



RECENT TRENDS IN INDUSTRIAL LABOUR: A STUDY OF HOME BASED LABOUR

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Abstract

The informal sector contributes around 97% in employment generation which accepts the fact that many entrepreneurial set ups are based on the idea of outsourcing and cost reduction which has led to the creation of a different kind of segment in the labour force known as home based worker. The NSSO 66th round, (2009-10) has provided relevant data on home based workers and the 68th round covered self-employed and contractual workers. The study highlights the significant contribution of home based labour in industrial activity. It studies the terms and conditions of work of the home-based workers and self-employed workers. The study signifies the employment issues of these workers including women workers and also reflects their plight due to poor policy framework. The study is a descriptive and diagnostic research, largely based on primary data using interview schedule Data analysis is done using tables and pie charts.

Keywords: *Home Based Labour, Piece Rate, Govt. Support.*

Introduction

Flexibility in the labour market helps to lower capital costs per unit of output, thereby raising output capacity and potential employment. Today many home based workers produce under subcontracts for global value chains (Carr, Chen and Tate 2000). To cut costs and maximize profits, firms outsource production to home-based workers. Home-based work represents a significant part of the informal sector. The labour under study are engaged in different kinds of economic activities comprising of food and nonfood items ranging from making of novelty items like hairbands, hair bows, clips, metal hairbands etc., to stationary items like gum, pen, eraser etc, other items like tyre rubbers, mixture spare parts, cloth clips, papad making, automobile spareparts. The study covers socio economic aspects of home based labour which affects their decision making.

Literature Review

The paper “ Home-Based Workers in Ahmedabad, India” by Darshini Mahadevia, Aseem Mishra and Suchita Vyas, provides credible, grounded evidence of the range of driving forces, both positive and negative, that affect conditions of work in the informal economy over time. Some of the important findings are like the households have high work participation rates of 60 per cent and hence low dependency rates. Social constraints against going out for work was the main reason for doing this home-based work.

A South Asian Regional Consultation on National Policy for Home-based Workers in Pakistan October 14-15, 2008 at Islamabad on Recognising and Supporting Home-based Workers. The purpose was mainstreaming the needs of Home-Based Workers in national policies and programs with an objective to attain greater socio-economic security enabling them to face risks and vulnerabilities while ensuring their visibility and participation.

In another study on Women Home Based Workers Across Indian States by Tulika Tripathi and Nripendra Kishore Mishra. The paper focuses on women home based workers as they constitute the



largest part and are characterized by worst employment condition. The paper on the basis of the primary source of data i.e. NSS Employment-Unemployment Survey (2009-10) and also NSSO 66th round data agrees that certain industrial groups where share of home based women workers is higher. The average wage of home based workers is bound to be lower than non-home based workers. The payment received for the work carried out on order/contract is on the basis of piece rate.

A research article written by Jeemol Unni Uma Rani on Home-based Work in India: A Disappearing Continuum of Dependence highlights the growth of home-based work with the expansion of markets due to trade liberalization and increase in co-ordination costs of skilled workers within a firm. The research has been conducted to explore whether the expansion of markets and growth have led to the disappearance of home-based work or changed the relationships of dependence of the home-based workers in different sectors of the economy. The article finds a relationship between Economic Growth and Home-based Work in Manufacturing. Women worker are found to make a high proportion of home-based workers

Objectives

1. To study the terms and conditions of work of the home-based workers and self-employed workers.
2. To study the problems and issues of home-based workers.
3. To study the contribution of women in home based activity
4. To investigate the support facilities provided to the home based workers
5. To propose suggestions for the improvement in the status of the Home Based workers.

Hypothesis

1. The working condition of home based worker is poor.
2. There is significant dependence of people on home based activity.
3. There is a significant difference in the no. of hours people worked in home based activity and other work.
4. Home Based workers were mainly composed of women workers.

