

CHAPTER-VIII

SUMMARY, CONCLUSIONS AND SUGGESTIONS

8.1 Summary of Findings

As regards characteristics and growth of urban informal sector in India and West Bengal the findings of our study as follows:

We have tried to express the concept and characteristics of urban informal sector (UIS) in respect of India and west Bengal. The concept and definition of informal sector adopted by System of National Accounts (United Nations) at International Conference of Labour Statisticians 1993 characterized informal sector as units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned with little or no division between labour and capital as factors of production and on a small scale. Conceptually, the term “informal sector” concept adopted in Indian official statistical system [NAS] as “unorganised” sector where ‘Informal Own Account Enterprises’ and ‘Enterprises of the Informal Employers’ as mentioned in International Conference of Labour Statisticians -1993 are conceptually close to that defined in the Indian Statistical System’, i.e., ‘Own Account Enterprises’ and ‘Establishments’ with at least one hired worker. The National Sample Survey Organisation has made first ever nation-wide survey in India on informal sector non-agricultural enterprises during 55th round (July 1999 - June 2000), defined informal sector comprising workers of all unincorporated proprietary and partnership enterprises. But in unorganised sector, in addition to the unincorporated proprietary or partnership enterprises, enterprises run by cooperative societies, trusts, private and public limited companies (Non ASI) are also covered. In this way we can say that informal sector is the subset of

unorganised sector. In India, the share of informal sector in rural areas is higher than urban areas. The male-female ratio in informal sector is higher in rural areas than urban areas.

The informal sector workers are broadly characterized as “visible” and “less-visible” occupational groups. Visible workers work in open air [barbers, cobblers, garbage collectors, waste recyclers, and vendors of vegetables, fruit, meat, fish, snack-foods, etc] and the least visible/invisible [most of them are women] workers work in small shops and workshops. Conditions of work and the level of earnings differ markedly among different informal group of workers.

The break-up of the informal sector workers in India reveals that agriculture comprises predominant percentage [59.7%] among all other informal activities. The main source of employment generation is the unorganized sector of the economy including self employment and small business with 92 per cent of the total employed labour force. Small and medium enterprises contribute to nearly 80 per cent of manufacturing employment and its employment elasticity is 3.8 times more than the organized sector. Employment in the organized sector has been hardly 8.34 per cent, of which public sector accounts for 5.77 per cent and private sector holds only 2.57 per cent in the total employment generated in 1999-2000. The average growth rate during 1983 to 2000 in organised sector is 1.02% and unorganised sector comprise 2%. Thus unorganised sector acts as a buffer for the workforce when the employment opportunity in organised sector ~~how~~ dwindle~~d~~. The share of informal sector work force to total workforce in West Bengal is slightly better off than the India level. Compare to India level, in West Bengal, higher percentage of female workers are engaged in informal activities. Manufacturing enterprises comprises highest percentage of informal activities in West Bengal (40.5%) and in India it is trading and repairing services [39.67%]. In West Bengal, percentage of OAE [91.54%] is higher than national level [87.36%]. Annual value

added per worker in informal sector is lower in west Bengal as compared to India level.

Our study on the nature, magnitude and causes of growth of urban informal sector in SMCA brings forth the following findings:

Nature and activities of informal sector workers in SMCA is more or less same with India level. some of the dominant characteristics of the informal sector in SMCA are range of production from petty commodity to small factories, low and limited structure and coverage of organisation, low levels of fixed investment and labour capital mix, difficulties in separating business and personal or household expenses leading to insecure working capital, lack of access to training leading to low productivity as informal workers lack skills, labour relations based on verbal contract dominated by casual employment and social relations as opposed to formal contracts, home based/family based pattern of production,etc. Population growth at SMCA is highest among all other cities and towns in west Bengal. Percentage of main, marginal and non-workers have shown a higher growth rate compared to India level. Decadal population growth in SMCA is highest among all cities and towns of west Bengal. Contribution of informal sector workers to the total workforce is increasing and formal sector contribution is decreasing over time. Reasons for joining informal sector in SMCA are comparatively higher income opportunities, easy entry, accessible facilities etc. The slum population in SMCA has grown enormously during 1991 (46200 persons) [census 1991] to 2001[census 2001] (168217 persons). The rate of growth of literacy rate (24.50%) in SMCA is much lower than the rate of growth of population in SMCA (118%). Types of unorganised sector activities in SMCA involve both legal and illegal activities.

