

Insecurities of Informal Workers in Gujarat, India

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List of abbreviations

ICDS	-	Integrated Child Development Scheme
ILO	-	International Labour Office
ITI	-	Institutes of Technical Training
MBO	-	Member-Based Organization
NGO	-	Non-Governmental Organization
NSSO	-	National Sample Survey Organization
PDS	-	Public Distribution System
PHC	-	Primary health care
PSS	-	People's Security Survey
PTI	-	Polytechnic Institutes
SEWA	-	Self-Employed Women's Association
UNDP	-	United Nations Development Programme

Glossary of terms in Hindi/Gujarati

<i>Balwadis</i>	-	pre-school for infants
<i>Bidi</i>	-	indigenous cigarette
<i>Kutcha</i>	-	non-permanent structure
<i>Mandal</i>	-	bank
<i>Parivartan</i>	-	change
<i>Pucca</i>	-	permanent structure
<i>Shroffs</i>	-	moneylenders
<i>Taluka</i>	-	an administrative sub-division

1. Conceptualizing social protection

According to the World Bank's World Development Report (WDR) 2000-2001, of the 6 billion people in the world, 2.8 billion - almost half - live on less than \$2 a day, with 44 per cent of them living in South Asia. Reduction in poverty remains a distant goal in some parts of the world even today in the midst of global wealth. In India all eyes have been focused on the benefits and growth accruing from the economic reforms initiated in 1991. However, the Economic Survey (ES) 2001, just released, indicates that the country produced only 6 per cent growth in the previous year, well below the expected growth rate of 9 per cent. The percentage of persons living below the poverty line has however been declining, and has come down to 26 per cent according to the latest National Sample Survey (NSS) 1999-2000 estimates. This implies that 260 million people still live below the official poverty line.

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While growth is important, the reduction of poverty remains a major goal of the growth process. It is recognized that while there is evidence that growth has strong poverty reducing effects, it is also essential to increase work opportunities. The most effective link between growth and poverty is employment. This is particularly significant because, though population growth is slowing down, the growth rate of persons in the working age group 15 to 60 years will be higher than ever before.

The majority of people in India (90 per cent) work in the informal sector. This sector produces over 62 per cent of the national income. Obviously, stimulating the growth potential of this sector will lead to a spurt in both growth and poverty reduction, since it is mainly the poor who work in this sector. While the public sector is shrinking, growth in the private corporate sector is still too narrow and focused on the better-off sections to lead to any large-scale reduction in poverty. Promoting the productive capacities of the informal sector is a slow process, but therefore the most effective method to simultaneously increase employment and reduce poverty.

Workers in the formal sector are entitled to social security to some extent, while hardly any such benefits accrue to workers in the informal sector; and there is a definite link between gender, informality and poverty in most of the developing world (Sethuraman, 1998). With the increasing informalization of the workforce and the large number of persons below the poverty line, there is an urgent need to focus on increasing productivity in the informal sector and on social security for informal sector workers. Social security in the developing countries has to cater to a diffused population, which cannot be located or tracked down in institutions like a factory or establishment. As we shall discuss below the sources of insecurity of the workers are such that the deficit of social security faced by them is more than just food, health, shelter and education.

1.1 The concept of social protection

The growth of the informal economy, particularly in developing countries, implies increasing income insecurity and vulnerability of the workers. It is the contention that the concept of social protection needs to be broadened to include economic security and not just confine itself to social security for contingencies, or what is termed basic security. Dreze and Sen (1991) had developed a broader concept of social security or social protection. They distinguish between two different aspects of social security they call “protection” and “promotion”. Protection is concerned with preventing a decline in the basic conditions of living. It is important in dealing with sudden economic crises, famines and sharp recessions. The promotional aspect of social security is broader and includes eradication of problems that have persisted for decades, such as poverty. The objective of promotional social security is “enhancing normal living conditions and dealing with regular, often persistent, deprivation”.

Many terms are currently in use in different parts of the world and by different international agencies concerned with social protection for the poor. Some of the commonly used terms are social security, social insurance, social assistance, safety nets, social funds and social protection. These terms are broadly defined here before setting out the notion of social protection we shall use in this paper.

The ILO consolidated the notion of social security at the 1952 International Labour Conference with International Convention No. 102 on Social Security (Minimum Standards). A comprehensive definition was proposed which included nine core contingencies leading to the stoppage or substantial reduction of earnings, to be covered under social security. These were sickness, maternity, employment injury, unemployment, invalidity, old age, death, the need for long-term medical care and supporting families with children.

This ILO definition actually covers two types of social security: social insurance and social assistance. Social assistance broadly covers persons with various types of disability such as old age, illness, disability etc. It is more likely to be non-contributory. Social insurance covers workers of different categories and refers to a system through which they contribute to their future security, e.g., cover against injury at the workplace. The word social implies that the market alone cannot take care of these contingencies.

Social safety net is a more recent term, used for the compensatory measures advanced to mitigate the negative impact of structural adjustment programmes in developing and transition economies since the 1980s and 1990s. Social funds, propagated by the World Bank, are a means of financing the social safety net programmes.

Social protection is a new term used to encompass all these concepts, and acts as an umbrella term to depict social security. Unlike social insurance and assistance, it is related to poverty reduction or alleviation (Lund and Srinivas, 2000).

In the developing countries, a large proportion of the population is engaged in self-employment and in informal activities, and is difficult to cover under formal schemes of unemployment benefits, health insurance and other such measures. The approach followed in the developed world, therefore, may not be suitable to, or effective in, the developing countries. Rampant poverty among spatially dispersed rural populations also makes such schemes difficult to administer. Given the dimensions of the informal economy and massive and persistent poverty in developing countries, the concept of social protection has to include the idea of productive employment and poverty reduction.

The goal of assuring sustainable livelihoods to the population should be part of the social protection policy of the state. A comprehensive social protection policy should include three broad categories: promotional measures that aim at improving endowments,

exchange entitlements, real incomes and social consumption; preventive measures that seek to avert deprivation; and protective measures to provide relief from deprivation (Guhan, 1994). The ILO's new goal and concept of "decent work" matches with this broad concept of social security. One of the essential features of the decent work approach (ILO, 1999) is that everybody is entitled to basic social protection.

1.2 Conceptual framework

There is an increasing awareness that the goal of development has to be social justice and not economic growth alone. To put it differently, economic growth is worthwhile only if it leads to social justice in the form of equitable distribution, poverty reduction and reasonable incomes; provides for basic securities such as health and education; and promotes political, cultural and economic freedom.

Elson and Catagay (2000) pointed out the need to judge the soundness of macro economic policy not just on market-based criteria, but on the achievement of desired social outcomes such as distributive justice, equity, freedom from poverty and discrimination, social inclusion and the development of human capabilities. Standing (1999a) articulated it by saying "a good society is a just society. ... A just society, and by implication a good labour market, requires policies and institutions that enhance self-control and basic security". Distributive justice requires that everyone in society should have basic security and self-control (Standing, 2000). Basic security and control together is empowerment or the feeling of control. The pattern of control is what differentiates different types of work from each other, though in fact it is difficult to interpret. For example, the formal sector wage employee has little control on the nature of his work or time schedule. In the informal sector, a piece rated homemaker has very little control on the designing of the product, but apparently has control over the use of her time. In reality, however, this apparent control adds little to her well being since she often has to resort to self-exploitation to make ends meet. In Standing's view, basic security for all includes freedom from premature mortality, freedom from fear, being in control of one's development, sustainable self-respect, minimal income security - a "floor" to downside risk - and voice representation security. Self-control includes equal good opportunity for occupational security.

In developing economies there is a large informal segment in the labour force, earning low levels of income without any social protection. Poor quality of employment on a large scale means that economic growth does not cater to the needs of a large segment of the workers. This not only widens the disparities in income, but also restricts the access of the poor informal workers in achieving their minimum needs. To achieve social justice or reduce the inequities would require social protection measures to cover both basic needs and economic security of the informal workers. The basic needs relate to food, shelter, health, education and income. Economic needs are for productive employment, access to capital, markets or demand, and legal recognition. The original concept of social security that covered only contingencies is no longer sufficient. Instruments of social protection need to be visualized to meet all these core needs of the people.

The idea of social security has taken on many hues and many international agencies have been considering various methods of providing it. In this study an attempt was made to conceptualize a slightly broader concept of social protection. Social protection was placed in the context of work, informality and gender.

1.3 Causes of insecurity

It has been suggested that orthodox social security schemes fail to address the fundamental causes of income insecurity and vulnerability facing workers in the informal

sector because they were not so designed (Canagarajah and Sethuraman, 2000). Risks to income security for workers in the informal sector in developing countries are more often derived from the conditions governing their employment and income generation, viz., and informality. Orthodox measures for social protection are more in the nature of coping with risks arising from various contingencies and fail to address the fundamental causes of insecurity and vulnerability. Any approach towards social protection for workers in the informal sector would therefore need to be comprehensive, aimed not only at protecting against contingencies, but also at promoting income security through the elimination of risks.

The sources of insecurity faced by the workers in the informal economy are of two types. One source of insecurity is the random shocks that hit households from time to time, or contingencies. These shocks could be economic in the form of illness, loss of a job, inflation, social expenditures, death of an earning member, etc. The shocks could also come in the shape of a natural calamity such as a drought, cyclone or earthquake. The need to tackle or cope with crises or risks essentially rests on the protective aspect, which concentrates on risk management and insurance schemes which allow people to cope with individual risks such as illness, accidents, widowhood, disability, old age, and death, as well as collective risks like drought, bad harvests, natural disasters, riots, etc. People's capacity to earn an income is subject to many risks; a particular source of income security can be effective in dealing with one risk, but of little help in dealing with another. Collective and co-variate risks, such as drought, bad harvests and natural disasters affect many people's income security in developing countries. Generally speaking, existing social security systems do not specifically address these risks and cover them only through general social assistance.

A second source of insecurity is the structural features of the household or individual which remain more or less constant over a period of time. These include age, marital status, gender, ownership of assets and caste. An important structural feature that affects workers is their activity status that is whether the worker has a salaried job or is a casual employee or self-employed worker. This is particularly important for workers in the informal economy, who do not constitute a homogeneous group. Heterogeneity in the informal economy is reflected by the different activity status categories of the workers. Social protection needs of the workers are likely to differ by the activity status, gender, rural-urban location, industrial sector and the stage in the life cycle of the worker or his/her household. We highlight below the significance of analyzing social protection needs separately by these broad dimensions of the labour market.

1.4 Activity status

The labour market in developing countries is markedly different from that in the developed countries. In fact, the very notion of labour market has been questioned on the grounds that it is not clear what is being sold in this market and that it is in fact different from a commodity market (Standing, 1999b). Conventional analysis considers a labour market as the place where prospective employees offer themselves for work; enter into an explicit or implicit contract with an employer for a wage. However, this notion of a labour market is called into question by the position of self-employed workers who constitute a major proportion of the informal economy in developing countries.

In the classic conflict between capital and labour, or employers and employees, self-employed workers do not figure. In most theories of the labour market, or frameworks of enquiry, self-employed workers are assumed to be a transient category, which will disappear with development. When their existence is recognized, these workers are dismissed as engaged in "petty commodity production" or "petty trade". Otherwise they are subsumed under the capitalist production process, being linked to it through sub-contracting arrangements. Self-employed workers are a nebulous category because they

neither have sufficient capital nor are they purely labour. Self-employed workers combine the use of (mainly) their own capital and own or family labour to generate employment and incomes for themselves. The distinguishing feature of self-employment is lack of a clear-cut employer-employee relationship, even of a temporary nature.

Self-employed workers in developing countries, furthermore, engage in multiple activities and also often offer themselves for wage employment. They in fact make a choice between self-employment and wage employment (Unni, 1996). Self-employed workers affect the supply side of the wage equation. If a large proportion of the self-employed offer themselves for wage employment, they would in fact drive down the wage rate. Therefore, any notion of the labour market has to consider the self-employed workers as part of it, particularly in the developing world. While the proportion of self-employed workers may have declined over the last two decades, they still constitute a major segment of the labour market. In short, they refuse to disappear.

1.5 Gender

While the growth of the informality in the emerging labour market is inevitable, women's employment in the informal sector is also likely to rise due to various reasons. With the adoption of the structural adjustment programme in India, women have tended to loose ground in the formal sectors of the economy. The process of globalization, export-oriented industrialization and relocation of industries from the developed to the developing countries has also lead to an increase in employment in the informal sector. Women's employment is often favoured in many of these industries. Women workers tend to be concentrated in certain sectors of industry and in certain status categories, where they are generally confined to the low skilled, repetitive kind of jobs. Thus the gender dimension of work leads to specific insecurities faced by women. Their double role in both the productive and reproductive spheres also leads to specific social security needs. Hence gender becomes an important structural factor in understanding insecurity and designing social protection schemes.

1.6 Regional and industrial dimensions

The informal economy again varies by its regional and industrial dimensions. The broad industrial division is that of agriculture and non-agriculture. While most of the agricultural sector is based in the rural areas, non-agricultural activities are located in rural and urban areas. The insecurities faced by workers in agriculture are seasonality, dependence on monsoon or irrigation etc. The insecurities in the industrial sector vary by sub-sectors. The needs of the workers in these sectors and regions determine their social security needs.

The insecurities faced by workers in the informal economy are different and more severe than those faced by workers in the formal economy. They also have fewer informal institutional arrangements to take care of contingencies. The analysis of social protection for the workers in the informal economy needs to take into consideration the broad structural factors that affect security in the labour market. Hence the investigation of social protection will be analysed taking into consideration the activity status, gender, location and industrial sector in which the worker is engaged.

It is important for social protection to address the two types of insecurities previously described (figure 1). While structural factors and random shocks have an impact on both basic and economic insecurities, structural factors in particular need to be addressed while dealing with economic insecurities. In fact, structural features threaten the economic security of workers and any meaningful policy for social protection for the poor, or for the informal economy, have to directly confront this reality. Broadening the goal of social

protection - from risk minimization or alleviation to risk elimination - would however imply a shift in the strategy - from preventing a fall in income or minimizing its fluctuation to raising the level of income. This requires fundamental reforms that attempt to modify the institutional environment in which the informal sector functions.

1.7 The role of institutions

The theoretical debate on the role of the state and that of markets has veered from one extreme to the other over the centuries. After the Second World War there was a worldwide rejection of the *laissez faire* doctrine, which had failed during the inter-war period. A variety of theories, the most important being Keynesian's, welfare economics and early "development economics", gave importance to the role of the state. These theories identified a number of "market failures" and argued that active state involvement was necessary to correct them. However, from the 1970s onwards, a group of neoliberals, such as Milton Friedman, Ian Little, Anne Kruger, argued against state intervention on the grounds that one could not assume that the state was impartial. In fact the state was run by a set of self-seeking politicians and bureaucrats who were also under pressure from certain interest groups. This imperfect nature of the state resulted in "government failures". They argued that the cost of government failure was greater than that of market failures (Chang, 2000).

This debate is clearly relevant in the area of social protection. The needs for social protection and for the institutional mechanisms that can create instruments and deliver them are a source of major controversy. In the sixties and seventies, the global view was that economic growth would lead to increasingly larger proportions of the labour force being absorbed in the formal sectors of the economy with clearly established employer-employee relationships. These jobs would ensure minimum levels of income so that social security would only be required to meet contingencies that lead to loss of income such as illness, maternity or death of an earning member. The role of the state in assuring these contingencies was recognized.

Both these basic expectations, of the absorption of the labour force by the formal economy and of the state's role in the event of contingencies, were slowly belied in the nineties. It is now acknowledged that a growing proportion of the labour force even in the developed economies is being absorbed into the informal economy. The characteristics of activities in the informal economy are a lack of clear-cut employer-employee relationship and income levels that are in general lower than those obtained in formal jobs. The absence of an employer-employee relationship makes it difficult to decide at whose door the burden of provision of contingency benefits should be placed. The contours of the debate on the role of state have also changed and this has had its impact on the need for social protection and who should provision it.

The broad contours of the debate, and actual implementation of social protection measures, have been laid down and carried out by the three major international agencies. While the ILO was instrumental in originally defining the concept of social security, the World Bank (WB) was a proponent, till recently, of the concept of social safety nets. The United Nations Development Fund (UNDP) made a pioneering contribution in the early 1990s of the concept of human development, which broadened the idea of basic human rights.

Today, the state's role in the provision of social security has come under attack. The WB more recent Social Risk Management framework is clearly an argument or method of justifying the privatization of instruments, particularly in the form of insurance, for all forms of risks. A role for the state figures on the agenda of the human development framework of UNDP where the provision of certain basic securities such as education and

health are concerned, though it is not so clearly articulated. However, it remains an important, and in fact is the most important institutional mechanism to deliver social protection. It is possible that the role of the state may have changed, but its basic responsibility towards the provision of certain minimum needs cannot be brushed aside. The growing role of markets in the provision of social protection is also recognized. Besides the state and markets, however, there is also a third form of institutional mechanism, civil society that also plays a role in delivering social protection. This appears in the form of individuals, social networks and non-governmental and member-based organizations.