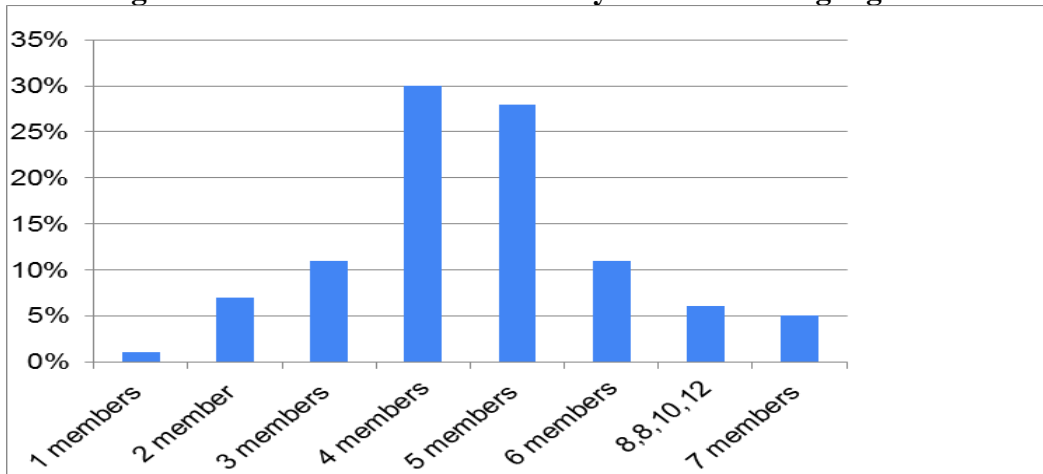
Data Analysis

Firstly, data is collected of home based workers through survey i.e. questionnaire method, which covers the industrial area of Vasai East, Nallasopara East in Palghar district which has huge demand for informal labour. The industrial area surveyed is further classified into 4 sub areas depending on the availability of the home workers. Data from areas like Gorai pada, Sativali, Wakhanpada and Tulinz has been covered. There is good growth of hotels and restaurants in the nearby which creates demand for food related work like many home based workers were involved with papad making, chapatti making, garlic cleaning, khakra making etc. Women get collected at one house, bring their material to finish, sit together and finish their work. They also allow their kids to help them. From the sample study of 100 informal labourers, 94% workers work for nonfood segments.

After conducting focus group discussions the researcher could found many complaints of the women from nonfood segment for not getting the work on a regular basis. This reflects the fact that women are in need of job but due to less education, household responsibilities, taking care of kids, men taking the lead and not allowing the women to go for office job etc.. 16 women out of 100 total women workers are not able to go for office work and has to remain at home in a compromising state.

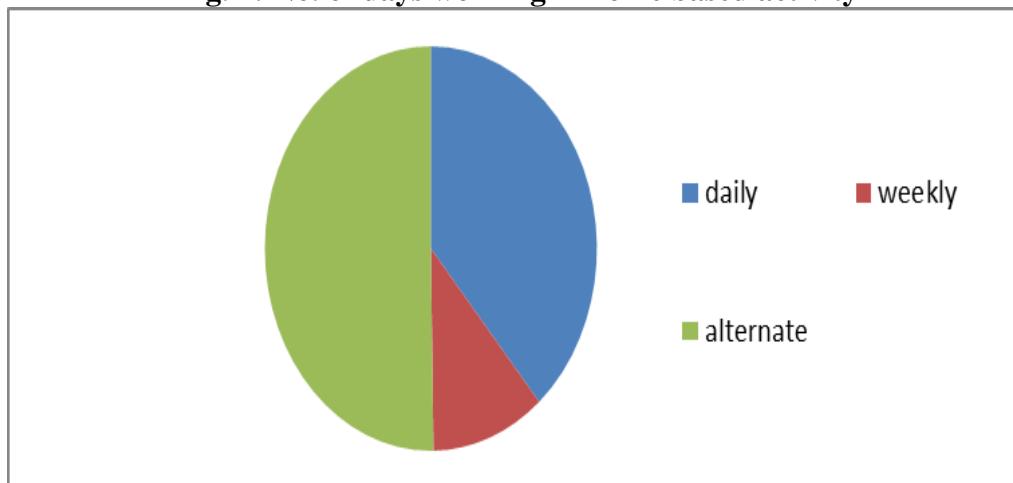


Fig.1: Household Size / No. of Family Members living together.



80% of the sample has a household size of 4 or more members at home to look out for, out of which only 1 member is going out for work (usually men of the house), leaving women with kids and old parents at home. Some of the respondents were single ladies into the retirement age with no other family member at home to support financially. These ladies were fully dependent on the wages which they receive from home based work. Their daily earning from this work comes to around Rs.120/- if they sit for long hours. The above data shows that those households having more members into their family were more dependent on the home based activity. Hence there is significant dependence of people on home based work.