Findings of our survey on the income employment and living conditions of rickshaw pullers and construction workers are furnished below below:

Rickshaw pullers

Of our surveyed 205 rickshaw pullers, major proportion of rickshaw pullers [29%] is of the opinion that rickshaw pulling is much more self determined job than construction work and that is why they have joined this particular occupation. It could be found that 55.12% rickshaw pullers have come to this profession through their friends. Only a tiny portion of our surveyed rickshaw pullers possess ownership of rickshaw [12.68%]. On average, rickshaw pullers worked 11 hours per day. Majority of them charged different fares to different passengers. As far as rent for hired rickshaws are concerned, temporary migrant rickshaw pullers had to pay higher rent compared to native, permanent and circular migrant rickshaw pullers. Majority of the pullers admit that it is a highly physical tiring job. Most of them are of the opinion that pulling is risky and notably prone to vehicular accidents. Rickshaw pullers are very much upset and unhappy due to the introduction of city auto rickshaws in the town in terms of their earnings, road traffic and police tortures. It appears that 67.81% pullers are not happy by plying rickshaws of which 70.58% comprise new joiner pullers. Per day average net earning of the rickshaw pullers is Rs. 110. which shows a negative co-relationship with their age. Average monthly earning of rickshaw pullers is Rs. 3291.70. It could be found that 5-9 years duration rickshaw pullers embrace significantly higher monthly individual income than all other duration pullers. Moreover, 5-9 years duration rickshaw pullers hold significantly higher individual consumption than 1-4 years duration rickshaw pullers. The new joiner rickshaw pullers have significantly higher [$p < .01$] monthly individual savings than the core [5-14 years]

and deep [15-20 years] joiner rickshaw pullers [34% of them save Rs. 501-1000 per month]. Savings decreases with the increase of the age of rickshaw pullers. It may be noted that 1-4 years duration rickshaw pullers possess significantly higher monthly household income than the other categories duration of rickshaw pullers. The 10-14 years duration rickshaw pullers comprise significantly higher monthly household consumption than 1-4 years and 5-9 years duration rickshaw pullers. The new joiner rickshaw pullers embrace higher monthly household savings per month compared to 10-14 years and 15-20 years duration rickshaw pullers. As far as per capita income is concerned, new joiner rickshaw pullers hold higher per capita income compared to deep joiner rickshaw pullers.

Construction workers

We have investigated 205 construction workers of which 34.14% is skilled; 26.84% is semi skilled and 39.02% is unskilled. Of the surveyed 205 construction workers, 56% of them are literate of which 74.28% are from skilled workers. Majority of the skilled construction workers are from middle age group [26-39 years]. We have found a positive co-relationship between skills acquired and work experience. We have found lowest levels of skilled workers are employed in the construction of government buildings which are high quality buildings. Our survey reveals that 65% of the construction workers pay commission to the middleman or "sardar" to confirm work availability daily. Bad working condition at place of work exists for the unskilled construction workers compared to skilled and semiskilled construction workers. Majority of the skilled and semi skilled construction workers get wages on weekly basis and most of the unskilled workers are paid on daily basis. Per day net earning of construction workers is Rs. 87.45, which is significantly lower than per day earning of rickshaw pullers. Skilled construction workers hold higher average daily and

monthly income than semi skilled and unskilled construction workers. Middle age group construction workers embrace higher monthly income than younger and old age group. Sex wise, highly significant differences in monthly individual income are found among construction workers. As far as Monthly individual income is concerned, 10-14 years duration construction workers earn more than 1-4 years and 15-20 years duration construction workers. A positive co relationship prevails between per day net earnings and work experience among construction workers. It is also noticeable that 1-4 years duration construction workers have significantly lower monthly individual consumption level compared to all other duration construction workers. Core duration [5-14 years] construction workers comprise significantly higher [p<.01] monthly Individual savings than new [1-4 years] and deep [15-20 years] joiner construction workers. No significant difference has been found in monthly household income among construction workers by duration of work and sex wise. Skilled construction workers hold higher monthly household income compared to semi skilled and unskilled construction workers. Majority of the skilled construction workers comprise in middle age group [26-39 years]. The 10-14 years duration construction workers hold significantly higher monthly household consumption than 1-4 years and 5-9 years duration construction workers. The 10-14 years duration construction workers embrace significantly higher monthly household savings than 1-4 years and 15-20 years duration construction workers. In case of per capita income of construction workers no significant difference has been found among them by duration of work.