The institutional mechanisms to deliver social protection instruments are found in the institutions of the private sector (the market), the public sector (government) and civil society. There could be many methods to solve even a single problem. That is, each need could be met by more than one instrument and delivered by more than one institution (figure 1).

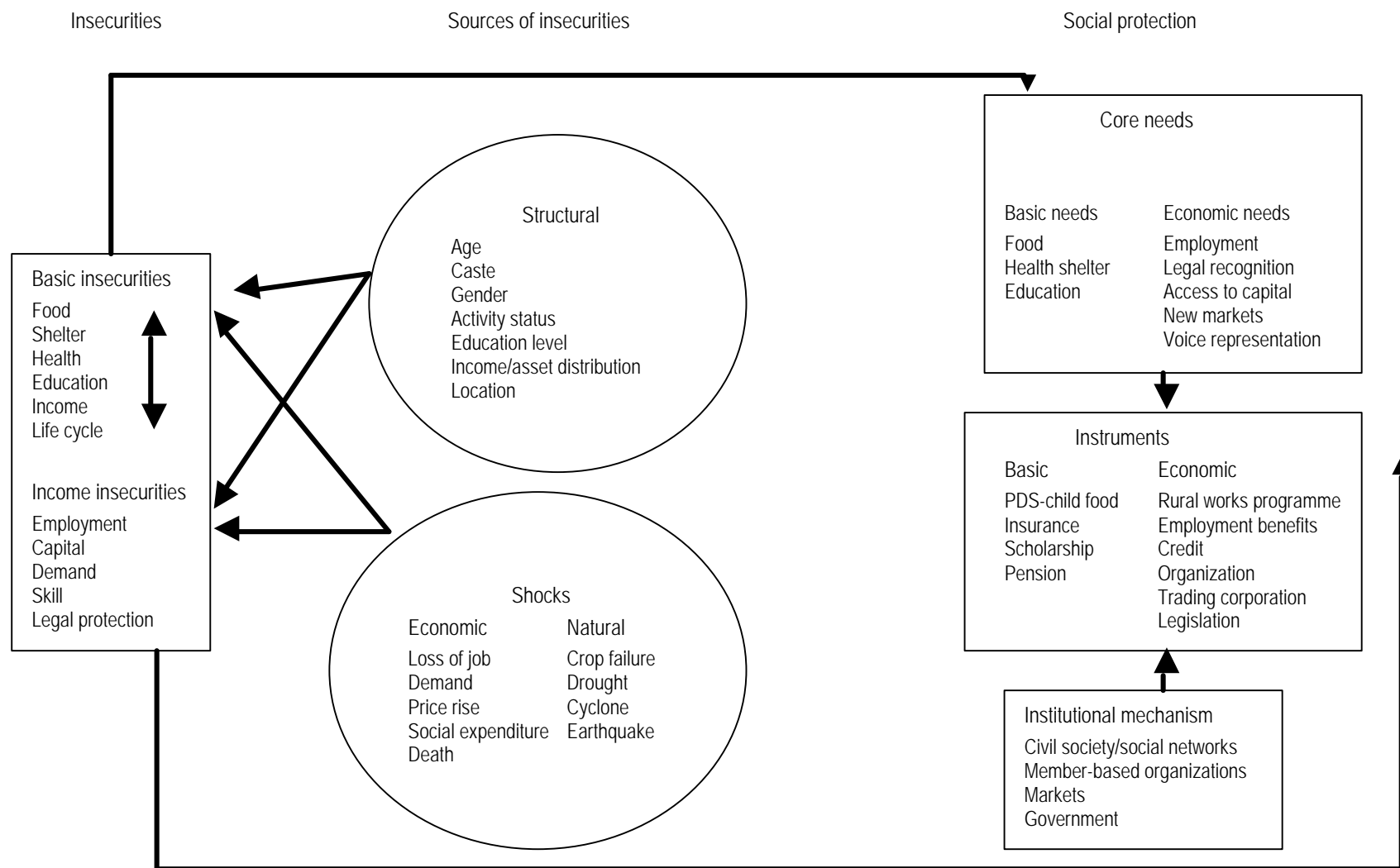
As noted by Dreze and Sen (1991), the notions of “promotional” and “protective” social security have a somewhat paternalistic ring. However, the terms refer to the objective and not the agency that would help to deliver it. The authors argue for public action for social security that includes the state, the public and the participation of all those involved. Similarly, although the emphasis is on the importance of the state, no paternalistic role of the state is envisaged. The role of markets, non-governmental organizations (NGOs), member based organizations (MBOs) and civil society is equally important.

A two-fold approach to security as basic and economic is analytically (theoretically) useful to demarcate the insecurities faced by different sections of the population. It helps to visualize the different kinds of core needs for social protection. It is also useful to highlight the fact that the root cause of the insecurity lies in the nature of work: informal, low quality employment. Insecurities do not arise solely from random shocks.

1.8 Definition of social protection

The concept or framework for social protection is distinguished between basic and economic securities. Social protection is defined to include basic social securities such as income, health, education, support in old age, etc., following on from a human rights approach; and economic security, i.e. having income-generating productive work with minimum labour standards applying to all forms of work. While basic securities are citizen-based and universal, economic securities are work-based. In this approach to social protection, the link between basic and economic securities is recognized.

Figure 1. Social protection for the informal worker



1.9 The People's Security Survey (PSS): objectives

The broad conceptual framework of social protection just discussed is going to be used to analyse the issue of the insecurities people face, as part of a PSS carried out in Gujarat State, India. PSS were designed by the ILO to address the issue of insecurity related to people's income and work in today's working environments. This study focuses on workers in the lower segment of the informal economy. The key purposes of the survey were the:

- /// measurement of insecurity to create indices of socio-economic security;
- /// identification of the sources of insecurity: to identify the factors that undermine security;
- /// search for what poor people in the informal economy perceive as their core needs for social protection.

In this chapter the concept of social protection and the need to use a wider definition to include both basic and economic securities where developing countries are concerned is discussed at length. In the next chapter the focus will be on the methodology, sampling design and technique, and the estimation procedure. In the third chapter the different kinds of crisis and economic insecurities faced by the informal workers, the instruments of social security and the institutional mechanisms to deliver them is analysed. In the fourth chapter, the basic securities are discussed. The fifth chapter analyses the informal workers representation and perception about organisation. It also looks into the influence of a member-based organisation, SEWA on its workers. The final chapter summarises the findings of the study.

2. Introduction to the survey

PSS are intended to help the construction of indices of socio-economic security. Measuring insecurity of workers in the informal economy is not an easy task and involves a complex process. In this chapter the methodology adopted to collect the data to measure actual and perceived levels of security of the workers is addressed.

The ILO has identified seven broad forms of security in the labour market for workers and an attempt to collect information on these seven forms of basic security was made (Standing 1999b).

- /// Labour market security: it arises from the availability of employment opportunities for all those wanting work. For individuals it implies the security of having income generating work.
- /// Employment security: security from loss of current work. For employees, this refers to arbitrary dismissals. For workers without a contract, this could refer to the chances of keeping current work.
- /// Occupational/job security: arises from the existence of regulations and institutions that enable people to obtain and retain a niche and to pursue an occupation or "career". For individuals it implies security of having a life long occupational niche or career with opportunities for advancement and improvement.
- /// Work security: it is the security of having reasonably safe and healthy working conditions. The concern here is for stress as well as for the physical safety of the workers.

-
- ✍ Skill reproduction security: this covers basic rights to access education, health services and training opportunities in order to develop the skills required in the labour market.
 - ✍ Income security: defined as an assurance of a reasonable income corresponding to the individuals' perceived needs, expectations and aspirations. It is the security of having sufficient income, based on a broad concept of income, including non-cash benefits and in-kind income.
 - ✍ Representation security: arises from the strengthening of institutions and processes that are sufficiently representative and responsive to promote distributive justice and dynamic efficiency. It implies the security of having a collective voice to represent one's rights and interests at work.

The securities developed above primarily refer to economic securities, attaining productive incomes and they do not include basic security related to accessing food, health, education and shelter. As set out in the conceptual framework, social protection is broadly defined to include both economic and basic securities. In the survey, information on both the economic and basic security of workers was collected.

2.1 Methodology

The generic PSS questionnaire developed by the ILO seemed on the whole to address issues of insecurity related to the developed countries. It appeared that the questionnaire did not address many issues crucial to developing countries. However, the questionnaire was tested more or less in the original form. In the field it became apparent that it was not capturing much of the reality. This was because sizable proportions of the workforce in the developing countries are self-employed rather than wage and salary earners. Most of the questions had a focus on the employees, and did not address the problems or issues faced by the self-employed.

Furthermore, a number of questions about insecurity in the original questionnaire were subjective and based on the perceptions of the respondents. The survey showed that the poor workers in the informal economy who were informants were able to visualize only their own reality, and could not comprehend many of the hypothetical questions. This was partly due to their being less literate. Some questions on themes like unemployment benefits were clearly framed for a developed country context and did not seem applicable in India. The responses were always in the affirmative whenever a mention of the government was made.

After field testing the questionnaire, it was felt essential to include more factual questions on the situation of the respondent, and to exclude questions which were either out of context or very perceptual (beyond the comprehension of the informants). Questions for self-employed workers and for workers in rural areas were also included.

For example, in the original questionnaire, the questions on income security and insecurity were largely based on perceptions but there was no measurement on the basis of which one could objectively assess the responses. Factual questions on income, both individual and household, were therefore incorporated. Similarly, questions on labour market, employment and occupational security were also largely perceptual. Factual questions on employment, capital, debt and other variables were therefore also included.

Finally, questions addressing the insecurities faced by self-employed workers, such as capital and market/demand security¹ was added.

The generic questionnaire attempted to capture actual and perceived insecurities faced by the workers. Insecurity in work and incomes is only partly objective. Perceptions about insecurity are subjective, based on individual experience, actual knowledge, expectations and opinions. Experiences and expectations are influenced by the economic, social and cultural norms of the society in which people live and work. The modified questionnaire first attempts to capture the actual level of each type of security of the respondent. This is measured by collecting factual information. Then the perceived level of insecurity is measured by obtaining the respondents' perceptions about their insecurity.

2.2 Sampling design

The PSS conducted in the urban and rural areas in and around Ahmedabad city in Gujarat State proposed a sample of 1,200 workers, consisting of 1,000 women and 200 men. However, the size of the final sample surveyed was 1,236, out of which 611 were in the urban areas and 625 in rural areas. The sample included a sub sample of 100 women from SEWA, a member-based organization and trade union in Ahmedabad. The sample was split into four activity groups consisting of casual labourers and salaried, self-employed and piece-rated/home-based workers in both rural and urban areas. The proposed and the final sample in both the rural and urban areas are presented in table 1. The questionnaire (Annex 1) was canvassed among the age group of 18 to 60 years.

Table 1. Sample households

Employment status							
Original sample: rural	Original villages			Additional SEWA villages			Total
	Male	Women	SEWA	Male	Women	SEWA	
Self-employment in agriculture	30	135		-	-	-	
Self-employment in non-agriculture	30	90		-	-	-	
Salaried	20	90		-	-	-	
Casual labourers	20	135		-	-	-	
Total	100	450	50	-	-	-	600
Actual sample: Rural							
Self-employment in agriculture	30	137	9	-	-		195
Self-employment in non-agriculture	33	90	-	-	-	2	125
Salaried	22	98	-	-	-	7	127
Casual labourers	21	129	4	-	-	24	178
Total	106	454	13	-	-	52	625

Employment status				
Original sample: Urban				
	Male	Women	SEWA	Total
Self-employment in Agriculture	30	135		
Self-employment in non-agriculture	10	135		
Salaried	30	90		
Casual labourers	30	90		
Total	100	450	50	600
Actual sample: Urban				
Self-employment in agriculture	40	139	14	193
Self-employment in non-agriculture	8	138	12	158
Salaried	24	91	22	137
Casual labourers	28	89	6	123
Total	100	457	54	611

¹ For the self-employed worker the potential for growth implies future markets in the same products or new products and markets, which means market or demand security.

In the conceptual framework discussed earlier, emphasis was placed on the structural features of the workforce and their impact on the insecurities faced by the workers, saying that the structure of the workforce (in terms of activity status, gender and regional location of the workers) had a bearing on the insecurities workers faced. A stratified random sampling procedure was adopted in which the population was stratified by activity status, gender and rural-urban location, such that adequate samples of each type were obtained. A simple random sample of workers was likely to be biased towards men and self-employed workers.

An additional dimension was the influence of a member-based organization on the insecurities faced by the workers. This was intended to help with the understanding of representation security, which constitutes an important dimension of security in the ILO framework. Hence, a small subsample of women members of SEWA was included.

2.3 Sampling procedure

It is important to clarify at the outset that only the sample of non-SEWA women and men were stratified by activity status. The SEWA sample was not so stratified because SEWA defines self-employed to include home-based producers, vendors and providers of manual labour and services. Before the field survey began it was not possible to be certain about the kind of activities the SEWA members might have been engaged in. This was true for both rural and urban areas.

Urban areas

The proposed sample in the urban area was 600: 450 women (non-SEWA), 50 SEWA women and 100 men. The urban sample was split into four activity status groups: casual labour, salaried, self-employed and piece-rate/home-based workers. In order to capture workers in the lower segment of the informal economy, selected areas of the city with low-income housing and slums were chosen.

The sample was spread across all the 43 wards² in the city of Ahmedabad, taking 10 women (non-SEWA), two SEWA women and two men in each ward. In each ward, 14 cases were surveyed. The 10 women (non-SEWA) in each ward included two casual workers, two salaried, and three self-employed and three-piece-rate workers. In case of difficulty in obtaining salaried women workers, casual labourers were taken to complete the sample. The overall sample of 100 men was split into 30 casual labourers, 30 salaried, 30 self-employed and 10 piece-rate workers. The processes in each ward are as follows:

- ~~///~~ all the households in two poor areas of the chosen block in the given ward (urban) were listed;
- ~~///~~ information about the number of male and female workers from each household, by activity status and membership in SEWA were collected;
- ~~///~~ the random selection of respondents within the household was based on two criteria: gender and activity status;
- ~~///~~ the respondent within the household was selected depending on the criteria for which the household was selected, gender or activity.

² Wards are administrative units in the municipal corporation of the city.

Example

Activities like self-employment in agriculture (crop-cultivation) and non-agriculture are basically male-dominated. If the household is selected for a female respondent in either of these activities, the selected respondent is often a secondary earner. It would be difficult to obtain a complete sample of primary women earners in these activities. Piece-rate activities and self-employed work in animal husbandry are generally female dominated.

Rural areas

The proposed sample size for rural areas was 600: 450 women (non-SEWA), 50 SEWA women and 100 men. The rural sample was split into the four activity status groups: casual labour (agriculture or non-agriculture), salaried, self-employed in agricultural (cultivation) and non-agricultural activities. In order to focus on workers in the lower segment of the informal economy, selected hamlets in the village where low caste communities resided were chosen.

The rural sample was spread over five districts in and around Ahmedabad city. These were Ahmedabad (Dhanduka *taluka*³ in the south), Mehsana and Sabarkantha in the north, Kheda in the east and Surendranagar districts in the west. Within these districts, the *talukas* bordering Ahmedabad district were chosen purposively. In each district we selected three *talukas* and in each *taluka* we selected three villages. The choice of *talukas* and villages in these districts were based on data on irrigation, size of village, nearness to towns, etc. In each district nine villages were selected. The characteristics of the villages are presented in table 2.

The sample was thus spread across 45 villages, taking 10 women (non-SEWA), two SEWA women and two men in each village. In each village, approximately 14 cases were surveyed. Keeping in view that it is difficult to identify salaried women and women self-employed in non-agriculture in the villages, for the 10 non-SEWA women surveyed three-cultivators/animal husbandry, three casual labourers (agriculture or non-agriculture), two self-employed in non-agriculture and two salaried workers. The overall sample of 100 men was split into 30-cultivators/animal husbandry, 20 casual labourers, 30 self-employed in non-agriculture and 20 salaried.

In the rural areas, there was difficulty in trying to obtain 50 women members of SEWA from the 45 villages selected for the survey. Hence, the remaining sample of SEWA women from nearby villages (10) where SEWA was working within the same *taluka* was chosen. The procedures in each of the village are as follows:

- ✍ all the households in the low caste hamlets in the village were listed;
- ✍ information from each household about the number of male and female workers, by their activity status and membership in SEWA were collected;
- ✍ the random selection of respondents within the household was based on two criteria, gender and activity status;
- ✍ the respondent within the household was selected depending on the criteria for which the household was selected, gender or activity.

³ *Taluka* is a fiscal sub-division of a district.

