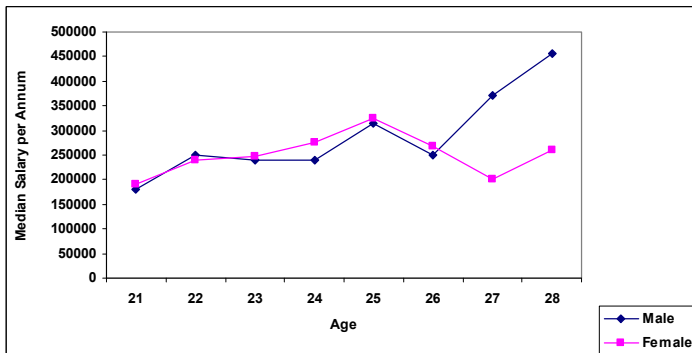
salary for the group of female professionals as a whole was noted to be ₹ 2,50,000 per annum which was the same as that for their male counterparts. Plotting of median salary curve for different age groups also indicated no consistent difference between salaries of males or females, particularly in the initial age groups. Thus while the gross remuneration per annum for male professionals in the lowest age group of 21 years was ₹ 1,80,000, the corresponding figure for females was ₹ 1,90,000. Substantial gender disparity was also not observed till the age of 26 years after which a widening gender gap was seen with females earning less than males in both the age groups of 27 and 28 years.

Table 4
Salary by Age for Male and Female Professionals

Age	Median		Mean	
	Male	Female	Male	Female
21	180000	190000	180000	190000
22	250000	240000	236105	208167
23	240000	248000	238241	235971
24	240000	276500	234720	277850
25	315000	325000	301375	319375
26	250000	269000	332909	269143
27	370000	200000	365636	281000
28	455000	260000	395563	266000
All Ages	250000	250000	282620	256168

Source: Survey data

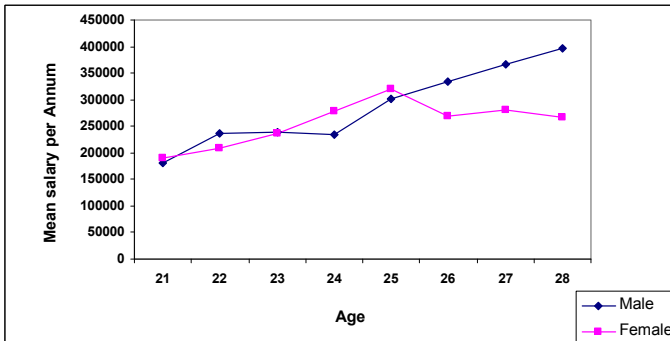
Figure 1
Age- Median Salary Graph for Male and Female Professional



Source: Survey data

Mean salary for the group of female professionals as a whole was noted to be ₹ 2,56,168 per annum which was lower than that for their male counterparts. However plotting of mean salary curve for different age groups revealed a picture somewhat similar to that of median salary with no persistent gender differences in salaries in the initial age groups and a widening gender gap after age 26 (Figure 2).

Figure 2
Age- Mean Salary Graph for Male and Female Professionals



Source: Survey data

Next we tested for gender differences in remuneration using the technique of analysis of co-variance. Human capital theory leads us expect that an individual’s earnings in the labour market will vary depending on by his/ her level of education, job designation within a firm and years of experience. Discussions with software industry personnel further lead us to hypothesis that, due to the intense work culture of the industry, the average number of hours worked per week by software professionals also influence the remuneration that they receive. The above variables along with gender were taken as the independent variables while the logarithm of salary earned per annum was taken to be the dependent variable.¹

Thus the underlying model for ANCOVA analysis was

$$\text{Or Ln } S = \text{fn} (G, \text{Edn}, D, \text{Exp}, \text{Hrs})$$

Where S = Remuneration received per annum

G = Gender

Edn = Highest Educational degree obtained

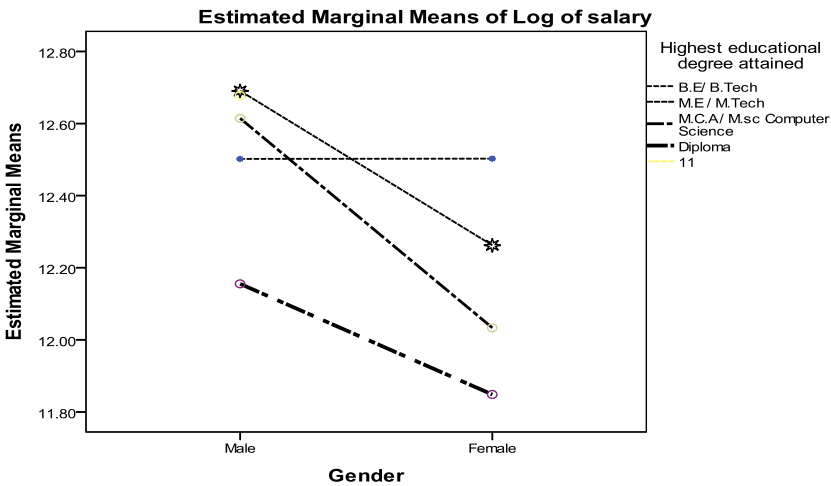
D= Current Job designation

Exp= No of years of Experience in software field

Hrs = Average number of hours worked per week

Among the independent variables, gender, educational qualification of professionals and job designation were taken as the fixed factors while number of years of experience in the software field and the average number of hours of work put in by the professionals per week were treated as co-variates. Ancova results revealed that the overall model was significant at the 5 per cent level ($p=.000$) and explained 44.8 per cent of total variations in the dependent variable logarithm of salary ($R^2 = .448$) (Appendix I). The analysis revealed statistically significant effect of gender on salary ($F= 6.031, p=.015$) However gender was noted to account for only 2.7 per cent ($\text{Eta } 2=.027$) of total variation in the dependent variable. Among the other variables found to be statistically significant in influencing remuneration variations in the industry, number of years of experience of the professional in the field ($p=.000$) was noted to be the most important accounting for 23.2 per cent of variations while educational qualification ($p=.000$) accounted for 12.7 per cent. However job designation ($p =.228$) and number of hours of work put in per week by professionals ($p = .057$) were not found to have a significant influence on salary. The interaction effect between gender and educational qualification was also noted to be statistically significant in explaining variations in salary ($p= .005$) and accounted for 5.9 per cent of total variations.²

Figure 3
Estimated Marginal Means of Log of salary



Covariates appearing in the model are evaluated at the following values: No of years of experience in the computer field = 2.177, Average working hours Per week = 44.73

A profile plot of estimated marginal means of logarithm of salary was utilised to examine the nature of interaction between gender and educational qualification revealed in the ancova analysis. The graph indicated a more or less equal mean of log salary for female professionals with Bachelor of Technology or Bachelor of Engineering degree as compared to their male counterparts indicating that as far as the group of sample graduate engineers are concerned, females were able to hold fort and compete on equal terms (Figure 3). Gender gap, however, was noted in all other educational degrees such as Diploma, Masters in Computer Science or Masters in Computer Applications and Masters in Technology degree with females on an average earning lower remuneration compared to male profession.³

In the light of the above findings, similar analysis of covariance was conducted for the specific group of professionals with Bachelor of Technology or Bachelor of Engineering degree since they are known to constitute the main chunk of software labour force in the country. As mentioned above, they constituted around 74 per cent of our total sample size. Here gender and job designation were taken as the fixed factors while number of years of experience in the software field and the average number of hours of work put in by the professionals per week treated as co-variates. The analysis revealed the overall model also to be significant ($p=.000$) accounting for 42.4 per cent of total variations in the dependent variable- logarithm of salary (Appendix II). But among independent variables, only years of experience of professionals was found statistically significant in influencing their salary level. Thus no statistical difference in earnings of female and male professionals was noted ($F=.595$ and $p=.442$) indicating an equitable arena for this specific group of software professionals.

V. CONCLUDING REMARKS

Gender gap in remuneration reported in scientific and technical labour market in Kerala was observed in the sample of software professionals as a whole. However our analysis of the specific group of young engineering degree holders revealed that females were able to successfully compete with their male counterparts indicating that knowledge content of work has indeed succeeded in counterbalancing the constraining effect of gender as far as they are concerned. Thus the general fear that women may face a remuneration disadvantage when not under the protective cover of collective wage agreements

seemed to be of not much relevance for this specific group of young professionals. However female professionals with non engineering educational qualifications appear to be competing in an unequal arena warranting a more detailed analysis of the quality of their education as well as experience in the work field. The tendency towards a widening gender wage gap in later ages, as noted in the graphical analysis of mean as well as median salary, coupled with existing studies reporting gender divide in career progression also indicate the possibility of a different work arena for senior professionals. This calls for further research and policy efforts focusing more on senior professionals and professionals with lower educational qualifications so that the apparent equity witnessed among a section of qualified young software engineers permeates to all levels, turning the work arena into a truly equitable one.

NOTES

- 1 The dependent variable salary was found to follow a positively skewed distribution. Therefore its logarithmic transformation was taken which satisfied the condition of normality.
- 2 The interaction effect between gender and job designation, between educational qualification and job designation and finally between all these three variables were found to be statistically insignificant and were therefore removed from the model.
- 3 However it needs to be noted that the number of diploma and M.Tech degree holders in the sample were rather less since they account for only a small share of total software workforce in the country.

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Appendix- I

Results of Analysis of Co-Variance for the Sample Professionals

Dependent Variable: Log of Salary

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Eta2
Corrected Model	16.487(a)	13	1.268	13.498	.000	.448
Intercept	409.311	1	409.311	4356.126	.000	.957
Gender	.567	1	.567	6.031	.015	.027
Educational qualification	2.961	3	.987	10.505	.000	.127
Job designation	.535	4	.134	1.422	.228	.025
Years of Experience	6.149	1	6.149	65.439	.000	.232
Average number of hours worked per week	.345	1	.345	3.673	.057	.017
Interaction effect between gender and educational qualification	1.256	3	.419	4.454	.005	.059
Error	20.296	216	.094			
Total	35571.062	230				
Corrected Total	36.783	229				

R Squared = .448 (Adjusted R Squared = .415)

Source: Survey data

Appendix - II

Results of Analysis of Co-Variance for sample of Graduate Engineering Degree Holders

Dependent Variable: Log of Salary

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Eta2
Corrected Model	10.084(a)	6	1.681	20.150	.000	.424
Intercept	366.137	1	366.137	4389.591	.000	.964
Gender	.050	1	.050	.595	.442	.004
Job designation	.232	3	.077	.925	.430	.017
Years of Experience	4.747	1	4.747	56.914	.000	.258
Average number of hours worked per week	.231	1	.231	2.773	.098	.017
Error	13.679	164	.083			
Total	26486.230	171				
Corrected Total	23.764	170				

Labour, Employment and Social Security Issues of Private School Teachers

Sanjay Upadhyaya*

During the last few years there has been a mushroom growth of private schools of various kinds and categories at different levels in the country. The privatisation and commercialisation of education, while creating a lot of job opportunities on the one hand has also posed a number of labour, employment and social security issues. This paper which is mainly based on primarily data collected from private schools of various kinds and categories from NOIDA makes an attempt to investigate and inquire into some of the crucial issues relating to teachers in private schools. The paper also provides several pragmatic recommendations for safeguarding the interests of teachers.

I. INTRODUCTION

Schools are the direct source of employment almost for 2 per cent of the workforce globally as well as nationally. The Handbook of ILO: 'Teachers and International Standards published in 1990s reported that there were around 40 million teachers in the world. As per the official statistics of Ministry of Human Resource Development, in 2006-2007, the total number of schools in India imparting education from pre primary level to senior secondary level was 13,20,890. The latest data from the Ministry of Human Resource Development¹ further reveals that by 2006-2007 the number of teachers in these schools was approximately 6.3 million (62, 88,681 to be more precise) out of which almost 39.1 per cent (24,57,951) were females. This data reveals that even the officially reported number of teachers constitutes almost 1.5 per cent of the Indian workforce. If the number of teachers officially not covered and the non-teaching staff engaged in these schools is also included, the total would become almost 2.0 per cent of the workforce. These schools cater to the educational requirements of almost 20 per cent of the Indian population in the school going age group.

* This paper is an abridged and updated version of the Study on 'Labour, Employment and Social Security Issues in Education Industry: A Case Study of Private Schools of NOIDA' conducted by the author and published as NLI Research Studies Series, 2005. Fellow, V.V. Giri National Labour Institute, NOIDA.