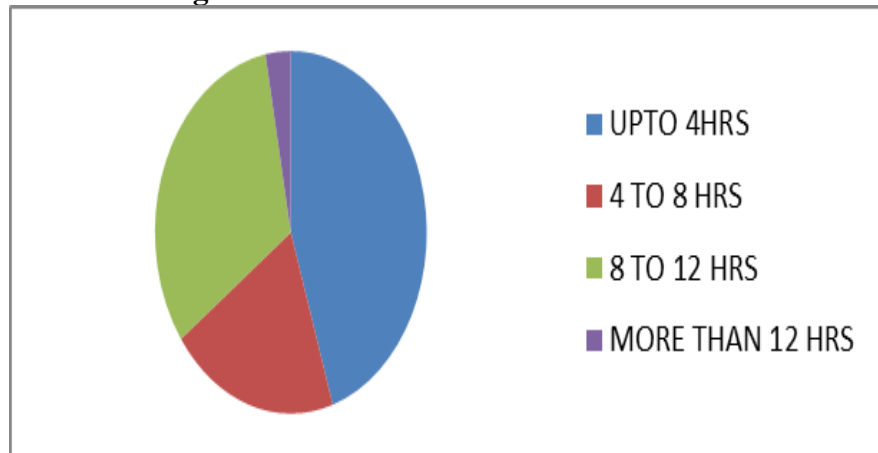
Fig. 2: No. of days working in home based activity



77% of the workers agreed to work on daily basis and remaining 22% do it on weekly basis where work is taken but work is actually performed in 2 to 3 days in a week. There is less work taken on target period. Around 65% of the respondents have no target based work that means they can take and finish their work according to time availability. Most of the home based workers are paid on piece rate basis where actual payment is done on monthly basis in cash. Hence there is significant dependence of people on home based work.



Fig.3: No. of hours devoted for home-based work



For food segments like papad making, women finish mostly 5 kg papads per day, spending 4 to 8 hrs daily. However this segment has serious time challenges. Women who have enough of family members to help would only take up this work. Even in papad making, wage rates are very high as compare to other non-food segments, still many women avoid to take this work being more tedious.

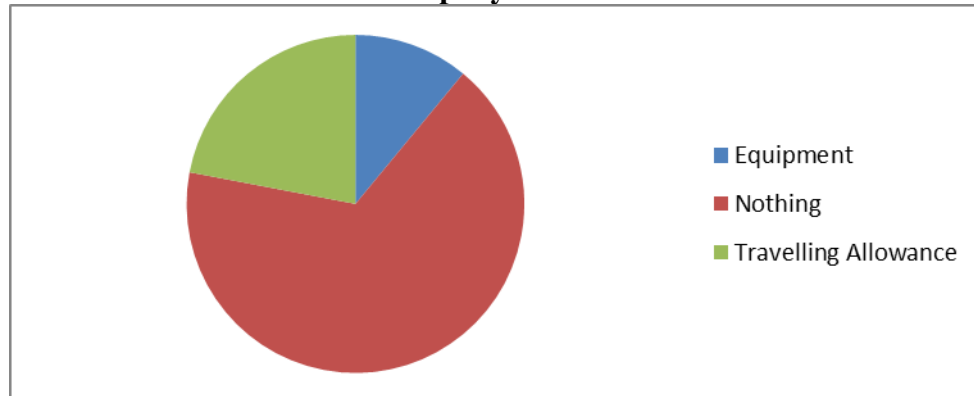
32% of workers work for around 8 to 12 hours per day. This women were mostly engages in novelty items like clip making, sticking jewellery stones into necklaces, here most of the women had an complain about the wage rates being very poor. For sticking 1000 stones in necklaces, they would get Rs. 22/-. This work a lot of attention or focus, they have to continuously stare while making such ornaments which put heavy pressure on their eyes. Many women left this work due to poor eye sight and poor payments. **Only 20% of the workers were spending 4 to 8 hrs. on home based activity.** Except papad making units, where employees are paid Providend Fund by the papad unit, yearly cash gifts, and the company keeps proper documents of the workers. However the company does not ask the workers to use company's premises for the work assigned. The workers have to use their own electricity, oil, equipment like bulb, wooden basket etc. which is an additional cost to them.

Women who at least worked for 270 days in a year gets bonus. Cash gifts of around 15,000 are paid to workers. There are many more incentive are provided by the papad making unit like Providend fund deductions and scholarship amount for their kids. Lizzat Papad Company exist in Shriram Nagar, which is a far off place, women from Sativali and Tulinz area go personally to collect the papad dough. However at some places company provides home delivery of the papad dough.

Similarly in case of non-food segments, workers use their own equipments to finish the work. There is no record of home based workers working with the company. It is purely non contractual kind of work, where job insecurity is very high. Some of the important reasons for undertaking home based work is flexibility of time, more family burden, additional income and less education of female workers due to which she get occupied in the work which she can manage from home while undertaking other responsibilities.