Table 2. Characteristics of the villages

Village	No. of House-hold	Populati-on	Caste				Angan Wadi ¹	School				Mid-day meal	Drinking water	Source of Irrigation	% of irrigated area in total cultivated area	Primary Health Centres	Milk Coop. Society	Service Coop Society	Gramin Bank Yojana ²	NGO	Govt. Yojana
1	2	3	4				5	6				7	8	9	10	11	12	13	14	15	16
			SC	ST	BC	O		P	S	HS	C										
Abvela	300	1 600	15.4	0	75.8	8.8			x	x	x			W, TW	92.9	2		x	-	-	I, S, O
Fuljinamuvada	150	800	0	0	100	0			x	x	x			W, TW	48	+5		-	-		O
Sultanpur	75	350	1.1	0	98.6	0			x	x	x			x	13.8	2	x	-	-	-	O
Vasnamaragya	200	1 100	-	-	-	-			x	x	x			O	92	1				-	-
Satrunda	700	3 500	2.9	0	97.1	0			x	x	x			T	52.4	2		-		-	I, S, O
Sundha	100	500	11.7	0	41.4	46.9			x	x	x			O	10.4	2	-	-	-	-	-
Goblaj	500	3 000	5.1	30.2	20.2	44.5			x	x	x			O	95.8	x		-	-		-
Chitrasar	300	1 500	23.1	15.4	54.2	7.4			x	x	x			O	73.1	2		-		-	I, S, G, O
Alindra	1000	5 000	-	-	-	-					x			T, O	57.7	1				-	-
Jambudi	350	1 467	10		18.8	66.3					x			T, TW	92.2	2		-	-	-	I, S, G, O
Adpodra	600	3 000	-	-	-	-					x			T	54.5	+5	-	-	-	-	G
Lolasan	250	800	-	-	-	-			x	x	x			T, O	7.3	2		-	-	-	-
Hadmatiya	250	800	-	-	-	-			x	x	x			T	99.9	2		-	-	-	I, S, G, O
Nananpur	300	1 500	-	-	-	-			x	x	x			T	53.5	2	-	-	-	-	O
Kherol	400	2 000	-	-	-	-				x	x			T, TW, O	5.9	1		-		-	I, S, G, O
Sarsoli	500	2 500	-	-	-	-			x	x	x			T, TW	79.9	2	-		-		-
Bhundasan	500	2 500	-	-	-	-				x	x			TW	49.6	2				-	I, G, O
Munjinamuvada	120	600	16.7	0	83.3	0			x	x	x			T	9.2	2			-	-	I, O
Vadod	500	2 500	22.2	0	42.9	34.9				x	x			TW	63.4	+5	-		-	-	-
NanaKerala	125	600	11.4	0	79.5	9.1			x	x	x			T, O	58.3	1	-	-	-	-	-
Karangadh	250	1 200	-	-	-	-			x	x	x			x	7.7	+5	-	-	-	-	-
Vadla	300	1 500	1.1	0	98.9	0			x	x	x			T	40.8	+5	-	-	-	-	-
Varsani	150	800	15.9	0	65.6	18.5			x	x	x			x	22.3	+5	-	-	-		I, O
Vana	900	3 600	-	-	-	-				x	x			x	3.1	1	-	-	-	-	-

Village	No. of House-hold	Population	Caste				Angan Wadi ¹	School				Mid-day meal	Drinking water	Source of Irrigation	% of irrigated area in total cultivated area	Primary Health Centres	Milk Coop. Society	Service Coop Society	Gramin Bank Yojana ²	NGO	Govt. Yojana
1	2	3	4				5	6				7	8	9	10	11	12	13	14	15	16
Karmand	300	1 500	22.7	0	64.2	13.1			x	x	x			T	59.1	1	-	-	-	-	-
Bodiya	150	800	-	-	-	-			x	x	x			T, O	33.3	x	-	-	-	-	-
Ghedi	400	2 200	-	-	-	-			x	x	x			O	13	1	-		-	-	-
Nanodara	700	5 500	-	-	-	-			x	x	x			T, TW	96.2	1	-		-	-	-
Samani	100	500	19.7	0	56.6	23.7			x	x	x			x	55.4	2	-	-	-	-	-
Memer	150	750	-	-	-	-			x	x	x			T	6.6	+5	-	-	-		-
Gogla	250	1 000	-	-	-	-			x	x	x			x	83.7	1	-		-		-
Bavaliyari	400	2 000	-	-	-	-			x	x	x			x	68.4	1	-	-	-	-	O
Parabadi	100	500	2.2	0	58.4	39.3	x		x	x	x			x	7.1	2		-	-	-	-
Kadvasan	175	800	18.2	0	28.7	53.1			x	x	x			T	96	1	-	-	-	-	-
Kumarkhan	500	6 000	-	-	-	-			x	x	x			T, O	50.7	1					I
Jakhwada	450	2 500	17	0	56.8	26.2			x	x	x			O	6.3	+5	-	-	-	-	-
Vadosan	700	3 500	-	-	-	-			x	x	x			TW	x	x			-	-	-
Dhandhusan	450	2 300	2.4		45.2	52.4			x	x	x			TW	63.9	2		-	-	-	-
Tejpura	240	1 200	1.7		26.2	72.1			x	x	x			x	28.9	2	-	-		-	-
Dhanali	350	1 800	-	-	-	-			x	x	x			T, TW	94.7	1	-	-	-		-
Vadavi	400	2 000	-	-	-	-			x	x	x			T, TW, O	54	2		-	-	-	-
Agol	600	3 000	-	-	-	-			x	x	x			T, TW, O	9.4	2			-	-	I
Bokarwada	725	3 500	0.09	0	43.5	55.6				x	x			T, TW, O	98.5	2	-	-	-	-	-
Lachhadi	425	2 200	11.7	0	49.4	39			x	x	x			TW	86.5	2				-	I, G, O
Rangpur	375	2 000	-	-	-	-			x	x	x			O	67.2	2			-		I, G

Note: 1. Anganwadi = Formalised Government school for infants, with free provision of meals; 2. Gramin Bank Yojana: Village Self-help Groups; 3. Government Yojana:= Government Programme.

Col. 4

Caste

Scheduled Castes = SC
Scheduled Tribe = ST
Backward Class = BC
Others = O

Col.6

School

Primary = P
Secondary = S
Higher Secondary = HS
College = C

Col. 9

Source of irrigation

Well = W
Tube well = TW
Others = O

Col. 11

Primary health care

Within village (0-3km) = 1
Neighbouring villages (3-5km) = 2
More than 5km = +5

Col. 16

Government Yojnas³

Indira Awas Yojana = I
Sardar Awas Yojana = S
Gokul Gram Yojana = G
Saving Groups = SG
Others = O

Symbols

□ = Yes
x = No

Estimation procedure

The estimation procedure adopted was based on a weighted sum of the sample values, leading to unbiased estimates of the population characteristics. Weights for each activity status group by gender in each location (urban ward or rural village) separately was constructed. The inverse of the number of sample households chosen to the number of households listed, in each ward or village, in each activity status strata and gender, was used as the weight. The weights were constructed separately for rural male, rural female, urban male and urban female. Weights were not constructed for the SEWA sample (weight is equal to 1), as they were purposively chosen. The notations used are:

y = Value of the variate under study

Y = Aggregate of y to be estimated

\bar{Y} = Unbiased estimate of Y

l = subscript for location (rural and urban)

g = subscript for gender (male and female)

s = subscript for activity status categories

i = subscript for the sample household

H = Number of households in the strata

h = number of sample households in the strata

$\bar{Y} = \frac{1}{h} \sum_{i=1}^h y_i$

Aggregate of Y at the stratum level denoted by Y_s is estimated by \bar{Y}_s .

$$\bar{Y}_s = \frac{H_{lgs}}{h_{lgs}} \sum_{i=1}^h y_{lgsi}$$

The model

A model was developed to assess the extent to which structural features and random shocks are associated with various types of insecurities affecting the sample population. Appropriate indices of insecurity were used as dependent variables. The indices of insecurity were defined as dichotomous variables, with the vulnerability situation being equal to 1 and the non-vulnerability situation equal to 0. This enabled the use of a logistic regression model.⁴

The independent variables in each model included structural features such as characteristics of the individual: age, sex, years of education,⁵ marital status, and activity status dummy; and characteristics of the household: household size, number of sources of household income, size of land owned and a dummy for rural areas. The impact of SEWA

⁴ In the logistic regression model we estimate the odds ratio (exponential of coefficients) because the logistic coefficient lacks substantive interpretation. For dichotomous variables the odds ratio measures the effect of being in one category, e.g., food insecurity compared to another. An odds ratio of one indicates no effect, whereas an odds ratio of less than one represents a multiplicative decrease in the odds of being insecure. An odds ratio of greater than one represents a multiplicative increase in the odds of being insecure.

⁵ The mean years of education are computed as follows: "Illiterates and persons who cannot read or write have 0 years of education; persons who have completed standards 1-12 have 1-12 years of education; first year college and Institutes of Technical Training, Polytechnic Institute and diploma holders have 13 years of education; those who completed second and final years of university have 14 years; persons with Bachelor of Education and post graduate degrees have 16 years and people with medical and engineering degrees have 17 years of education.

on its members' security, as a dummy variable was also explored. The independent variable capturing random shocks was defined as the number of crises reported by the households.

Background of the study region.

Gujarat is in the western part of India and one of the more developed States of the country. Gujarat State⁶ was formed in 1960, and, with its enterprising population, has since then done well in terms of overall economic growth. The per capita income growth of the state in the nineties was 7.6 per cent, the highest among the 14 major states of India (Ahluwalia, 2000). Gujarat is among the leading industrial states in the country. The industrial sector has performed consistently well, with the growth rate of the manufacturing sector continuously increasing by 3 per cent in the sixties, 5.5 per cent in the seventies, 8.7 per cent in the eighties and 11.4 per cent in the nineties. However, the state economy is peculiar. On the one hand, it enjoys a high per capita income and relatively diversified sources of income, a diversified work force, as well as stable, if not rising, employment levels, and developed financial and capital markets. On the other hand, it has relatively poor and unevenly distributed natural resources which have been mismanaged over time, almost stagnant long-term growth in agriculture and wide regional disparities of growth (Hirway, 2000). Gujarat State can be broadly divided into seven regions based on their agro-climatic conditions: the Southern Hills, Southern Gujarat, Middle Gujarat, North Gujarat, North West Arid, North Saurashtra and South Saurashtra regions. Large parts of the state are plains, more so in central and northern Gujarat. Rainfall varies from about 340 mms in the western arid areas around Kutch, to about 1800 mms in the Southern hills of Dangs and Bulsar. Most parts receive rainfall of around 800 mms. Nearly 25 per cent of the geographical area in the western part is arid. Another 34 per cent of the area in the north is semi-arid and about 50 per cent of the *talukas* in Gujarat are arid or semi-arid. About 78 per cent of the area is largely rain-fed, subject to truant monsoons and faces frequent drought conditions. The villages surveyed are part of Northern Gujarat, which is subject to drought every other year, and Middle Gujarat.

Gujarat, within the broad framework of Indian culture, is a regional cultural area having its own language, lifestyle and literature. It is considered to be a prosperous, progressive and peaceful state. It is also a highly urbanized state, with about 35 per cent of its population living in urban areas in 1991. Gujaratis are also known as the best entrepreneurs in India, and next only to the Jews in the world (Joshi, 2000). Gujaratis show a strong sense of cooperation for furthering their economic interests, which is often prevalent along caste lines. There are also a number of social organizations, which are development-oriented. Gujarat presents a unique case of globalization among Indian states. It has historically been linked with the international market through migration of businessmen and their family-based interactions with the local entrepreneurial class. The rapid growth of the manufacturing sector in the state, the export-oriented growth of the economy, etc., can be attributed in no small measure to the exogenous factors and the capital brought in by the non-resident business community and their associated enterprises. The growth of the economy was however centred on the city of Ahmedabad, which emerged as a major city in western India. The city of Ahmedabad, and more generally the economy of western India, was seriously weakened by the collapse of the textile industry in the post-independence period, which was disastrous to the local economy. However, the city did not plunge into crisis and the long historical linkages of the city-state economy with the national and international system coupled with the entrepreneurship of the local community averted an impending disaster. There was a structural shift in the economic base, with a move into petrochemicals, cement, etc., as entrepreneurs took advantage of the proximity of the region to Bombay and the connectivity of the latter with Ahmedabad. The growth of industrial activities thus occurred in the corridor, now called the golden corridor, which joins the two major cities of western India (Kundu, 2000).

⁶ The State is the tenth largest in the country with an area of 196,024 sq. km., representing about 6 per cent of India's total land area and 5 per cent of its population. According to the 2001 census, Gujarat had a population of 50 million. The sex ratio in 2001 was reported to be 921 females per thousand males.

3. Crisis and economic insecurity among informal workers

It has long been apparent that the process of economic growth is inadequate to absorb surplus labour into the formal economy. Globalization and economic restructuring favour flexible modes of employment, many of which lie beyond the reach of labour legislation and social protection, and are characterized by low incomes and high levels of insecurity. It is among workers in the informal economy that the problems are the greatest. It is their rights, which are least respected. It is they who are underemployed and poorly remunerated, who have no social protection. In an increasingly volatile economic situation, the perceived need for security becomes even more important. Existing systems are under pressure and the coverage of social protection remains a major preoccupation.

In the conceptual framework, social protection was defined to include basic and economic insecurities. These insecurities make the workers vulnerable to various types of risks, which could be structural or a random shock. However, the debate on social security highlights the need to tackle or cope with crises or risks and concentrates on risk management and insurance schemes that allow people to cope with individual risks such as illness, accidents, widowhood, disability, old age and, death, as well as collective risks like drought, bad harvests, natural disasters, riots, etc. In this process social security measures only try to mitigate the consequence of personal and co-variate risks, which are basically random shocks, without addressing the structural rigidities that are inherent in an economy.

The need to tackle multiple sources of insecurity, not only linked to personal contingency but also to risks, inequalities and instabilities embedded in the underlying structures of production and distribution (Rodgers, 1999) becomes very important when addressing the issue of social protection for workers in the informal economy. In the framework, two separate sources of insecurities were identified, those caused by random shocks and structural features. The structural features are more or less fixed over the short-term. They include the structure of the workforce in terms of gender, age, caste, activity status or economic class, levels of education, distribution of land, assets and income and rural-urban location. As has been said before, these structural features partly determine the vulnerabilities faced by the individual.

Random shocks or crises that affect the household from time to time could be economic in the form of illness, loss of a job, inflation, social expenditures, death of an earning member, etc. The shock could also be in the nature of a natural calamity such as a drought, cyclone or earthquake. In the first section, the different kinds of crisis faced by the workers are described. In the second section, the economic insecurities faced by the informal workers are addressed.

3.1 Crises informal workers face

Workers in the informal economy are continuously exposed to various types of risks and frequently face crisis situations. It is not difficult to see why the poor are among the most vulnerable in any society. A shock that has a relatively small impact on the non-poor can be a cause for great concern for the poor, since even marginal downward fluctuations in income can push them into destitution. Some attempt to capture the nature and frequencies of crises the poor face was made in the household survey (table 3).

Most households in India undertake a large amount of expenditure on social events. These include marriage ceremonies, festivals, or simply entertainment of relatives at home. Many poor households incur debts to fulfil these social obligations and end-up in a

financial crisis. About 44 per cent of male and 51 per cent of the female respondents in our survey reported having faced such a crisis⁷ during the previous year. Further, about 13 per cent of the households also undertook large debt for other, perhaps more productive purposes. Other types of crisis reported in our survey were the loss of a job, the birth of the child and illness of a household member, which also involved large expenditures. The year in which the survey was conducted turned out to be a year of drought and in the rural sample, about 39 per cent of the households reported crop failure as a major crisis facing them. The nature of crisis did not vary much by the activity status of the respondents. However, the number of crisis events faced by the households during the year was higher among the piece-rate workers. About 61 per cent of the households dependent on piece-rate work faced more than two crises, compared to 53 per cent of all workers.

