

**Understanding the Dynamics of Day Labour Market
in Kerala: A Case Study of Three Day Labour
Markets in Trivandrum City**

**Understanding the Dynamics of Day Labour Market in Kerala: A
Case Study of Three Day Labour Markets in Trivandrum City**

Dissertation submitted in partial fulfillment of the requirements for the
award of the degree of Master of Philosophy in Economics of the
Jawaharlal Nehru University

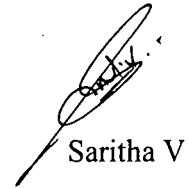
Saritha V
MPhil Programme in Applied Economics
2010-2012



CENTRE FOR DEVELOPMENT STUDIES
Trivandrum
December 2012

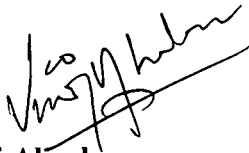
I hereby affirm that the work for this Thesis, Understanding the Dynamics of day Labour market in Kerala: A Case Study of Three Day Labour Markets in Trivandrum City, being submitted as part of the requirements for award of the degree of Master of Philosophy in Applied Economics of the Jawaharlal Nehru University, was carried out entirely by myself. I also affirm that it was not part of any other programme of study and has not been submitted to any other University for the award of any Degree.

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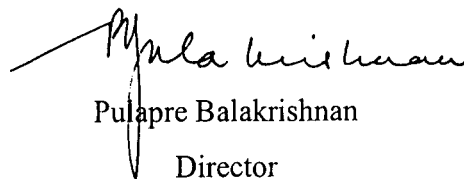
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Certified that this study is the bona fide work of Saritha V, carried out under our supervision at the Centre for Development Studies



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To My Dear Sid

Acknowledgement

Joining MPhil Programme at Centre for Development Studies would have been impossible without the support of my dear mother V Krishnakumari. Her strength and prayers have made me capable to face every situation in life. I am blessed to have her as my mother.

I would take this opportunity to thank three individuals who encouraged me to join CDS. I would like to thank Dr. K P Mani, Head of the Department, Dr. John Matthai Centre and Mr. Gopakumaran Nair and Mr. Shyjan Davis for their sincere support and encouragement.

It has always been my dream to undertake my research work on migration and labour market since my post graduation. I am extremely grateful to have Dr. Vinoj Abraham, Associate Professor, Centre for development Studies as my supervisor. There have been a lot of studies already done on migration and labour market where it is difficult in identifying a new leaf from this research area. I would like to extend my sincere gratitude towards Dr. Vinoj for suggesting me to work on the Day Labour Market. His patience and support throughout the research work has helped me to complete my thesis satisfactorily.

Being an infant in the research field, there are high possibilities in making mistakes and at times we get messed up. I am extremely thankful to Dr. Aparna Nair, Associate Professor, and Centre for development Studies for the patience that she had shown throughout the dissertation work and for helping me to enjoy the work in every step without any compromise.

The guidance of our faculty has helped me a lot in improving the thesis. I extend my gratitude towards Dr. J Devika, Professor A V Jose, Professor K P Kannan, Dr. N Harilal, Dr. Praveena, Professor Navaneetham, Dr. U S Mishra and Professor Irudaya Rajan for their timely guidance and support. I would like to express my sincere thanks to Professor Sunil Mani for his systematic instructions during the dissertation work.

I would be obliged to express my gratitude towards Professor Pulapre Balakrishnan for being there for us every time and doing the best he can for the students.

The proposal presentation would not have been successful without the support of my senior Ms. Neethi P. I am taking this opportunity to thank her for her loving support and guidance. I would also like to thank my dear friends Sajitha and Kavitha who has given me all their support to complete my dissertation and Rahul for their sincere guidance and my seniors Sruthi, Kiran, Uma and Rajeev for their valuable suggestions.

The primary data collection would have gone futile without the support of my dear friends. I would like to extend my heartfelt thanks to Santhosh Dash, Mohammed Izudheen, Shyamlal, Deepak, Soumi, Pinak and Vachaspathi for accompanying me during the data collection. Thanks to Chinju & Mariya and my three little darlings Amrita, Shilpa

and Raisa for cheering me at times. My heartfelt thanks to all my seniors and Juniors for their valuable suggestion during my presentation

I have no words to express my gratitude towards the support and guidance given by our librarian Mr. Sreeram and the unending support of other library staff. Their guidance, cooperation and encouragement should be appreciated in every aspect. I take this opportunity to thank Mr. Anil Kumar, Mr. Ameer, Ms. Anitha, Mr. Sivan and other library staff for their unending support.

Thanks to my friends Deepak Babu, Binu, Godwin and Ronnie for their continuous support and help. Again my sincere thanks to my brother Rahul and my cousin brother Unnikrishnan for their support and courage.

The primary survey would not have been effective and interactive without the cooperation of the day labourers at Sreekaryam, Ulloor and kazhakoottam. A few names have to be mentioned here since it is because of them I was able to conduct the interview in person the entire sample. Haripadh and Haridhan, Sandip, Dinesh and his friends from Assam, Bulbul, Gautham and Khader from West Bengal, Jarif from Bihar. The continuous support of these labourers turned out to be a great help not only in completing the survey but also to furnish my thesis with relevant qualitative data. The primary survey in Kazhakoottam day labour market became more interesting since there was a collective support as well as the response from the local day labourers.

Special thanks to Murali T K who has been there for me all the time and given me his entire support and for spreading more and more happiness into my life.

Once again my love to Saji and Kavi for being there for me ... That day was like a miracle!!

Finally I would take this opportunity to thank the whole CDS family for their love and support

..... I am blessed to be a part of this family..... Saritha V

Abstract of the Dissertation
Understanding the Dynamics of Day labour Market in Kerala:
A Case Study Three Day Labour Markets at Trivandrum City

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Development Studies, Thiruvananthapuram
2010-12

Informal sector acts as a residual sponge by absorbing a sizeable portion of workers – both skilled and unskilled, better-off and vulnerable and for whom entry into formal sector is hindered. The very basic characteristics of informal sector enables free mobility to a wider section of labour force with a wider variety of employment opportunities. Hence every informal activity will be more or less unique in character. The larger the size of informal sector and wider the employment opportunities it offers the more is the segregation within the informal labour markets. Hence the concept informality is revised in varied forms. Day labour market is identified in literature as one such unique form of labour market in the informal sector.

In this context this study tries to explore the functioning of the day labour market in general and analyses the characteristics of the day labourers and identifies the factors determining their employment, wages, hours of work and their entry and exit to the market. The study tries to throw light upon the intra market variation between the day labour markets to identify those aspects of market segregation that result in formation of multiple DLM in the same region. The study being empirical is entirely based on primary data collection. Secondary data analysis is employed with the help of NSSO, Census and Economic Review to identify the extent of informality that prevails in the economy. In such a context the emergence of three DLMs at Trivandrum city situated more or less at equal distance and the characteristic features of these day labourers and the factors that determine the employment, wages, hours of work and their entry and exit if these day labourers become the centre attraction of this study. In the end the study observes the intra market variation so as to identify the factors encouraging the development of DLMs.

The study identifies the day labour market as a source of employment which has or creates its own space and time and functions independently without depending on any exogenous forces and hence it is distinct from other informal labour markets functioning in the economy. The market has its own automatic mechanism of entry and exit where day labourers are independent to make their choice and hence this market is supply determined. There prevails sharp ethnic divide between the DLM. The age-old presence of a local DLM and the recent development of two immigrant DLMs results in a labour unrest among the native day labourers primarily due to the differential wage rate prevailing in the market. Occupation, ethnicity and source of information largely influence the employment, hours of work and wages of the day labourers in the DLM.

