Chapter 8

Summary and Conclusions

8.1 Introduction

This study has attempted to address the problem of vulnerability and insecurity among the working masses much more rigorously and comprehensively by not only examining it with mere quantification and qualification, but also by going beyond the observed facts with the adoption of a multi-disciplinary approach. Such a detailed inquiry into the vulnerability of working masses prompts us to reflect upon the observations made in this study by way of providing not only a recapitulation but also by discussing the study in a wider perspective. Our such an effort here will help us in suggesting that the findings of the study are not of regional interest only; rather they very much reflect the plight of working masses in India.

No doubt, there are some 'Punjab-specific' observations. But we also believe that our findings on the plight of working masses in Punjab are very much a reflection of the overall Indian situation. Therefore, there exists significance for advocating various measures to promote security and welfare of working masses at the national level. Such a policy action would gain further ground from the 'Rights Perspective' when labour remains a major contributor to the national income due to highly labour intensive nature of work activity in the unorganised enterprises. In such a context, it is important to note the contribution of the National Commission for Enterprises in the Unorganised Sector (NCEUS) through its various reports on the plight of unorganised sector and unorganised workers. We shall later discuss the NCEUS' recommendations on establishing a measure of social security as well as a series of promotional interventions.

1We have adopted the evolutionary perspective in Chapter two, labourist perspective in Chapter three and the political economy perspective in Chapter seven. The evolutionary perspective has facilitated us in understanding the initial conditions and structural changes that took place over the period of time in Punjab's manufacturing sector; the labourist perspective has revealed the significance of labour in post-1990 growth dynamism of unorganised manufacturing in Punjab and the political economy perspective has unveiled the key factors responsible for state inaction at times of general pervasiveness of insecurity among the working masses in Punjab.
In the following section, we provide a recapitulation of the detailed analysis undertaken by us throughout the study. We then report the major findings of the study by relating them to a wider perspective in section three. Various measures to contain the general prevalence of work-related insecurity in the unorganised manufacturing sector are discussed in section four and the final section provides concluding remarks.

8.2 A Recapitulation

By focusing on the unorganised manufacturing segment of Punjab, the study has provided a holistic account of the dynamics of insecurity among the working masses.

Specifically, it has dealt with this research problem by addressing four key objectives:

- Under the first objective, it has understood the evolutionary dynamism of manufacturing sector in Punjab along with having an assessment of the post-1990 growth dynamism of its unorganised segment with a labourist perspective.

- Under the second objective, it has examined the work-intensity, reward-differential (and discrimination) pattern and exposure to work-related vulnerability among the wageworkers along with having an understanding of the struggle-based survivals of the self-employed workers in general and the home-based workers in particular.

- Under the third objective, it has made a comparative analysis of the worker households in terms of their deprivation status, exposure to various shocks, adopted coping strategies and the experienced outcomes.

- Under the fourth objective, it has explored first the general incidence of vulnerability in Punjab and then, has sought for various plausible explanations for state inaction amidst general pervasiveness of vulnerability among the working masses.

While dealing with these objectives, the study has adopted different perspectives and methodological approaches. It has relied on both secondary and primary sources of information and have utilised both the qualitative and the quantitative approaches for analytical purposes. Similarly, besides interviews, it has adopted both the objective and subjective approaches of inquiry for collecting the first hand information through structured questionnaires canvassed over 125 establishments, 75 OAMEs, 300 wageworkers and 168 households of wageworkers (100) and OAME owners (68).
We have dealt with the first objective in our second and third chapters.