Table 3. Percentage of households reporting crisis event by gender of respondents

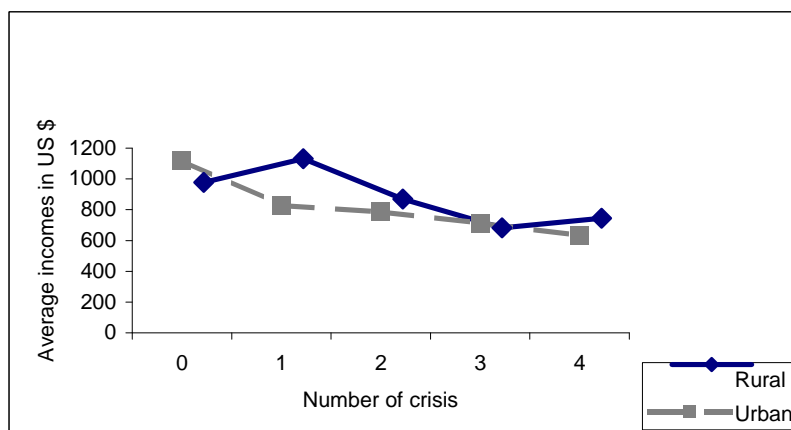
Type of crisis	Male	Female	Total
Loss of job	16.1	22.5	19.7
Illness in the household	6.7	9.4	8.2
Social expenditure	44.2	51.3	48.1
Incurred large debt	58.2	63.1	60.9
Birth of a child	14.4	9.5	11.7
Crop failure (rural households with land)	44.6	35.1	39.3

Whenever a crisis hits a household, it impinges first on its income. Income is a basic indicator of insecurity among workers, especially poor informal workers. Thus, random shocks affect the household's income, or economic security. The number of crisis faced by households and their average income was correlated, shown in figure 2, across rural and urban areas. In urban areas, it was found that as the number of crises faced by households increases, the average income of the household declines. Of course, it can be argued that it is the lower levels of household income that cause a higher frequency of crisis events. In rural areas, the relationship is not as smooth as in urban areas, which could be due to the crop crisis. In the drought affected reference year, most households engaged in crop cultivation were faced with at least one crisis irrespective of level of income. This explains the incidence of one crisis among households with higher incomes.

In order to understand how the households were able to cope with such financial crises, enquiries were carried out to find out the source of borrowed funds needed to help overcome the crisis. While the source of the funding was not significantly different by gender, it varied considerably by the activity status of the individual respondents. Only about 22 per cent of the households were found not to have incurred any large debt (table 4). These persons were the least vulnerable among these poor households. Only 16 per cent of the households borrowed from the formal financial institutions, such as a bank or *mandal*, and the remainder, in the absence of collateral, were dependent on other sources.

⁷ Chi-square tests were held for the significance of the difference in results by gender and status categories for all the results and report only those that show a significant result at least at the ten per cent level of significance.

Figure 2. Households facing crisis and average incomes



Salaried employees were the least vulnerable group, having less need for large debts, and those who did were most often able to obtain them from formal sources such as a bank or *mandal* at more reasonable rates of interest. In rural areas, persons engaged in own cultivation or animal husbandry was also able to obtain formal sector loans. Nearly half the households obtained financial support from their relatives, friends or neighbours. Perhaps this reflects their inability to obtain loans due to lack of credit worthiness. It also shows that perhaps social networks are the only source of financial security for the poorest of the poor. The relatively more vulnerable groups were those who approached the moneylenders (11 per cent) and the worst off were those who had to sell part of their assets to tide over the crisis. The survey showed that casual employees and piece-rate workers were the most vulnerable sections having the highest proportion borrowing from moneylenders and selling their assets to finance a crisis.

Table 4. Source of borrowing for large debts by activity status

Source of borrowing	Self-employed agriculture	Self-employed non-agriculture	Salaried	Casual workers	Piece-rate home-based	All
No large debt	19.8	25.4	29.0	19.7	24.2	21.7
Support from family and friends	39.5	55.5	44.4	53.5	56.5	48.9
Bank/ <i>mandal</i>	33.6	6.0	22.6	6.6	1.7	16.0
Money lenders/ <i>shroffs</i>	5.1	12.7	3.7	15.3	14.5	10.7
Sale of assets	2.0	0.4	0.3	5.0	3.1	2.8
All	100.0	100.0	100.0	100.0	100.0	100.0

The role of the civil society in helping the poor households to tide over a crisis is very clearly demonstrated here, with an increasing number of non-finance institutions providing credit to the poor on the basis of “social collateral”. In the changing economic scenario, where inequalities are on the rise and the role of the state is diminishing, high-income groups often secure welfare from the market and invest in household security systems, while low income groups often secure their welfare by relying on social networks, like friends, relatives or neighbours.

3.2 Income security

Income security refers to having adequate income for a decent standard of living. This security seems to be threatened by the global trend towards informalization of labour

contracts and temporary employment. The quality of employment in the informal economy can be determined by the income earned. Even within the informal economy, the level of income and perception of financial security was found to differ by gender and type of activity. The average individual income for all workers was US\$296,⁸ and the income was lower for women workers (US\$254) than for men (US\$348) (table 5). This not only shows the poor quality of employment that these workers in the informal economy were engaged in, it also shows that women were involved in relatively low productivity work as compared to men. Average annual household income was US\$733, being slightly higher among households of women respondents. While the average income was above the poverty line,⁹ a large proportion of households were poor obtaining incomes below the poverty line.

Table 5. Income insecurity by gender

	Male	Female	Total
Average individual income (US\$)	348	254	296
Average household income (US\$)	719	744	733
Income less than adequate	77.1	85.8	81.9

Across the different categories of workers, substantial differences existed in informal incomes between the self-employed, salaried, casual and piece-rated workers. Incomes of the self-employed are obviously not wages; rather they are obtained as a residual after deducting all business related expenses from the total business income. The casual and piece-rated workers had very low individual incomes (US\$156 and \$205) compared to the other workers (table 6). The casual workers in rural areas were paid in cash and kind. In kind wages are often in the form of food, *bidi* (indigenous cigarette), tea, etc. The monetary value of the in-kind components was calculated. The empirical evidence on incomes across the different types of workers presented here confirms the evidence in the existing literature that those in self-employment have higher incomes than wage workers in the informal sector, often above the legal minimum wage (Sethuraman, 1998). However, the salaried workers had the highest individual income (US\$663).

Table 6. Income insecurity by activity status

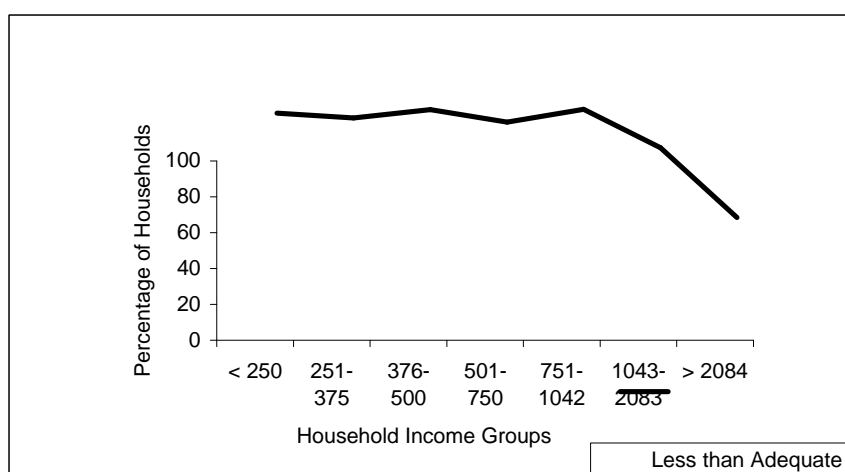
Source of borrowing	Self-employed agriculture	Self-employed non-agriculture	Salaried	Casual workers	Piece-rate home-based	All
Average individual income (US\$)	299	344	663	205	156	296
Average household income (US\$)	927	699	1184	506	653	733
Income less than adequate	83.6	70.6	68.4	87.5	94.5	81.9
Perceived standard of living in comparison to others in the community	38.1	32.1	18.5	52.7	33.0	41.0

⁸ The conversion rate used was Rs48 = US \$ 1.

⁹ The all-India poverty line in 1999-2000 was US\$ 7.0 and 9.4 per capita per month in rural and urban areas respectively (Sundaram, 2001). This works out at approximately US\$420 and 564 household annual incomes in rural and urban areas respectively assuming an average family size of 5 members, which is similar to that in the sample.

The average household income for all workers was US\$733. Across status categories, again the salaried workers had the highest incomes, while the piece-rated and casual workers had the lowest. Apart from the factual data on average individual and household incomes, a number of perceptual questions were also asked on whether the income earned was adequate for the household and how people perceived their household in comparison to the standards in the local community. It was found that 82 per cent of the workers perceived their income to be less than adequate, and it was 86 per cent across the women respondent households and 77 per cent across the male respondent households (table 5). The perception of inadequacy of income was higher among piece-rated and casual workers, and lower among the salaried workers. However, what constitutes an adequate income varied enormously, and about 15 per cent among these poor workers perceived adequacy even at very low levels of incomes (figure 3). The relative position of household compared to the standards in the local community was perceived as poor by 41 per cent of the workers. More women (46 per cent) perceived their households to be poor compared to men (35 per cent). Across status categories, more piece-rated workers and fewer salaried workers perceived themselves to be poor (table 6). The perception of women and piece-rate and casual workers of inadequacy of income and low standards was in tune with the relative incomes earned by these groups.

Figure 3 Less than adequate income and household income groups



3.3 Labour market security

The labour market security refers to having any income-producing work. At the all-India level in 1999-2000, 42 per cent of male and 33 per cent of female workers in urban areas were engaged in regular, salaried jobs, according to the labour force survey of the NSSO. The percentage of casual workers was about 17 and 21 among male and female workers in urban areas respectively. The “casualization” of the workforce was an important phenomenon in the rural areas of India, with 36 per cent of male and 40 per cent of female workers being so engaged in 1999-2000. Self-employed workers constituted 55 and 57 per cent of the male and female workforce in rural areas and 41 and 45 per cent of the male and female workforce in urban areas.

While open unemployment has been growing, the greater problem faced by the informal worker is that of underemployment, or employment at low levels of income. This is because most of the population is too poor to remain unemployed and is forced to undertake any economic activity in order to survive. It has been noted that the proportion of persons seeking additional work has grown over the period 1993-94 to 1999-2000 (Sundaram, 2001). This large proportion of persons with unstable or no contracts (self-

employed) and increasing unemployment provide the background of increasing labour market insecurity at the macro level.

At the micro level, in the PSS, it was observed that, on average, 301 days of work were available to the workers (table 7). The most vulnerable were the casual and piece-rate workers in terms of number of days of work: they obtained only about 255 days of work in the year. These average days refer to the number of days on which the worker found work and they are not standardized for eight-hour days. They also include multiple economic activities engaged in by the worker. On average, male workers were engaged in income generating work for eight hours, while women spent only 6.8 hours on such work. This was compensated by nearly four hours of household work by women compared to nearly two hours by men.

Table 7. Average days of employment and unemployment by status

Activity status	Workers reporting unemployment			Workers not reporting unemployment	All workers
	Days of employment	Days of unemployment		Days of employment	
Self-employed, agriculture	255	134 (7.5)		345	338
Self-employed, non-agriculture	263	67 (9.8)		328	321
Salaried	282	37 (1.4)		355	354
Casual labour	200	137 (36.3)		285	254
Piece-rate workers	220	113 (24.7)		272	259
All	214	129 (19.0)		322	301

Note: Figures in parentheses are the percentage of workers reporting unemployment.

These numbers hide the underemployment faced by the workers. However, open unemployment was reported by 19 per cent of them.¹⁰ The insecurity of work among the casual and piece-rate workers is further reflected in the high proportion of them facing unemployment at some time during the year, 36 and 25 per cent respectively. On average these workers reported 129 days of unemployment. While casual workers reported 137 days of unemployment, the seasonal nature of agricultural activity is brought out here by the large number of days of unemployment, 134.

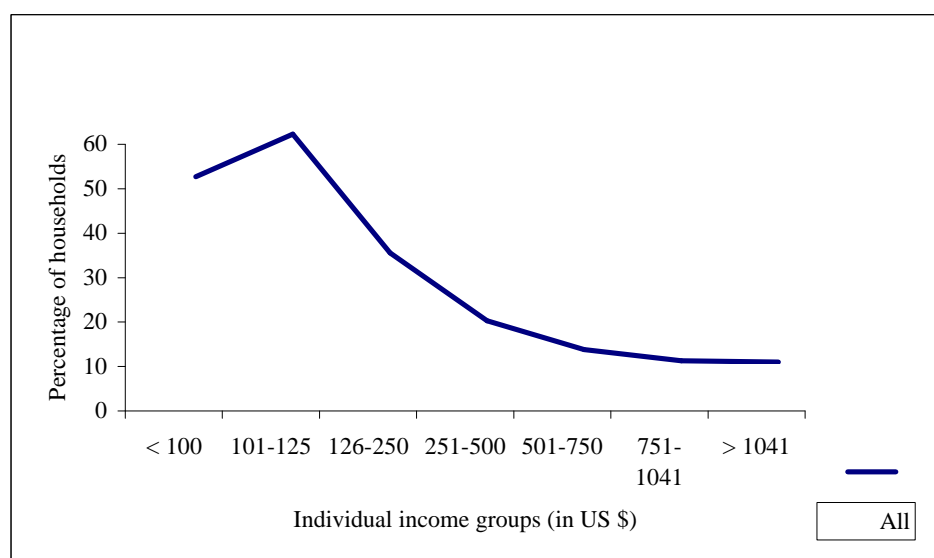
Another way of capturing the labour market insecurity faced by workers is by looking at the irregularity of work. Here again casual (44 per cent) and piece-rate (27 per cent) workers were more insecure compared to all workers (24 per cent) (table 8). Thus the burden of flexibility in the labour market is borne by the casual and piece-rate workers. The fact that poor informal workers have more irregular work is very clearly demonstrated in figure 4 by the decline in irregularity of work faced by the households as levels of income increase. Greater flexibility in social protection measures may be required to cover such workers.

¹⁰ These include persons reporting themselves to be seeking and available for work any time during the year.

Table 8. Labour market insecurity (percentage of households) by activity status

	Self-employed agriculture	Self-employed non-agriculture	Salaried	Casual workers	Piece-rate home-based	All
Irregularity	11.5	9.4	0.5	44.0	26.6	23.7
Difficult to get alternate work	20.7	41.1	59.2	34.4	55.1	34.2
Having multiple activities in a day	40.3	15.1	20.1	26.1	5.5	27.3
Having multiple activities in a year	50.8	27.4	21.8	41.9	18.1	39.5

Figure 4. Irregularity of work and individual income groups



Irregularity of work¹¹ was taken as an indicator to analyse the determinants of insecurity faced by workers in the labour market using a logistic regression model (table 9). As observed earlier, the status of the worker being piece-rate or casual, and living in a rural area, increases the probability of irregularity of work. Interestingly, across the different castes, Muslim workers were more vulnerable to having more irregular work. The earlier argument of insecurities being inherent in the structural features such as the status of work, location and caste is substantiated by these results.

Some perceptual questions regarding the labour market conditions the workers faced were asked. When queried about whether they thought it would be difficult to find an alternative activity in case of loss of the current occupation, 34 per cent felt it would be difficult. It is interesting that the salaried workers felt the most challenged by this form of employment insecurity (table 8). This was because they were aware that alternative salaried employment would be near impossible to obtain given the current job scenario and that their lack of education and skills made them less employable. The salaried workers in this sample of poor informal workers were very low-level employees, such as peons and sweepers.

¹¹ Persons were asked directly whether they were able to get work on a regular basis, that is, on most days on which they wished to work. Workers reporting no to the question were treated as persons with irregularity of work and given the value 1.

Table 9. Odds ratio for predicting labour market vulnerability

Dependent variable: Irregularity of work						
	B	S.E.	Wald	df	Sig.	Exp(B)
Age	-.005	.010	.218	1	.641	.995
Female dummy	-.203	.273	.554	1	.457	.816
Mean years of education	-.037	.024	2.409	1	.121	.964
Widowed or separated dummy	.115	.286	.163	1	.687	1.122
Size of the household	.056	.036	2.455	1	.117	1.057
Scheduled caste/ tribe dummy	.242	.190	1.616	1	.204	1.273
Piece-rate/ casual worker dummy	1.908	.189	102.189	1	.000	6.740
Log of individual income	-.908	.102	78.630	1	.000	.403
Rural dummy	.960	.194	24.432	1	.000	2.613
SEWA dummy	-.722	.331	4.753	1	.029	.486
Number of crisis	.009	.077	.014	1	.907	1.009
Muslim dummy	.594	.297	3.996	1	.046	1.811
Constant	5.071	1.081	22.013	1	.000	159.280
N =1236, -2 Log likelihood = 904.795						
Cox and Snell R Square = 0.205, Nagelkerke R Square = 0.331						

Due to the insecurity arising from not having permanent jobs, workers often engage in multiple activities, changing work status over the course of the year or even during a single day. Hence, the micro perspective of labour market security was measured in terms of being involved in multiple activities. Being involved or engaged in multiple activities for poor workers is a form of security, both work and income. The assumption is that the informal workers with low levels of income engage in multiple activities to make up either for lack of work or for the low productivity of their work. About 27 per cent of the workers were engaged in multiple activities during the course of the day, while nearly 40 per cent were undertaking multiple activities during the year (table 8). The higher proportion of multiple activities during the year was because of the seasonal nature of many of the activities, particularly agriculture, that these informal workers were engaged in. Piece-rate workers were found to be most vulnerable, with only 6 per cent of them being involved in multiple activities in a day and 18 per cent being involved in multiple activities during the year compared to the other workers.