During the last few years, there has been a mushroom growth of private schools at different levels; and the current trends suggest that this phenomenon is going to continue in future also. During the year, 2006-2007 out of the total schools, at various levels, in all at the national level approximately 15 per cent (1,96,185) schools were totally private unaided schools. In some of the states, for various levels of education, this proportion had even exceeded the limit of 50 per cent.² This proportion is constantly on the rise.³ The privatisation and commercialisation of education while creating lot of job opportunities on the one hand has also posed a number of labour, employment and social security issues for the employees engaged in the education industry and especially for teachers. These issues become all the more pertinent in the light of the judicial trend started with the pronouncement of the Supreme Court of the country in the case of *A. Sundarambal V. State of Goa, Daman and Diu and Others* delivered in 1988⁴ excluding teachers from the purview of the definition of 'workman' under the Industrial Disputes Act, 1947, one of the major Industrial Relations Legislations and continued with the judgment of the apex court in the case of *Haryana Unrecognised Schools Association v. State of Haryana* delivered in 1996⁵ disentitling the Government from fixing the minimum rate of wages for teachers and the judgment of the Supreme Court dated January 14, 2004 in the case of *Ahmedabad Pvt. Primary Teachers Association And Administrative Officer and Others* holding that teachers are not entitled to receive gratuity as they do not come within the definition of 'employee' under the provisions of Payment of Gratuity Act, 1972.⁶

As far as the employees engaged in Government schools especially the teachers are concerned they are comparatively in a better position as they are better organised (in the form of associations) and can approach Central Administrative Tribunal (CAT) and State Administrative Tribunal (SAT) with regard to their service matters and other employment related issues. But so far as the private schools are concerned, though the non-teachers engaged therein can approach State Labour Department and Labour Courts and Industrial Tribunals for redressal of their grievances and adjudication of their disputes, the teachers in these schools have no such mechanism for raising their grievances and disputes in spite of the fact that they too are workmen for all the practical purposes. They are also not always adequately remunerated and are equally insecure and unprotected. Marx (1974) observed in this regard as under:

"...labourer alone is productive, who produces surplus value for the capitalists, and thus works for the self-expansion of capital. If we may take an example from outside the sphere of production of material objects, a schoolmaster is a productive labourer, when, in addition to be labouring the heads of his scholars, he works like a horse to enrich the school proprietor. That the latter has laid out his capital in a teaching factory, instead of in a sausage factory, does not alter the relation..."

The above background makes it amply clear that such a large number of employees (specially teachers) and the kinds of the labour & employment problems which they encounter can ill-afford to be neglected.

II. REVIEW OF LITERATURE

Taking into account the substantial number of teachers and the importance of labour and employment problems and issues concerning them many studies have been conducted in the past both at the national and international level.

As far as the efforts at the international level are concerned, one of the efforts worth mentioning is the survey of employment conditions of teachers in developing countries, conducted by the International Labour Organisation in early 1990s. This survey gives a general overview of the facts and figures pertaining to the Teaching Career, Disciplinary Procedures, Labour Relations, Working time, Remuneration, Material Conditions and Working Environment etc. in respect of teachers in developing countries (ILO, 1991). The study draws a portrait of teachers in the developing countries. The study emphasises the size and importance of teaching profession in the development process. Some of the major findings of this study include that teachers in developing countries are public servant, they normally enjoy a valuable and much sought after advantage and security of tenure etc. The study further reveals that teachers in developing countries are generally very busy people. Though total length of their teaching time may not appear to be excessive but if we add to this the hours spent on preparation of lessons and correcting homework and other extra obligations, their working hours really become excessive. Their classes are also often very large and consequently individual evaluation of pupils' work and progress takes a considerable amount of time. Though society demands a great deal from teachers, but seems to be somewhat less generous towards them and finally the study concludes that considering the role

of teachers as agents of progress and the qualifications required for teaching profession, teachers in developing countries are generally not privileged from the point of view of remuneration. Their salaries are often poorly insulated against inflation and in some countries, they are near to poverty line.

One of the chapters of this publication is devoted exclusively to teachers in the private sector. This Chapter focuses on some of the characteristics of the private schools, determination of employment conditions, career development opportunities, working time, remuneration, class size and availability of social security to teachers in private schools. Though this study conducted by ILO is quite comprehensive in nature but the limitation of the study is that it does not take into account the recent developments which have taken place as a result of rapid, commercialisation of education in the post reform period i.e. after 1990s.

As far as the efforts at the national level are concerned, the Government of India has taken up several steps in the post-independence period including constitution of several committees and commissions, for studying the working conditions of teachers and suggesting remedial measures. Latest of such important commissions was appointed in 1983 under the chairmanship of Mr. D.P. Chattopadhyaya (popularly known as National Commission on Teachers I).

Again in 1997, Government of India, constituted a Sub-committee of the Consultative Committee for the Ministry of Labour under the Chairmanship of Sh. Gurudas Das Gupta, M.P. (Rajya Sabha) to look into the service conditions of the teachers in private schools and to make suitable recommendations. The members of the Sub-committee visited various states and held meetings and discussions with some of the teachers from these states, teachers associations and school management.⁷ They also held discussions with concerned ministers, and the senior officials of education department of the states visited by them about service condition of teachers in private schools.

The committee found that only very few of these states had some sort of effective legal mechanism for protecting the teachers in private schools by way of regulating the terms & conditions of service. The committee also found that even in a progressive state like West Bengal there were instances of less payment, non-payment, delayed payment of pay, DA, Gratuity & Bonus or Ex-gratia, denial of maternity benefit,

non-coverage under provident fund, unfair employment practices, and victimisation in case of most of the private schools.

The review of literature thus revealed that most of these efforts were confined to late 80s or early 90s and no field level study has been made in the recent past, specially after the new economic policy launched in 1991 (except the above mentioned study of Parliamentary Sub-committee, which however, did not cover the state of U.P., the largest state of the country and more over the report of the sub-committee was also not published) focusing on the aspects relating to labour, employment, and social security issues in the private educational institutions, especially the private schools. Against this background, the present study made an attempt to look into the issues highlighted above.

III. OBJECTIVES OF THE STUDY

The broad objective of the study was to have a comparative look at employment relations and social security measures in various kinds of private schools by making a case study of NOIDA, one of the prime industrial centers of the country. The specific objectives of the study were as follows:

- (1) To understand and capture the major labour & employment relations issues relating to teachers in private schools;
- (2) To understand and capture the major social security issues concerning teachers in private schools;
- (3) To capture the self perception of teachers as labourers/workmen; and
- (4) To suggest suitable and implementable social security measures for teachers in the private schools, wherever the same are lacking.

IV. UNIVERSE OF THE STUDY

The discussions held with the officials from the office of District Inspector of Schools NOIDA and Basic Shiksha Adhikari, Gautam Budh Nagar revealed that the approximate number of schools in the District was 1050 (1038 to be more specific). All these schools were spread over 4 Blocks of district Gautam Budh Nagar namely Jewar, Visrakh, Dankaur and Dadri. The schools in NOIDA fall under Visrakh Block including 146 Primary and Upper Primary Parishadiya Schools

(run by local government), 139 Primary Unaided (private) schools, 28 Upper Primary unaided (private) schools, 30 CBSE pattern unaided schools, 5 grant-in-aid & 5 unaided Secondary/Senior Secondary Schools, 1 Government Inter College (run on U.P. Board pattern) and 1 Central School (total 355 schools, out of which 202 were totally private or unaided schools), and the approximate total number of teachers in these schools was around 3500. Out of whom, approximately 2500 were engaged in Private Schools. The private schools in the Visrakh Block and the local limits of NOIDA and the teachers engaged therein formed the universe of the study.

V. METHODOLOGY & DATA SOURCE

The data and information for the purpose of the study was collected both through primary and secondary sources. The primary data was collected by administering structured questionnaires. The selection of schools and teachers for this purpose was made by following purposive sampling method. Out of approximately 200 schools in the Development Block covered under the study total 5 per cent of the schools (10 schools) from various categories were selected and from these schools in all approximately 2 per cent (50) teachers were selected for administering the specifically structured questionnaire for eliciting the various kinds of information. The information received through questionnaires was further substantiated by holding informed discussions with groups of teachers and the office bearers of teachers association. Category wise details of schools & teachers selected in the samples are as follows:

Table 1
Category wise Description of Schools & Teachers
Covered Under the Study

Category	Schools	Percentage	Teachers	Percentage
Primary	2	20	26	52
Junior High level	2	20	12	24
Higher Secondary	1	10	6	12
Senior Secondary	5	50	6	12
Total	10	100	50	100

Table 1 shows that total ten private schools from various categories were selected. Since, there was concentration of teachers in larger

schools, hence, comparatively schools in greater proportion from Senior Secondary category were selected.

Though for the purpose of conducting the study schools covered included the schools from all the categories i.e. from Primary to Senior Secondary, in the Private sector but majority of the teachers selected under the study included those engaged in teaching from class 1st to 8th i.e. junior classes.

The various strata followed for the purpose of making selection of schools included number of employees in the school, year of establishment, male-female ratio of teachers, existence of union or association in the school, strength of schools, and type of the management. Similarly, the criteria for making selection of teachers included the criterion like, educational qualification, number of years of service, class which a teacher taught and gender etc.

VI. AREA AND SCOPE OF THE STUDY

Private schools of NOIDA, which is one of the rapidly developing industrial centres of the Country having schools of various kinds and variety formed the area of the study. The study included within its scope the terms and conditions of employment, security of employment, opportunities for career development, promotion, level of awareness, promotion, level of unionisation, working time, remuneration, among the teachers about changes in law applicable to them and coverage of teachers under various laws and schemes with respect to social security such as Provident Fund, Gratuity and Pension etc.

VII. PROFILE OF THE SCHOOLS & THE RESPONDENTS

The universe selected for the study had various kinds & categories of private schools. Similarly, there was also a wide variation in the overall profile of the teachers selected for the study. The following sections & sub-sections give brief profile of the schools & the respondents covered under the study.

VII A. THE SCHOOLS

The total 10 schools selected under the study can be classified and categorised as follows in terms of various categories such as level of school, type of management, fee structure and income, expenditure & saving pattern etc.

- (i) **Profile in terms of Level of School, Rural-Urban & Type of Management:** In terms of level of education, out of the total ten schools selected for the study two schools were Primary schools, two Junior High Schools, one Higher Secondary & five Senior Secondary Schools; in terms of rural & urban, schools in equal proportion were selected both from rural & urban areas. Similarly, schools in equal proportion were selected both from the category of individually managed or managed by members of single family & managed by society/trust.
- (ii) **Profile in terms of Fee Structure of the Schools:** The schools selected for the study had a wide variation in fee structure in terms of admission fee, annual fee & monthly fee. There was also found to be a wide variation in terms of fee across different levels of education. The following description provides the details pertaining to fee structure at various levels of education in different kinds of schools:
- (a) **Fee Structure at the Primary Level:** Three schools were not charging any admission & annual fee. For remaining seven schools the average admission fee and annual fee was ₹ 5929 and ₹ 1271 respectively. Five schools were charging less than the average admission fee in the range of ₹ 500-3500 (₹ 500, 1500, 2000, 2000 & 3500). Two schools were charging more than the average admission fee (₹ 12000 & ₹ 20,000). Four schools were charging less than the average annual fee in the range of ₹ 150-800 (₹ 150, 750, 800 & 1200) and remaining three schools were charging ₹ 2000 each by way of annual charges. As regards the monthly fee six schools were charging less than the average (₹ 500) in the range of ₹ 90-400 (₹ 90, 120, 150, 150, 400 & 400) and the remaining four schools were charging more than the average in the range of ₹ 700-1110 (₹ 700, 800, 1090 & 1110).
- (b) **Fee Structure at the Junior Level:** Two schools were not charging any admission & annual fee. Five schools were charging less than the average admission fee (Rs.6143) in the range of ₹ 500-4000 (₹ 500, 1500, 2000, 2000 & 4000). Remaining two schools were charging more than the average admission fee (₹ 13000 & ₹ 20,000). Four schools were charging less than the average annual fee (₹ 1271)

in the range of ₹ 150-1200 (₹ 150, 750, 800 & 1200) and remaining three schools were charging ₹ 2000 each by way of annual charging. As regards the monthly fee, five schools were charging less than the average (₹ 592) in the range of ₹ 90-500 (₹ 90, 160, 225, 450 & 500) and the remaining four schools were charging more than the average in the range of ₹ 800-1140 (₹ 800, 850, 1110 & 1140).