The second chapter has shed light on the initial conditions and the structural changes that have taken place in Punjab's manufacturing sector over the period of time. Beginning with the initial conditions of capital investment by the British in railways and canals, we have discussed the commercialisation of agriculture in pre-independence Punjab. Subsequently, we have also explored the nature of capital accumulation and thereby the emergence and growth of industrial activity in the state during this period. We have also understood how the industrial economy of the state, following the shock of partition in 1947, could not only withstand this shock but also how this shock had played a key role in determining its current small-scale nature. Moreover, we have also examined the growth dynamism of industrial sector in Punjab during the pre- and post-Green Revolution period. We have specifically found the dominating significance of small-scale manufacturing sector in overall industrial scenario of the state. In addition to this, we have also discussed the three-tier structure of the industrial labour market besides explaining its operational dynamics in three vital aspects, viz. recruitment and retaining of labour, utilisation of labour and working conditions, and the remuneration of labour.

The third chapter, being based on NSSO's data, has examined the post-1990 growth dynamism of the unorganised manufacturing segment in Punjab with a labourist perspective. By utilising the latest three rounds, viz. 51st (1994-95), 56th (2000-01) and 62nd (2005-06), we have examined the industry-wise growth dynamism of unorganised enterprises. In such an analysis, we have made a comparative analysis of OAMEs and the establishments. We have found that there has been a general decline in OAMEs' growth of real gross value added (per enterprise) over the period of time - an outcome, which one may relate to the self-employed workers' exposure to various vulnerabilities (as discussed in chapter five). But, at the same time, a general positive growth of establishments' real gross value added (per enterprise) has aroused interest in further exploration. Specifically, we have raised a few queries like: How could establishments record a general growth in their real gross value added (per enterprise)? How dependent has been the growth in real gross value added on the employment of wage labour? How beneficial has been the growth in real gross value added to the wage labour?

A major conclusion of such exploration has been the fact that the unorganised establishments depend significantly on wage labour for enhancing their real gross value added. But, the workers are not adequately compensated. The elasticity of the real average wage with respect to real gross value added has been found to be much below unity. In most of the industries, its level has even deteriorated in 2005-06 and 2000-01 in comparison to the 1994-95 level, which indicates nothing but their marginalisation and exploitation over the period of time. In light of the fact that most of this evidence has been based on the av-
workers' exposure to vulnerability in four ways, viz. 'Occupational Uncertainty', 'Operational Vulnerability', 'Functional Insecurity' and the 'Economic Insecurity'. Following this, we have quantified their exposure to vulnerability with a comparative analysis of home-based and non home-based workers - the former category has been found to be more vulnerable than the latter. We have also observed that the effects of these vulnerabilities are not isolated; rather they are mutually-reinforcing in their nature, i.e. the exposure to one insecurity triggers another insecurity, which influences further some other insecurity. Having found the home-based workers relatively more vulnerable, we have analysed various facets of their work so as to reveal the patterns and practices depicting their struggle-based survivals in Punjab's urban unorganised manufacturing sector.

We have dealt with our third objective in the sixth chapter, which, by focusing on the worker households, have provided a comparative analysis of not only the incidence of deprivation but also the nature of experienced stresses, adopted coping strategies and the impact of these coping strategies on the well-being of workers' household members.

Specifically, we have assessed deprivation in terms of human capital (education and skills), physical capital (asset holdings) and the social capital along with exploring the incidence of weak resilience (by way of assessing their living environments and their ability to satisfy basic needs) in these households. We have also examined worker households' exposure to stress and their adopted coping strategies. They have been found to be adopting a variety of strategies to cope with various stresses. But, their strategies have had severe impact on the well-being of their household members. We have explored this impact further with a thorough analysis of the existence of inter- and intra-household disparities in individual's enjoyment of freedom to decent life, which has been conceptualised across three lines, viz. 'freedom from hunger', 'freedom from morbidity', and the 'freedom from illiteracy'.

A central inference emerging from this chapter has been that the worker households experience vulnerability owing to the lack of adequate resilience. Such vulnerability of the household has had implications towards an individual's freedom to a decent life in these households, as revealed by the negative correlations between the economic insecurity and the degree of freedom enjoyed by individuals in various worker households.