3.4 Employment security

Employment security is defined as security from arbitrary loss of employment. Employment security has a subjective and an objective reality, both of which reflect characteristics of employment. An objective indicator of employment security is the proportion of the employed with stable or regular contracts of employment; a subjective indicator is the reported expression of belief that continuity is assured (Standing, 1999b).

A number of perceptual questions relating to perceived security in the current economic activity, being satisfied with the current employment and the importance of having work were canvassed. All workers felt that having gainful employment was essential. When queried about whether they felt secure about remaining in their current job or self-employed activity, only 11 per cent indicated any insecurity. Casual workers and piece-rate workers were obviously much more insecure about their current employment (table 10). What is perhaps interesting to observe among the poor informal workers is a perceived sense of security even at low levels of income (figure 5). The perception of insecurity of work reduced with the increase in the level of income. Only 11 per cent of the

workers reported not being satisfied with their current employment. Casual and piece-rate workers were more dissatisfied with their current employment compared to others. This could be due to the nature of contracts that they were involved in.

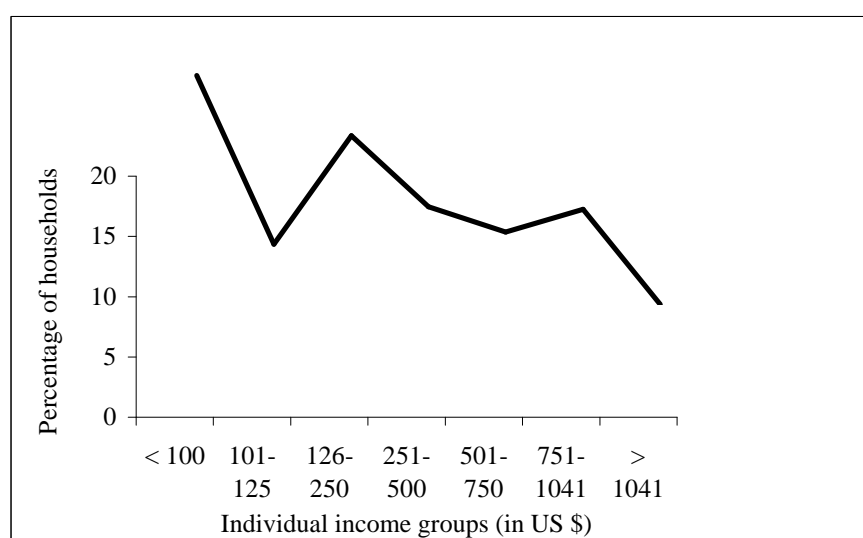
At the micro level, employment behaviour in the labour market, discussed earlier, suggested high levels of insecurity. However, direct questions on feelings of insecurity revealed a very high perception of security. Persons in the informal economy appear to be reconciled to these low levels of income. Perhaps in less developed economies with substantial proportions of informal workers, such perceptual questions are not a very good measure of insecurity. An attempt was made to measure employment security through factual information on terms and conditions of contract among employees, and capital and demand conditions among the self-employed.

The traditional definition of employment insecurity, arbitrary loss of a job, applies mainly to the employees. The casual workers faced extreme vulnerability in their jobs compared to salaried workers, given the fact that nearly 60 per cent of them felt they could be terminated with a short notice or no notice at all (table 10). Further, nearly 50 per cent were at risk of losing their jobs if they were ill and unable to attend to their duties.

Table 10. Employment insecurity (percentage of households) by activity status

	Self-employed agriculture	Self-employed non-agriculture	Salaried	Casual workers	Piece-rate home-based	All
Lack of security of work	3.7	7.2	5.5	18.9	24.0	11.2
Not satisfied from current employment	6.8	9.1	3.8	16.7	16.6	11.2
Notice of less than 7 days for termination	-	-	12.6	58.6	-	39.4
Possible job loss due to illness	-	-	10.9	47.0	-	40.4
Type of contract:						
Verbal contract at work	2.7	9.5	47.4	84.8	86.5	43.4
Written contract at work	-	-	48.0	1.6	-	4.9
No contract	97.4	90.5	4.7	13.6	13.5	51.7

Figure 5. Insecurity of work by individual income groups



Another source of insecurity arose from the nature of contracts or their absence. About 52 per cent of all workers had no contract, 43 per cent had a verbal contract and

only 5 per cent had a written contract at work. Obviously, the majority of the households engaged in self-employed activities did not have any contract. The few that did were perhaps also engaged in sub-contract work. Verbal contracts were quite high among the casual (85 per cent) and piece-rate workers (87 per cent), and written contracts were much more prominent among the salaried workers (47 per cent). It is interesting that the majority of the casual workers reported having a verbal contract. This implied that they tended to continuously work for the same employer and that this ensured some minimum level of security.

In developing countries, a large proportion of workers does not have secure or stable full time employment, and is in fact engaged in self-employed activities. While for the employees loss of a job defines employment insecurity, self-employed workers are supposed to be in “control” of their employment. Where self-employed workers are concerned, security of employment will depend on access to markets and demand, as well as on the capacity to expand production through access to credit. The concept of employment security was therefore expanded to include capital security and market/demand security for the self-employed.

The average fixed capital with which the self-employed workers operated was US\$180 in rural and US\$474 in urban areas (table 11). The low levels of capital with which these informal workers operated showed that they were engaged in small enterprises, having few resources and most often operating without any proper premises, equipment or machinery. This also implied low turnover and hence low incomes generated by these activities. There was a clear difference in the nature of activity undertaken by men and women, as in both rural and urban areas, women operated with lower capital as compared to men. This trend of women operating with low levels of capital is argued to be specific to the informal economy, as access to resources in this sector is often determined not by the characteristics of enterprises such as their economic activity and viability, but by the traits of the individuals who own and operate them (Canagarajah and Sethuraman, 2000). The ability of the self-employed to raise capital is limited due to their lack of contacts and low ability to bear risk, arising from their poor economic and social status.

Table 11. Employment insecurity among the self-employed respondents in rural and urban areas by gender

	Rural			Urban		
	Male	Female	Total	Male	Female	Total
Average fixed capital (US\$)	227	119	180	663	123	474
Average variable capital (US\$)	1 027	487	811	707	630	681
Fixed capital less than Rs.500 (US\$)	85.4	68.3	74.8	74.4	76.2	75.2
Lack of access to capital	47.2	48.7	49.6	39.5	77.4	57.1
Stagnant demand for products in future	66.0	68.0	67.2	65.0	65.7	65.3
No scope to expand production in future	93.0	96.0	94.8	52.1	75.8	63.1

About three-fourths of the self-employed workers in the sample operated with fixed capital of less than US\$10.4 (table 11). In direct questions to the self-employed workers, it was found that 57 per cent in urban areas and 50 per cent in rural areas reported lack of access to capital to expand their businesses, the problem being most acutely felt by women in urban areas (77 per cent). The lack of access to capital among a large proportion of women workers probably compels them to operate at such low levels of capital. Access to capital was taken as an indicator to analyse the determinants of insecurity faced by the self-employed workers using a logistic regression model (table 12). The results very clearly showed that more years of education, high incomes, residing in rural areas and being a

member of a member-based organization (SEWA) provided better access to capital. Being a woman was, however, a distinct disadvantage.

About 66 per cent of workers in both urban and rural areas reported stagnant demand for their products or services (table 11). There was no substantial difference across gender. However, the very existence of demand or a market for their relatively low quality products and services showed the substantial presence of the low-income households to which the informal economy caters. For self-employed workers, growth or future advancement would depend upon having sufficient capital and “demand security”. At such low levels of operation and with stagnant demand, the majority of the workers in the informal economy felt there was no scope to expand their businesses into new markets. This insecurity was most acute in the rural areas.

Table 12. Odds ratio for predicting capital vulnerability

Dependent variable: access to capital						
	B	S.E.	Wald	df	Sig.	Exp(B)
Age	-.008	.010	.561	1	.454	.992
Female dummy	.543	.251	4.686	1	.030	1.721
Mean years of education	-.050	.025	3.923	1	.048	.951
Widowed or separated dummy	.207	.385	.290	1	.591	1.230
Size of the household	-.035	.042	.681	1	.409	.966
Scheduled caste/ tribe dummy	-.085	.239	.127	1	.721	.918
Piece-rate/ casual worker dummy	-.293	.101	8.322	1	.004	.746
Log of individual income	-.863	.223	14.920	1	.000	.422
Rural dummy	-.965	.348	7.704	1	.006	.381
SEWA dummy	.102	.085	1.456	1	.228	1.108
Number of crisis	-.331	.348	.901	1	.343	.718
Constant	3.514	1.152	9.310	1	.002	33.575
N =1236, -2 Log likelihood = 904.795						
Cox and Snell R Square = 0.205, Nagelkerke R Square = 0.331						

3.5 Work security

Work security to a large extent relates to the working conditions and facilities provided by the employer, and applies to salaried and casual labour.

To understand the kind of contracts and social security benefits that the salaried and casual labour have in the informal economy, a number of questions related to work security was asked. These covered entitlement to paid holiday, paid medical care, paid maternity leave, redundancy payments, pensions, disability benefits and subsidized food. Salaried workers were better off, with only 4 per cent not receiving paid holiday, 14 per cent not receiving medical leave and 31 per cent not receiving medical care; while 96 per cent of casual workers were not receiving any of these entitlements (table 13). However, women salaried workers were worse off, with a higher proportion of them not receiving these benefits. About 50 per cent of the salaried workers received redundancy payments, with a higher proportion of them being male workers. About 68 per cent of the salaried workers received disability benefits. The gender disparity among salaried workers in receiving benefits indicated that male workers were involved in comparatively better kinds of jobs. Casual workers, however, did not receive any of these benefits. This shows the existence of lower levels of security at the work place for women salaried workers and casual labourers.

Table 13. Work insecurity among salaried and casual labourers

	Salaried workers			Casual workers		
	Male	Female	All	Male	Female	All
No paid holiday	1.2	8.6	4.0	92.2	99.9	96.8
No medical care	20.0	48.2	30.6	92.1	99.5	96.5
No medical leave	6.9	25.4	13.8	91.2	99.5	96.1
No maternity leave	42.7	40.7	41.5	94.4	99.8	98.0
No redundancy payments	37.1	70.1	49.5	96.1	99.9	98.3
No pension entitlements	38.6	72.6	51.4	100.0	100.0	100.0
No disability benefits	61.1	80.5	68.4	100.0	100.0	100.0
No free or subsidized food at work	82.4	75.4	79.8	95.1	92.4	93.5

3.6 Occupational security

Occupational security refers to having a life long occupational niche or career with opportunities for advancement and improvement. Education plays an important role in having occupational security. In this PSS, about 41 per cent of the respondents were illiterate. Illiteracy was highest among casual workers and lowest among the salaried. About 48 per cent of educated workers perceived that educational qualifications had not helped them in their main economic activity (table 14). This indicates the low level of income generating economic activities that the informal workers were involved in. This perception was high among the self-employed agricultural and casual labour workers. Salaried workers in general perceived that their education helped them in their activity. At the other extreme, the self-employed workers in agriculture at all levels of education felt that their education was of no use in their main economic activity. With increasing levels of education, a higher proportion of self-employed non-agricultural workers felt that their education was useful in their work. Similarly, piece-rate workers with middle and secondary education also recognized the value of their education. If the curriculum of the secondary and higher secondary education could provide vocationally oriented training for those desiring it, it might help the informal workers to improve their employability. It is essential to look at vocational training as a relevant instrument towards social protection.

Table 14. Occupational insecurity (percentage of households) by activity status

	Self-employed agriculture	Self-employed non-agriculture	Salaried	Casual workers	Piece-rate home-based	All
Education not helping in the main activity						
All	68.1 (57.6)	26.9 (67.3)	18.9 (86.1)	54.2 (49.5)	16.3 (63.7)	47.5 (58.8)
Primary	80.0	58.8	49.4	68.5	19.2	62.5
Middle	71.7	28.1	16.2	32.6	45.0	47.6
Secondary	30.0	16.8	26.3	49.8	30.2	32.2
Higher secondary	81.1	10.7	-	30.5	25.0	30.3
Plans for the future						
No plans for work five years from now	74.6	69.0	75.3	73.6	62.5	72.9
No plans for expanding or changing activity after five years	91.0	50.7	66.8	71.9	49.4	71.7

Note: Figures in parenthesis are percentage of educated workers.

In order to find out if the workers viewed their current activities as providing them with opportunities for further advancement, certain perceptual questions regarding their future plans were asked. Not very surprisingly, at such low level of education, skills and operation, about 73 per cent of the workers had no plans regarding their work during the coming five years and 72 per cent of them had no plans for expanding or changing the current activity after five years. The low levels of incomes generated by their current activities and the lack of securities did not allow them to think far ahead about the future. Most of the workers were engaged in these activities due to lack of other opportunities and just about managed to meet their basic needs.

3.7 Skill upgradation security

This security refers to the ability to develop and improve labour market related skills. One of the major insecurities faced by the informal workers is lack of marketable skills. The inability to invest in skills and knowledge seems to be a major factor leading to their insecurity.

Most informal sector workers had very low or limited skills. Skill is therefore defined to include knowledge about how to conduct the activity they were currently engaged in. For example, if a worker was engaged in trading we enquired about their capacity to keep accounts and manage the business. One indicator of skill insecurity was defined as the ease with which anyone else could acquire the skill. Given the rudimentary nature of the skills among the informal workers, 63 per cent reported that their skills could easily be transferred.

Easy transferability of skills was highest among the salaried (75 per cent). Earlier, it was noted that while 86 per cent of the salaried workers had formal education, this was limited to the secondary school level. Obviously these workers were engaged in very low skilled activities leading to their feeling of insecurity (table 15). About 64 to 68 per cent of piece-rate, self-employed non-agricultural and casual workers also reported easy transferability of skills. Thus, while the salaried jobs were coveted in poor households as they provided a regular source of income, the low level of skills in these activities made them equally vulnerable to loss of jobs and low levels of income. This could also mean that the skill involved in their work was not very technical but simple involving the use of less advanced production technologies. A large proportion of workers also felt that due to their lack of education and skills, it was difficult to move into other alternative jobs. This basically raises the need to focus on promotion strategies for increasing skills to improve the quality of employment, particularly among the vulnerable groups in the informal economy.

Table 15. Skill insecurity by activity status

	Self-employed agriculture	Self-employed non-agriculture	Salaried	Casual workers	Piece-rate home-based	All
Easy transferability of Skills	54.4	68.4	75.3	64.4	68.4	63.1
Obtained formal training	3.1	5.0	27.8	6.4	2.1	6.9
Sources of Informal training:						
Through NGOs	0.6	1.9	4.6	0.8	1.2	1.3
Through government	0.1	1.4	29.8	0.4	1.7	3.1
Through family and friends	27.2	46.5	8.0	26.9	50.4	29.6
Through on-the-job training	71.9	50.2	57.5	71.9	46.8	66.1

The dependence of the workers on formal sources for skills acquisition was very slight, about 7 per cent. Formal sources of training include government-sponsored Institutes of Technical Training (ITI), polytechnics or any other formal institutions. There was heavy dependence on informal sources, either for upgrading skills or learning new skills. About 30 per cent of workers acquired their skills through family or friends, and 66 per cent through on the job training (table 15). The informal way of acquiring their skills is mainly the traditional way of learning in which family members; neighbours and friends help younger workers to acquire skills at home. They are helped to combine the learning of skills with earning of income. Given this opportunity also ensures that people, who do not have the resources to go for several years without an income in order to do full-time formal education courses, still have the chance of acquiring marketable skills. This option becomes all the more important for young people who need or want to make some contribution to the income of the family. It is in fact an example of how civil society and social networks invest in people and help build economic security.

3.8 Legal recognition

Another major insecurity faced by self-employed workers is the lack of legal recognition. One of the main features of the self-employed workers in the informal economy is their small scale of operation. Many of these units operate either from homes or on the streets. The lack of a “designated business place” is a characteristic feature of these units, adding to their vulnerability. In the household survey, it was found that 46 per cent of these workers operated on the street and 30 per cent of them were insecure at their work place (table 16). The insecurity was higher among the men (35 per cent) as compared to women (14 per cent). More men also operated on the streets as compared to women.

Persons operating with a license to conduct the business obviously have legal recognition of their trade. About 77 per cent of the self-employed workers had no such license. Such insecurity of recognition was most acute among women with hardly any of them having a license. Workers were also asked whether they had an identity card issued by the employer/contractor or other as a form of legal recognition essential for all workers in their workplace. About 85 per cent of the workers in the sample did not have an identity card, nearly 95 per cent of the women and 74 per cent of the men workers.

Table 16. Place of work insecurity among self-employed non-agricultural workers by gender

	Male	Female	All
No security at the work place for workers operating on the street ¹	35.0	13.8	30.0
No license to conduct business ²	68.9	94.9	77.3
No identity card at place of work	74.5	94.3	85.5

Note: 1. About 46 per cent of the urban self-employed workers operated on the streets.