Index of the chapters	
Chapter	Page No.
Day Labour Market: An Introduction	1
Output and Employment in the Kerala Economy	29
An Account of the Working of the Day Labour Markets	52
Employment, Wages and Conditions of Work Among Day Labour Market Workers: A Comparison of the Three Day Labour Spots	75
Proximate Factors that Influence Employment, Wages and Hours of Work of Workers in Day Labour Market	102
Conclusion	124

	Detailed Index	Page No.
Chapter 1	Day Labour Market: An Introduction	1-28
I	Introduction	1
II	Motivation of the study	3
III	Theoretical Framework	3
IV	Literature Review	5
	A. Setting the Context: The Informal Labour Market	5
	B. Informal Sector in India: A Profile	7
	C. Informal Sector and Process of Casualisation	12
	D. Informal Labour markets and Migration	18
	E. Day Labour: Employment of the Last Resort	21
V	Research Questions	26
VI	Objectives	27
VII	Data Source and Methodology	27
Chapter 2	Output And Employment In The Kerala Economy	29-50
I	Introduction	29
	A. Growth and Structure of SDP in Kerala	34
	B. The Labour market scenario and Casualisation of Labour in Kerala	35
	C. In migration to Kerala	48
	D. Conclusion	50
Chapter 3	An Account Of The Working Of The Day Labour Markets	52-74
I	An Overview	52
	1. Features of Day Labour Market	52
	(a) Location of the spots	52
	(b) Size and functioning of the market spots	53
	(c) Ethnicity of workers	55
	(d) Occupation of the workers at the Spots:	56
	2. Market Features of the Employers at the DLM	56
	(a) Productivity & wage considerations	57
	(b) Transaction costs	58
	(c) Information Costs	59
	3. Characteristics of the Day Labourers	60
	(a) Basic Profile of the day labourers	60
	i. Age, Gender and Place of Origin	60
	ii. Religion and Caste	61
	iii. Education (corresponding to ethnicity)	62
	iv. Marital status and Household size	62
	(b) Asset Profiling	3
	i. Land	63
	ii. Other Assets	64
	iii. Debt Profile	64
	4. Market Features of the Workers at the DLM	65
	(a) Detachment from Employers and Contractors	65

	(b) Detachment from Labour Unions	66
	(c) Exclusion from Labour Regulations	67
	(d) Invisibility from State Machineries	69
	(e) Information Network	70
II	Conclusion	73
	Appendix	74
Chapter 4	Employment, Wages and Conditions of work among Day Labour Market Workers: A Comparison of the Three Day Labour Spots	75-101
I	Introduction	75
	Section: I	75
II	Employment, Wages and Conditions of work at DLMs	75
	(a) Employment	75
	(b) Unemployment	77
	(c) Occupation undertaken	79
	(d) Earnings	82
	(e) Negotiation between Demand and Supply forces	83
	Summing up	90
	Section: II	91
III	Factors that led the Immigrants into the DLM	91
	(a) Push Factors	91
	i) Lower wage rate and long working hours	91
	ii) Ill treatment from contractors	92
	iii) Financial distress	92
	iv) Mobility	93
	v) Low level of social security	94
	(b) Pull Factors	95
	i) Higher Wage rate	95
	ii) Lower working hours	95
	iii) Mobility	96
	iv) Persuasion from people	96
	(c) Shift from Contractual system to DLM	97
IV	Conclusion	99
	Appendix	101
Chapter 5	Proximate Factors That Influence Employment, Wages And Hours Of Work Of Workers In Day Labour Market	102-122
I	Introduction	102
II	Factors Influencing Employment and Hours of Work	102
	(a) Spot of the Market	102
	(b) Age	104
	(c) Education	106
	(d) State of Origin	106
	(e) Religion	108
	(f) Caste	110
	(g) Occupation	111
	(h) Sources of Information	112

III	Factors Influencing Wages	115
	<i>a) Spot of the market</i>	115
	<i>b) Age</i>	115
	<i>c) Education</i>	117
	<i>d) Religion and Caste</i>	117
	<i>e) State of Origin</i>	118
	<i>f) Occupation</i>	119
	<i>g) Sources of Information</i>	121
IV	Factors Affecting Wage Bargaining	121
V	Conclusion	122
Chapter 6	Conclusion	124-126
	Reference	127-135
	Questionnaire	136-145

List of Tables		
Table No.	TITLE	Page No
1.1	Sector-wise and Gender-wise Percentage Distribution of workers	8
1.2	Estimated Number of Informal/Formal Sector Workers by Major Economic Activity in 2004-05	10
1.3	Dualism in India's Economy in terms of its Formal and Informal Segments	17
1.4	Literature Review	25
2.1	Percentage distribution of NSDP at factor cost by Industry of origin (sub –total) at constant prices	35
2.2	Percentage of usually working persons in the principal status by industry for state Kerala	37
2.3	Sectoral Share of Gross State Domestic Product (GSDP) at factor cost	38
2.4	Contribution of Construction to NSDP and Secondary sector	38
2.5	Percentage increase/decrease of usually working persons in the principal status (1993-94 to 2009-10)	40
2.6	Number of Migrants, Remittances and its effect on PCI and NSDP	41
2.7	Migrants from Kerala to Gulf Countries as a Percentage to total migrants	42
2.8	Percentage of Usually working persons in the Principal Status (Construction Industry)	42
2.9	Average daily wages (Rs. 0.00) for casual workers of age 5 years and above engaged in other than public works (<i>Kerala</i>)	43
2.10	Average wage/ salary earnings per day received by casual labours engaged in works other than public works	44
2.11	Percentage distribution of workers as per type of economic activity (Rural Urban) for Kerala	45
3.1	Average number of workers who assemble in the three day labour markets	53
3.2	Percentage of workers in each market based on their gender	53
3.3	State – wise distribution of workers in three day labour markets	55
3.4	Occupation to which the Day labourers are commonly hired in a week	56
3.5	Frequency distribution showing Age-wise classification corresponding to Gender and Place of origin of the day labourers	61
3.6	Religion and Caste wise distribution	62
3.7	Area of land possessed by day labourers at their place of origin	64
3.8	Purpose of debt taken by day labourers	65

3.9	Role of Institutions	68
4.1	Percentage of day labourers employed per day on the particular week before the interview	76
4.2	Cumulative Number Of Days Of Employment	77
4.3	Percentage of day labourers unemployed per day the particular week before the interview	78
4.4	Perceived Reasons for being Unemployed according to the Day labourers	79
4.5	Occupation commonly undertaken by Workers in Day Labour Market	80
4.6	Occupation undertaken by immigrants at place of origin and at place of destination	81
4.7	Average wage rate received by day labourers in the three DLM	82
4.8	Average earnings of day labourers in a week	83
4.9	Factors taken into account by the day labourers while bargaining for wages	85
4.10	Data showing the current reservation wage rate under which the day labourers in the respective market are not willing to work	86
4.11	Data on features of open negotiation occurring on a daily basis in the DLM	87
4.12	Ranking Of Different Employment Groups By Day Labourers According To Their Average Wage Received	88
4.13	Barriers In Undertaking Other Employment: Reasons Identified By Day Labourers	89
4.14	Type of employment undertaken and respective wages received by immigrants at their native place	92
4.15	Reason to migrate from place of origin – Push factors	93
4.16	Wages received by immigrants at place of origin and place of destination	95
4.17	Change in the type of employment by Immigrant labourers: a comparison between first and current place of work in Kerala	97
4.18	Source of learning from where immigrants adapt to construction work	98
4.19	Duration of stay of immigrants at place of destination from first place of work till current place of work in Kerala	98
5.1a	Percentage of day labourers employed per day in a week before survey	103
5.1b	Spot-wise distribution of day labourers and the corresponding number of hours they work per day in a week	103
5.2a	Age-wise classification of day labourers employed per day in a week	105
5.2b	Age-wise distribution of day labourers and the corresponding	105

	number of hours they work per day in a week	
5.3a	Percentage of day labourers employed and their respective educational qualification	107
5.3b	Distribution of day labourers corresponding to their educational level and number of hours they work per day in a week	107
5.4a	State-wise classification of day labourers employed in a week	108
5.4b	State-wise distribution of day labourers and the corresponding number of hours they work per day in a week	108
5.5a	Religion-wise classification of day labourers employed in a week	109
5.5b	Religion-wise distribution of day labourers and the corresponding number of hours they work per day in a week	109
5.6a	Caste-wise classification of day labourers employed in a week	110
5.6b	Caste-wise distribution of day labourers and the corresponding number of hours they work per day in a week	110
5.7a	Classification of day labourers employed in a week corresponding to their respective occupation undertaken	111
5.7b	Occupation-wise distribution of day labourers and the corresponding number of hours they work per day in a week	112
5.8a	Percentage of day labourers employed in a week corresponding to the information network upon which they depend more so as to get information on employment	114
5.8b	State-wise distribution of day labourers and the corresponding number of hours they work per day in a week	114
5.9	Average amount of wages received by day labourers corresponding to the spot to which they arrive	115
5.10	Average earnings of the day labourers belonging to different age groups	116
5.11	Average earnings of the day labourers corresponding to their educational level attained	116
5.12	Religion-wise distribution of day labourers and their average corresponding wage rate	117
5.13	Caste-Wise Distribution Of Day Labourers And Their Average Corresponding Wage Rate	118
5.14	State-wise distribution of day labourers and their corresponding average wage rate	119
5.15	Occupation-Wise Distribution Of Day Labourers And Their Corresponding Average Wage Rate	119
5.16	Sources of Information on employment and the Average daily wage-rate received by the day labourers	12
5.17	Factors Affecting Wage Bargaining of Day labourers	122