As the fourth objective has urged for having a broad view of the vulnerability dynamics in Punjab, we have dealt with this objective (in seventh chapter) by exploring the vulnerability situation in various non-agricultural and agricultural segments. Having found the prevalence of vulnerability across other segments as well, we have put forward various theoretical arguments for active state role. Being guided by these arguments, we have evaluated the nature and magnitude of social welfare effort made by the state in Punjab. Surprisingly, the social welfare
effort made by the state in Punjab has remained minimal not only in absolute sense but also in relation to other states like Kerala and Haryana, Gujarat, Maharashtra, Tamil Nadu - the four other states with high per capita income.

The existence of such weak welfare effort since 1980-81 in an otherwise prosperous state has led us to explore the underlying factors responsible for such a situation. We have undertaken this inquiry through not only the economic perspective but we have also looked into the political and sociological undertones responsible for the ineffectiveness of the state in Punjab in this respect. Through this inquiry, we have observed that on economic fronts, there are not significant problems associated with resource crunch (as often emphasised by the politicians) as the revenue mobilisation capacity of the Punjab state has been quite sound - in fact, it has improved over the period of time. Rather, the problem has been with the state's expenditure pattern. A large part of this expenditure has been non-developmental in nature. We have also provided a few illustrations revealing the fiscal irrationality of the state in Punjab in this matter. The political perspective has enabled us to understand the nature of dominant political parties like Akali Dal, Congress, etc. Moreover, we have also highlighted not only the disturbing role played by militancy but also its creation of a vacuum in pro-worker political leadership. We have also found the influence of Kulak-based politics and the farmer organisations on the state. Subsequently, under the sociological perspective, we have found that the Punjabi society could not stand collectively, due to its inherent conflicts, to demand a sound social welfare mechanism.

8.3 Study in a Wider Perspective

Though the study has made a few Punjab-specific inferences, it cannot be denied that the workers' experience of vulnerability is very much central to the nature of informal sector itself. The heavy inflow of labour into this sector is weakening its bargaining power and consequently, there is a dominance of casual and contractual jobs. Even the so-called 'regular' jobs are not free from vulnerability. Similarly, the self-employed workers especially the home-based workers suffer from a variety of work-related vulnerabilities.

Such general incidence of vulnerability in the informal economy has been highlighted by a number of studies. In the light of these studies, it can be observed that the findings of our study are not of regional interest only; rather they reflect a wider problem experienced by the working masses in India. In fact, the study through its comprehensive analysis involving state inaction has indicated that the lack of state interest in protecting the working masses in general re-

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2 See, for example, Kapadia (1995a), Breman (1996), Parry et al. (1999), Vijay (2005), de Neve (2005), among others.

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ownership of productive assets reveals that the initial conditions determining the SC workers' endowments have been much different than the non-SC workers. It also hints at the fact that the exposure to vulnerability is 'structurally embedded' in initial endowments, which have implications for their acquisition of skill as well. There is, therefore, an utmost need to adopt a suitable social policy framework for empowering these deprived classes.

Similarly, the study has pointed out the marginalisation and exploitation of migrant labour in Punjab's urban establishments. It is noteworthy that the migration of labour is a wider problem at the national level. There takes place migration when the people have either limited opportunities or the rewards are inadequate in their own locality / region. Such economic compulsions make them prey to the traps of contractors and force them to accept unfavourable terms and conditions of work. In such a situation, the process of migration no longer remains a rosy one for the workers. But, it can be so if the host state takes care of the migrant workers' 'rights at work'. At times, when the states are competing for luring capital by providing various benefits, a situation may also emerge when they have to provide various incentives to the labour as well. So, the state must take care in developing suitable policies and programmes for checking the exploitation and discrimination experienced by the migrant workers. It is noteworthy that such a situation is likely to become a reality when there are public employment programmes (e.g., NREGA) that help in raising the reserve price of labour and obviate, to some extent, the need to accept wages that would not meet even their subsistence requirements of the poor workers.