2. These variables are computed for urban areas only.

4. Basic insecurity of informal workers

The general withdrawal of the state from various aspects of provisioning of goods and services, and the increased reliance on the market mechanism to take over this responsibility, affects people’s access to basic needs, such as food, clothing, shelter, access to education and skill formation. This has implications for total household incomes and the gender-based distribution of respondents within households. In the preceding chapter, the argument of insecurities being inherent in structural features was brought out by evidence of gender and status of the worker being major factors in their insecurity. The structural characteristics represented by gender and activity status also affects the satisfaction of

basic needs such as food, health, education, shelter and income, which is the focus of this chapter.

4.1 Food security

Food security has been defined as the ability to assure, on a long-term basis, that the food system provides the total population access to a timely, reliable and nutritionally adequate supply of food (Dutt, 1999). This general definition includes the availability of food grains in the country and measures food security at the macro level. The micro concept of food security implies that a household has the necessary purchasing power to buy food grains and access its required amounts. Improving food security at the household level is an issue of great importance for a developing country like India, where millions of poor people suffer from persistent hunger and malnutrition and others are at the risk of doing so in the future.

Food vulnerability of the population in the sample in Gujarat was measured through a direct question as to whether the household went hungry during the preceding twelve months. Answers showed that households of women respondents faced greater food insecurity. About 10 per cent of the household members of women respondents went hungry over the last twelve months, as compared to 7.6 per cent among the male respondents (table 17).

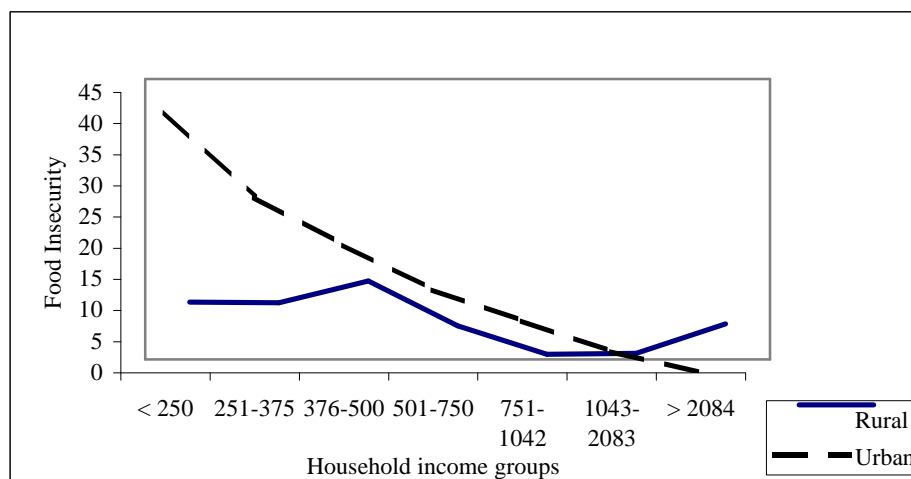
Table 17. Food insecurity* (percentage of households) by gender by respondents

	Male	Female	All
Rural	4.6	7.6	6.5
Urban	11.5	18.0	14.2
All	7.6	10.2	9.0

Note: * - Indicates households going hungry over the last 12 months

Food deprivation was relatively high in the urban areas (14 per cent), especially among women workers (18 per cent). Deprivation of food among poor households is a common feature in developing countries. Women in poor households are often burdened with a significant responsibility for family subsistence and are important economic providers of the households. The high vulnerability or food deprivation of the households of women workers tends, over time, to lead to a reduction in their productivity. Inadequate food leads to an unhealthy life and a precarious existence. The high food insecurity among poor households is very clearly depicted by the decline in food insecurity with an increase in household income, especially in urban areas (figure 6).

Figure 6. Food insecurity* by household income groups



Note: * - Indicates households going hungry over the last 12 months

Across status categories, a higher proportion of piece-rate-home based (20 per cent), self-employed non-agricultural (14 per cent) and casual worker (13 per cent) reported that they went hungry over the last 12 months (table 18). The precarious nature of the work, with 44 per cent of the casual workers and 27 per cent of the piece-rated workers having irregular work, seems to be the cause for food vulnerability among these workers. The nature of employment they were involved in affects their ability to satisfy their basic minimum needs, leaving them often insecure. When irregular work was correlated with going hungry over the last twelve months, a significantly higher proportion of workers with irregular work (13 per cent) went hungry in the last twelve months.

Table 18. Food insecurity* (percentage of households) by household income groups

	Self-employed agriculture	Self-employed non-agriculture	Salaried	Casual labour	Piece-rate worker	All
Rural	1.9	6.4	2.0	11.9	-	6.5
Urban	-	16.3	5.0	14.7	20.0	14.2
All	1.9	13.7	4.0	12.7	20.0	9.0

Note: * - Indicates households going hungry over the last 12 months

The determinants of household going hungry over the last 12 months were analysed using a logistic regression model (table 19). Households in rural areas and SEWA workers had more food security as compared to others. The reason for high food security in rural areas could be due to their having stocks of food grains for the whole year, as agricultural households in the rural areas of Gujarat have a system of buying and storing the entire year's requirements after the harvest season when the prices are low. Higher levels of education of the respondent reduced food vulnerability, education being correlated with higher earnings. A higher frequency of random shocks increased food vulnerability.

Table 19. Odds ratio for predicting food vulnerability

Dependent variable: whether the household went hungry over the last twelve months?						
	B	S.E.	Wald	df	Sig.	Exp(B)
Age	-.029	.011	6.863	1	.009	.971
Female dummy	.290	.329	.776	1	.378	1.336
Mean years of education	-.109	.026	17.073	1	.000	.897
Widowed or separated dummy	.573	.291	3.888	1	.049	1.774
Size of the household	-.057	.044	1.703	1	.192	.945
Scheduled caste/ tribe dummy	.115	.198	.337	1	.562	1.122
Piece-rate/casual worker dummy	.072	.196	.133	1	.715	1.074
Log of individual income	-.281	.103	7.497	1	.006	.755
Rural dummy	-1.369	.216	40.287	1	.000	.254
SEWA dummy	-1.417	.529	7.186	1	.007	.242
Number of crisis	.318	.089	12.735	1	.000	1.374
Social network dummy	-.015	.295	.003	1	.958	.985
Constant	1.632	1.190	1.879	1	.170	5.113
N =1236, -2 Log likelihood = 767.660						
Cox and Snell R Square = 0.097, Nagelkerke R Square = 0.188						

To overcome the problem of food insecurity in India, the public distribution system (PDS) has proved an effective strategy for meeting the core need of food for the poor. The PDS is a rationing mechanism that entitles households to specified quantities of selected commodities at subsidized prices. In most parts of the country, the PDS is universal, and all households, rural and urban, with a registered residential address, are entitled to rations. More recently, the government has introduced the Targeted Public Distribution System, restricting the benefits to households identified as being below the poverty line. In the PSS in Gujarat, about 94 per cent of the households surveyed were purchasing from the PDS system. Of the households not using the PDS, 15 per cent went hungry during the last 12 months as compared to 9 per cent using it (table 20). While access to PDS had no impact on food security in urban areas, in rural areas it appeared to make a small but significant difference.

Table 20. Households going hungry over the last 12 months (percentage), by utilization of public distribution system

	Public distribution system	
	Using	Not using
Households going hungry over the past 12 months:		
Rural	6.0	14.7
Urban	14.0	16.1
All	8.6	15.3

4.2 Health security

Health security can be thought of as having low exposure to risk, and having access to health care services and the ability to pay for medical care and medicine. Such health security should be equally available and accessible to all citizens. Despite the expansion in the physical provisioning of health facilities, and the high levels of spending, ill health remains one of the most prevalent causes of human deprivation in India (**Kumar, 2001**). The failure to provide adequate health security seems to be one of the major development failures.

Defining good health is by itself difficult and measurement of health status is beset with problems of subjectivity and self-perception. Some of the indicators of health security of the population are mortality, infant mortality rates, incidence of morbidity and nutritional intake. Mortality rates cannot be computed at a very regional or local level and estimates can at best be obtained at the state level using very large sample data. Data on morbidity and nutritional intake can be obtained at the local level, but are difficult to obtain and are subject to errors of recall and reporting. At the individual level the perception of health can be used as an indicator of health status. However, the measurement of health status based on questions of perception is fraught with problems of subjectivity.

The household survey tried to capture the actual situation concerning health facilities, before asking about the perceptions of the workers towards their health status. Factual information regarding whether a Government hospital or primary health centre (PHC) existed in the neighbourhood (within 5 kilometres), was collected. Access to public health facilities was different by location and status of the respondents. Overall, about 19 per cent of households did not have access to public health care facilities, with 25 per cent in the rural and 7 per cent in urban areas not having access (table 21).

Table 21. Health insecurity of respondents (percentage of households) by gender

	Male	Female	All
No hospital or PHC in the neighbourhood	17.7	20.3	19.1
Rural	26.0	24.4	25.0
Urban	6.9	8.0	7.3
Not using medical facility	17.0	13.2	14.2
Rural	14.7	7.6	10.2
Urban	19.4	27.1	22.5
General health poor	7.0	9.4	8.3
Rural	3.5	6.1	5.1
Urban	11.4	18.3	14.3
Having aches and pains on a regular basis	11.5	25.5	19.3
Rural	6.8	23.9	17.5
Urban	17.6	30.4	22.9
Deterioration of health	12.1	15.1	13.8
Rural	12.0	11.4	11.6
Urban	12.2	26.6	18.1
Adverse affect of work on health	37.5	58.5	48.2
Rural	33.7	59.4	49.7
Urban	42.5	55.9	48.0
Households member suffering from chronic illness	18.1	14.6	16.3
Rural	15.1	11.5	12.9
Urban	21.9	24.1	22.8
Paying fully for medical care	77.7	79.7	78.8
Rural	79.9	80.7	80.4
Urban	74.9	76.4	75.5
Having medical insurance	4.2	1.9	2.9
Rural	3.2	1.4	2.0
Urban	5.4	3.5	4.7

A larger proportion of self-employed agricultural workers living in rural areas (27 per cent) did not have access to health facilities (table 22). Among households having access to government health facilities, about 14 per cent did not avail of the public health facility, as either treatment was not available or the facility was too far to be accessed easily. The proportion of households not availing of the facility was higher in urban (23 per cent) areas as compared to rural (10 per cent) areas. Across gender, more women workers (27 per

cent) in urban areas and men workers (15 per cent) in rural areas were not availing of the public medical facility (table 21). A higher proportion of the salaried (27 per cent) and piece-rated (23 per cent) workers were not using the public medical facility (table 22).

Table 22. Health insecurity (percentage of households) by activity status

	Self-employed agriculture	Self-employed non-agriculture	Salaried	Casual labour	Piece-rate worker	All
No hospital or PHC in the neighbourhood	27.1	16.4	10.7	17.6	3.1	19.1
Not using medical facility	6.8	18.4	27.3	15.1	23.0	14.9
General health poor	5.2	9.4	13.2	8.4	16.4	8.2
Having aches and pains on a regular basis	11.1	18.4	13.6	25.9	33.3	19.3
Deterioration of health	9.2	14.8	22.2	15.1	12.8	13.8
Adverse affect of work on health	49.5	44.8	31.7	53.6	61.0	49.2
Households member suffering from chronic illness	11.7	18.3	27.0	15.8	21.4	16.1
Paying fully for medical care	82.5	83.1	74.1	74.7	82.4	78.8

At the outset, it should be noted that no attempt was made to construct indicators directly assessing health like morbidity, etc. Instead we asked a series of subjective questions regarding people's perception of their health. People's perception of their health, illness and causal factors is to a large extent based on socio-economic, cultural and environmental factors. Any investigation into health necessarily encounters the problem of understanding how health and illness are perceived and understood by people. This was very evident when enquiries were made about the general health of the workers, with nearly all of them perceiving their health to be satisfactory or good and only 8 per cent perceiving it to be poor. The perception of good and satisfactory health was higher in rural areas and among men. Across status groups, a higher percentage of piece-rated and salaried workers perceived their health to be poor. It was interesting that despite reporting poor health, these status groups were less likely to avail of the public health facility.

A much higher percentage (19 per cent) of the workers reported that on a regular basis they suffered from body ache, headache or fever (table 21). A higher proportion of women workers, 25 per cent, compared to men (11 per cent) reported such ailments. Across status, a higher proportion of piece-rated and casual labour workers reported having aches and pain on a regular basis (table 22). When their perception of good and satisfactory health and having regular aches and pains was correlated, it was found that of the respondents who perceived their health to be good and satisfactory, 17 per cent of them had regular aches and pains. In comparison, 85 per cent perceiving poor health status also reported suffering from aches and pains on a regular basis. It seems as though aches and pains are part of reality for these workers, and do not prevent them from perceiving their health status to be good.

In response to whether their general health had improved, deteriorated or remained the same over the past year, about 12 and 15 per cent of men and women respectively reported that their health had deteriorated (table 21). The deterioration in health conditions was observed among the salaried, casual and self-employed non-agricultural workers (table 22). Of the persons who perceived themselves in good and satisfactory health, only 8 per cent reported that their health had deteriorated. In comparison, 85 per cent of those in poor health reported deterioration in health. It is interesting to observe the contrasting perceptions that the workers have about their health status. They presume their health status to be satisfactory or good, despite having regular body ache, headache or fever, or

feeling that their general health has deteriorated. Deterioration in health could over the long run lead to low returns to labour, which will have implications for productivity and incomes.

About 48 per cent of the workers said that work had an adverse effect on their health. A higher proportion of piece-rated (61 per cent) and casual labour (54 per cent) workers responded that work had an adverse effect on their health (table 22). The respondents were also queried about addiction by other household members to alcohol, tobacco, etc. The survey showed that some of the members (68 per cent) of the respondents' households were addicted, mainly to *bidi* (indigenous cigarette) and chewing tobacco. Among male and female respondents about 70 and 67 per cent, respectively, had the problem of addiction by household members. In addition, about 16 per cent of the respondents said at least one family member suffered from some chronic illness (table 21). Poor income status, along with such a high proportion of addiction and chronic illness would further increase insecurity in households.

The vulnerability of the poor informal workers increases when they have to pay fully for their medical care with no subsidy or support. In the survey, 79 per cent of the workers paid for the entire cost of medical care without any support. The most vulnerable were, however, the piece-rated and self-employed workers. The precarious existence of these workers seemed quite evident. There was not only a loss of income among the workers due to sickness or ill health, but they also had to bear the entire cost burden. In general, the health of the male workers seemed to be comparatively better than that of women workers, with a smaller proportion of men suffering from regular aches and pains. Furthermore, fewer men perceived that their work had any adverse effect on their health.

Medical and health care systems are a core need for any worker. Government funded infrastructure includes hospitals and PHCs. In the household survey, 81 per cent reported that such a facility existed within five kilometres. In recent years, the Government of India has also been concerned with preventive care, implementing for example a basic immunization programme for children and pulse polio systems. One programme that has been considered relatively successful is the Integrated Child Development Scheme (ICDS) initiated in 1975, perhaps one of the largest food supplementation programmes in the world. The objective is to improve the health and nutrition status of children 0-6 years by providing supplementary food and required health inputs, and to provide pregnant and lactating mothers with food supplements. In the survey, questions on whether the household had been a beneficiary of the ICDS programme, known as *balwadis* was asked. Only 4 per cent of households with children below the age of 6 years had benefited from the programme.

In the present system, there still exists the traditional form of social security benefits, which cover employees working in enterprises for contingencies such as illness. In the survey, among the salaried and casual workers (about 45 per cent of the respondents), 69 per cent of the salaried respondents received some medical benefits from their employer, and that 86 per cent were entitled to medical leave, whereas only 5 per cent of casual workers was entitled to such medical care and leave. Women workers were clearly worse off in these respects, and casual workers were more vulnerable (table 11). Additionally, only 3 per cent of all the respondents reported having medical insurance (table 21). Obviously, medical insurance has not made any inroads into the health consciousness of the people, particularly the poor. So far, it has remained in the hands of state institutions. There is still no clear policy of privatization of the health insurance sector.

4.3 Education security

Education security refers to the right to a basic level of education. Education is imperative for children, as, among other things, it empowers them to be more productive. All the children of India do however not yet enjoy this right. In the household survey, the literacy rate among the sample respondents was 59 per cent and there was wide disparity between male and female literacy (table 23). The level of literacy has an important influence on the kind of activity and employment that a worker can get engaged in. In the household survey, casual workers were more illiterate (51 per cent) and that they also had more irregular work (44 per cent), while 86 per cent of the salaried workers were literate and hardly one per cent had irregular work.