List of Figures		
Figure No.	Title	Page No.
1.1	Poverty Ratios of Workers by Industry and by Sector 2004-2005	12
1.2	Poverty Ratios Among Non-agricultural Workers by Category of Workers	13
1.3	Percentage Households and Population by Household type (Casual labour) in different NSSO Rounds	15
1.4	Distribution of Casual Labours calculated by NSS from 1972-73 to 2009-2010	16
1.5	Percentage of Migrants by their Usual Principal Activity Status before and after Migration	19
1.6	Percentage Distribution of Casual labour who Stayed away from the Village/town for 30 days or more but less than six months for Employment or in search of employment by destination during the longest spell for each usual activity status and industry	20
2.1	Number of Emigrants by Year of Emigration (1982-2011)	32
2.2	Percentage of Usually working persons in industry by principal status	39
2.3	District-wise share of immigrants in Kerala	49
2.4	Percentage share of immigrants working under different industrial category (Census 2001)	49
3.1	Source of Information Network and Type of market Information received by day labourers	71
5.1	Information Network	112

CHAPTER 1

Day Labour Market: An Introduction

I. Introduction:

The informal sector in India provides employment for 93 per cent of India's work force (NCEUS, 2009). About 50 per cent of the national product is contributed by informal economy (NSC, 2012). Out of the total workforce in the informal sector (395 million) the agriculture sector incorporates 253 million workforces and the non-agriculture sector incorporates 142 million work forces. The non-agriculture sector incorporates self-employed, casual labourers and regular wage/salaried workers. The non-agriculture employees in the informal sector are deprived of any written job contract, Social security benefit and are not unionized. Construction, transport, storage and communication, Manufacturing and Wholesale and retail activities together are the main providers of informal employment (NSS 66th Round). Since the informal sector incorporates a large number of employees it is often termed as the '*residual sponge*'.

The occupations undertaken by individuals in the informal sector at its bottom can be compared to a colourful assortment of irregularly working people that scratches around for a living close to or at the bottom of urban society and which, in the overwhelming majority of cases, both lives and works in extremely precarious circumstances (Bremen, 2010). Thus the informal sector within itself incorporates a variety of occupations. This implies there are several segments of the informal labor market where some are unique and some are similar. One such labour market segment identified is Day Labour Market (DLM). A day labor market is a part of the informal economy where the workers and employers enter into agreements that are not usually reported to the government and do not conform to various labor regulations¹. A "Day laborer" is defined as a worker who stands on a street corner, parking lot, curb, sidewalk, park etc. to wait for temporary, short term, long term, or fulltime work. Unemployed workers seeking work by other

¹ (Baland, Dreze and Leruth, 1999; Singh, 2002; Bartley and Roberts 2006; Arturo, 2007; Valenzuela Jr,2007)

means are not day laborers (although they may work at temporary jobs through agencies or personal contacts), nor are homeless who stand in the same area but are not seeking work.

The informal labour market in Kerala is an exception where they united form union with prior state intervention. Informal workers in traditional industries like coir, toddy, and cashew are unionized so as to protect themselves from the exploitation of the capitalists (Kurein, 1995 and Waite, 2001). The gulf boom resulted² in the outflow of labour force from the state (68 per cent increase in the outflow of Keralites from 1985 to 2010) and the inflow of the huge amount of remittances in the state. This improved the standard of living of households in Kerala. Further this also resulted in the widespread increase of construction activities specially housing construction activities where the labour became a crucial input. The employers in the construction sector in the midst of labour shortage and higher wage rate of local labourers have to take respective strategic measures so as to minimize the higher production cost. This led to the demand for cheap labour which was available in splendid from other states which led to increased in-migration of casual labour to the state commonly through contract system. Immigrant labourers are now part of the construction sector where they have now entered the sector apart from the contract system and they go back to their place of origin after a short-period. This has had its impact on local labourers in terms of the wage differential and working hours leading to labour unrest in Kerala³.

The labour demand in the construction sector has given rise to increased supply of labour in varied forms. There are contract labourers where they are registered, informal contract labourers where they are not registered and day labourers who are not registered⁴. The Day labour market in Kerala might be new to literature but this market is not a new phenomenon in the state.

² Details given in Chapter two on Kerala Economy

³ Kannan(1998, 2005), Jeromi (2005), Kurien(1995), Zachariah & Rajan (2005), Rajan et.al (2008), Waite (2001), Aeliyaama (2011)

⁴ Knowledge received from field investigation. The primary survey helped in identifying different types of labour groups confined to construction sector.

II. Motivation of the Study:

The day labor market (DLM) is unique and the way it functions is what makes it different from other type of labor market in the informal sector. The literature on DLMs observes that nature, location, functioning and the factors that led to the formation of DLMs differs from place to place. Men standing at the corner of a busy junction waiting for an employer to hire are a daily scene in large cities. Even after having contract labourers and casual labourers what is the reason behind the functioning of DLM is an area to be explored. Hardly a few studies have been undertaken on DLM in India. In the Kerala context any study on DLM is absent. This study gains relevance.

III. Theoretical Framework:

The spot labour market is often referred as a free market or 'structureless markets' or 'open employment relationships (Bartley and Roberts, 2006). Therefore spot labor market can be framed into an informal market or the workers form a part of the secondary sector since there is an absence of any kind of regulation by a third party as it is in the case of formal or primary sectors. In theory this classification broadly comes under segmentation analysis ⁵where segmentation is the division of the labor market into two sectors: Primary containing better paying, more stable and more privileged members of the work force and a Secondary sector containing poor paying, insecure and otherwise unattractive jobs. The low-income secondary labour market forms the lender of last resort to the disadvantaged worker group in terms of employment. The low – wage internal labour market is suited to casual labour force since it is unstable and hence low-skilled. Segmentation can be due to the outcome of geographical origins and caste affiliation on occupational predilections. The literature supports these arguments under the similar or different context (Piore, 1978; Doeringer and Piore, 1971; Ruffer 2007; Deutschmann, 1981; Gordon 1995; Lubell 1974).

⁵ To differentiate between various segments of labor markets in institutional terms: according to the degree of unionization of the labour force, the legality or the employment and working conditions or even according to the institutional job security

In the Dual Labor Market Theory⁶ also the disadvantaged workers are confined to secondary market by residence, in adequate skills, poor work histories, and discrimination and the jobs in this particular market tend to have low-wages and fringe benefits, poor working conditions, high labour turnover, little chance of advancement, and often arbitrary and capricious supervision. When we review the history of labour proletarians and the strategic response of the capitalists it becomes clear that labour market segmentation facilitated the operation of capitalist institutions (Reich and et.al 1973). This strategy continues to serve the capitalist at present also where secondary sector forms a good platform to attract the disadvantaged section of the population where they could reap the benefit out of these able bodies. Leontaridi (1998) supports this statement by arguing that the essence of the Segmented Labour market Approach is the idea that the labour market segmentation that exists does not correspond to skill differentials in the labour market, but rather institutional rules are substituted for market processes resulting in the absence of competitive pressure to equalize wages. However the formation of secondary labour markets does not entirely rest upon the argument of the capitalists' choice and their strategic behavior. The workers' choice also has got a crucial role in determining the formation of such markets (Reich and et.al 1973). Labour mobility facilitates workers to reach the market place where they are highly demanded. Within this theoretical framework the study observes the day labour market and its functioning as a whole. Thus the DLM forms an emerging as well as an integral part of the secondary or the informal sector.

⁶ Developed by Michael J Piore, "On-the-job Training in a Dual Labor Market" (1969)

IV. Literature Review:

Day labour markets are markets characterized by the physical presence of both the labour buyer and labour seller engaging in active bargaining on conditions of work including pay for work and the employer- employee relation does not extend usually beyond a working day or a few days. Largely seen in urban centers, daily job- seekers gather around in the morning at curbsides, empty lots, and street corners and on busy streets. Employers drive up to the site with the intention of hiring workers/worker for a specific task depending upon a fixed time period. Hiring sites diminish in size or disappear while new ones emerge. On a daily basis new workers enter this market while others leave it. The labourers compete among themselves to offer the lowest supply price. All the dealings including the wage rate are determined on the spot. This market is hence also called as “*spot market, contingent market and daily labour market*” (Gonzalez, 2007; Valenzuela, 2006; Bartley & Roberts, 2006; Singh, 2002). Day labour thus represents one of the most vulnerable forms of employment in one of the most flexible forms of employment conditions. Flexibility of employment conditions and vulnerability of the workers are the two hallmarks of an informal labor market, a subset of which day labour market is. To set the context of the day labor market, it is essential to discuss the informal labour market.