We have also revealed the state-inaction to provide a sound social welfare mechanism so as to contain the pervasiveness of vulnerability. The state of Punjab, which has enjoyed the highest levels of per capita income for a very long period of time, has spent a very minimal share of its revenue on social welfare. Rather than being welfaristic, there is an economic undertone to the demand for a sound state social welfare mechanism. The labour is found to be a significant contributor to firm's growth and given a relatively high tax-GDP ratio, the state is found to be collecting a very high share of labour's output as its revenue. So, from the Rights Perspective, there arises enough ground for the state to come forward.6

Regarding the provision of social security benefits, the flexible formula provided by the NCEUS enables the states to further add-on to the national minimum. Given its economic affordability, the state of Punjab can definitely provide better benefits than other states. In fact, Punjab must become a pioneer in promoting the well-being of its working masses by way of providing better benefits and other suitable terms and conditions of employment. At times when the state

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6Besides this, we have also provided various arguments for active state intervention in Chapter seven.
is already experiencing a decelerating growth pattern, such an intervention will provide a big stimulus by way of providing a broad set of contented workforce who will in turn contribute to ensure a sustainable growth over the period of time. It is noteworthy that hitherto, the inadequacy of such state responsibility in Punjab has been much similar to the most of other states in India, which under the pressure of interest group politics has confined their responsibilities to serve the interests of active lobbies and pressure groups. There have been only a few states like Kerala and Tamil Nadu whose governments have taken active interest in protecting and promoting the security and welfare of the working masses. The existence of Welfare Boards in Kerala and Tamil Nadu is very much a reflection of some concern on the agenda of equitable development on the part of the state governments.

8.4 Towards a Better Deal for the Labouring Poor

Detailed analytical exercises undertaken in this study have pointed out two central channels by which the unorganised manufacturing sector workers and their households have become vulnerable: the first is related to the operational dynamics of the unorganised enterprises and the second is an outcome emerging from the lack of a sound social security mechanism that could have provided a protective cover at times of adversities. Evidently, both of these vulnerability enhancing channels can be contained with suitable policy interventions.

It is noteworthy that the NCEUS in its various reports has already made significant interventions at the policy level. Amongst other measures, it has strongly advocated for the strict implementation of the national minimum wage. It has also pointed out the existence of poor conditions of work in unorganised sector and thereby argued for the provision of decent working conditions besides suggesting various measures for skill formation and employment assurance in the unorganised sector. Such a broad-based approach has been taken to strengthen livelihood security and thereby an agenda for inclusive development.

Amongst all the interventions, a major one is related to the provision of social security cover to all (estimated 30 crore) the unorganised workers. It has argued for the provision of both the basic social security and the contingent social security. Some of the key features of NCEUS' proposal are:

- Being rights-based, it considers social security as a legally enforceable entitlement that should be made available to all the unorganised workers.
- It covers different aspects of contingent insecurity (sickness, accident, maternity, old age) and the eventuality of death.
- It is participatory in its approach and is based on a defined contribution,
i.e., Rs. 1 daily by each of the worker, employer and the government. In the case of poor workers and misplaced employer identity, it urges the government to make contribution for the workers as well.

- Its contribution formula is flexible enough to allow further add-ons by respective states.
- It urges for setting-up a National Social Security Fund, Social Security Boards at state level and the Worker Facilitation Centres at the local level.

It was argued by the proponents of this scheme that the provision of basic minimum social security does not have merely a welfaristic connotation; rather it is desired from efficiency point of view. Kannan et al. (2006, p. 3478) specifically point out that "a measure of social security helps to develop a healthy and contented workforce capable of enhancing their contribution to national income and thus enhance the capacity of the economy to grow. A workforce with higher capability and security could contribute to higher growth, which in turn, would enhance the aggregate demand in the economy through higher purchasing power of this vast mass of workforce." In the light of such significant role of social security, it needs to be mentioned here that the draft bill on social security has been examined by the Parliamentary Standing Committee on Labour. Following the suggestions of the NCEUS, it revised the draft in such a way as to fully reflect its recommendations except that relating to workers' contribution (PSC, 2007).