- (c) **Fee Structure at the Higher Secondary Level:** Four schools were charging less than the average admission fee (₹ 7,750) in the range of ₹ 500-5000 (₹ 500, 2000, 2000 & 5000). Remaining two schools were charging more than the average (₹ 17,000 & ₹ 20,000). Two schools were charging less than the average (₹ 1600) annual fee ₹ 800 & ₹ 1200 and remaining three schools were charging ₹ 2000 each by way of annual charges. As regards the monthly fee, three schools were charging less than the average (₹ 951) in the range of ₹ 540-900 (₹ 540, 675 & 900) and the remaining three schools were charging more than the average, ₹ 1100, 1240 & ₹ 1250.
- (d) **Fee Structure at the Senior Secondary Level:** Five schools out of the ten schools selected for the study were imparting education upto Senior Secondary level. There was a wide variation in terms of various kinds of fees being charged by the various kinds of schools. For example, the minimum admission fee charged by was ₹ 500 and maximum was ₹ 20,000 & average was ₹ 9,300. Similarly, while one of the schools under this category did not charge any annual fee, remaining four charged the same in the range of ₹ 800 to ₹ 2,000 with an average of ₹ 1,700. Same kind of variation was there in monthly fee also. The minimum monthly fee was ₹ 700, maximum was ₹ 1,270 and the average was ₹ 1,084. Out of the five schools under this category three schools were charging less than the average (₹ 9300) admission fee in the range of ₹ 500-7,000 (₹ 500, 2000 & 7000) and remaining two more than the average, ₹ 17000 & ₹ 20,000. As regards the annual fee, baring one school which did not charge the same, one was charging much below the average (₹ 1,700) i.e. ₹ 800 and other three ₹ 2000 each. As far as the monthly fee is concerned, two schools were charging less than the average (₹ 1,084), ₹

700 & ₹ 1,000 and three more than the average, with a very little variation, ₹ 1,200, 1,250 & 1,270.

- (iii) **Income, Expenditure & Saving Profile:** The various sources of school's income include various kinds of fees (admission fee, annual fee & monthly fee), donations, commission on sale of books, stationary & uniform etc. The school having the lowest annual income had the income of ₹ 2,98,620 per annum. The school having the highest annual income from various sources had the income of ₹ 3,66,62,600 and the average annual income was ₹ 1,26,85,282. When calculated on monthly basis these figures came out ₹ 24,885, ₹ 30,55,217 & 10,57,107 respectively. The following table gives and account of the same.

As far as the expenditure pattern of various categories of schools covered under the study is concerned the annually expenditure varied from a minimum of ₹ 99,400 to a maximum of ₹ 1,80,00,000, with an average of ₹ 58,89,110. When calculated into monthly expenditure, these figures came out to ₹ 8,283, ₹ 15,00,000 & ₹ 4,90,759 respectively. The major heads expenditure include salary of the staff (teachers & non-teachers) rent of the schools building (if any), lease charges, electric charges, water charges, maintenance charges and expenditure incurred in connection with greasing the palm of the concerned officials of various government department. The following table gives and account of the expenditure pattern of the schools.

The analysis of data revealed that there was a substantial difference in the income and expenditure of the schools. This difference can be termed as savings of the schools. The annual minimum savings of the school was ₹ 1,69,000, the maximum savings was ₹ 1,86,62,600 with an average of ₹ 67,95,312. When calculated into monthly savings, these figures came out to ₹ 14,083, ₹ 15,55,216 & ₹ 5,66,276 respectively. The following table gives and account of the same.

- (iv) **Pattern of Payment to Teachers by the Schools:** 60 per cent of the schools covered under the study paid consolidated amount by way of salary to teachers engaged by them. Even out of the school which paid salary as per pay structure, there were teachers in varying degrees (up to 40 per cent) who are engaged on consolidated basis. Out of the four schools making payment as per pay scale, the pay structure of one of the schools included

Basic Pay, DA & HRA; of another school included Basic Pay, DA, HRA & Conveyance Allowance; of yet another school included Basic Pay, DA, HRA & CCA; and of the remaining one school included Basic Pay, DA, HRA, Conveyance Allowance & CCA. The following table gives the description of payment pattern in a tabular form:

Table 2
Details of Pattern of Payment to Teachers by the Schools

Payment pattern	Number of schools	Percentage
Consolidated amount	6/10	60
As per scale	4/10	40
Included in scale :		
Basic pay + DA + HRA	¼	25
Basic pay + DA + Conveyance allowance + CCA	¼	25
Basic pay + DA + HRA + CCA	¼	25
Basic pay + DA + HRA + Conveyance allowance + CCA	1/4	25

Source: Field Survey

- (v) **Gender-wise Distribution of Teachers in the Schools:** In all, the percentage of male teachers was much lower (11.7 per cent) as compared to their female counterparts (88.3 per cent). At the Primary level the proportion of male teachers as compared to female teachers was all the more minimal or almost negligible (3.9 per cent). However, there was a gradual increase in the proportion of male teachers as compared to female teachers with increase in the level of class. This trend is quite evident by the fact that while at the Junior High School level the proportion of male teachers was 11.5 per cent as compared to females (88.5 per cent), at the Higher Secondary level it was 16.3 per cent and at the Senior Secondary level the proportion of male teachers was almost one-third of the total teachers.
- (vi) **Teacher–Students Ratio:** The teacher-students ratio across school category was 1:24 and there was a wide variation in the ratio from one category to another category ranging from

1:32 to 1:16 and there was found to be inverse relationship in the teacher-students ratio with rise in the level of classes i.e. from Primary to Secondary.

- (vii) **School Strength:** Across the various categories (in terms of class level of school), the average strength of students in the schools selected for the study was 1,066 with the minimum strength of 150 and maximum strength of 2,346.20 per cent of the schools, which can be put in the category of very small schools had less than 300 students, 50 per cent of the schools had the strength up to 600 students out of which 20 per cent (which can be categorised as small schools) had the strength in the range of 301-600. Two schools out of the ten (which can be categorised as medium & large size schools) had the strength in the range or 601-1000 & 1001-1500 respectively. Remaining, 30 per cent of the schools, which can be put in the category of very large schools had the strength of more than 1500.
- (viii) **School Branches:** Out of the total ten schools selected for the study, one has got large number (84) of branches in the country, out of which ten are in NCR region (this is the schools about which details has been provided in the previous sub-section, dealing with Union/Association existence in the schools). There were two more schools having branches. One of the schools is having 3 branches in the NCR region and the remaining one school has got one branch in Noida and the other one in Greater Noida.
- (ix) **Union/Association Existence in the Schools:** Out of the ten schools only one school had a union and the union is common for both Teachers & Non-teachers. This school is having over all ten branches in the NCR region and total 84 branches in the country.

VII B. THE RESPONDENTS

The following sub section give a brief profile of the respondents covered under the study in terms of Male-Female distribution, age group, educational level, experience and earning level etc. Out of the total 50 teachers selected for the study almost 2/3 (64 per cent) were females and 1/3 (36 per cent) were males. As regards the age group, the maximum respondents (38 per cent) were in the age group of 26-35 years of age. The second largest category (28 per cent) was in the

age group of 36-45 years of age. If these two age groups are clubbed together the total percentage comes out to 66 per cent, almost 2/3 of the respondents. Comparatively lesser proportion of respondents belonged to the previous (18-25) and subsequent (46-60 yrs) age groups. As regards the gender wise age group of the respondents in the age group of 26-45 years, the percentage of males was higher (83.3%) as compared to female (56.2 per cent). However, in the previous age group (18-25 yrs) proportion of female respondents was higher, approximately 22 per cent, as compared to male respondents, 5.6 per cent. Similarly, in the age group 46-60 yrs also female respondents were almost in double proportion (approximately 22 per cent) as compared to male respondents (approximately 11 per cent).

In terms of educational profile, in all 12 per cent of the respondents were Undergraduates. For males and females this percentage was 5.6 (only one out of total 18 male respondents) & 15.6 (5 out of total 32 female respondents) respectively. 34 per cent of the respondents were Graduates and substantially large proportion of the respondents (54 per cent) was Post Graduates. However, the percentage of female respondents having Post Graduate qualification was lesser (43.8 per cent) as compared to male respondents (72.2 per cent), while, this proportion in case of respondents having the Graduate level qualification had a reverse trend, in which case the proportion of females was substantially higher (46 per cent) as compared to male respondents (22.2 per cent).

In terms of professional qualification, 46 per cent of the respondents had no professional qualification. In case of male respondents falling under this category, this percentage was 55.6 per cent and in case of female respondents 40.7 per cent. Out of the remaining 54 per cent of the respondents, 50 per cent were having B.Ed degree and 2 per cent were NTTs and 2 per cent were BTC.s.

As regards the teaching experience, the respondents selected for the study had a wide variation in terms of teaching experience, ranging from 1-24 years. The average teaching experience was 8.6 years. The following table clearly indicates the variation in teaching experience. The table also indicates that 66 per cent (almost 2/3) of the respondents had more than 5 years of experience. 40 per cent of the respondents had more than 10 years of teaching experience. Almost 1/3 had less than 5 years of teaching experience. As regards the designation of the respondents, out of the total 50 respondents 62 per cent had no

designation (such as PRT, TGT or PGT), 8 per cent were PRTs, 18 per cent were TGTs & remaining ones were PGTs.

The monthly family income of respondents (including the income of respondents from salary as well as from tuitions if any) had a wide variation ranging from ₹ 2,450 per month to ₹ 1,20,500 per month. The analysis of data under study in this regard indicates that 14 per cent of the respondents had a family income of less than ₹ 3000 per month, 30 percent of the respondents had the family income, less than ₹ 6000 per month and 40 per cent of the respondents had the family income of less than ₹ 10,000 per month. However, a sizeable proportion of 38 per cent had a family income of more than ₹ 20,000 per month out of which again 10 per cent had a family income of more than ₹ 50,000 per month too.

So far as per day working hour profile of the respondents is concerned, 40 per cent of the respondents worked for more than 6 hours and 84 per cent of the respondents worked for more than 5 hrs per day. The study revealed that out to the total 50 respondents, 38 per cent reported taking tuitions for augmenting their monthly income. The respondents taking tuitions spent on an average 2½ hours per day (which were in addition to their time spent in school). If the time spent on tuitions is also added to the time spent in the schools, the average total working hours become were 8.5 hrs.

In terms of level of unionisation, out of the total 50 respondents only 6 per cent (3) were the members of the union and all of them belonged to only one school, out of the total 10 schools select for this study.

VIII. MAJOR ISSUES: MAJOR LABOUR, EMPLOYMENT AND SOCIAL SECURITY ISSUES OF PRIVATE SCHOOL TEACHERS EMANATING FROM THE STUDY ARE FOLLOWS

- (i) **Long Working Hours:** Taking into account the kind of work which teachers perform, 5–5½ hrs of work can be taken as the normal working hours, because they have to spend some additional time either in the school or at home for making preparations in order to discharge their duties as teachers in an effective manner. However the study reveals that substantially large percentages of teachers were spending more than 6 hours per day.

It is also pertinent to mention here, that the earning levels of majority of teachers (especially the ones working on consolidated basis) are so low that in order to eke out their living, a substantial proportion of them (55 per cent) were also compelled to take tuitions. The average time spend on tuitions comes out to 3½ hours. If the hours of work spent on tuitions (taken out of sheer necessity) are also added to their hours of work in the schools, the total working hours become all the more excessive.

In addition to long hours of work on the working days, as informed by almost one-fourth of the respondents, teachers are also called on holidays occasionally in connection with activities like parents teachers meeting (PTM), school exhibitions, school annual day and other culture activities etc.

- (ii) **Non-Availability of Staff Room for Teachers:** The kind of responsibilities, the teachers are supposed to discharge requires the provision of separate staff room for them, but the study reveals that 40 per cent of the schools did not have separate staff room for teachers. This is an important issue in itself.
- (iii) **Lack of Fee Concession to Teachers' wards:** 50 per cent of the schools were not giving any fee concession in respect of their wards studying in the same schools. Out of the remaining 50 per cent schools 60 per cent were giving "full fee concession" and 40 per cent only "half fee concession", restricted to two children.
- (iv) **Non-Payment of Salary as per Pay Scales:** Another important, issue which clearly comes out of the study is the Non-payment of salary as per prescribed pay scales to substantially large proportion of teachers working in various kinds of Private schools, especially the ones being managed either by the individuals, family members of individuals or being run in the name of charity. This is clearly highlighted by the fact out of the total 30 qualified respondents, a substantially large proportion of almost 47 per cent of respondents were being paid a consolidated amount by way of salary instead of payment as per the prescribed pay scale.

The following table shows the category-wise picture of proportion of respondents getting salary and non getting salary as per prescribed pay scale for different categories of teachers.

Table 3
Proportion of Qualified Respondents getting Salary as per pay scale and not getting Salary as per pay Scale

Qualified as	Break up of qualified teachers	Getting salary as per scale of pay		Not getting salary as per pay scale	
		Number	Percentage	Number	Percentage
as PRT	9	5	55.6	4	44.4
as TGT	13	6	46.2	7	53.8
as PGT	8	5	62.5	3	37.5
Total	30	16	53.3	14	46.7

Source: Field Survey

The above table clearly indicates that under each category a fairly large percentage of respondents ranging from a minimum of 37.5 per cent to a maximum of 53.8 per cent were not getting salary as per pay scale and in all also of fairly large percentage of almost 47 per cent of teachers were not getting salary as per the pay scale in spite of possessing the required academic & professional qualifications.