(A) Setting the Context: The Informal labour market

The third world economies are often depicted as “dual economies” characterized by a formal (modern) sector where workers are employed as regular, full-time wage employees and with an informal (traditional) sector where workers are either self employed or work as casual wage laborers (Ghose, 2008). The concept of informality has been theorized and defined under several contexts (Harth, 1973; Bagchi, 1998; Breman 1976; Kannappan 1985; De Haan 1999; Marjit and Maiti, 2005; Ramanujan and et al.; 1994; Harriss, Kannan and Rodgers, 1990; Loayza, 1997; Kannan, 2008; Ghose, 2008; Ahn, 2008; World Bank Report 2010; Rada 2010; Breman, 2002) and the term has come to be accepted to convey a common understanding of the labour market with certain specific features. The structure of labour markets under the informal sector might not be

the same where as the essence of informality in general remains same. Harth (1973) related informal sector to certain *“heuristic purposes with the sub-proletariat of the slum and of a few members of higher income groups in certain lucrative informal activities”*. To Bremen (2002) informal sector incorporates occupations on the seamy side of the society where he describes these occupations as a colorful assortment of irregularly working people that scratches around for a living close to or at the bottom of urban society and which, in the overwhelming majority of cases, both lives and works in extremely precarious circumstances. Marjit and Maiti (2005) defines ‘informal’ as being essentially the non-criminal production of goods and services that utilizes unorganized workers at a market - determined wage with no restriction on profitable retrenchment. Ray (2010) depicts a major feature of informal sector where there is no unionization in the informal sector and the government policy is difficult to implement.

One of the major reasons for the emergence of the informal workforce in India is the rise of the capitalist mode of production. That's more the rural production and distribution get integrated with the capital market (NCEUS; 2007) the more is the disintegration of working peasantry and village artisans which would make their living off agriculture and traditional occupation much more precarious and they get refuge in the informal sector. At the same time (Ramanujan and et al; 1994) the inability of the modern sector to absorb in any significant proportion this burgeoning urban labour force take recourse to informal sector as refuge activities.

In India the formal segment of the labour market, the organized labour force has never, before or after independence, formed much more than 10 percent of India’s labour force (De Haan 1999) . To Kannan and Rodgers (1990) the inability to find employment in the organized industrial sector led either to open employment or to the acceptance of jobs in the “absorptive” informal sector as a waiting strategy. Kannan (2008) discussed about the liberalization policies framed by the IMF where it is stated that *“the market forces would determine where it is profitable to invest and labour could move freely according to such investments”*. He also mentions about the theoretical argument behind labour market flexibility i.e., *“there is no need for protecting’ labour in the informal (surplus) sector*

and the labour market would equalize conditions in the formal and informal sectors”. This statement is reflected in Bhairagya (2010) where it is stated that informal sector serves the role of “reserve army of labour”.

(B) Informal Sector in India: A Profile

As per the NSSO definition the informal sector may be broadly characterized as *“consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at low level of organization, with little or no division between labour and capital as factors of production and on a small scale. Labour relations – where they exist are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees.*

A clear understanding of what implies informal sector, informal employment, an informal worker, and Informalisation is given by NCEUS report on ‘The Challenge of Employment in Development in India: an Informal Economy Perspective’. Employment in India can be grouped into four categories to reflect quality and its sectoral association. These are (a) formal employment in the formal/organized sector, (b) informal employment in the formal sector, (c) formal employment in the informal sector, and (d) informal employment in the informal sector. The Indian economy is dominated by (d) of around 85 percent as of 2004-2005 (NCEUS 2009).

To distinguish unorganized sector from the organized sector the NCEUS defines the unorganized/informal sector as that sector which *“consists of all unincorporated private enterprise owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers”.*

To distinguish between organized/formal and unorganized/informal employment the Commission provides the definition as *“Unorganized workers consist of those working in the unorganized enterprises or households, excluding regular workers with social security benefits, and the workers in the informal sector without any employment/social*

security benefits provided by the employers.” The employees with informal jobs generally do not enjoy employment security (no protection against arbitrary dismissal) work security (no protection against accidents and illness at the work place) and social security (maternity and health care benefits, pension, etc.) and therefore any one or more of these characteristics can be used for identifying informal employment.

Informalisation implies “*any employment increase consisting of regular workers without social security benefits and casual and contract workers again without the benefits that should accrue to formal workers*”. Also the concept informal economy which has distinct from informal sector focused on the vulnerable status of the workers. They are workers without employment or social security that comes to them by virtue of their employment in the given enterprise. This includes workers in the informal sector as well as those in the formal sector

The informal sector hence is a lender of last resort to those who do not get employment in the formal sector. The formal informal divide is a wide area to be discussed. Here since the broad area is informal labour market the study does not intend to elaborate on the particular topic. The Table: 1.1 shows the percentage distribution of formal and informal workers in agriculture, industry and the service sector.

Table: 1.1 Sector-wise and Gender-wise Percentage Distribution of workers (Values in %)		
Category	Informal	Formal
Agriculture	97.7	2.3
Industry	70.4	29.6
Services	72.4	27.6
Total Workers	86.3	13.7
Total male workers	84.0	16.0
Total female workers	91.3	8.7

Source: NCEUS (2009)

The Table: 1.1 gives us the magnitude of the labour force in the informal sector. The sector-wise distribution shows that in each sector the informal sector workers outnumber the workers in the formal sector, the highest share being in agriculture sector.

The informal sector provides income-earning opportunities for a large number of workers in India. The workers engaged in the non-agriculture sector can be grouped according to their status of employment namely (i) self – employed (ii) casual labour (iii) regular wage/salaried. In the non-agriculture sector, the share of self – employed workers in rural area is 92 per cent and in urban area is 95 per cent; the share of casual labourers engaged in works other than public works is nearly 73 per cent in both rural and urban areas; the share of regular wage/salaried workers in rural areas is 39 per cent and in urban area is 40 per cent. Taking the industry – wise division 86 per cent workers in rural areas and 78 per cent in the urban area engage in the manufacturing sector; 64 per cent workers in rural areas and 72 per cent in urban area engage in the construction sector; 91 per cent in rural areas and 92 per cent in urban area engage in wholesale/retail trade; 82 per cent in rural areas and 68 per cent in urban area engage in transport, storage and communication sector.

To understand the severity of informality it is necessary to look into the conditions of informal employment in the non-agriculture. 81 per cent of informal workers in rural area and 74 per cent of informal workers in urban area do not have a written job contract; the employment of 52 per cent in rural areas and 42 per cent in urban area is temporary in nature; 80 per cent workers in rural areas and 60 per cent workers in urban area do not have a paid leave; 82 per cent of workers in rural area and 64 per cent workers in urban area are those without any social security benefit. 79 per cent of workers coming under the industry divisions 01 to 99 of NIC – 2004 report absence of union/association in their activity; this 79 per cent incorporates 85 per cent casual labourers, 81 per cent self employed and 58 per cent regular wage/salaried (NSS 66th Round).

To sum – up a major section of the informal workers engage in the non-agriculture sector where self employed and casual labourers occupy larger share. In the industrial sector a major share of workers are employed in manufacturing, construction, whole sale/retail

trade and in transport and communication divisions. The employment conditions of workers in the informal sector is vulnerable where larger share of workers do not have a written job contract; are not eligible for paid leave nor do they come under any social security benefit. Again taking the industry division majority of the workers do not have a union/association of their own so as to protect their interests where casual and self employed workers' share is the highest. A formal – informal sector comparison is relevant at this point. The NSS 61st Round Survey on Employment-Unemployment gives the estimated number of informal/formal sector workers by major economic activity in 1999-2000 and 2004-2005.