Comparison between Rickshaw Pullers and Construction Workers

✓ Social condition

1. Average age of RPs is higher than CWs.
2. RPs are more educated than CWs. New joiner workers of both rickshaw pulling and construction work comprise higher education level than core and deep joiner workers.
3. Major proportion of both RPs than CWs are landless. Landlessness is found predominant among RPs than CWs. New joiners of both RPs and CWs are from families with high landholding.
4. Majority of both RPs and CWs have no source of agricultural income.
5. Majority of the rickshaw pullers have joined occupation through “friends” and majority of the CWs joined construction work through “family”.
6. Before migrating to SMCA for survival and better livelihood, majority of both RPs and CWs were attached to agriculture as labourers of which CWs holds higher percentage than RPs.
7. Greater part of both RPs and CWs have migrated to SMCA due to inadequate income in villages.
8. RPs manage to get more employment per month than the CWs.
9. Majority of the RPs holds that “Working condition is good” in rickshaw pulling and greater portion of CWs hold “average” working condition in construction sites.
10. Family size of RPs and CWs are not homogeneous.

✓ Economic condition

1. RPs have higher monthly individual income than CWs. Except 10-14 years duration pullers, all other pullers hold significantly higher monthly individual income than that of CWs.

2. RPs have significantly higher monthly individual consumption than the CWs. Except 10-14 years duration pullers all other pullers comprise significantly higher monthly individual consumption than that of CW.

3. RPs have significantly higher monthly individual savings than the CWs. The RPs save significantly more than the CWs. Again the individual savings of 1-4 years and 5-9 years duration pullers is significantly higher than that of CWs [$p < .01$].

4. RPs encompass significantly higher per capita individual income than the CWs. Notably, 10-14 years duration CWs have significantly higher per capita income than that of RPs [$p < .05$].

5. RPs encompass significantly higher monthly household income than the CWs. 1-4 years and 5-9 years duration of pullers acquire significantly higher monthly household income than that of CW.

6. RPs contribute more income to monthly household income than CWs.

7. The monthly household consumption of RP is significantly higher than CW.

8. Monthly individual income of rickshaw pullers is significantly higher than construction workers.

9. RPs hold significantly higher [$p < .01$] monthly household savings than construction workers. 1-4 years and 5-9 years duration rickshaw pullers entail significantly higher monthly household savings than that of CWs.

10. No significant differences between RPs and CWs.

✓ Living condition at place of work and origin

Overwhelming majority of CWs (80.98%) live with family than the RPs with 53.65%. Migrant RPs visit home frequently than the CW. At place of work Quality of housing and location of housing between

RPs and CWs is not at all homogenous but homogenous at origin. Water facility between RPs and CWs are not at all homogenous at place of work as well as origin. Sanitation facility at place of work between RPs and CWs is not homogenous but homogenous at origin. Electricity facility at place of work is not homogenous between RPs and CWs but homogenous at origin. RPs remit more money to their native places than CWs. Acute illness suffered by CWs and RPs is not at all homogenous. Bearing of cost for treatment while meeting with accidents during work is not at all homogenous between CWs and RPs. Majority of the RPs and CWs do not possess insurance policy.

Our study on the characteristics of migrant rickshaw pullers and construction workers shows the following results:

Inter and intra district migration to SMCA induced by reduced income opportunities at villages, inadequate harvests, low wages in villages, easy absorption in the unorganised sector, economic stability and better access to public services such as electricity, clinics, schools, as well as better prospects for recreation in the city. Inadequate earnings, unemployment and unsatisfactory working condition are the most important causes which influence immigration to SMCA. There are push and pull factors which again enhance the migration to large cities. Of the surveyed RPs and CWs, major portion of migrant CWs [69.66%] and RPs [30.59%] are from Jalpaiguri district. Jalpaiguri district alone contributes more than 52% of both rickshaw pullers and construction workers taken into account. Among the temporary and circular migrant CWs, male constitute higher proportion than female and the opposite holds in case of permanent migrant CWs. All the native CWs are male. Total percentage of migrant workers is higher in CWs [98.05%] than RPs [76.59%]. Among the migrant RPs, temporary migrant constitute most [56.68%] and among the migrant CWs circular migrant constitute the majority [68.56%]. Our survey reveals that, temporary migrant RPs pay higher rental for their rickshaws

than the other categories of migrant RPs. New joiner and core joiner CWs are prevalent among temporary and permanent migrant construction worker respectively. Again, core joiner and new joiner RPs are rampant among temporary and permanent migrant RPs respectively. In case of circular migrant workers, core joiners of both RPs and CWs account major part. Permanent and circular migrant RPs account significantly higher monthly household income than permanent and circular migrants of CWs. monthly Individual average consumption expenditure of RPs is significantly higher than CWs. Permanent and circular migrant RPs have significantly higher monthly household consumption than that of CWs. Except native RPs, all migrant RPs have significantly higher monthly individual savings than that of CWs. In total average monthly household savings of RPs is significantly higher than CWs. The temporary migrant CWs hold significantly higher average per capita income than temporary migrant RPs. Temporary migrant RPs remit significantly more money per month than CWs.

As far as consequences of migration of rickshaw pullers and construction workers are concerned we have arrived at the following findings:

Majority of rickshaw pullers and construction workers at SMCA are migrants from rural areas of adjacent districts and states of SMCA. This vast majority of migrant rickshaw pullers and construction workers earns their livelihoods at SMCA and also remit money to their native places to feed, dress and educated their family members at villages. Village economies get benefited from these large amounts of remitted money to the villages by these migrants' rickshaw pullers and construction workers and thereby enhanced their standard of living at villages. As the migrant rickshaw pullers and construction workers stay at SMCA for earning livelihoods, they also consumes food, clothing and other living amenities, therefore the economy of SMCA

also boost up considerably. Population, basic urban amenities, motorised and non-motorised vehicles and other urban facilities has been increased significantly at SMCA during last 10-15 years. Thus informal sector growth in SMCA during the last couple of years set aside both positive and negative externalities.

On the need for social security of the two groups of workers (RPs and CWs) the findings of our study are as follows:

The term social security includes social insurance, social assistance, social protection, social safety net and other measures. The expenditure on social security in India is lower in comparison to many developed and developing countries. The unprotected work of informal sector with decrease formal employment obliges the workers to stomach an increasing direct burden of financial social beggary, with unfavorable effects on their quality of life. In India, there are five categories of centre, state and public initiatives social security arrangements for the informal sector. In addition to the existing schemes of social security for the informal sectors prevails in different states, few states have introduced new social security schemes for the informal sector workers e.g. Kerala has set up “Welfare Funds” for different categories of occupational groups and sectors, Madhya Pradesh, has introduced social security schemes funded from the State budget comprise mostly of insurance schemes implemented in the tribal areas covering women, school-going children etc, Tamil Nadu has introduced “Tamil Nadu Social Security and Welfare Scheme 2001” includes manual worker, auto rickshaws and taxi drivers, washer men, hairdressers, tailoring workers, handicraft workers and palm tree workers, West Bengal Government has introduced “State Assisted Scheme of Provident Fund for Unorganised Workers” (SASPFUW), etc. Our field survey revealed the fact that majority of both RPs and CWs do not possess any voter ID card or ration card under Siliguri Municipal Corporation area and none of the two groups

of workers are included in any social security scheme of the Government. None of them are aware about the welfare schemes such as Janashree Bima Yojana of LIC and SASPFUW run by the state government for both of which they are eligible. Majority of the rickshaw pullers do not possess peddler license also. Thus they are in need of both protective and promotional security.