Fig.4: Whether Support facilities like equipment, travelling allowance are provided by the company or not?



As far as wage rates are concerned, home based workers are dissatisfied with the wages rates they receive which they receive on piece rate basis. Around 52% of the workers are of the opinion that their wage rates are poor and have not increased since last 3 to 4 years. Only a few who are working with papad units seems to be happy as they receive around Rs. 300/- per day. 49% workers have agreed to get increased wage rates but the increment has been by Rs. 2 to Rs.3 only which clearly depicts their plight and exploitation at the hand of subcontractor. 66% of the workers agreed to receive payment on time i.e. monthly while 34% complained for not receiving the wages even after 3 to 4 months. In few cases it took 2 years to finally settle with their wages.

Findings

The study helped in deriving at certain statements. It was found that the Home Based workers were mainly composed of women who in their spare time (spending maximum 4hrs in a day) (fig. 03) were doing this home based activity. The area under study showed that most of the Home Based workers were engaged into nonfood industry work, which means these women could not devote continuous time in the work as it is required in papad making or chapati making but they were more keen in getting nonfood work which they can finish as per their convenience. The workers are paid on piece rate basis where there are reductions in case of loss of any kind. Their daily piece wage rates were different depending on the work. Example if they are engaged in making of a necklace, the average daily wage would be Rs.22/- per day and Rs.19 in clip making, except womens working in food industry were paid more. Like in papad industry, home based women were paid Rs.300/- per day along with facilities like Provident Fund, Scholarships for kids for higher education and cash gifts. The working conditions of home based workers requires attention of the govt to implement a national level policy as they receive neither help from any local politician nor any NGO or government agency.

From the study, we can come to some important findings:

1. Most of the home based workers are women
2. Wages paid to home based workers are very low as compared to onsite workers
3. There is good scope of increment in wages available to onsite workers. Whereas with respect to home based workers, the wages remained same and even were not paid on time.
4. There is a big chain of contractors and sub-contractors between the home based workers and the firm. Hence there is no point of contact between the workers and the firm.
5. Since there is no formal relationship between the Home Based workers and the firm, hence no support facilities are provided by the firm.



Scope of the study

The study covers the food and non-food industries like rubber industry, steel industry, novelty making industry, textile industry, and other light consumer products of Vasai (East) who use the services of home based workers(contractual and sub contractual) and also self-employed workers. The study includes a sample size of around 100. The study includes a multiple stakeholders approach covering home based workers, self-employed workers, sub-contractors and contractors. The study is limited upto Vasai east and Nallasopara east in Palghar district.

The paper signifies the wage earnings of the home based workers and also reflects their plight due to poor policy framework. Data collection is based on primary methods such as questionnaire/schedule and is supplemented by interview. Focus group discussion is also conducted at places where the home workers were available in good numbers at one place at one time.

Suggestions on Policy Implication

From the survey, it is very clear that there has been no point of contact between the home workers and the firm. Hence their plight is not known to the firm. The subcontractors decide what quantity of material to be given to home workers, and also how much to pay. It has been observed from the data there has been no increment in the payment in the past 3 to 4 years or if that all increment is there its negligible. Hence there is a serious need of creating a link between the two. There are good reasons for this. Firstly there can be better terms of trade like wages could be increased, cost of support facilities like rent, transportation cost etc. which are totally borne by the workers could be facilitated by the firm. Secondly, the chain of subcontractors and contractors would be eliminated and hence there will be cost cutting for the firm. This would also put pressure on the company to follow labour laws or at least regularize the wage rates. This would also suggest the government to come out and implement with some national level policy for the benefit of the home based workers. Whatever policies are there, there is no implementation seen and hence the plight of these home workers has been very poor over the past decade.

Conclusion

The paper argues that the economic reforms like globalization has led to expansion of markets in India. This expansion of markets heightened the economic activity in all the segments of the production systems. Home based workers contribution has gained significance in under develop and developing nations where contractual form of labour is in huge demand. It is also quite profound to observe that this category of labour is widely available to industries under compromising wages, with no support from the govt. The data interprets the life and struggle of these workers, where a household whose average family size is 04, puts on an average 4 hours daily in home based activity, earns a bare minimum, with no support from the company or govt. The shocking fact is that it's not a small no. but rather in the area of Vasai East, Palghar district in Maharashtra which has industrial set up, the number of home based worker is sprawling widely. Each household if one person leaves for factory, then one person is engaged in such activity. Finally what we expect is if such a large section of laborers are engaged in this activity, then there should be a national level policy for the betterment of these workers.



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