Table 23. Education insecurity (percentage of households) by gender respondents

	Male	Female	All
Literacy Rate	84.2	38.2	58.8
Children of school going age not going to school	19.4	26.9	23.9
Children involved in income generating work	8.1	10.7	9.7
Rural	12.6	10.5	11.2
Urban	2.9	11.2	6.8
Education not as a future security	2.5	3.0	2.8
Education of the male child:			
Up to secondary	48.4	41.7	44.5
Up to higher secondary	15.7	23.3	20.2
Up to college	35.9	34.9	35.3
Education of the female child:			
Up to secondary	67.7	65.3	66.5
Up to higher secondary	13.2	17.4	15.4
Up to college	19.1	17.3	18.2

To assess the level of education security, factual questions related to whether there was a primary school in the neighbourhood and the proportion of children of school going age who went to school were canvassed. All the villages and urban blocks surveyed had the facility of at best a primary school in the neighbourhood. Only eight of the forty-two villages had a secondary school. However, since the villages were not very far apart in this region, in theory most villages and urban blocks could have access to a secondary school. Despite having a primary school in the neighbourhood, a significant proportion (24 per cent) did not send their children to school. The proportion of children of school going age who were not going to school was comparatively high among women (27 per cent) and casual (31 per cent) workers (table 24). The lack of a secondary school in the neighbourhood may have had an impact on this. We found that a higher proportion of salaried workers (22 per cent) had professional or other education after completing their schooling, which would also have helped them to get comparatively better jobs (table 25).

In developing economies, one of the reasons often cited for the low proportion of children going to school is their involvement in various income-generating activities to supplement household income. This phenomenon was observed in the survey, with 28 per cent of the children not going to school being engaged in income generating activities. Of the children going to school, 4 per cent were involved in income generating work after they finished school for the day. Overall, children in the age group of 6 to 14 years assisted 10 per cent of households at work, 11 per cent in women households and 8 per cent in male households (see table 23). The proportion of children engaged in income-generating activities was comparatively high among households of the women respondents and piece-rated workers. It is possible that these children come home from school and assisted the household in piece-rate work, as 23 per cent of the children of this category of workers

were engaged in income generating work (table 24). The economic insecurity of not having regular work also has an impact on children's education. 31 per cent of the respondents who had irregular work did not send children of school going age to school.

Table 24. Education insecurity by activity status

	Self - employed agriculture	Self- employed non- agriculture	Salaried	Casual labour	Piece- rate worker	All
Literacy rate	57.6	67.3	86.1	49.5	63.7	58.8
Children of school going age not going to school	22.8	17.4	13.3	30.9	17.1	23.9
Children involved in income generating work	10.5	5.1	7.5	10.4	22.9	9.7
Education not as a future security	0.9	6.9	1.4	2.7	2.9	2.8
Education of the male child:						
Up to secondary	47.5	47.2	22.7	47.6	26.1	44.5
Up to higher secondary	19.7	19.4	17.9	21.1	29.1	20.2
Up to college	33.4	33.4	59.4	31.2	44.7	35.3
Education of the female child						
Up to secondary	59.9	64.9	43.3	80.0	58.3	66.5
Up to higher secondary	25.1	8.6	3.8	16.4	16.0	15.4
Up to college	14.9	26.4	53.0	3.6	25.8	18.2

Table 25. Levels of education by activity status

	Self - employed agriculture	Self- employed non- agriculture	Salaried	Casual labour	Piece- rate worker	All
Primary school	6.8	7.1	9.2	12.3	15.4	9.5
Middle school	25.4	17.1	14.4	15.0	15.9	18.5
Secondary school	17.0	32.2	36.3	16.5	28.5	21.5
Higher secondary school	6.2	2.6	4.1	1.5	0.2	3.4
Professional and other education	2.2	8.3	22.0	4.2	2.6	5.8

As education is one of the basic securities essential for the future of their child, questions were asked about children's education, namely the respondent perceived their children's education as a form of security for the future and the level to which they intended to educate their male and female children. The proportions of households perceiving that children's education is not a form of security for the future was only 3 per cent among all the workers (table 23), and 7 per cent among the self-employed agricultural workers (table 24). It is interesting that though most of the households did perceive children's education as a form of security for the future, a high proportion (24 per cent) did not in fact send their children to school. This was very clear among the women respondents where 27 per cent of the children did not go to school, while only 3 per cent of them perceived that their child's education was not a source of future security.

The possible determinants for not sending children to school were analyzed, using a logistic regression model (table 26). Lower levels of education among the parents and larger household size resulted in children not going to school. The larger household size implied more children in the household. The older children were perhaps retained at home to attend to household chores, help with economic activities and look after their younger siblings.

When asked about the level to which they intended to educate their children, the gender disparity came out very clearly. In general, respondents expected to educate the male child to higher levels than the girl child (table 23). On average, the girl child was expected to be educated till secondary school (66 per cent), while a smaller proportion intended to educate their girl child to higher secondary (15 per cent) and college education (18 per cent). In contrast, for the male child, a much higher proportion of respondents intended to educate them to college level (35 per cent), the corresponding figures for secondary and higher secondary schooling being 44 and 20 per cent respectively. This observation captures the psyche of the society, where education of the male child is considered more important than that of the female child. This was equally true among both the male and female respondents.

The government has made considerable effort at delivering education. It has made a number of attempts to reduce the costs of schooling and to promote education by offering a variety of incentives: non-formal education, scholarships, free or subsidized education for girls, free textbooks and uniforms, midday meals and dry rations. Some of these are directly targeted at girls and disadvantaged castes. The high rate of poverty and poor schooling system having resulted in low literacy among child labourers, the government started evening classes for illiterate children from 9-14 years of age. In the survey, 32 per cent of the children going to school had received scholarships and 33 per cent had received support for the purchase of clothes and schoolbooks. In Gujarat there is an additional scheme of free education for girl children who attend secondary school. 111 households had female children going to secondary school. About 66 households, or almost 60 per cent reported benefiting from such free education. The coverage of government incentive schemes, however, remained limited.

Table 26. Odds ratio for predicting education vulnerability

Dependent variable: children of school going age not going to school						
	B	S.E.	Wald	df	Sig.	Exp(B)
Age	.016	.012	1.589	1	.207	1.016
Female dummy	-.051	.316	.026	1	.872	.951
Mean years of education	-.161	.029	30.102	1	.000	.852
Widowed or separated dummy	-.325	.365	.795	1	.373	.722
Size of the household	.113	.040	7.917	1	.005	1.119
Scheduled caste/ tribe dummy	-.223	.211	1.118	1	.290	.800
Piece-rate/ casual worker dummy	.148	.201	.538	1	.463	1.159
Log of individual income	.064	.108	.351	1	.553	1.066
Rural dummy	.006	.195	.001	1	.977	1.006
SEWA dummy	-.444	.357	1.550	1	.213	.642
Number of crisis	.115	.088	1.699	1	.192	1.122
Constant	-2.772	1.224	5.127	1	.024	.063
N = 727, -2 Log likelihood = 699.767						
Cox and Snell R Square = 0.081, Nagelkerke R Square = 0.125						

4.4 Shelter security

Housing is one of the basic needs along with food and clothing. Despite the universal acceptability of housing as one of the basic needs, the necessary political will and institutional support towards meeting this need where the poor are concerned has been lacking in most developing countries. In India, though a number of housing schemes have

been introduced over the past two decades, they seem to have been plagued by both shortages and distributional problems.

Shelter security is particularly important with informal workers because a large proportion also use their homes as a place of work. The lack of a separate, designated place of work makes the workers vulnerable in a number of ways. They become less visible and are not legally recognized as workers. It also limits their ability to claim any social protection measures for which they may be eligible. In the case of women, it also leads to lower productivity since they are frequently interrupted to take care of domestic chores. In the recently conducted national level informal sector survey of the NSSO, 1999-2000, 36 per cent of informal enterprises were found to be operating from their homes (NSSO, 2001).

According to the Condition of Housing Survey of the National Sample Survey in 1993, about 25 per cent of the households in the country lived in dilapidated or *kutcha* houses (made of non-permanent material). This proportion was larger in rural (32 per cent) as compared to urban areas (8 per cent). The proportion of households living in *pucca* structures made of brick and concrete was 43 per cent in the country as a whole, the proportion being much higher, 74 per cent, in urban areas.

In the PSS, an attempt was made to try and capture the actual housing situation of respondents by enquiring about whether they owned the house in which they lived, the material used for the construction of the house and whether any expenses were incurred in renovating the house. These questions were designed to not only help in understanding their living conditions, but also how vulnerable they could be at times of calamity.

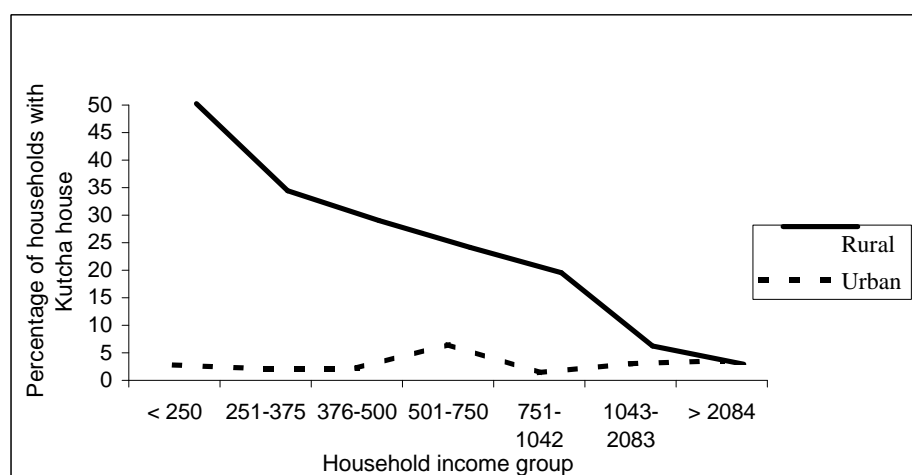
About 16 per cent of households did not own the house they lived in. The proportion of households living in *kutcha* houses (17 per cent) was most insecure (table 27). The proportion of such *kutcha* dwellings was higher in rural areas (24 per cent) than in urban areas. Residence in *kutcha* structures was rather low in the survey as compared to the all-India average. This may be due to the urban bias in the sample, and the fact that the selected rural areas were also in proximity to urban centres. It was observed that in rural areas, the proportion of households with *kutcha* dwellings declined with the increase in the income levels (figure 7).

Table 27. Shelter insecurity in rural and urban areas by gender of respondents

	Male	Female	All
Do not own house	19.7	12.8	15.9
Rural	5.1	4.1	4.5
Urban	19.7	12.8	15.9
Living in house of non-permanent material	14.8	18.6	16.9
Rural	24.4	23.3	23.7
Urban	2.4	4.4	3.3
No renovation done to the house	34.0	34.3	34.2
Rural	33.7	34.9	34.4
Urban	34.4	32.4	33.6
Shelter vulnerability ¹	29.8	30.8	30.4
Rural	30.6	31.4	31.1
Urban	28.9	29.0	28.9

Note: 1 – Shelter vulnerability is *kutcha* and *semi-kutcha* houses without any renovation undertaken.

Figure 7. *Kutcha* house by household income group



An indicator of shelter vulnerability was constructed taking into consideration the status of the house, vulnerability being defined as having a semi-*pucca* (without a proper roof or wall) or *kutcha* (built of non-permanent materials) structure on which no renovation had ever been done. Shelter vulnerability so defined was about 30 per cent for all workers, and there was no difference across gender. Piece-rated and casual labour workers were more vulnerable (table 28).

Table 28. Shelter insecurity by activity status

	Self - employed agriculture	Self- employed non- agriculture	Salaried	Casual labour	Piece- rate worker	All
Do not own house	1.2	30.5	22.6	16.5	47.2	15.9
Living in house of non- permanent material	15.2	8.8	3.2	26.2	0.2	16.9
No renovation done to the house	35.2	28.9	33.5	35.3	40.4	34.2
Shelter vulnerability ¹	31.0	25.8	26.5	32.2	36.8	30.4

Note: 1 – Shelter vulnerability is *kutcha* and *semi-kutcha* houses without any renovation undertaken.

The housing conditions in the survey showed that the vulnerability of not having a proper house to live in was high in the rural areas. This basically reflects the absence of any proper housing or shelter programme by the Government for the poor in rural areas. Further, the piece-rate and casual worker households were most vulnerable, which actually acts as an added disadvantage for the piece rate workers, who operate from home. The only way to reduce the shelter vulnerability among the poor workers could be through subsidized housing programmes either by the Government or non-governmental organisations, as is presented in the next chapter.

5. Organizational representation

Organizational representation refers to an institution, which aims to protect and promote the interests of labour, most commonly a trade union. There are two broad theoretical or ideological views that have emerged over the years on labour institutions like trade unions, or on state intervention in the form of legislation for minimum wages, job regulation and social security. One is the institutionalist view promoted by the ILO for

about eight decades and the other is the distortionist view propagated by the World Bank since the 1980s' (Reddy, 2000). According to the institutionalist view, minimum wages, for example, play an important role in protecting low-income groups; unionization promotes a sound industrial relations system; and social security ensures justice to the working class for their role in the production process (Freeman, 1992). In contrast to the institutionalist view, the distortionist view holds that minimum wages, job and social security and a recognized role for trade unions in fact raise the cost of labour, reduce labour demand and distort labour markets by raising wages to artificially high levels in the formal sector, while in the informal sector, they lead to unemployment and low wages (Reddy, 2000). These distortions, it is argued, lead to inefficient use of the human resource.

With the onset of globalization in the early eighties, there has since been widespread orchestration of the distortionist view by the World Bank and the International Monetary Fund (IMF), which poses a serious challenge to trade unions as labour institutions with a larger social purpose. This ideological underpinning of the structural adjustment programmes promoted by these organizations is also clearly perceivable in India, which has been implementing an Economic Reform Programme since 1991. The organization of labour in the beginning mainly benefited factory-based workers in the organized sector, which constitutes a very small fraction of the labour force, in India, a mere 5 per cent of the working population. Globalization through a process of informalization and casualization has already led to the shrinking of this already meagre formal sector and contributed to the further expansion of the unorganized and informal sector.

In a globalizing world, the increasing informalization of the economy calls for a new agenda for organization, whereas trade unions and labour institutions have tended to exclude workers in the unorganized or informal sector. To rise to the challenge, the labour movement will need to undergo transformation into a movement of all working people; as opposed to simple organization of workers in particular industries where workers enjoy institutionalized protection (Kannan, 1999). Besides negotiations with individual employers, some bargaining will have to be with capital as a class, and economy-wide. Some will also have to take place with the state, to ensure workers' minimum requirements of consumption along with basic needs for housing, health and education (Kannan, 1999).

The formal and informal sectors, or the degree of informality of a worker, can be visualized as a continuum rather than a dichotomy. Organization or representation provides a "voice" to workers and can help move the degree of formality, in terms of social security benefits to the workers, lower down the continuum. That is, "voice" is a means to help workers reduce the degree of informality in their work status (Sudarshan and Unni, 2001). Organization of informal sector workers has also been viewed as a means to improve their capacity to represent and hold on to a bargaining position for longer (Kannan, 1999), in the absence of which these workers are very vulnerable.

The contemporary Indian experience in organizing the unorganized labouring poor has already demonstrated that it is possible to organize workers in this sector. The experience of organization in the unorganized sector has been classified in terms of three processes. The first consists of the radical political movements engaged in sporadic agrarian class struggles. These are mainly extreme left groups, going by the name of the Naxalite movement. They have had some success in attaining some economic advantages for the poor labouring class. The second type of movement is represented by the trade unions of political parties. Their approach is similar to that of trade unions in the organized sector. They tend to organize according to occupations, the most common of which are trade unions of agricultural labourers. The third group may be called 'empowerment groups' and mostly consist of NGOs, including anything other than the government and excluding the above two. A large number of religious, charitable and development organizations contribute to increasing the staying power of the poor. They often organize

around micro-credit programmes for women, adult literacy work, health care services, relief assistance in times of crisis, watershed management, etc. (Kannan, 1999). Unfortunately, the efforts made by radical political parties and certain non-governmental organizations to organize workers meet with severe state repression (Reddy, 1998).

What is however noteworthy is the fact that traditional trade unions have never represented the interests of the women, as they have not been able to reach out to the informal sector where women workers are predominant (Reddy, 2000). With increasing informalization, a growing proportion of the workforce is deprived of the benefits of regular job, wage and social security benefits: it becomes all the more important for unions to include informal sector workers, and thereby strengthen and widen the labour movement's social and economic agenda. Some efforts towards organization of women in the informal sector are already underway, for instance, the Mathadi workers in Mumbai (Datta, 1999) and SEWA's Ahmedabad experiment are only examples indicative of the potential of expanding the unions' socio-economic agenda.

In this chapter, informal workers' representation and perception about organization are analysed. The influence of a member-based organization, SEWA is then explored, which not only provides an example of successful organization of women in the unorganized sector, but has also set examples for trade unions by undertaking commendable work on social security for its members (Vyas, 1999). To help with the understanding of representation security, which constitutes an important dimension of security in the ILO framework, a small subsample of women members of SEWA was included in the PSS.