TABLE: 1.2			
Estimated Number of Informal/Formal Sector Workers by Major Economic Activity in 2004-05 (million)			
Sectors	Informal Sector	Formal Sector	Total
<i>Agriculture</i>			
Informal Workers	251.72	3.21	254.93
Formal workers	0.02	2.82	2.83
Total	251.47	6.03	257.76
<i>Industry</i>			
Informal Workers	59.42	16.71	76.14
Formal workers	0.5	8.67	9.15
Total	59.92	25.38	85.29
<i>Services</i>			
Informal Workers	80.59	8.99	89.6
Formal workers	0.9	22.16	23.05
Total	81.5	31.16	112.65
<i>Total</i>			
Informal Workers	391.73	28.91	420.67
Formal workers	1.42	33.65	35.03
Total	393.16	62.57	455.7

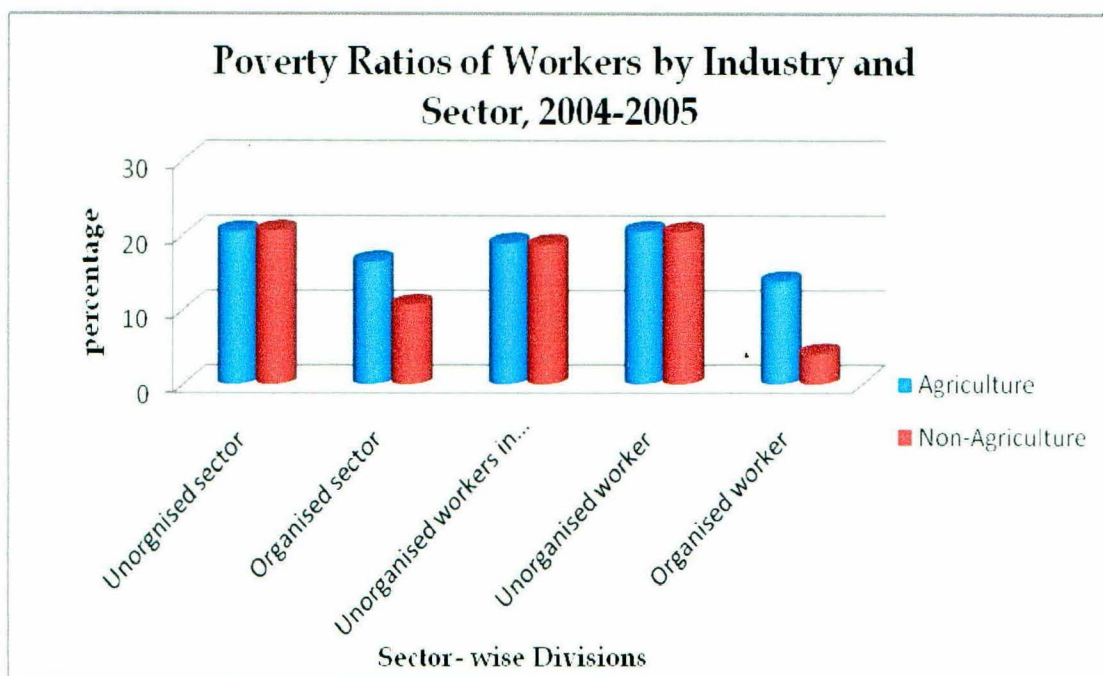
Source: NSSO 61st Round Survey on Employment-Unemployment. Computed and Projected by NCEUS.

The workers are divided as (a) informal workers in the informal sector, (b) informal workers in the formal sector, (c) formal workers in the informal sector, (d) formal workers in the formal sector. Among the informal workers in the informal sectors the agriculture sector incorporates the majority workers (251.72 million) followed by compared to industrial sector (59.42 million) and service sector (80.59 million). The share of formal workers in the informal sector is comparatively lower in all the three sectors (NCEUS, 2009). The Table: 1.2 (From NSS 61st Round, calculated by NCEUS, 2009) gives detailed information on the informal and formal workers in the three major sectors.

The NCEUS (2009) reveal the structural weakness of the informal sector compared to formal sector in terms of Education, Productivity and Wages. Taking the total Enterprises the Informal sector dominates in all three categories Agriculture 96.2 percent, Industry 93.7 per cent and Services 85.8 per cent. The informal sector absorbs majority of the worker population both male workers 84.0 per cent and female workers 91.3 per cent. Among the informal workers the self employed 98.0 per cent and the casual workers 89.1 per cent holds the largest share.

Whereas the GDP share show a slightly different picture. The share of GDP is higher in the Informal enterprises of the Agriculture sector 94.5 per cent and the by the Formal sector in the Industry 71.1 per cent.. The GDP share in the service sector is shared by both of the sectors Informal and Formal sector respectively i.e., 45.3 per cent and 54.7 per cent. Also the productivity of the workers in the Formal sector is not only higher but more than twice that of the informal sector. The low productivity in the informal sector is associated with poverty and low levels of education. The incidence of poverty is higher and the level of education is lower among the informal workers. The figure: 1.1 reveals this fact on the informal sector.

Figure: 1.1



source: compiled from NCEUS (2009)

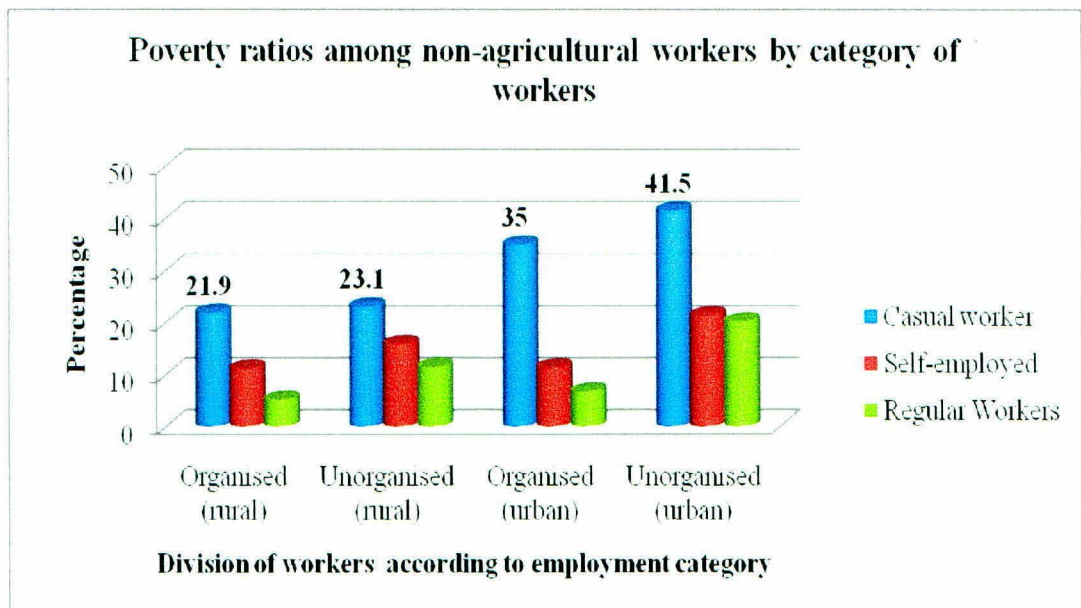
The level of education attained by the informal workers is low when compared to that of formal workers. The wages received by the casual workers also reveal this sharp divide among formal and informal sector. Per day wage received by male workers in the informal sector is 51.3 and that of the female worker is 32.4. Thus there is a divide even in the daily pay of a casual labour in both the sectors.

(C) Informal Sector and the process of casualisation:

As per the NSS definition a *Casual wage labourer* is a person, who was casually engaged in others' farm or non-farm enterprises (both household and non-household) and, in return, received wages according to the terms of the daily or periodic work contract. Casual workers mostly are from the vulnerable section of the society (Sengupta, Kannan & Raveendran; 2008). The poverty ratios among the non agricultural workers both in organized and unorganized sector show that the poverty is higher among the casual workers. The self employed and the regular wage workers are far better off than the casual workers. Also we can clearly see from the figure (1.2) that the percentage of casual workers under poverty is high among the urban casual workers. 35 per cent of the

casual workers in the urban organized sector and 42 per cent of casual workers in the urban unorganized sector are below poverty. Sectoral comparison shows that the casual workers although vulnerable those in the unorganized sector are the most vulnerable group. The NCEUS classifies the casual labour under the title Wage workers in the unorganized sector where the casual workers form the least protected and have the lowest level of earnings. Wage workers include casual and temporary workers, migrant workers, or those employed by households including domestic workers and also regular workers in the unorganized sector (NCEUS, 2007).