- (a) **Range of payment to qualified teachers not being paid as per pay scales:** It would be interesting to know the range of payment being made to the teachers who are qualified both academically & professionally and also have the average teaching experience ranging from 5-10 years for various categories of teachers but are not paid as per the pay scale, they are rather offered a consolidated amount by way of salaries. The following table gives an account of the same:

Table 4
Range of Payment to Qualified Teachers not being paid as per pay Scales

Qualified as	No. of teachers	Range of teaching experience	Average teaching experience	Range of payment	Average payment	No. of teachers getting salary below average
		(in Yrs.)		(in Rs.)		(Number)
as PRT	4	5 - 18	10	1250-5500	2563	3
as TGT	7	1 - 15	8	1000-3600	2514	4
as PGT	3	2 - 8	5	4500-8000	6250	1

Source: Field Survey

- (b) **Range of payment to unqualified/untrained teachers:** The unqualified/untrained teachers were getting lesser than the qualified teachers which is clearly indicated by the average payment for various categories of unqualified teachers. However, the upper range of salary was higher for one category of teachers and the reason for the same was that one of the school was paying a minimum of ₹ 5500 to all the teachers working on short-term contract basis irrespective of their educational and professional qualification. The following table gives the picture of levels of remuneration to unqualified teachers. The table also indicates that out of the total respondents 5 were untrained post graduates with 2 yrs of average teaching experience, the average payment for this category was ₹ 2200 per month and 4 were getting less than the average. As far as untrained graduates are concerned, out of total 9 respondents with 3.3 yrs of teaching experience, under this category 6 were getting less than the average salary of ₹ 2,333 per month and out of the 6 under-graduates with almost 3 yrs of teaching experience 3 were drawing less than the average salary of ₹ 1,242 per month.

Table 5
Range of Payment to Unqualified Teachers

Unqualified teachers	Break up of unqualified teachers	Range of teaching experience	Average teaching experience	Range of payment	Average payment	No. of teachers getting salary below average
		(In Yrs.)		(In Rs.)		(number)
Under Graduates	6	1 – 7 yrs	2.8 yrs	800-2000	1242	3
Graduates	9	1 –10 yrs	3.3 yrs	1000-5500	2333	6
Post Graduates	5	1 – 4 yrs	2 yrs	1100-5500	2200	4
Total	20	-	-	-	-	13

Source: Field Survey

- (v) **Low Levels of Remuneration:** The most important issue, which clearly comes out of this study, is the abysmally low levels of remuneration being offered to teachers by the private schools in

lieu of their services. Though the rules pertaining to recognition of schools and its continuance clearly provide that the teachers of the schools recognised by Basic Siksha Adikhari are to be paid Scale & DA and other allowances equivalent to the teachers with similar qualification, engaged by the Parishad. Same is the case with the schools recognised by C.B.S.E. But the study reveals that as regards remuneration of teachers in general (i.e. those being paid on consolidated basis and the ones being paid as per pay structure), 50 per cent of teachers were being paid less than ₹ 3,000 per month, 14 per cent in the range of ₹ 3000-6000 and only 36 per cent were being paid the total salary of more than ₹ 6000 per month. Only, 24 per cent of teachers (especially the ones teaching Secondary & Senior Secondary classes) were drawing the total salary of more than ₹ 10,000 per month. The following table clarifies & highlights this issue further.

Table 6
Salary level-wise Distribution of Teachers

Salary level	Percentage	Cum. Per.
Upto 1500	32 (16)	32
1501-3000	18 (9)	50
3001-6000	14 (7)	64
6001-10,000	12 (6)	76
Above 10,000	24 (12)	100
Total	100 (50)	-

Source: Field Survey

The government of Uttar Pradesh wide its notification dated January 31st, 1991 fixed minimum rates of wages for employees, employed in Private Coaching Classes, Private Schools including Nursery School and Private Technical Institutions excepting Madarsas & Private schools run by any religious or charitable institution where no fee or a nominal fee is being charged. As far as the teachers employed in these schools are concerned as per the calculations for the half yearly January to June 2005 the wages for different categories of teachers were as per the details given in column 3 of the above table. The above table show that a fairly substantial percentage of teachers under various categories were getting less than the notified monthly wage.

Table 7
**Proportion of Teachers getting less than The Minimum Salary/
 Wage notified by the Government**

Categories	No. of teachers	Notified monthly salary* (in Rs.)	No. of teachers getting salary below notified salary	Percentage
Untrained teachers upto 5 th class	14	2657	13	92.8
Trained teachers upto 5 th class	9	2813	3	33.3
Untrained teachers 6 to 8 th class	6	3125	4	66.7
Trained teachers 6 to 8 th class	5	3438	5	100
Untrained teachers 9 to 12 th class	2	3750	0	0.0
Trained teachers 9 to 12 th class	14	3907	2	14.3
Total	50	-	27	-

Source: English translation of Shram Anubhag-3, notification no. 4814/XXXVI-3 – 21(M.W.)-83, dated January 31, 1991, published in the UP Gazette, Extra, Part 4.

One may be interested in knowing that when almost 50 per cent of the teachers were being paid less than ₹ 3000 per month and when almost one-third (32 per cent) were getting less than ₹ 1500 per month, then what are the various coping strategies adopted by these abysmally low paid teachers. The study reveals that almost 55 per cent of the teachers (respondents) take tuitions in order to eke out their living and majority of these teachers belong to this low paid category of 50 per cent or one-third of the teachers. They spend almost 3-4 hrs per day extra in addition to their normal work of 5-6 hrs of teaching in the schools. They leave their rooms early in the morning, spend 5-6 hrs in the schools, have their lunch and little bit of rest and again become ready for tuitions and become free only by the time of dinner. They don't have any time for leisure, entertainment or personal development & growth. Thus, they manage to earn almost 25-50 per cent extra from these tuitions in addition to their earning from the schools by working almost like a machine. Majority of these teachers stay in small rooms in

congested localities normally in a group of 2-3 or 3-4 depending upon the size of the rooms. They keep their families away at their native places in order to save their expenditure on maintenance of their families and visit their families either during festivals, family sacraments or during summer vacations. However, they regularly send some money to the families, in order to support their living at their native places, where they have their own houses and also either a small piece of agricultural land or some other sources of income.

- (vi) **Non-payment of Bonus:** In spite of the fact that running private schools has become today highly commercial venture, which is clearly revealed by the huge annual profits earned by the schools (the average annual profit of the schools was approximately ₹ 6,00,000 and maximum profit was approximately ₹ 16,00,000) only one of the schools out of the total ten schools (10 per cent) was paying bonus to its teachers working on regular basis.
- (vii) **Non-Payment of salary for Summer Vacations:** In addition, to non-payment of salary as per the prescribed pay scales to large a proportion of teachers (paid on consolidated basis), another remarkable issue emerging out of study was the non-payment of remuneration for summer vacations (1 to 1½ month) to substantial proportion of 73 per cent teachers, out of the ones being paid on consolidated basis.
- (viii) **Abysmally Low Level of Unionisation:** One of the important factors affecting the overall employment relations and conditions of work is the existence of strong Unions/Associations of employees in the particular industry, enterprise or establishment. An important issue clearly emanating out of the present study is abysmally low level of unionisation among teachers in the schools selected under the study. It is pertinent to mention in this context that only one school, out of the total ten schools covered under the study had association of the teachers. The informed discussions, with cross section of teachers from the schools covered under the study, teachers of other schools and office bearers of the association of teachers revealed that there is only one private school in the entire area (having approximately 200 schools of various kinds and categories) covered under the study having the Teachers' Association in this school has 40 per cent of teachers engaged in short term contract are not the members of the association.

- (ix) **Uncertainty & Non-Clarity about Terms & Conditions of Employment:** One of the striking issues revealed by the present study is uncertainty & non-clarity about terms & conditions of employment of teachers in the schools by using the device of non-issuance of any kind of appointment letter to substantial proportion of teachers (60 per cent) engaged by various kinds of private schools, especially the ones practically being managed either by the individuals or members of the single family or schools run in the name of charity not only at the initial stage of joining but also after passing of several years of service. As a result of the same, teachers are kept under total uncertainty about their terms & conditions of service. In some of the schools, the schools management even makes a mention on the bio-data on the concerned teachers itself like 'appointed on ₹ 1500 per month'. Even this piece of paper is kept by the management in the file kept under its own custody and teachers are not given any record as a proof of the fact as to from which date they are working, on how much salary and what are other terms and conditions of service applicable to them. Even the teachers who were issued appointment letters, in case of more than half of them terms & conditions of service were either incomplete or vague or unconscionable.
- (x) **Inadequacy of Various Kinds of Leaves:** The provision of various kinds of leaves has an important role to play in determining the over all conditions of employment. Hence, various kinds of leaves including casual leave, medical leave, maternity leave and paternity leave have been provided for meeting different kinds of contingencies. One of the schools out of the total ten schools selected under the study did not have any provision even for as important a leave as casual leave, even for a single leave. The remaining 9 schools had the provision of casual leave for an average of 10 days. As regards another important category of leave i.e. medical leave, only 20 per cent of the schools had the provision of the same and 80 per cent of the schools did not have any such provision. The schools having the provisions of leave under this category extended the same in the range of 5 to 10 days with an average of 7.5 days. In spite of the fact that the teaching profession is largely female dominated only 40 per cent of the schools had the provision of maternity leave, for an average of 112.5 days with minimum of 3 months to maximum of

4½ months (restricted to two children). The concept of paternity leave though a recent phenomenon, but is quite important in the present day context. The provision of such kind of leave (for 15 days' duration) existed only in two schools, out of the ten schools selected under the study. As regards the earned leave the provision of the same existed only in two schools for an average duration of 7.5 days with the minimum of 5 & maximum of 10 days. The following table presents the picture of various kinds of leaves in tabular form.

Table 8
Details of various kinds of Leaves being Granted by the Schools

Nature of Leaves	Yes (in percentage)	Average (days)	Minimum	Maximum
Casual Leave	90 (9/10)	9.9	8	12
Medical Leave	20 (2/10)	7.5	5	10
Maternity Leave	40 (4/10)	112.5	90	135
Paternity Leave	20 (2/10)	15.0	15	15
Earned Leave	20 (2/10)	7.5	5	10

Source: Field Survey

- (xi) **Non Representation of Teachers in the Management Committees:** One of the aspects affecting the overall employment relations and the overall terms & conditions of employment of the employees engaged in any industry or establishment is adequate representation of the employees in the decision making bodies or the management committees. It is to meet this very objective the relevant rules and regulations provide for giving due representation to teachers on the management committees of the schools. In addition to teachers from the concerned school the committee is also supposed to have a certain proportion from teachers from out side the school. The present study reveals that out of the total schools selected for the study only 30 per cent of the schools were having teachers' representatives on the management committee of the schools. With respect to the question pertaining to teachers involvement by the school management in decision making in matters affecting teachers interest substantial large proportion of 82 per cent of

the respondents expressed that teachers are not at all involved or consulted by the school management in taking decisions affecting teachers' interest. Thus, the information received both from the schools & the teachers clearly reveals that virtually no representations or very inadequate representation to teachers is an important issue in the private schools.

- (xii) **Non Permanent Employment Status:** Teachers are the builders of the nation. They are supposed to inculcate moral values in the students. For meeting this societal expectation, their own moral should also be high. It is due to this very fact, the various committees & commissions constituted in the past to study the working conditions of teachers within our own country and else have strongly recommended for according due social status to teachers. One of the effective ways of giving them due social recognition and status is to ensure to them the security of job. However, on going economic trends of globalisation and liberalisation have started affecting schools & teachers also, especially the private schools and the teachers engaged therein. This fact clearly comes out of the present study as the study shows that out of total teachers serving in the schools selected under the study, a substantial proportion (in addition to working on consolidated salary without any allowances and social security benefits) of approximately 35 per cent teachers did not have the permanent employment status, out of which 24 per cent were totally temporary and 11 per cent were working on short term basis for a period of 1 to 2 years. The following table presents a percentage wise picture of employment status of teachers.

Table 9

**Employment status-wise percentage distribution of Teachers
(In percentage)**

Employment status	Male	Female	Total
Permanent	11.7 (33)	88.3 (249)	64.8 (282)
Short term basis	16.7 (8)	83.3 (40)	11.0 (48)
Temporary	18.2 (21)	81.8 (84)	24.2 (105)
Total	14.2 (62)	85.8 (373)	100 (435)

Source: Field Survey

As regards the gender wise picture of employment status of teachers, a substantial proportion of 1/3rd of female teachers did not have the permanent employment status, out of whom 22.5 percent were totally temporary and 10.8 per cent were working on short term basis. Similarly, out of the total male teachers a greater proportion of almost 47 per cent did not have the permanent employment status, out of whom 33.9 per cent were totally temporary and 12.9 per cent were working on short-term basis.