In addition to looking into the influence of the member-based organization on its workers, the alternative institutional mechanisms that it has devised to deliver social protection instruments for informal workers was also analyzed.

5.1 Organization and representation

Organization provides workers with a voice, to present their problems and fight for their rights. To understand the extent to which the informal workers in the sample were represented by any organization, questions were asked relating to their representation (e.g. did they belong to any organization that represented their work), their awareness about unions and their attitudes towards these. It was interesting to observe that only about 17 per cent of the workers claimed to belong to an organization that represented their interests at work, with higher representation among SEWA women workers (52 per cent) (table 29). In reality, all the SEWA women workers were actually part of the organization that represented their interests, but not all perceived themselves to be so. This in a sense would mean that they relate and understand SEWA as a delivery agency rather than as representing their economic interests. Of the workers that were members of an organization, 83 per cent were actively involved in the activities of the organization, and there was no difference across gender or member based organizations.

The awareness of the informal workers with regards to unions was comparatively higher, with 23 per cent being aware of them. Male workers were more aware about unions, with 40 per cent, followed by SEWA women workers (table 29). The general attitude of the workers who were aware of unions was that unions were important in providing employment and income security (53 per cent), with 24 per cent feeling that in general it helps to be a member of a union as it represents workers' interests. The above analysis shows that awareness about trade unionism and organization among the informal workers was very low, and most of the workers were not even aware that there could be organizations representing their interests. As a subsample of members of SEWA had been taken, which has been organizing home workers and women in the unorganized sector since 1972, the workers in the sample were asked whether they were aware of the

organization. Only about 14 per cent of male workers and 9 per cent of women workers were aware of the existence of SEWA.

Table 29. Organization and representation among the informal workers

	Male	Non-SEWA women	SEWA women	All
Belonging to any organization that represents their interests	18.3	15.6	52.1	17.2
Active member of the organization	85.5	80.7	86.9	83.1
Awareness of unions	39.6	8.6	29.9	22.7
Attitudes towards unions:				
Strong belief in unions	50.0	50.2	48.6	50.0
Feeling that unions are important at workplace	26.9	30.5	40.0	27.8
Reasons for such attitude:				
Unions are important in providing employment and income security	54.3	49.7	60.0	53.4
Helps to be a member of a union, in general	22.6	31.4	28.6	24.5
Awareness of member-based organization (SEWA)	13.9	9.0	100.0	12.1

5.2 Role of SEWA

SEWA is a labour union of women workers in the informal economy. Most of these women had no employer or fixed employer-employee relationship. Members worked in markets, on the street, in their own homes, in fields (other than their own), in forests, on riverbanks and in the desert. SEWA has been actively organizing women workers since it was registered as a trade union in 1972. The organization has two main goals: to organize women for full employment at the household level and for self-reliance. According to them, full employment is employment that provides work security, income security, food security and social security - at least health care, child care, insurance and shelter - to women and their families. They perceive that with full employment and self-reliance, workers' bargaining power increases (SEWA, 2000).

SEWA's organizing strategy involves both struggle and development, which it undertakes through trade union and cooperative forms of organization. Both are democratic forms of organization, owned, controlled and run by the workers themselves. Through the union, the members struggle for their rights and try to overcome the various injustices they face in their daily lives. The cooperatives help them in their development activities, providing employment, financial services and health and child care; and undertaking land-based and water-centred activities (SEWA, 2000). According to SEWA, women are strengthened economically and in all other aspects of their lives through both the struggle and development, i.e. through the joint action of the union and cooperatives.

Utilization of SEWA facilities

In the PSS, SEWA members who were part of the sample were asked about the different securities that the organization provided for informal workers and about the utilization they made of these securities. Most of the workers were aware of the securities provided by the organization, and their awareness of SEWA as a credit delivery agency was highest (98 per cent), while it was lowest as a union (42 per cent). About 97 per cent of the SEWA members we queried had utilized the facilities of SEWA. The facilities that were popular among the SEWA members, those, which they seemed to have utilized most, were credit, housing, insurance and training.

A higher proportion of workers utilized the savings facilities (79 per cent), particularly in rural areas (88 per cent) (table 30). The savings scheme seemed to give them tremendous

confidence and support in undertaking their activities. This was made evident when the workers were asked about their source of borrowing in the advent of a financial crisis. 28 per cent of SEWA workers borrowed from the bank or *mandal*, compared to 20 per cent of workers overall (table 31). The savings scheme also helped members to reduce their borrowings from moneylenders or *shroffs* (9 per cent), who normally represent the most accessible but costly source for poor informal workers.

The SEWA Bank has also been following the micro finance strategy of lending through savings and credit groups in the villages and directly through its bank in the urban areas. This has definitely paid dividends by reducing the capital insecurity of members. A smaller proportion of only 43 per cent of women members of SEWA reported having lack of access to capital as compared to 72 per cent of the general sample of women (table 31). The actual fixed capital employed by SEWA members was also relatively higher than that of other women, though lower than that of men. Thus the micro finance institution did play a role in reducing capital insecurity of poor self-employed workers. The facility also helped the workers to undertake their business in the absence of credit from formal banking institutions, which are very reluctant to lend to small entrepreneurs or self-employed workers.

Table 30. Utilization of SEWA facilities by location

Facilities	Rural	Urban	All
Savings	87.7	68.5	79.0
Housing	6.1	24.1	14.3
Health	9.2	1.9	5.9
Union	-	1.9	0.8
Literacy	13.8	-	7.6
Insurance	46.1	20.4	34.4
Food	-	3.7	1.7
Child care	4.6	3.7	4.2
Trading	6.2	3.7	5.0
Training	67.7	3.7	38.7

Table 31. Loans

	Male	Non-SEWA women	SEWA women	All
Loans during financial crisis				
Support from family and friends	61.0	63.6	61.0	62.4
Bank/ <i>mandal</i>	20.2	20.4	28.0	20.4
Money lenders/ <i>shroffs</i>	13.7	13.7	8.8	13.6
Sale of assets	5.1	2.3	2.0	3.6
All	100.0	100.0	100.0	100.0
Loans for economic activity				
No access to capital	38.5	71.7	42.9	49.2

About 66 per cent of workers in rural and urban areas had undertaken renovations to its house (table 32). About 14 per cent of them had utilized the credit facility for housing, particularly in the urban areas (24 per cent) (table 30). In the survey, a large proportion of SEWA respondents owned their own house in the rural areas, though not so in the urban. A large proportion of SEWA members in rural areas, lived however in non-permanent structures (*kutchha* houses) (49 per cent) while this applied to only 7 per cent of members in

urban areas. The possible reason for the smaller proportion of members living in non-permanent structures in urban areas could be due to the initiative of providing housing loans for members to improve their structures.

Availing of housing loans for renovation by members is studied by status of the house in the rural and urban areas in table 32. About 81 per cent of SEWA members in rural areas had renovated their house. Of the 49 per cent living in non-permanent dwellings, 78 per cent had renovated their structures. In urban areas, 61 per cent of members had renovated its house, most of them being members with non-permanent structures (75 per cent).

Table 32. Shelter insecurity in rural and urban areas (%)

Shelter Status	Rural				Urban			
	Male	Non-SEWA women	SEWA women	All	Male	Non-SEWA women	SEWA women	All
Do not own house	5.1	4.1	6.2	4.5	38.4	39.7	27.8	38.8
<i>Kutcha</i>	24.4	23.3	49.2	23.7	2.4	4.3	7.4	3.3
Status of the house and having done renovation								
<i>Pucca</i> with renovation	75.9	71.6	100	73.5	57.1	80.3	50.0	67.5
Semi- <i>pucca</i> with renovation	71.0	67.9	80	69.1	66.8	65.4	61.9	66.2
<i>Kutcha</i> with renovation	49.2	52.7	78.1	51.8	66.7	66.2	75.0	66.7
Houses renovated	66.3	64.9	81.5	65.6	65.6	67.8	61.1	66.4

SEWA workers with poor housing in rural areas had been able to access the housing scheme to undertake the renovation of their mainly *kutcha* houses. The poor status of their homes showed that SEWA is catering to the very poor and lowest rungs of society. Thus, despite this fact, it was able to make a dent in shelter insecurity for its members. One such initiative in urban areas reflects and is a result of the collaborative efforts between SEWA, Ahmedabad Municipal Corporation and the slum dwellers for the upgrading of housing and related infrastructure in Ahmedabad. This programme funded by the World Bank was called *parivartan* or change provided sanitation, water, toilets, roads, streetlights and garbage cans in the slum areas of Ahmedabad. In 1999, 14 slum areas were covered and in 2000, the scheme covered 2,351 families and is also being extended to other areas.

Insurance is yet another facility provided, used by 34 per cent of SEWA women workers (table 30). Its use was higher in rural areas as compared to urban areas. This scheme was introduced by SEWA in 1992 as a unique integrated insurance plan for their members. By just paying Rs.65 as annual premium, the poor woman member gets coverage for health and maternity benefits, assets including her house and life (inclusive of the spouse). It was observed in the survey that while only 3 per cent of the general sample had any form of medical insurance, about 26 per cent of SEWA respondents had medical insurance (table 33). This was particularly important for this group of women whom the survey noted suffered from extreme health insecurity, with 24 per cent of them perceiving their health to have deteriorated over the preceding year. Thus, this member-based organization was playing an important role in providing health security to its members.

Table 33. Health insecurity of workers

	Male	Non-SEWA women	SEWA women	All
Suffering from Aches regularly	11.5	25.5	26.9	19.3
Deteriorating health	12.1	15.1	24.4	13.8
Adverse effect of work on health	37.5	58.7	48.7	49.2
Pay fully for medical care	77.7	79.7	76.5	78.8
Having Medical Insurance	4.2	1.5	26.1	2.9

Another important facility that SEWA has provided and that its members have used is training, where 39 per cent of the workers mentioned that they had utilized the facility (see table 30). The impact of the training facility organized by the NGO/union for its members came out starkly when workers were asked the source of their informal training. 19 per cent of SEWA members had had training from non-governmental organizations, as compared to only 1 per cent for all workers. 54 per cent of the SEWA workers had on-the-job training by the organization (table 34).

Table 34. Skills training of workers

	Male	Non-SEWA women	SEWA women	All
Obtained formal training	9.9	4.4	7.6	6.9
Source of informal training				
Through NGOs	0.9	1.3	18.5	1.3
Through government	5.4	1.2	4.2	3.1
Through family and friends	32.1	27.6	23.5	29.6
Through on the job training	61.6	69.9	53.7	66.1

Strengths in being a member of an organization

When the workers were asked about the advantages of being a SEWA member, 45 per cent felt that SEWA, through its literacy programmes, had helped them to become more aware on a number of issues. The fact that SEWA had helped them to become more aware comes out very clearly in the responses to the questions on health and employment. With regards to people's perception of the evolution of their health over the last twelve months, 24 per cent of SEWA respondents perceived that their health had deteriorated, while only 14 per cent of all workers perceived the same (table 33). In general, the health of most of the informal workers is bad, but they are not aware of it. They perceive their health situation to be normal even when it is in fact poor.

Also, being part of an organization helped a number of them to obtain information about income generating activities taking place in the surrounding area where they could find employment. This information was essential as most of them did not have permanent jobs, and they had low levels of income, engaging in multiple activities, changing work status over the course of the year and even during a single day. 44 per cent of SEWA members were engaged in multiple activities during a single day while 58 per cent of them were involved in multiple activities during the year (table 35). Being involved or engaged in multiple activities for these poor workers was a form of security, both work and income; and a lesser proportion of SEWA members had irregular work (12 per cent) compared to 24 per cent of workers overall.

Another advantage that SEWA members felt they had was with regards to the loans provided by the organization to build up their assets, such as houses, flour mills and buffaloes; these were mostly utilized by the self-employed to enhance their economic security, as is reflected in an earlier section. However, when asked about the kind of

improvements that they would like SEWA to introduce in future, 20 per cent of them felt that more of household activities such as, manufacture of food products, garment making, embroidery, etc. should be promoted.

Table 35. Economic insecurity (percentage of households) by gender

Insecurity	Male	Non-SEWA women	SEWA women	All
Irregularity of Work	17.3	29.1	11.8	23.7
Insecurity of work	10.0	12.2	11.7	11.2
Multiple Activities in a Day	15.5	36.7	43.7	27.3
Multiple Activities in a Year	33.1	44.4	58.0	39.5

6. Conclusions

Globalization of the world economy has led to transformation of economic and social interactions, a redefinition of work and shifts in the structure of the labour market. The concepts of work and workplace seem to be undergoing radical changes and there is also a change in the nature of work. The concept of a job for life is disappearing, while contract work and self-employment are growing, allowing, in some cases, for greater enjoyment of autonomy and independence of workers (Low, 2000). In such a globalizing economy where work is becoming flexible, there is more diversity of work statuses, variable periods and intensity of employment, and variable levels and forms of income. The issue of security of employment becomes crucial in this context.

In developing countries like India, only 8 per cent of the workforce is engaged in the formal economy, and with the ongoing structural adjustment programmes, there is likely to be a further decline in employment in this sector. The labour market scenario in India is characterized by a large proportion of workers engaged in non-stable activities in self-employment and casual wage work. Most of the workers engaged in the informal economy have hardly any security of continuation of employment or social security benefits. Growing flexibility for employers implies insecurity for the workers. Further, the accelerated globalization over the last decade is modifying the role of the state through various market mechanisms.

In this context, the PSS in Gujarat was carried out to analyse the insecurities of poor workers in the informal economy and find out their perception of their core social and economic needs. The survey focused on poor workers in the informal economy in the city of Ahmedabad and the five districts surrounding it.

A conceptual framework was developed in which two sources of insecurities faced by workers in the informal economy were identified. Insecurities were seen to arise through random shocks or crises, which hit the household from time to time, and through structural features, which are more or less permanent. In the analysis, status of work, gender and rural - urban location were incorporated as structural features that created insecurities for the workers. A two-fold approach to security/insecurity, basic (food, education, health and shelter) and economic (work-related), was found analytically and theoretically useful to demarcate the insecurities faced by different sections of the population.

Some of the economic insecurities or vulnerabilities faced by the informal workers occurred in the form of irregularity of work, insecurity of continuity of economic activity engaged in and low levels of skill. Due to the insecurity arising from not having permanent jobs, workers often engaged in multiple activities, changing status of work over the course of the year or even during a single day. The structural feature of status of work had a major influence on insecurities. The casual and piece-rated workers were the most vulnerable in

terms of irregularity and insecurity of work. The insecurities faced by the self-employed were different and related to lack of access to capital, stagnant demand and no scope for future expansion. The gender dimension of insecurities was also clearly evident. Women workers did not find work regularly, and a larger proportion of them were engaged in multiple activities in a day as well as during the year. Further, the insecurities faced by workers in the rural areas were different.

Measures of insecurities based on the perception of the workers and their factual employment conditions were developed. The indicators based on the actual conditions of employment, such as the chances of arbitrary dismissal and nature of contracts of employees, and, value of fixed assets and access to capital among self-employed workers, showed that the majority of workers faced insecurity of employment. However, only a small proportion of workers reported employment insecurity in response to perceptual questions. In a developing country with a large proportion of the workforce in the informal economy, perceptions of security can be deceptive. With little chance of upward mobility and lack of opportunities for growth, workers are caught in a low-level equilibrium trap and are unable to visualize a better employment situation for themselves.

In developing economies with a large informal segment in the labour force, the notion of social justice would require social protection measures to cover both basic needs and economic security. It has further been articulated that, “a good society is a just society”. “A just society, and by implication a good labour market, requires policies and institutions that enhance self-control and basic security”. Distributive justice requires that everyone in society should have basic security and self-control (Standing, 2000). In this context, respondents’ were asked whether there should be any upper or lower limit to income earned by any individual in the society. About 52 per cent of the respondents felt that there should be an upper limit to income, whereas 98 per cent felt that there should be a lower limit to income. It was interesting that while most respondents strongly felt that a minimum income should be guaranteed, an upper limit was not considered imperative. This can be partly explained by the enterprising and hard working culture of the people of Gujarat. Trusting the Government machinery for delivering the social security schemes was also asked and 59 per cent of the respondents reported that they trusted the Government to deliver the goods.

In this rapidly changing scenario, while the focus that the state should not absolve itself of the responsibility of providing the core needs, basic and economic, of the population, the question of how it is going to mobilize the resources for these activities remains a puzzle. To provide it with social protection would mean huge costs, and any policy intervention in this sphere would have to address the issue of resource mobilization. It is one thing to fashion attractive policies and quite another to ensure implementation. Indian planners have never been at a loss to fashion attractive policies: it is the will to implement them that has been lacking (Beteille, 2001). Innovative and easily implementable methods of mobilizing resources will be one of the key challenges for policies in social protection. The role of civil society and member-based organizations in this respect cannot be ignored. A subsample of members of SEWA, a member-based organization was included, which provides various social protection instruments to its members. It was observed that the women members of this organization were less insecure in terms of work and access to capital.

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