Figure: 1.2



Source: Computed by NCEUS from NSS 61st Round (2004-05)

The casual labours were of huge demand since they form a beneficial section to the recruiter through the extraction of surplus value (Van Hear, 1984). Liberalization and casualisation of the work force is related and it is believed that the extent of casualisation is a crucial indicator of informalisation of labour force where employers achieve the flexibility that they desire. The casualisation of labour hence forms an easy mechanism followed by petty entrepreneurs where they shift both risk and cost of production on to workers (Broad, 1991; Srivastava, 1997; Deshpande & Lalit Deshpande, 1998; Pais, 2002). In fact it is not possible for the unemployed and underemployed to remain

unemployed for a long period of time and hence they end up taking any casual work on daily payment. Those who chose casual employment undertake it due to lack of choice since they are mainly from the lower strata of the economy and also less educated and unskilled (Doeringer and Piore, 1971; Minhas & Grace Majumdar, 1987; Carleial & Manoel Luiz Malaguti, 2001; Ghose,2004). James (1960) wrote *the basic condition necessary for a casual labor market is the lack of any permanent, on-going attachment between employer and Worker. Where this condition exists and where entry of workers is easy the labor market is likely to accumulate a chronic surplus of supply.*

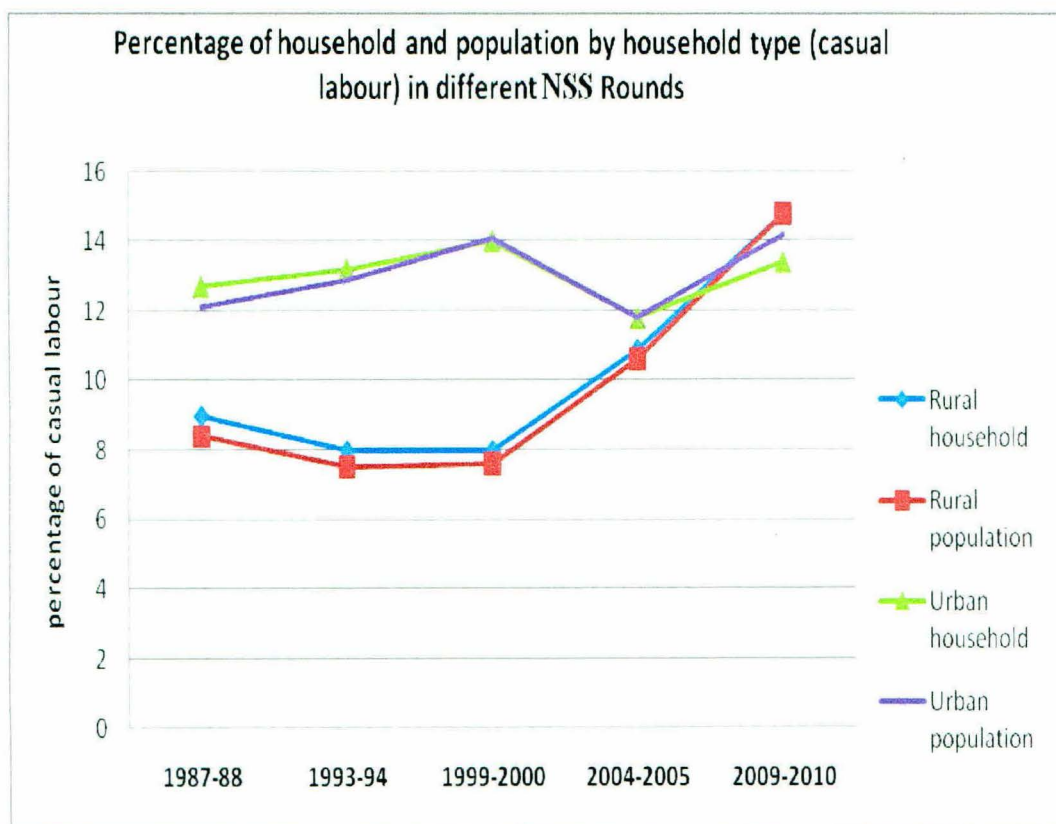
There is a demand for causal labour throughout the economy and the literature has given us the answer that it is the result of employers' strategy so as to minimize the transaction cost. Among the casual workers in the AGEGC and non-agriculture sector 63 per cent in rural and 67 per cent in urban had only temporary employment, 97 per cent in rural and 96 per cent in urban area were not eligible for paid leave, 97 per cent in both rural and urban area were not covered under any social security scheme, 85 per cent in rural and 80 per cent in urban area had no union/association of their own in their enterprise, daily paymet was the most prevailing mode of payment (54 per cent in rural and 50 per cent in urban). Taking the industry wise division, among the regular wage/salaried employees and casual labourers who has no written job contract with their employers, about 67 per cent and 47 per cent in rural and urban areas respectively belonged to either the manufacturing sector or to the construction sector (NSS 66th Round). Among the three groups (i) self-employed, (ii) casual labourers and (iii) regular employees, the average years of education of workers is the lowest among the casual labourers.

The socio-economic profile of the casual labour might provide an answer to this issue. The NSS report on the *Household Consumer Expenditure among Socio-Economic Groups 2004-05* gives data on the (all India) average MPCE by household type and social groups in urban area. Among the four categories of employment the casual labour has the lowest average MPCE by household type (Rs. 605.37). When we observe the same among different social groups, we find that ST (Rs.570.57) group has the lowest MPCE, followed by OBC (Rs. 596.51), others (Rs. 605.37) and SC (Rs. 716.6). The casual labour

group thus forms a part of the disadvantaged group among the different categories of labour force. Hence all together the employers are in an advantageous position if they hire a fair portion of casual labour as a part of the production process.

The magnitude of the casual labour in sectors altogether has been showing an increasing trend. Taking the NSS data results of various rounds it is possible to prove this argument.

Figure: 1.3

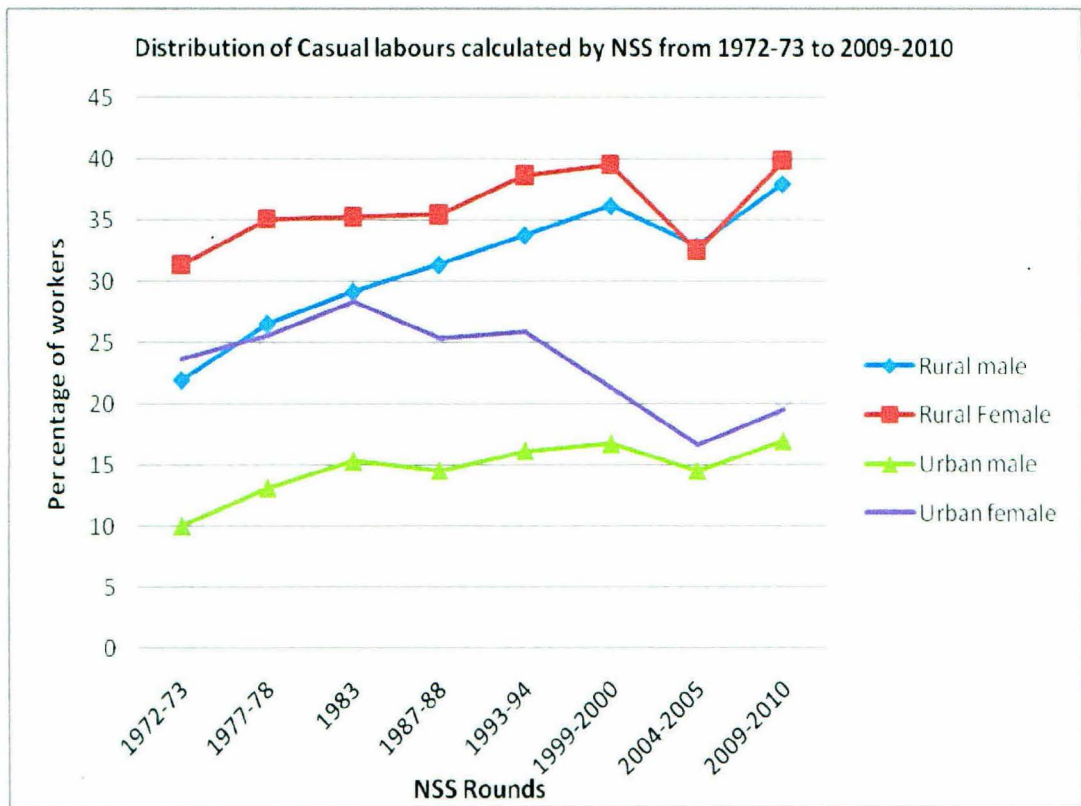


Source: NSS Various Rounds

The figure: 1.3 shows a gradual increasing trend in share of casual labour in total work force both in the case of rural and urban areas. For the rural population there was an increase from 9 per cent to 15 per cent and for the urban household the percentage increased from 12 per cent (1987-88) to 14 per cent (1999-2000) and then declined to 14 per cent as per the 66th NSS round.