(xiii) Unequal Treatment to Permanent & Non-Permanent Teachers:

Since, a substantial proportion of teachers working in various kinds of private schools do not have the permanent employment status, so, the issue of inequality of treatment met out to them becomes important.

The data collected from various schools selected under the study reveals that in six schools out of the total ten schools the temporary teachers were being treated differently in many ways. The various ways in which teachers with non-permanent status are differentiated from the teachers with permanent status primary include that while the permanent teachers are paid salary for the 12 months in a year, the temporary ones are paid salary for 10½ to 11 months; while majority of permanent teachers are paid salary as per scale, the temporary ones are paid a consolidated amount and while permanent ones are made payment through cheque (reducing the chances of short payment) the temporary ones are paid in cash.

(xiv) Absence of Grievance Redressal Mechanism:

Not only that the teachers in the majority of the private schools do not find adequate representation in the management committees of the schools, are not consulted by the managements in matters directly affecting teachers' interests (as clearly revealed by the study), they have been specifically drawn out of the purview of the protective cover of labour law for the purpose of raising dispute before the labour department of the Centre or the State (as the case may be) by the judgment of the apex court of the country (in the case of "Sunder Ambal" delivered in 1987), they do not have the forums like Central Administrative Tribunals (CATs) or State Administrative Tribunals (SATs), specifically, dealing with service matters, which are also open to the teachers

of Government and Grant in aid schools, they also do not have any effective Grievance Redressal Mechanism for redressal of their grievances, how so ever severe the same may be except approaching the normal civil or criminal courts, which are already over burdened and do not have any expertise, requisite orientation and sensitivity for dealing with service related matters. This issue clearly comes out of the fact that the management and teachers of only 40 per cent of the schools (selected under the study) reported the presence of some sort of grievance redressal mechanism. In this connection it is further interesting to note that the kind of the existing mechanism included - 1 the concerned teacher can approach the principal and 2 maintenance of staff grievance register in some of the schools.

- (xv) **Absence of Attractive Incentive Structure:** Various kinds of incentives play an important role in determining the and over all terms & conditions of employment and also the levels of performance. Gradual increase in pay and promotion from one grade to another at regular intervals and even accelerated promotions for excellent performance are some of the key forms of incentives. However, the analysis of data collected from schools and teachers selected for the present study reveals that the prevailing systems of pay increment and promotions are not satisfactory. The simple reason for this kind of observation is that only 34 per cent of the teachers being paid as per the scale were being paid the 'annual increment as per scale'. Fourteen percent of the respondents were given 10 per cent increase in their pay on the consolidated amount being paid to them; a large proportion of 30 per cent of teachers were getting the nominal annual increment in the range of ₹ 50-150 and 14 per cent of the respondents reported that the schools in which they were working had no system of increments. The prevailing system with regard to promotions is all the more dismal and disappointing as 64 per cent of the respondents reported that the school in which they are serving had no system of promotion, 30 per cent of the respondents reported that the promotion are through selections for which one has to face the interview along with the outsiders and only 6 per cent (3 respondents) of the respondents shared that the promotions are 'time bound' and 2/3 of these 6 per cent respondents also shared that on an average it takes 6 to 8 years for promotion for one grade to another.

(xvi) **Inadequate coverage under the basic allowances like HRA, Medical Allowance & Conveyance Allowance:** of respondents under various kinds of allowances. Another important issue relating to teachers in the private schools is their inadequate coverage under various allowances like HRA, Medical Allowance & Conveyance Allowance. This is revealed by the simple fact that almost 2/3 of the respondents (66 per cent to be more precise) working on consolidated basis salary was not being given any of the above mentioned allowances. Out of the remaining 34 per cent respondents only 12 per cent work being paid medical allowance in the range of ₹ 600-2200 with an average of ₹ 1,450 per annum. It is also pertinent to mention here that these 12 per cent of respondents were from three schools covered under the study and thus, the medical allowance was being paid only by 30 per cent of the schools.

With regard to conveyance allowance also the position was almost similar, as only 16 per cent of the respondents were being given conveyance allowance and these respondents too belonged to only 3 schools. It means that conveyance allowance was being given by only 30 per cent of the schools. It is also noteworthy, that even the schools giving medical allowance and conveyance allowance were giving these allowances only to teachers with regular pay scales. The amount of conveyance allowance varied from 100-400 with an average of ₹ 200 per month.

Table 10
Details of Allowances to Respondents
(in case of those being paid as per pay scale)

Allowances included in pay of the respondents	Frequency	Percentage
DA, HRA, CA, CCA & Medical Allowance	6	35.3
DA, HRA & CCA	4	23.5
DA, HRA & CA	1	5.9
DA & HRA	6	35.3
Total	17	100

Source: Field Survey

The above trend of inadequate coverage under various allowances is further substantiated by the responses of the respondents as almost 35 per cent of the respondents out of those being paid the as per scale were getting almost all the allowances (DA, HRA, conveyance allowance, CCA & medical allowance), a smaller proportion of 23.5 per cent of the respondents were getting DA, HRA & CCA and more than one-third (35.3 per cent) of the respondents under this category were getting only DA & HRA. The following table gives picture of coverage.

(xvii) Lack of Career Development Opportunities to Teachers:

The study clearly reveals that the teaching in private schools practically does not provide any career development opportunity, which based on fact that out of the total 50 respondents from the ten schools covered under the study only 20 per cent reported of being provided some sort of opportunity.

The types of opportunities provided include chances to attend special lectures/ seminars by subject experts, classes in basic computer education, classes in communication skill and opportunity to attend workshop conducted by CBSE. It is pertinent to mention here that all the teachers are not provided all these opportunities, out of the total 20 per cent of the teachers.

(xviii) General Dissatisfaction of the Teachers with over all working conditions:

An effort made to know the general level of satisfaction of the teachers with over all working conditions (such as salary, increments, duration of work & work load and behavior of school management etc.) reveals that only 6 per cent of the teachers were completely satisfied with salary, increment pattern and duration of work & work load. Only 4 per cent of the teachers had this kind of satisfaction with job security. However, a greater proportion of 30 per cent of the teachers reported to be satisfied with behavior of the school head/management. 30 per cent of the teachers reported to be satisfied with salary, 34 per cent with increment pattern, 42 per cent with duration of work & workload, 30 per cent with job security and 48 per cent with behavior of the school head/management. As large a proportion as 44 per cent of the teachers had either a very low level of satisfaction with salary or were totally dissatisfied, in case of increment pattern this percentage was 60 per cent, in case

of duration of work & work load 52 per cent and even in the case of behavior of the school head/management 22 per cent.

- (xix) Inadequate Coverage Under Social Security Measures like Provident Fund & Gratuity:** Teachers who are expected to perform the role as nation builders and give proper shape & direction to the future society by way of inculcating the moral values in the students should have a sense of security about their own future also. Provision of social security measures such as Provident Fund (based on the equal contribution of employer & the employees) and Gratuity to employees (after serving with an employer for a particular period of time) are some of the effective social security measure. However, the present study reveals that in addition to being deprived of many of the basic allowances and benefits majority of teachers in the private schools have either no coverage or very inadequate coverage under these measures. As regards the provision of Provident Fund, 56 per cent of the respondents had no coverage under the same. The study revealed that 4.5 per cent of the respondents were also contributing the management's share towards P.F. in addition to their own share. In case of the remaining (39.5 per cent) of the respondents, school managements of almost 27 per cent of the respondents were making contribution towards the P.F. fund on a flat rate in the range of ₹ 400-750 per month (irrespective of the salary being paid to them and also their scale of pay) and the school managements in case of only 12.5 per cent of the respondents were contributing an equal share in the range of 10 per cent to 12 per cent of the salary of the respondents by ways of the management's contribution to wards the P.F. fund. The following table gives the picture of the prevailing system of contribution towards P.F. The issue of inadequate coverage under P.F. is further substantiated by the fact that out of the total schools covered under the study, half of the schools had no provision of P.F. and in case of the remaining half of the schools, only the regular teachers were covered under the same bargaining the exception of only one school, which was contributing the equal share along with teachers even in case of teachers engaged on short-term contract basis.

As regards the coverage under Gratuity, the same was also quite inadequate as only 30 per cent of the schools covered under

this study were having the provision of Gratuity for teachers (who have put in a certain specified period of years of service). Similarly, though 42 per cent of the respondents were eligible to be covered under Gratuity, but only one-third of them were covered under the same.

(xx) Inadequate Provision for Health related Contingencies: As has already mentioned in the previous Chapter that only 30 per cent of the schools were paying medical allowances to the Teachers. This allowance was limited only to teachers working on salary as per the pay structure. This was further substantiated by the fact that only 12 per cent of the respondents out of the total and almost one-third (35.3 per cent) of the respondents being paid as per pay structure were being paid annual medical allowance in the range of ₹ 600-2200 with an average of ₹ 1,450 per month.

But, in some of the cases and in case of some of the ailments one may have to incur huge expenses on the treatment of the various kinds ailments either for one self or the family members and in such situations the maximum annual ceiling of in medical allowance may create severe hardships for the person concerned.

(xxi) Lack of Insurance Coverage: Life today has become much more insecure as compared to the past. This is the reason that majority of the wise persons and those who can afford to opt some kind of Insurance Policy. As far as the persons working in various kinds of organizations are concerned most of the progressive organisations get their employees insured even by paying the premium on behalf of the employees. But as far as the teachers in the private schools covered under the study are concerned, the study reveals that in spite of the fact that majority of the schools earned huge profit had most of them (90 per cent) had no Insurance cover for the teachers engaged in these schools except one school out of ten which had the EDLI (Employees Deposit Link Insurance) scheme.

(xxii) Inadequate provision of Pension: The teachers in private schools have very inadequate or practically no coverage under pension benefits. This comes out of the fact that only 4 schools were regularly paying contribution towards P.F. (Provident Fund) fund by way of employers' contribution. And even this coverage was limited only to teachers with regular scales of pay.

It is pertinent to mention here that as per the currently prevailing practice the employees covered under Employee Provident Fund (EPF) scheme are paid pension out of the accumulated amount of employer contribution, subject to a minimum of 10 years of coverage under the scheme and pension is paid by Employee Provident Fund Organisation (EPFO). The problem here is, that for a long time majority of the school managements neither deduct the employees' contribution under P.F. nor deposit their own contribution with the P.F. organisation, as a result of which very limited number of teachers succeed in completing the required number of 10 years and majority of them remain deprived of the pension benefits, how so ever meager the same may be.

(xxiii)General Dissatisfaction with Social Security Benefits: An effort was also made to know the general level of satisfaction of the teachers with social security benefits. A very miniscule percentage of 4 per cent of the teachers were completely satisfied with the same, 26 per cent were satisfied and as large a percentage as 70 per cent had either a very low level of satisfaction or were totally dissatisfied.

IX. PERCEPTION OF TEACHERS AS WORKMAN

One of the important objectives of the study was to know the self-perception of teachers as workman. This objective was kept as one of the major objective basically due to the fact that while interpreting the term 'workman' under the Industrial Disputes Act, 1947, the only Central legislation providing for investigation and the settlement of the dispute between the employers and the employees, the Supreme Court of India in its judgment in the case of Miss. A. Sundarambal, Appellant V. Government of Goa, Daman and Diu and delivered in 1988, excluded teachers out of the scope of, the term 'workman'. The honorable Supreme Court made the following observation in this regard:

"The teachers employed by educational institutions whether the said institutions are imparting primary, secondary, graduate or post-graduate education cannot be called as 'workmen' within the meaning of section 2(s) of the Act. Imparting of education which is the main function of teachers cannot be considered as skilled or unskilled manual work or supervisory work or technical work or clerical work. Imparting of education is in the

nature and a mission of a noble vocation. A teacher educates children, he moulds their character, builds up their personality and makes them fit to become responsible citizens, Children grow under the care of teachers. The clerical work, if any they may do is only incidental to their principal work of teaching. Teachers cannot be treated as 'workmen' as defined under the Act. It is not possible to accept the suggestion that having regard to the object of the Act, all employees in an industry except those falling under the four exceptions (i) to (iv) in section 2(s) of the Act should be treated as workmen. The acceptance of this argument will render the words 'to do nay skilled or unskilled manual, supervisory, technical or clerical work' meaningless....."