It is also noteworthy that as a result of various interventions made by the NCEUS, there was a realisation of a national legislation for providing a measure of social security to some segments of the workers in the unorganised sector. Nonetheless, this legislation has fallen considerably short of the recommended social security cover to all the unorganised workers. From the vulnerability point of view, such hiatus between the Unorganised Workers Social Security Act, 2008 and the NCEUS proposal is an unwelcome outcome, which implies that the agenda for helping the labouring poor remains at large an unfulfilled one and consequently, the unorganised workers have to continue their struggle for realising even a modest measure of social security through an institutional mechanism with legislative backing. Such a phenomenon reveals nothing but the existence of a systemic problem in our growth strategy where we are ready to provide all the benefits and relaxations to capital but cannot afford to spend a minimal share of our GDP to develop a healthy and contented workforce that in turn will serve as a productive asset to the economy itself.

7 This 1:1:1 ratio is merely to represent the contributory nature of the scheme. In practice, the NCEUS recommended that government spend the amount for all except the workers in Above Poverty Line households and mobilise its resources in a fiscally convenient manner.

8 It has been estimated that the provision of this minimum social security benefits will cost the central and the state governments Rs. 20,583 crore and Rs. 4,819 crore respectively, which turns out to be within the range of 0.20 to 0.48 percent of the GDP over the time-period of five years (Kannan et al., 2006).
Given this state of social security policy, it also need to be recognised that the segment of unorganised manufacturing, owing to its emerging significance as the provider of employment, can no longer be kept outside the purview of the legal framework. There exists a need to devise a set of measures related to each and every aspect of employment generated by the unorganised enterprises. Such an urgency becomes acute further when one recognises that the provision of social security alone cannot protect workers and their families from their exposure to various insecurities but it is possible if we, through various administrative, legislative and other measures, can curb the malpractices inherent in the operational dynamics of the unorganised enterprises.

We have found that it has been the lack of skill that has exposed wageworkers to a variety of work-related insecurities. Therefore, a straightforward role expected from the state is to ensure the capability building of the unorganised workers. The state should develop favourable institutional environment to impart various skills to the workers. One may think of even introducing vocational education into our educational curricula. State may also devise various schemes for imparting 'on-the-job' training to the workers who cannot afford to go to schools / training institutes. Regarding retrenchment, the state should make it mandatory for the employers to provide notice to the workers sufficiently in advance, say two weeks, so that they may feel somewhat relieved from a sudden shock of employment loss and accordingly search for new jobs.

Similarly, we opine that the responsibility of the labour officers for checking the nature of working conditions should not remain confined to large enterprises only; rather they should be asked to keep a check on the nature of working conditions in small enterprises as well. The state should lay down certain norms for the working conditions in the unorganised enterprises. These norms can be related with the existence of physical infrastructure like adequate ventilation, first-aid box, electric fans, toilet facilities etc. It should be made mandatory for the enterprises to take permission from the labour bureau before starting their operations. Moreover, the labour bureau should be empowered to check the status of physical infrastructure over the period of time.

Regarding working hours, the state should lay certain norms about the maximum number of hours that the workers should work to justify their daily wage. Such norm should make due provisions for its willing-relaxation by the workers. In cases, where the workers are asked to do the overtime work, the employers should be made liable to report the extra hours over which they have indulged the worker and thereby they should be paid due overtime wages. Moreover, the enforcement of the Minimum Wage Law should be made in spirit. The enterprises providing shelter at workplace should be checked randomly for their treatment of wageworkers as bonded workers.
For alleviating the plight of the self-employed workers, we feel that the recommendations of the NCEUS are highly important. These are (i) a dedicated development finance agency for increasing access to credit (ii) programmes for accessing technology, marketing and information (iii) skill upgradation programmes for workers and (iv) the development of growth poles in regions with industrial clusters. In addition, the government of Punjab may consider the development of self-employed workers' cooperatives so as to reduce the vulnerabilities that these workers experience due to the monopoly of large players in the market. These worker cooperatives can collectively take care of their not only the raw material needs but also the sale of outputs in the market. A related idea is the development of economic zones for the artisans. In these economic zones, they should be provided with all the facilities required for an efficient operation of an enterprise and in return, they may be asked to contribute a certain fixed proportion of the output to the common pool, whose sale is managed by workers' cooperatives. Such a process will not only relieve these workers from their exploitation by large concerns but will also ensure a smooth functioning of their enterprises.