Taking the gender – wise distribution of casual workers the number of casual labour force showed an increasing trend till the year 1999-2000, the urban female labour being an exception. The percentage of urban female casual labour started declining from the year 1983 onwards till the year 2004-2005. The rural casual labour both male and female work force showed more or less a similar trend.

Figure: 1.4



Source: Data compiled and taken from Mitra (2008) and from NSS Rounds 64 & 66

The percentage of rural female casual labour increased from 1972-73 to 1999-2000. The rural male casual labour showed a slight fluctuating trend (increasing till 1977-78, maintained the same level till 1987-88 and then increasing till 1999-2000) till the year 1999-2000. The urban male casual labour showed a similar trend as that of the rural male casual labour. All these categories except that of urban female showed a steady decline from the year 1999-2000 till 2004-2005. But there has been a steady increase from 2004-05 to 2009-2010 for all the four categories showing an increase in the casual labour force.

A trend line is set using the data on growth of the casual work group from 1972-73 to 2009-2010 NSS Rounds. More details are shown in Figure: 1.4

The NCEUS (2009) presents the data showing the sharp divide between Informality and Formality as revealed by sectoral statistics, 2004-2005.

TABLE: 1.3				
Dualism in India's Economy in terms of its Formal and Informal Segments				
Percentage Distribution of Workers by Activity Status				
Category (1)	Informal sector (2)	Formal sector (3)	Total (4)	Inequality Ratio (2/3)
Casual Workers	89.1	10.9	100	8.17
Regular Salaried/wage Workers	37.9	62.1	100	0.61
Self-employed	98	2	100	49

Source: (NCEUS 2009) Estimated by NCEUS based on NSS 61st Round, Economic Censuses 2005 and national income data

The data have been estimated by NCEUS using the NSS 61st Round data, Economic Census 2005 and National Income data. Table: 1.3 shows the sectoral dualism. Among the informal workers the self employed 98.0 (2.0)⁷ and the casual workers 89.1 (10.9) holds the largest share. A comparison of the magnitude of workers in the formal and informal sector reveal the fact that inequality ratio is high among the self employed (49 per cent) and among the casual workers (8.17 per cent).

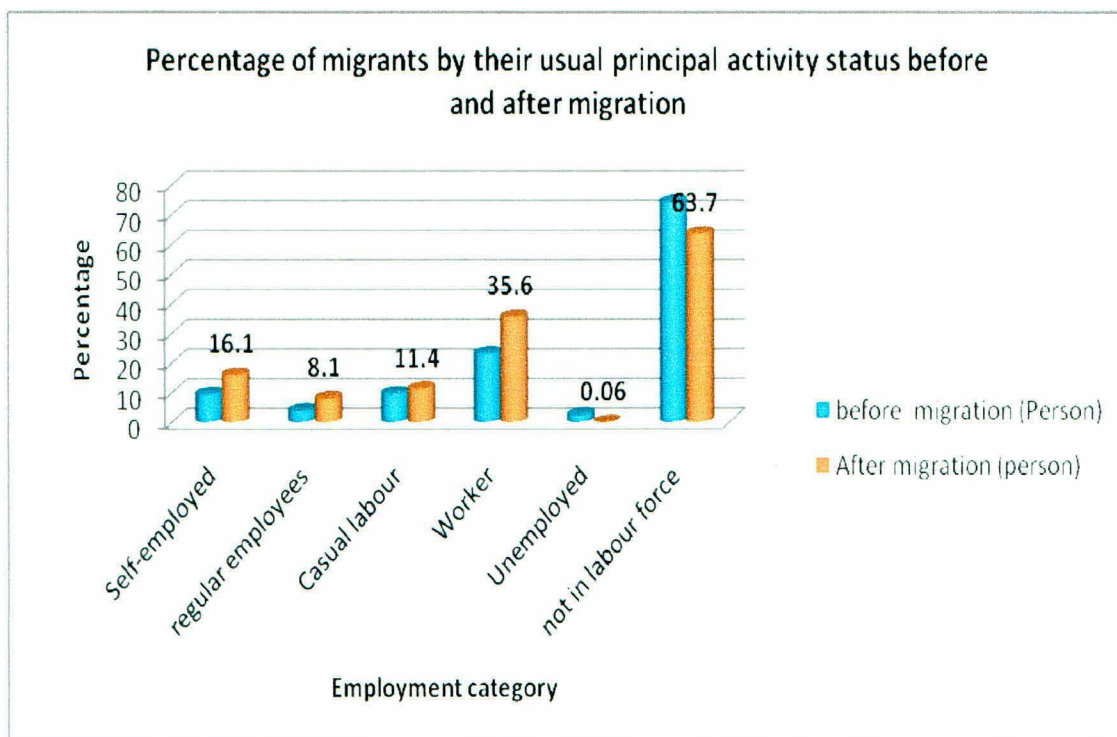
⁷ Values in the parenthesis show the Formal sector share (in percentage)

(D) Informal labour markets and migration:

Informalisation and inflow of immigrants are closely related where the informal sector act as an efficient absorbent of labour migrating from rural to urban areas. Also the informal sector being a cost minimization route for the firms in the formal sectors it negatively affects the working population in the formal sector (Kirshner, 2010; Mukhopadhyay, 1998). To Bremen (2010) when a small portion of the mobile labour force manage to get secure jobs in formal sector the rest are forced to stay and survive by undertaking the casual labor which is characterized by unskilled or pseudo-skilled, no fixed working hours, provides a usually low-income which fluctuates significantly, and finally which is only available seasonally. To Kundu & Mohanan (2009) migrants into large cities have greater chance of alleviating their poverty than those going into smaller towns. Singh Gill (1998) portrays the history of migration in India where the movement of the labour force started during the colonial rule in India which was meant to meet the requirements of capitalist development both in India and abroad; cheap labour and thereby cost minimization being the main attraction behind the demand for migrant labour. There is a drastic shift of occupation of a worker once he/she migrates. The rural peasant or artisan or other employee undertaking skillfull job once migrated enter in to manual jobs which demands more physical effort and longer working hours with no security [Yamin (1989), De Haan (1994, 1995,), Breman (1996), Singh Gill (1998), Deshingar and Akter (2009), Yang (2010); Bates (2000); NCEUS (2007)]. Also there are studies which indicate that it is the underdevelopment of some state/region induces the workers/peasants to migrate (Kayastha & Mukherji 1979; Bates 2000; De Haan 1997; Deshinker and Akter 2009). Migrants form the core of the informal economy. Migrant workers are mostly those who are driven from their homes in search of means of earning a livelihood. Labour force participation rate (LPR) is higher among migrants compared to non-migrants as this category, particularly the males, faces displacement from their own lands mainly in search of employment (NCEUS, 2007). In addition, the migrant workers at the lower spectrum comprise unskilled casual labourers or petty traders or small time self-employed like cart and rickshaw pullers who either migrate from rural to urban areas or urban to urban areas in search of better employment opportunities mainly as a survival

strategy. The rural to rural shift mainly comprises agricultural labourers while the shift to urban areas is mainly in the unorganized sector as construction workers or as unskilled workers in industrial units.