The court gave the following specific reason for making the above observation while excluding teachers out of the preview of the definition of 'workmen':

"If an employee in an industry is not a person engaged in doing work falling in any of categories skilled or unskilled manual, supervisory, technical or clerical work, he would not be a workman at all even though he is employed in an industry"

It is pertinent to mention here that while the above observation of the Supreme Court may be true and relevant in case of the University or College teachers or the teachers teaching the higher classes, but as far as the teachers teaching primary and junior classes is concerned, their job is not only skilled, but they do lot of jobs which are of the nature of unskilled manual and also clerical, they are thus workmen for all the practical purposes leaving any scope for their exclusion from the definition of the term 'workman' as given under session 2(s) of the ID Act. Teachers are workmen is also substantiated by the finding of the study that almost 3/4 of the respondents perceived themselves as workmen. Some of the reasons which induce the teachers to perceive themselves to be workman include (i) they had to do hard work almost for 6-7 hrs of the day, get physical & mental stress and management gets huge profits out of their hard work by paying very less remuneration to them; (ii) their condition is more critical than labourers, they have no job security and no social security; and (iii) like majority of workers & labourers, their salaries are not given on time and they too have to under go the same kind of subordination. Only 1/4 of the respondents did not perceive themselves to be workmen. It would be equally interesting

to know about the reasons inducing this fraction of respondents not to treat themselves as workmen. Some of these reasons are (i) they do not do manual work; (ii) they do more of the social service rather than work; (iii) they belong to cultured, civilized and educated families; (iv) their working atmosphere is good and they have complete job satisfaction; and (v) they do an honorable job as they serve society and the nation. As far as the gender wise perception of self as workman of male & female respondents is concerned, while almost 89 per cent of the male respondents perceive themselves as workman, in case of female respondents this percentage was slightly on a lower side i.e. almost 69 per cent and there was found to be a variation of 20 per cent in this regard.

The reasons for some of the respondents not perceiving themselves as workmen are (i) majority of those respondents who do not perceive themselves are females, majority of whom are not the sole earning members of their family; and (ii) the economic condition of the families of some of the teachers is quite sound, as a result of which they have not to undergo the kind of the struggle and hardship which are faced by normal workman.

X. CONCLUSION

The study reveals that over population along with a substantial proportion of educated un-employed, corruption in Government departments dealing with education, preference to women over men in teaching profession (whose contribution to family income is not the main contribution) female dominated character of the education profession, as some of the major factors responsible for plight and predicament of teachers of private schools. The study also reveals that the teachers of most of the private schools have virtually no protection in terms of employment and social security. This fact was also recognised by the Supreme Court of the country while making the following observation in the case of *A. Sundarambal, Appellant V. Government of Goa, Daman and Diu and others*, 1988 SCC 42: "We may at this stage observe that teachers as a class cannot be denied the benefits of social justice. We are aware of the several methods adopted by unscrupulous managements to exploit them by imposing on them unjust conditions of service. In order to do justice to them it is necessary to provide for appropriate machinery so that teachers may secure what is rightly due to them."

XI. RECOMMENDATIONS

Base on the study here are some recommendations for safeguarding the interests of teachers:

- In private schools, Government should play a more effective role in regulating the overall conditions of services of teachers including their salary.
- Though the rules and regulations provide for representation of teachers on management committees but this does not happen in most of the cases. Therefore, provisions in this regard should be strictly implemented, so that the concerns and interest of teachers can be taken due care.
- There is a need of a comprehensive legislation dealing with over all service conditions of Teachers in Private schools. The present study revealed that most of the private school teachers are in a disadvantaged position in terms of security of service, salary and other benefit like maternity benefit, bonus, gratuity and the redressal of their grievance. It is therefore, suggested that a comprehensive law, incorporating all these aspects should be enacted, with deterrent penal provisions. Till the time a separate central comprehensive legislation for private school teachers is enacted, other existing central labour legislations in the area of wages (Payment of Wages Act, 1936 and Minimum Wages Act, 1948), employment relations (IESO Act, 1946 and ID Act, 1947) and social security (WC Act, 1923 or ESI Act, 1948) should be made applicable to teachers by making suitable amendments in these enactments.
- Some of the existing central labour legislations which have a limitation in terms of number of employees such as Employees Provident Funds & Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965 or ceiling in terms of year of service such as Payment of Gratuity Act, 1972 should be amended so as to cover larger proportion of teachers under the scope of these enactments.
- For all the practical purposes teachers are workmen. Their job is highly skilled, each and everybody can't be a teacher. For teaching at all the levels, especially at the Primary and Junior level in addition to knowledge of the subject concerned the teacher also requires a number of personal and professional

qualities and skills. Teachers in majority of private schools are almost equally insecure in terms of job security, they too have no social security just like majority of workers and thus, by and large their conditions if not worse than other laborers, are at least equally bad. So, they should also have at least the similar protection, which is available to other categories of workers, i.e. they should also have the status of 'workman' under Industrial Dispute Act, the status which they had prior to 1987, before the judgment of the Supreme Court excluding teachers from the definition of the workman.

- Strict action should be taken by the concerned departments against the school managements who indulge in practices like non-issuance of appointment letters to teachers, payment of less than the specified salary and other dues and for practices like compelling the teachers to also to pay employers' contribution towards P.F. in addition to their own contribution.
- The study reveals that in spite of being highly educated the general level of awareness of teachers in private schools about the laws and recent judicial trend having a bearing on teacher's interest is quite low. There is therefore an imperative need to hold some orientation and awareness programme on labour laws for teachers representatives, wherever teachers organisation/associations are there, so as to raise the level of awareness of teachers in private schools with respect to various labour rights and recent judicial trend.
- Substantial number of private schools, especially the smaller schools don't pay salary to teachers for summer vacations, though they collect tuition fee for all the 12 months. The Education Department, Directorate of Education and the local offices of the Education Department should take appropriate steps so as to ensure the payment of salary to private schools teachers for all the 12 months.
- Most of the private schools don't extend the maternity benefit to its female teachers in spite of the fact that teaching profession is highly female dominated. The government should therefore take the necessary step so as to ensure the extension of this important benefit to all the eligible female teachers. Similarly, appropriate steps should also be taken so as to extend the medical leave benefit to teachers.

- Though, the conditions laid down for recognition of schools provide for payment of salary and other dues to teachers at par with teachers in government schools but these rules are silent about the course of action to be adopted by the concerned teacher for realization of their dues. In fact, there should be a provision under these very rules for remedy to teachers in case of the payment of less than the specified salary and non-extension of other social security benefits to teachers.
- In order to nullify the effect of judgment of the Supreme Court in *Haryana Unrecognised Schools Association v. State of Haryana* delivered in 1996, there is a need to put the employment in schools including those of teachers under the scheduled employment under the Minimum Wages Act, 1948 .
- Finally, it is recommended that all the private schools charging various kinds of fees in a substantial measure should pay the full salary to teachers as per the prescribed pay scales and also extend various of the kind of social security benefit to its teachers and the schools which charge nominal fee and can not afford to pay the salary as per pay scale, even they should pay to all its teachers a subsistence allowance or minimum wage irrespective of the fact whether they are qualified or not, as per the notification of UP Government issued in 1991.

NOTES

1. www.education.nic.in/stats/SES-school-2006-2007 accessed on 3.5.2011.
2. For more details please see www.education.nic.in/stats/SES-school-2006-2007 accessed on 3.5.2011.
3. As per the Annual Status of Education Report (ASER), 2010 in the recent past there has been a constant rise in private school enrolment even in rural India. For example, such enrolment increased from 21.8% in 2009 to 24.3% in 2010. This number has risen steadily since 2005 when it was 16.3% nationally.
4. 1988 (4) SCC 42
5. 1996-LLR-560
6. The definition of 'employee' under the Payment of Gratuity Act has however been amended subsequent to the judgment of Supreme Court in *Ahmadabad Pvt. Primary Teachers Association Case*,

which now includes teachers also within its purview.

7. The states visited included West Bengal, Kerala, Tamil Nadu, Bihar, Assam, Maharashtra and Delhi.

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Livelihood Crisis of Working Population and Farmers in Agriculture: A Systemic Analysis of Food Crisis and Structural Change

Sajin Philip*

The article looks into the imbalanced structural change in the economy and livelihood crisis of the people when there are negative terms of trade of agriculture and disaffection towards agriculture for the peasantry and agricultural workers. When the attempts to gain profit from the price change which is reduced to mere a speculative activity and extends to the essential goods like food and health care etc which are very needed for the livelihood sustenance, therefore the livelihood crisis and thereby food crisis would be formed. In the context of livelihood crisis in connection with the food crisis, this article attempts to look into the worsening impact of the structural shift biased of agriculture on the food insecure working population and farmers who are dependent on agriculture. The point is that structural change is not the outcome of gambling process in the price mechanism in the capitalist market and it should be balanced. The people's economic action in the market must be more conscious with the social value base of the economy.

I. INTRODUCTION

The article looks into the imbalanced structural change in the economy and livelihood crisis of the people when there are negative terms of trade of agriculture and the disaffection towards agriculture (Nagaraj, 2008) for the peasantry and agricultural workers. The shift of the farmers from the agriculture to the non agriculture areas is a threat to the sustainability of agriculture and calls forth the food crisis. The workers are also affected in this crisis. The withdrawal of farmers causes the social and economic dislocation of the workers. The distress migration is the one of the symptomatic of the agrarian

* Doctoral Fellow at Madras Institute of Development Studies, Chennai.
This paper is the outcome of my research at Vikas Adhyayan Kendra, at Mumbai.
Email: sajin101philip@gmail.com.

distress. The food crisis both from the distribution and production side with respect to the livelihood of the people is delineated in this article. In this context of livelihood crisis in connection with the food crisis, this article attempts to look into the worsening impact of the structural shift on agriculture and food insecure working population dependent on agriculture. It questions the centralized production, distribution and procurement of food grains, except in the emergency situations of natural calamities and external shock. There is a need of decentralized production and distribution which make the farming a venture for subsistence living and ensure the availability of food grains to all people. The surplus food can be stored in the local godowns where local governance has a control. This system can only solve the problem of centralized procurement, distribution and high price of food grains. These can harmonize the structural activity for the human existence. The emphasis on subsistence farming as much as possible negates only the price volatility related to agricultural trade rather than exchange in the market activity and the situation of lack of purchasing power in times of plenty of raw food grains stored in the godowns. The structural balance can be achieved only when there is balanced distribution of workforce over the sectors. It has to be achieved not by the regulation but the self will and conscious economic action of life.

The article argues that the structural change should be balanced in the context of the food crisis. Otherwise it would affect the working population and farmers who are engaged in the agriculture. The linear progression of the structural change in the capitalist economy would have catastrophic effect on the livelihood of the people. The over domination of one sector over the other cannot be considered always as the development. The annihilation of any kind of structure without reforming and replacing a better one is illogical and part of unrealistic idealism. The existence of the structure and hierarchy are justified on their natural tendency to exist for the coordination and logical arrangement of the human activities. The classification of economic structure based on the type of occupation is such as primary, secondary, and tertiary sectors. The shift from one sector to another is progressive in the sense that human activities are widening and expanding. But the symptoms of structural stagnation which has wide repercussions on the livelihood opportunities of humankind have to be diagnosed. The structural stagnation can be found out if people are hovered on certain sectors which are identified as 'status sectors' and

others followed the successful predecessors which marked a high race for these areas. For example, the high competition for getting into the high paying and mushrooming Information Technology sector and the emulation of many irrespective of their interest and talent can create structural stagnation. When more people are chased into one sector, those sectors automatically progress and cause the deterioration of other sectors. The beginning of imbalanced terms of trade across sectors occurs when the human beings start to find its livelihood opportunity based on the available resources around him. The lack of basic internal resources that is one's abilities and natural skills and traits, and external resources which are needed for the development of the abilities and skills are required.

The food crisis can be understood in the structural change induced by the price volatility of the commodities in the various sectors. The unbalanced structural changes create human induced and unjustified instability to the livelihood of the people who are in the lower layers, especially, of the economic structure. The choices of adaptation are limited for those in the lower layers of the social and economic structure. This would lead to economic discrimination in the sphere of occupation. The structural change is caused by the gradual structural inflation. The high value commodities are having high prices and the resources are moving into those sectors where the commodity prices are rising due to value addition and various factors. The blind following of the structural change in the market process is illogical and non humanitarian. The distribution of people and other resources in all sectors of human economic living must be in a balanced way. Otherwise, it creates avoidable inequality among people which is the result of the unjust distribution of resources among sectors due to the structural price changes. This argument does not deny the functioning of market in the economy and it only questions the blind pursuit of the price mechanism by the various actors in the social economy. The regulation of the market cannot find the full solution for this.

It needs people's conscious economic action to develop the need based subsistence market economy. The subsistence economy recognizes the absolute advantage of each person, each skill and each form of livelihood. There should be some space for each person to develop its economic integrity and satisfy the needs with the inborn skills and aptitudes he has. If many people accept this norm, it is practical. The blind following and imitation without understanding

the worth of the absolute capacities of the people themselves cannot develop their economic power. The principle is that people start from the absolute advantage and then grow to the comparative advantage for its growth and wide reach and then retain its absolute advantage and continue it. This can be explained in this way that one first find out his interest, develop it, find out income from that, grow with more opportunities and continue it even if it lacks wide opportunities. The natural shrinkage of certain opportunities is not a justification for the blind shift from one to another. The message of this analysis is that there are people who are interested in each sector of human activity, but the neglect and economic discrimination should not be a reason for abstaining from the involvement of the people in each sector and follows the way of his neighbour and lacks integrity.