But, while taking a note of these policy measures where we are expecting too much from the employer, it also needs to be kept in mind that we are talking about the unorganised entrepreneurs who themselves are the workers and are operating with minimal capital. It is very difficult for them alone to assure the provision of better working conditions etc. unless the state provides a favourable treatment to them by way of subsidy provision, easy loans, tax benefits, marketing incentives or various other promotional measures.

In this context, the recent flight of industry from Punjab to the neighbouring state of Himachal Pradesh needs to be noted. It is observed that a large part of Punjab's industry has shifted to this state as both the Centre and the state governments have provided tax benefits to the industry. One may attribute such a phenomenon to the footloose character of Capital but, at the same time, it may also be the result of much state coercion in terms of administrative harassment, tax collection etc. - a very high tax-GDP in the presence of tax-free agricultural segment seems to be an indication of this. This urges the state government to provide a favourable industrial environment in the state so that not only the medium and large industries but also the micro and small enterprises may find it easy to survive and flourish in this era of globalisation where the competition from both the internal and external markets is troubling the day-to-day survival of these enterprises.

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9They should be always free to contribute more, if they wish so.
8.5 Concluding Remarks

Thus, a detailed examination of the insecurity dynamics and a subsequent understanding of the NCEUS' interventions makes it clear that the labouring poor in India are experiencing a very high degree of work-related vulnerability. These findings gain further attention when there is an emerging opinion that the growth process has largely by-passed India's common people and as a consequence, as many as 76.7 percent of them have remained poor and vulnerable till 2004-05 (Sengupta et al., 2008). Such an outcome urges for some corrective measures - the provision of social security has been one of them.

Moreover, there is a need for enhancing the capabilities of common people so that they may become a potential source of growth. Our such an opinion finds basis in the fact that we are the second largest nation after China in terms of population. The stock of such large population can become an asset if it is developed properly. Till now, we have made progress in developing industry, agriculture, infrastructure, etc., but we have not gained much in enhancing the education and the skill capabilities of our people.

Even our employment programmes are designed in such a way that they leave little scope for workers' capability building. In such context, an apt example is that of the National Rural Employment Guarantee (NREG) Programme that is one of the largest public employment programme in India. There are inherent weaknesses in this programme as far as its facilitating role towards the workers is concerned. The workers under this programme are hired mainly to perform the hard manual work where the possibilities of enhancing worker's skill capabilities are negligible. It is very much clear from the nature of the programme itself that it is meant for unskilled workers. It does not aim at transforming these unskilled workers to the skilled ones - an option that could have endowed these workers with the potential to engage themselves in productive self-employment or into an effective human resource base, which, in turn, could have been instrumental in giving fillip to the growth process enjoyed by the Indian economy in an era of globalisation.

At times when we are talking of making education a fundamental right, it needs to understand that the poor families due to their poverty are not in a position to relish this right as they have to send their children for work to make their ends meet. Rather than advocating it as the fundamental right, it can be made compulsory under the Indian Constitution. In such framework, each and every citizen should be better educated and in cases, where child labour is emerging out of poverty, the state should come forward with its social security mechanism to educate and facilitate parents to let their children go for education and capability building. Such an approach will not only provide India the lasting and sustainable source of growth but also facilitate the functioning of its democratic