8.2 Conclusions

The conclusions of the study are as follows

1. Informal sector is the subset of unorganised sector. In India the share of informal sector is higher in rural areas than urban areas. The male-female ratio in informal sector is higher in rural areas than urban areas.
2. Percentage of female workers engaged in informal sector is higher in west Bengal compared to India level. Annual value added per worker in informal sector is lower in west Bengal compared to all India level.
3. Nature and activities of informal sector workers in SMCA is more or less same as that in all India level.
4. Urban informal sector is growing up rapidly in SMCA.
5. Earnings of rickshaw pullers is negatively correlated with age and positively correlated with number of working days. Again earning of rickshaw pullers is very much influenced by the duration of pulling.
6. Individual consumption of rickshaw pullers is positively related with individual income and age rickshaw pullers.
7. For most rickshaw pullers the job is not socially respectable, risky (subject to vehicular accident) and physically tiring.
8. Introduction of city auto-rickshaw has resulted in lower earning to rickshaw pullers.
9. Both male and female construction workers earn highest level of income at their middle ages.

10. Earning of construction workers is positively correlated with duration of work and age of first employment.
11. Earnings and savings of rickshaw pullers are highly dependent in their skill also.
12. Unskilled construction workers suffer from lower earnings, low savings and inferior working conditions.
13. In case of any accident construction workers are fortunate as the employer/contractor bears the cost of treatment, while for rickshaw pullers, the cost is born by themselves.
14. Both push and pull factor have lend to immigration of rickshaw pullers and construction workers in SMCA. But push factor is stronger to the rickshaw pullers while pull factor is of similar importance to both the groups of workers. Inadequate earnings or lack of rural employment opportunities as well as poverty are the most important causes behind rural urban migration to informal sector of the SMCA.
15. Average level of consumption of rickshaw pullers is significantly higher than the construction workers. Requirement of higher physical fitness and higher bodily strength appear to be the most important reason for this.
16. As a result of migration of rickshaw pullers and construction workers in SMCA, economy of SMCA as well as household economy of the workers benefits a lot.
17. Almost no social security measures are available to the two groups of workers except holding of ration cards by some of the workers, though the selected two groups of workers are entitled to receive benefit from the state assisted schemes of provident fund for unorganised workers (SASPFUW). This happens due to their lack of awareness about the scheme and the lack of interest of governmental and non-governmental agencies.

8.3 Suggestions:

From our study we would like to provide the following suggestions to improve the socio-economic and living conditions of the two selected groups of urban informal sector workers at SMCA:

1. Government and Non-Government Organisations should take the initiative to generate awareness about the different social security schemes among the rickshaw pullers and construction workers by disseminating information through various media.
2. Government should help in creation and management of welfare funds like those in operation in Kerala for these two groups of workers.
3. Proper training facilities should provide to the construction workers so that they can upgrade or enhance their skill status. Special attention should be given to women construction workers to promote their skill as because we have found in our survey that all women construction workers are unskilled.
4. Many high skilled construction workers are part time small contractors. Entrepreneurship development training should be provided to them with a view to improving their business potentialities.
5. Construction workers should be registered with SMCA so that it can be made known to the authorities whether they get minimum wages or not, safe working condition prevails or not, reporting of serious accidents etc. there must be provision of relief to the construction workers at times of emergency or accidents on the part of SMCA. Terms and conditions of service should be monitored by SMC authorities.
6. Our study reveals that all the rickshaw pullers save some amount of money. Credit facilities should be provided to them so that they can able to purchase their own rickshaws.
7. Savings and earnings of rickshaw pullers could be raised if they can work more days per month. But health problems and cost associated with it hinders their earnings. If better health care facilities

can be made available to them then their earnings level and living standards can be improved to a great extent.

8. Majority of rickshaw pullers want to quite rickshaw pulling because they face physical tiredness and illness with the increase in age. As new joiner pullers are from relatively better economic background, therefore efforts should be made to provide them alternative occupations so that they can shift to other professions.

9. Building and other construction works act should be enforced in a proper way so that we can control these sections of people (construction workers) and also get clear information regarding the magnitude of construction activities and manpower requirements for construction work.

10. SMCA should give more attention to the slums improvement programmes (where rickshaw pullers and construction workers live) in order supply safe drinking water and electricity and maintain cleanliness and hygiene.

11. Rickshaw pullers and construction workers need to organise under a single umbrella so that they can strengthen their bargaining power (regarding wage and working condition) and satisfy their demands.

12. The most important policy prescriptions that arises out of our study is that the governmental and non-governmental agencies should come forward to assist these two sectors of urban informal sector workers to help them receive different kinds of social security measures from which they are entitled to get benefits.