Economic discrimination with respect to the structural change in the economy means that the occupations are classified on the basis of status and social dignity. This is the outcome of the resultant social structure supportive to the economic structural change. The person can combine both absolute and comparative advantage in him. The comparative advantage is determined by the market on the economic voting that is more prices are quoted. When comparative advantage over dominates the absolute advantage, the negative terms of trade among sectors, one over another, and the structural change happen. The withdrawal of people from agriculture and the distress migration brings forth the issue of disaffection of the peasantry towards agriculture caused by the economic humiliation due to the low income compared to other sectors and underdevelopment of the sector. If this continues, the peasantry and all working class population, particularly in the informal sector will be suffered. No economic policy can rescue them. The social renaissance of the occupational hierarchy and the balanced structural change has to be initiated from the bottom. The habit of farming and the development of rural sectors with modern facilities can save them from the perils of economic humiliation and discrimination. The economic discrimination in agriculture happens because they face serious occupational humiliations due to their lower position in the hierarchy.

The shift from the agriculture to the non-agriculture is due to the price volatility of the market system. The structural change is the direct result of the price rise of the product continuously. The competitive advantage of the commodity gives the flourishing of that sector in

which the commodity included. The capitalist economic development requires the continuous price rise to increase the profit. It ignores the absolute use value of the commodity and the advantage of that sector. It considers only the exchange value whether it increases and retains the profit. Profit has no sense of the absolute use value of the each commodity and how each commodity supports to retain the livelihood of the people. This view does not promote the obsolescence of the tradition on the use of commodities without being changed and allowed innovation. It is a need that we have to continuously reform it through innovation finding its new use and improvement in accordance with the space and time. The innovation induced by the positive price changes and profitability should not miss the point that simultaneous development of all skills, persons, infrastructure facilities and various sectors are required for the human progress. Profitability must not be the sole criterion for the innovation and development taking the comparative advantage in the structural price increases which leads structural change. The point is that the search for the profitability through the price rise must not affect the simultaneous development of all commodities and all sectors which are needed for the humankind. The progress of human kind needs all kinds of skills and abilities. This economic system which follows the incessant commodity pricing movement affecting the structure for the existence of the humanity is a threat to the livelihood. The mentioned price increase is structural in nature and, as a result of this structural change happens.

II. WHY FOOD CRISIS

The food crisis can be viewed from the distribution and production aspects. The food crisis is related to the incapacity of the people to purchase food and thereby the market exclusion of the vulnerable sections of the people who lack access to the food. This is the distribution failure of market in the case of foodgrains. The distress of farmers resulted in the production of food is also part of the food crisis from the production side. It is linked to the failure of price mechanism in the market for the production and distribution of food grains. Hence, the basic reason for the farmer's distress is the blind dependence of them on the volatile price movements in the market. But, it is to be critically looked into how capitalist market by its price signalling creates imbalances in the allocation of commodities and how far it is associated with the human life. But the blind pursuit of price movements of farmers expecting profit in the context of

uncertainty and situation of where there are natural production lags and storage problems can lead them into the victims of market. When farmers take firm decisions based on the comparative production advantages in response to the price changes, they may fail to gain expected income from the farm unless the production and market situations are favourable to them. The failure of market to ensure the accessibility of food to the end users through production, distribution and consumption is because food is perishable, non durable and but an essential commodity. The food cannot be stored for a long time and market fails natural allocation problems. Unlike other durable commodities, the failure in the distribution of food affects the people because it is an essential commodity. This shows the limits of price mediated market mechanism in the production and distribution of food. There is a scope for market price system when the character of food turns as a durable commodity form which can be used in the form of preserved long use. The application of inventory is limited in the case of raw food grains. It is better to convert it as the durable forms like Biscuits, Bread, Cake etc. for the introduction of market price system. Otherwise, it can affect the consumers and producers equally. The storage of raw food grains as idle resources make to loose the chances of making it as an option for creating employment through value addition at the production place itself. It could have avoided the huge cost of storage and procurement to a great extent.

The irony in the food situation is that there is a problem of plenty in the production of food grains. The volume of production has increased. The total food grains production has reached in India to the amount of 230.78 million tonnes in 2007-08. What happened in the Green Revolution in India was that production increased with the help of costly inputs like seeds, fertiliser and pesticides. The government procurement is also at a very good stage. The government procured the second highest amount of food grains (54 million tonnes) in the last three decades in 2009-10. It is commonly analysed that the problem of food insecurity is not with the procurement and storage of food but it is due to the non accessibility of food because of the weak distribution channel. It is pointed out that the government has failed to release the foodgrains to the consumers. The lack of food faced by the large sections of the population reflects the inability to access the fruits of the production growth due to the soaring prices of commodities and lack of income.

III. FORDIST FORM AGRICULTURE

The costly high level of inputs (high yield seeds, fertilisers and chemicals) oriented production to get high yield, dependence on volatile price movements and the high need of coordination and integration of the national agricultural management and price policy make the agriculture into a fordist mode of production. Green Revolution (GR) is a fordist mode of production. The introduction of fordist regime in the agricultural production and distribution created the non availability of food into a large section of people and make them hungry. The blind importing of the fordist system into the agriculture is unsuitable because food is basically an essential commodity and the livelihood system is based on the development of farm and non farm activity. The fordist production is a big production system and it needs high storage and transport facility and a sophisticated organisational mechanism.

The small level household cultivation which can cater the local needs and thereby meeting the livelihood expense for the self employed and casual labour section in the agricultural sector have a positive impact on their access to food. Agriculture has a large share of casual labour. GR has a very negative impact on the food security widening the income inequality and put heavy burden on the farmer's shoulder by increasing the expenditure of farming. It helped mainly large farmers and certain regions even though it has great advantage over the food grain production. When the distribution of income is skewed, the market capacity to end hunger can achieve only through the counteractive role of government to ameliorate economic concentration using the tax, credit and land reforms with the purpose of increasing the purchasing power of the poor. The current food crisis is attributed, in most of the analysis, to the monopolisation of translational agribusiness interest which neglects the nutritional needs of the people, sustainable production considering the environment and the farmer's autonomy.

Food inflation is mainly the result of intensive cultivation practiced in the industrial agriculture as part of Green Revolution in India. Industrial agriculture which consists of mechanised production, agrochemicals, monoculture and delocalisation of production of goods in search of cheap labour increased the yield and the cost of production. Thereby, it raised the price of the foodgrains. Intensive

cultivation leads to the over-exploitation of soil. Agricultural experts have warned of the environmental risks of the efforts to boost food output. It has another economic impact. It can increase the price of food due to the heavy use of high cost of fertilisers and chemicals. There is a possibility that they cannot increase yield as much as it did earlier because of the erosion of the soil quality. The solution to the food security lies in the diversification of crops, care of the land with optimum use of chemicals and the localized production and distribution system.

IV. DECENTRALISED FOOD PRODUCTION AND DISTRIBUTION UNDER LOCAL GOVERNANCE

The centralised production and distribution system have negative consequence on the structural change bias of the agricultural. The food accumulation at certain centres work on the comparative advantage principle. The Green Revolution which emphasise on high yield and intensive cultivation is basically worked on the comparative advantage of the market principle. The availability of the food through production of food and dispersion of the purchasing power can increase the accessibility of the food. The concentrated distribution of economic power creates obstacles for the capacity to purchase the food. The Green Revolution couldn't end the hunger wherever it occurred. Green revolution needs huge agricultural management and bureaucratic structure. It requires coordination of various production and distribution activities through the decision making at the central level. They have to decide the setting up of minimum support prices, subsidies, investments in the infrastructure, distribution of seeds and other inputs for agriculture, quantum of imports and exports and waiving of loans. It shows that GR is part of the centralised social governance in agriculture. It is proved from the experience that the high level of production in itself cannot lead to distribution. It is also in tandem with the Indian democratic socialistic objectives of mass production for mass consumption through public sector, huge heavy and core industries to make extensive linkages for the development of the small and medium industries for income and employment. But this top down approach created huge income inequalities and accentuated the disparities in the wealth and assets. Even though it has some desired objectives to increase production and thereby improve distribution; it failed to achieve food security through ensuring the accessibility of food. The reason for that, it led to the regional inequalities, income

inequalities and to keep on the iniquitous land distribution. Those who have already entitlements in the form of land, traditional wealth and other source of income could only achieve the benefits of state policy to increase the agricultural production. The huge section of people who don't have land or mere homesteads became excluded from the benefits of agricultural production. This has huge impact on the income deprivation and food insecurity.

The decentralisation in the production and distribution of food grains is the answer to the eradication of hunger ensuring food security through the efficient allocation of food. Localised production and distribution network with the agrarian reforms and redistribution of power to the local bodies can solve the food crisis from the bottom level. The top down approach with huge bureaucratic system has a more likely chance of getting delayed in the decision making of agricultural production and create lags and imperfections in the distribution of food grains. The current system of production and distribution of food in the Green revolution model cannot create food security and it result in hunger and absolute poverty. This capitalist agricultural model, known as fordist mass production can create overproduction and under consumption of food. There is a huge gap between production and consumption thanks to the low income generation. What the real issue is that food crisis is related to the lack of decentralised system ensuring the participation of farmers and the people. The lack of such an agricultural model can create famine because people need power over land and income. The optimum and efficient use of land is the necessary requirement for the development of the sustainable food system which protects the livelihood and sustains food security. The famine is the combination of the fall in the production, higher prices, lower income, and inaccessibility of food supplies due to the imperfect movement of commodities. It represents a crisis in the social system.

The rotten food grains and the poor distribution networks are the symptoms of the limitations of the centralised system of procurement, storage and distribution. The capacity of the storage houses and distribution networks cannot be considered as the culprits. The storage system has to shift from the single point to multiple points after the raw food is processed. The food has to store in different places under the independent local governments. The unequal food concentration in

the FCI godowns is the basic cause of hunger and famine. Even though FCI storage has positive objectives, it could have negative impact. This denotes that any kind of concentration of food by the private or public can lead to the unequal access to the public and thereby hunger. The ideal solution is the gradual decentralisation of storage and distribution of food to the local areas with the development of food industry to meet the needs of the local taste and cater the demand. The free distribution of food becomes difficult to afford for the state because the high use of inputs in the food production is very costly. Since the government is working under the market system, the huge political pressure is required for the release of the food grains from the godowns. The lack of income generation for the farmer community and other labour household who depend on agriculture due to the iniquitous agricultural pattern causes the food maldistribution. All these problems can be solved by the decentralised distribution system in a localised manner. The storage of food grains in the local centres of production itself can be processed and produced various commodities.

In the current Indian context, the production is mainly done by the numerous farmers with the help of centralised decision-making process in the forms of subsidies, debt relief, minimum support prices, and the control of imports in some occasions etc. The market process is mediated and supported by the state. The state policy has acted as a complement to the market process. It didn't eliminate the market but strengthens it. Price is used as an instrument for coordinating the production and increasing the income of the farmers. So the agricultural production with the state supervision and assistance makes it strengthened as part of the market system. The production failures and lower prices due to the imports can be connected to the state policy which has a direct effect on the market. The case of distribution side is different. The state has high control over the procurement, storage and distribution. The Indian distribution system is a single point system with large network all over the country. This needs huge bureaucratic system to manage the logistics of food supply. This is a centralised storage and distribution system which can have lot of accessibility problems to the end users. The routinised bureaucratic system is not an incentive oriented one. The poor centralised distribution system can be due to poor incentives to activate them in the money economy.

In the capitalist economy the economic activity is organised on what advantages they are getting. This is why it is told that profit motive is the organising principle of the capitalist economy. When the agricultural land is diverted into the fuels and animal feeding for the purpose of profit, such attempts are self defeating and results in income deprivation, food insecurity, starvation and hunger death. This scenario can be looked into the background of high increase in the per capita income of the middle section of the population thanks to the growth of the economy. The huge land enclosures for the industrialisation process reflected in the Special Economic Zones are also the attempts which did not consider the simultaneous development of the farm and non farm growth of the country with the help of the optimum mix of technology which reproduces the land and labour in a better condition. The absence of the better governance of the land use for the competing purposes such as agriculture and industry considering the soil quality, climatic situation, density of population and other demographic features of population at the local level in a federal democratic set up is the cause of the persistence of the different forms of deprivation and food insecurity.

The development of non farm activity with the help of localised storage and processing can augment the income of the rural farmers. The centralised storage and distribution of the procured food grain using the minimum support prices has led to the non development of the non farm activity which receives from the farm activity. The procured food grains in the PDS store houses takes time to reach the consumers through the distribution channel. The non farm activity can grow along with production of food grains itself in local centres. The absence of local storage systems can create the underdevelopment of non farm activity. The local storage systems can solve the problem of plenty of food grains reflected in the rotten food grains. The raw food grain used to distribute from the outlets of the centralised distribution system like PDS. Between procurement and distribution, there is no value added economic activity. This has adverse impact on the income generation through non farm activity which can protect both the farmers and labourers from the risks of seasonal nature of income and market fluctuations of agricultural commodities. . The high input cost in the farming can be recovered from the production of value added products. The development of non farm activity and thereby reducing the seasonal nature and fluctuation of farm income can surely reduce the farm distress.

The point is that the state policy cannot help the farmers to get out of being the victims of the uncertainty in the price movements. The state price policy in the agriculture worsens the agrarian crisis. The farmers are encouraged to increase output by increasing the yield through costly inputs having stimulated from the price support. The resultant high cost of production and debt burden cannot be recovered and they are not eased from the farm income. In this context, the rural development has to seek the combination of farm and non farm activity. But the care should be taken that the autonomy of farmers and the industrialists has to be preserved from the gamble of volatile price movements. Rather than developing the production and ensure the certainty of income through innovation and land diversification, the behavior of focusing on making profit out of price rise in the form of gambling can create farmer crisis.

The transfer of food from the periphery of rural areas to the urban centres without a having any value added process which could have created multiple sources of income for the people results actually the chronic income poverty and starvation. In this situation, in spite of around 4 per cent agricultural growth rate and satisfactory level of food grain production and higher buffer stock of food stock in India, the rural population has a likely chance to be in food insecurity because of the depletion of purchasing power from the poor hands in the periphery rural areas to urban centres. It reminds that the growth of rural non farm activity with the value added process of food grains in the rural areas is necessary for the avoidance of rural food insecurity. It can only reduce the employment insecurity of women and prevent distress migration from rural areas and ensure the nutritional security of infants and school going children. The decentralised production at the local levels which benefits the availability of local resources and then markets to different places is an example of flexible mode of production. The flexible mode of production is such that the production is for the purpose of the definite requirement and amenable to take other inputs like labour, raw material etc. for the changing requirement of the production and availability. Each place can produce different items based on the local knowledge, skills and other forms of resources.

V. RISE IN YIELD AND FOOD INFLATION - FARMER SUICIDES

The high increase in the production as a result of the yield augmenting inputs is at the cost of the farmer's life. The high input

prices, resultant debt burden and the uncertainty in the prices are mutually culminated in the occurrences of the farm crisis and suicides. The heavy use of inputs in the cultivation of food crops and commercial crops increased the cost of cultivation. The debt for financing the cultivation and the unexpected price crashes led to the agrarian crisis of less farm income and distress. In the ten year period between 1997 and 2006 as many as 166304 farmers committed suicides in India. (Nagaraj, 2008) In the twelve year period from 1995 to 2006 the figure is close to 200,000 (Table 1). The attempts to increase the yield of the production increase the cost of production. To meet the high cost of production, the cultivator borrows from the money lenders in the absence of development of the formal credit market in the rural areas. The high input price causes the farmers in debt burden if they cannot reap the profit from the farm due to crop failure and cheap imports. The bank procedures are also found cumbersome to some farmers. The credit from whichever source is burdensome when he could not meet the cost of cultivation from the farm income in the context of falling output price due to the high imports and crop failures due to bad monsoon.

So the farmer's suicide as a livelihood crisis can be seen as the lack food diversification, non development of non farm production activity and high reliance on the debt. This farmer distress arises because of the fact that farmer expects high income from the rising price of his products and he takes the production decision when price is high. The farmers may be the losers at the end of production if crop failures happen after they invested huge amount or the price crash in the international market affected the local prices. This is what happened in the Andhra Pradesh when cotton prices are high, farmers shifted into the costly cotton cultivation. When the price crash happened, many farmers fell into debt crisis and some of them committed suicides.

The volatile price system in the capitalist economy poses threat to the autonomy and sustainability of farming. Both the farmers and consumers are the preys to the market price system. There should be a shield against the threat of price movements. The price system becomes a threat only when the people who are in blind pursuit of profit respond to the increase and decrease of price.

Table 1
Number of Farmers' Suicides and all Suicides in India, 1997-2006

Year	Farmers' Suicides		All Suicides	
	Number	As a percent of all suicides	Number	Suicide Rate (per 100,000 population)
1997	13622 (100)	14.2	95829 (100)	10.0
1998	16015 (118)	15.3	104713 (109)	10.8
1999	16082 (118)	14.5	110587 (115)	11.2
2000	16603 (122)	15.3	108593 (113)	10.6
2001	16415 (121)	15.1	108506 (113)	10.6
2002	17971 (132)	16.3	110417 (115)	10.5
2003	17164 (126)	15.5	110851 (116)	10.4
2004	18241 (134)	16.0	113697 (119)	10.5
2005	17131 (126)	15.0	113914 (119)	10.3
2006	17060 (125)	14.4	118112 (123)	10.5
Total Number of suicides in the period 1997-2006	166304	15.2	1095219	—
Annual Compound Growth Rate (in percent) between 1997-2006	2.5	—	2.4	—

Note: Figure in brackets gives indices with 1997 as the base.

Source: Various issues of Accidental Deaths and Suicides in India (ADSI), National Crime Records Bureau (NCRB), Ministry of Home Affairs, Government of India.

Courtesy: Nagaraj (2008)

The increase in the price is lucrative when he wants to increase the income. The uncertainty in the prices and the time lags of production and marketing in the agricultural commodities create problems to farmers if there is huge gap between the desired price and actual price. In the absence of other sources of income, the farmer cannot finance his huge investment he has incurred on the farm to increase the yield

and higher income. The profit maximisation behavior of the farmer is in itself not the problem. The rising price is profitable and stimulating to produce and exchange commodities. The durable commodities can be benefited because they are not perishable, produced on the given orders, amenable to assemble and storage is possible at different points, and there is less uncertainty. The food is a perishable and non-durable commodity. The food preservation at the industrial level can be done to avoid this problem.

VI. PRICE MECHANISM AND STRUCTURAL CHANGE

The market crisis of overproduction and under consumption in the food economy is originated from the price mechanism where price serve as the incentive for determining the production decisions and the land use of food production and cropping pattern and even the orientation of the workforce associated with the structural change. The structural change of the economy from the agricultural sector in favor of other non food producing sectors is determined by the negative terms of trade of agriculture due to the price changes. The price changes are necessary in the capitalist market economy in search of profit. The changes in the sectoral terms of trade in favor of those sectors where highly priced commodities affect the workforce distribution also. This is the reason why people who are skilled and educated are showing dissatisfaction towards farming and individual food production. It has a severe impact on the food security of the people in the context of food inflation and food accumulation occurring simultaneously. The food distribution moves in tandem with the needs of the high income groups. This is shown by the high demand for food for the animal food and luxury food. All sections of food insecure people are the victims of food inflation and the food crisis caused by the market failure. These people are vulnerable because their social, economic, political and cultural conditions makes them incapable to the adaptation in times of social, economic and natural shocks related to the access of food.

The victim of food crisis is the food insecure people who are incapable to participate in the market through not cultivating food in the land for themselves and surplus for others or not gaining income from an economic activity. Food insecurity is resulted from the market failure of food production and distribution which is the food crisis. The food insecurity is not exclusively related to the food crisis alone, but there are social, political, economic and cultural conditions for its origin and persistence.

VII. STRUCTURAL CHANGE AND POVERTY

The structural change associated with the food crisis is related to the absolute poverty and lack of situation which create capability. Poverty can create structural stagnation at the bottom level without improving themselves. It continues the structural bias against the agriculture and rural areas. It perpetuates hunger. The causes of poverty in connection to the other issues like land rights and ownership, diversion of land use to non productive use, increasing emphasis on export oriented agriculture, inefficient agricultural practices, war, famine, drought and lack of democracy and violation of human rights. The rural areas are highly prone to the extreme form of hunger. The main characteristics of this hunger are structural in nature. Even before the recent global food crisis in 2007 and 2008(Headey, Derek and Shenggen Fan, (2010)), the food crisis situation exists in the rural India because of the inadequacy of distribution of food grains from FCI granaries to the local outlets and the lack of purchasing power due to the employment insecurity. The agriculture and rural development is reduced to the minimum level in the absence of the creation of durable social and economic infrastructure in the form of anganwadis, schools, close proximity to the health centre and the availability of micronutrients. The structural food crisis is part of the rural poverty and socio-economic deprivation. The survival situation of pregnant and lactating women is vulnerable to the nutritional inadequacy and they are at the risk of different kind of disorders due to the malnutrition. It is connected to the per capita availability of food grains and other nutrients. The Indian rural populations including Dalits and Adivasis where the economic fruits of the growth were not reached, are continuously in threat of the starvation and hunger. This dangerous situation is attributed to the acute rural poverty. The lack of purchasing power cannot make them to access the economically deprived sections of the population to the food grains which are piled up in the food granaries.

Food security can be improved only through developing the income sources from agricultural and other non agricultural activities. The primary thing is that persons have to access food through payment when the public free provisioning of food to the poor is minimal. Nutrition security is very dependent on education, health, hygiene and sanitation conditions. The lack of education is connected to the lack of access to food. The school going children are badly in need of food. Otherwise, they are forced to go to work. The rising numbers of child

workers in the industrial clusters are the symptoms of the rural economic deprivation and thereby the food insecurity. The human development of the people in their access to education and health determine the level of the food security. The lack of agricultural development and high level of disguised unemployment in the rural areas affects the people's food security situation. The industrialisation combined with the urban bias and state control policies resulted in the denial of agriculture. The imperfect markets with poorly endowed infrastructure, asymmetric information, and with less market intelligence create problems in the agriculture sector. The security of land tenure is also important in ensuring the consistency in productivity and food security.

Income poverty reduces the purchasing power and prevents it from gaining access to food. In communities where traditional cultural practices prevail, women and children are the ones who suffer from nutrition security. There is one dominant view that commercialisation of agriculture can eliminate income poverty and boost food security. Commercialisation of agriculture can open for the exposure of the volatility of the price movements. The minimising of the agricultural trade is advisable to ensure food security. The trade can be limited to the processed food which is the result of value added activity that enhances the income of the people. This approach comes from the fact that food grain is an essential commodity for the dignified social living and the price mechanism is not the ideal institution to allocate food if we look it from the perspective of ensuring food security.

Even though India has a sound economic growth and surplus food grain stock, hunger position is below of other 66 countries in the world in 2010 according to International Food Policy Research Institute (2010). It is an alarming situation to the human development. This circumstance arises the need for seeking the pattern of vulnerability induced hunger and the various proximate factors of vulnerability. There is also a need to look into the vulnerability induced hunger in the context of structural crisis in the food economy related to the production and distribution of food.

VIII. SUMMARY

Market exchange is much broader than the price mediated one. There can be a possibility of quantity adjustment through trade between regions based on the absolute advantage when there is surplus or scarcity. The trade of primary agricultural commodities

where there are no value addition and income generation in the region where it produces has to be restrained if market participant's economic position is affected in the price volatility. Otherwise it would lead to the pauperisation and agrarian distress in the form of farm suicides and persistent indebtedness and lead to the resource transfer from the one section to the another similarly happening in the gambling. Price mediation in itself has no problem at all. But the human disaster from the market price mechanism starts from the attempts of the market participants to gain profit and thereby income growth which is speculative in nature from the price volatility in the market created by the excessive demand for such commodities which are lucrative and price rising. When this attempt to gain profit from the price changes which is mere a speculative activity extends to the essential goods like food and health care etc which are very needed for the livelihood sustenance, the livelihood crisis and thereby food crisis would be formed. The point is that structural change is not the outcome of gambling process. The people's economic action in the market must be more conscious with the social value base of the economy.

The food system has to be detached from the volatile price movements. The basic question of production is that production for whom and by whom. The quantity adjustment of food among various locations and between competing uses of the essential demand of food and the luxury demand of food based on a priority basis settled in the local governance system can solve the food crisis in the flexible mode of agriculture. The trade off between various uses of food can be solved in the decision making of local governance. This has to be reflected in the competing land use of human food and animal food. Rather than supporting the market by the government through the price changes, it is better to neutralise the price system in the market by the quantity adjustment as much as possible. In this system, farmers can produce with certainty in income and sustain the livelihood without crisis with the complementary development of farm and non farm income. The ultimate result is the balance structural change and justifiable workforce distribution over the sectors.

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The Editor

Labour & Development

V.V. Giri National Labour Institute

Sector-24, NOIDA – 201 301, UP, INDIA

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V.V. Giri National Labour Institute
Sector-24, NOIDA – 201 301,
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