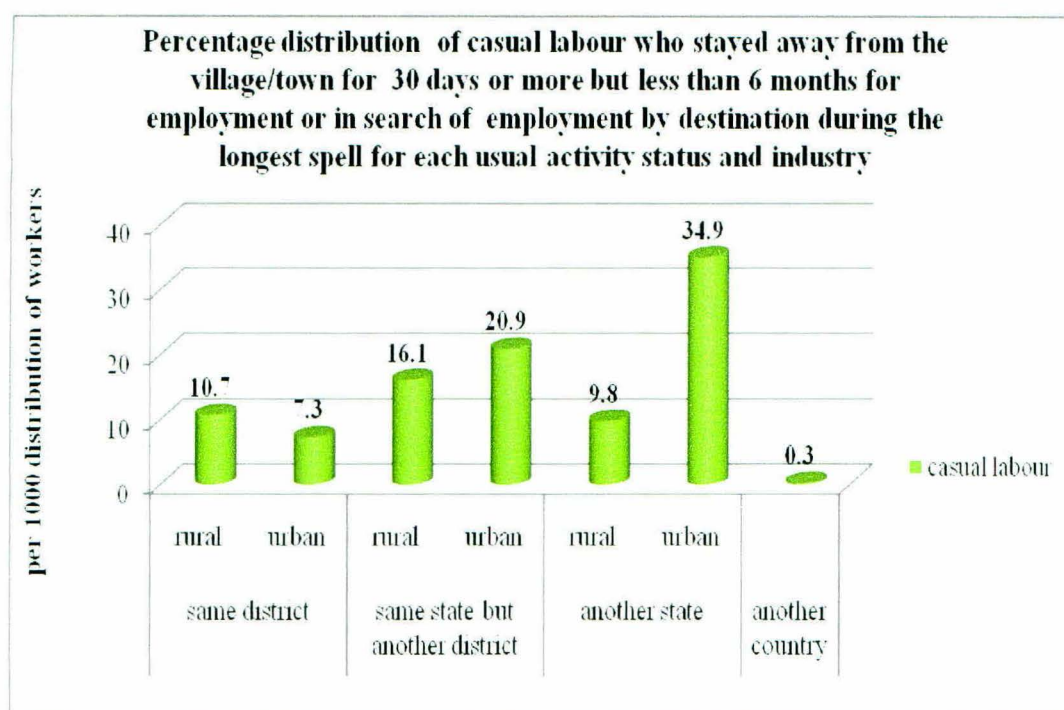
Figure: 1.5



Source: NSS Report 2007-2008 (Migration in India)

From the figure: 1.5 it is clear that migration plays a crucial role in expansion of employment and thereby paving way for a livelihood. The percentage of self employed workers after migration increased from 9.5 per cent to 16.1 per cent, that of regular employees increased from 3.9 per cent to 8.1 per cent, the percentage of casual labours increased from 9.7 per cent to 11.4 per cent and that of the unemployed and those not in labour force decreased from 2.4 per cent to 0.6 per cent and from 74.3 per cent to 63.7 per cent. Thus, migration results in expansion of employment which induces a section of labour force to migrate so as to earn a livelihood.

Figure: 1.6



Source: NSS Report No. 533: Migration in India: 2007-08

The migrant worker, typically migrating from the rural areas joins the non-agricultural casual labour market in other rural and urban areas (Figure: 1.6). Migrant casual labour is also a crucial part of the informal economy. The NSS data on migration of casual labour shows that the inter-state migration of casual labour is the highest when compared to other migration streams. In addition the migration is more towards urban areas than rural except in the case of migration within the same district. Urban agglomeration is hence an attractive destination for casual workers.

These workers migrate to areas where they are of demand so as to earn a livelihood and at last they end up in the unorganized sector. Migrant casual workers belong to the poorest sections of the population characterized by meager human capabilities and capital assets. What forces them to migrate is the absence of adequate resources or lack of access to resources in their local place. Thus the rural farmer might end up as a construction worker at the place of destination (NCEUS, 2007). Migrant labour markets are now a part of the informal sector. Mostly they form part of the contractual agreement and hence

called as migrant contract workers. Earlier these workers were recruited from rural area of the colonies or the plantation sites for subsistence wage rate. Middle men played a crucial role between the worker and the employer. Then later this phenomenon changed over the time and there emerged a well built information network among these migrant workers which helped them to identify destination where they had huge demand.

In simple words development activities facilitated an increase in demand for labour. As the supply of workers increased as a result of inflow of migrant labour force, the demand shifted to those workers who were ready to work at the lowest supply price. This was simply the employers strategy minimize cost. At the same time these workers maintained the rural links. A rural peasant once migrated out from his state end up in an occupation which is entirely alien to him. Immigration has its impact on labour markets too. The economic theory of employment and wages suggest that if the skill composition of the immigrant labour differs from that of the local work force then there is a chance of occurrence of labour market effect as a result of immigration Inter – state migration not a new phenomenon now. Migrants into large cities have a greater chance of alleviating their poverty than those going into smaller towns. In India labour mobility has thus grown to an extent where there is always an indispensable space for migrant workers specially the in urban areas (Wilson and Portes 1980; Ravanstein, 1889; Portes, 1981; Das Gupta, 1985; Card, 1997; Singh Gill, 1998; Mukhopadhyay, 1998; De Haan, 1994 & 1995; Haberfeld et.al, 1999; Lee, 1999; Bates, 2000; Bonner, 2004; Dustmann, Hatton & Preston, 2005; NCEUS, 2007; Breman 2010; Kirshner 2010; . Kundu & Mohanan, 2009).

(E) Day Labour: Employment of the last resort

The day labour market is a unique segment of the informal sector where the majority of the workers or job seekers engage in and demand for casual employment. This can be regarded as one of the flexible forms of employee – employer relationship in the labour market. What are the factors that led to the formation of DLM is a tough question to answer since the literature in this segment is very limited. Hence using the available literature here we try to summarize the formation of DLM. Each country where the day

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labour market exists has its own endogenous as well as exogenous factors that have paved way for the formation of such contingent markets⁸.

In the Japanese day labour market⁹ the workers who dwelled in *yoseba*¹⁰ (Valenzuela, 2003) were those who were displaced or persons separated from families, the unemployed and persons who did not fit the rigid structure of the Japanese company. During the period of rapid economic development (1950 – 1973), *yoseba* also served as a refuge of sorts for this vulnerable section and hence there were visibly large number of workers in *yoseba*. Without a proper title the day labour (Mund, 1948 as cited in Valenzuela, 2003) in England during 1100s was termed as the practice of men and women gathering in public settings in search of work and this date back to at least medieval times when the feudal city was originally a place of trade. The City of Worcester created an ordinance that required laborers to stand "at the grass-Cross on the workdays. In Russia (Lenin, 1894 as cited in Singh) the pauperization of the peasantry that lead to their exodus resulted in a mass migration of these workers to town areas where the development activities paved way for the formation of such markets. These markets are usually held in towns, industrial centers, trading villages and at fairs. Immigration reforms (Valenzuela Jr & Melendez, 2003; Turnosky, 2004; Gonzalez, 2007; Skerry, 2007; Cleaveland & Pierson, 2009) have paved way for in the inflow of Latino immigrants and Mexico immigrants into the US thus resulting in the formation of a casual labour system called DLM. This market has got its root during mid 1800s where such markets were called "shape-up sites" in Newyork and other Northeast ports that provided a system of hiring dock workers for the day or half-day (Larowe, 1955 as cited in Valenzuela, 2003). People from the neighboring provinces come to Ha Noi as day workers due to lack of paddy fields, long period of joblessness after harvesting, lack of

⁸ Day labour market is also called as contingent market in literature.

⁹ In Japan, research on day labor is well established. Day labor became a significant issue and topic of research because of the visibly large number of workers in *yoseba*.

¹⁰ The gathering place for such casual labourers is called as *yoseba*. This place "yoseba" has got the highest concentration of urban poverty and unemployment.

other income generation activities, lack of an appropriate qualification so as to get employed in industrial zones go to city to work for 15 to 25 days of work.

With the help of the staffing agencies (Theodore, 2000) the adults living in homeless shelters in Chicago form the main source of day labourers. The neo-liberalist route of global intensification (Neilson, 1991) resulted in the inter-firm competition where the companies had to pay closer attention to flexible forms of production so as to minimize cost and hence they switched over to wide spread use of subcontracting companies. The workers in these subcontracting companies range from insecure “day workers” in the informal sector to more secure permanent workers in the technologically developed countries.

Kettles (2008), wrote, in fifth century Athens, a part of the agora, a public space for assembly, was set aside as a labor market. The New Testament of the Bible suggests this was a common practice in ancient times. The Parable of the Laborers in the Vineyard tells the story of a householder who hires day laborers, presumably in a marketplace. In medieval Europe, journeymen were hired from labor markets in public squares and in front of churches. This same practice of public labor markets was brought by European colonists to the Americas.

In the recent decade the functioning of day labour agencies (Williams, 2009) that are notorious for their flagrant violation of minimum wage laws and exploitative fees and their strategy of extracting surplus value from structurally disadvantaged inhabitants have given rise to an increase in the demand and supply of workers in the day labour market. A more recent explanation for the formation of such markets is crucial where it is argued that globalization and the restructuring of regional economies, and the growth of informality, coupled with massive immigration, (Sassen 1984, 1995 as cited in Valenzuela, 2003) have resulted in unique labour markets where demand for part time, low-skill, and flexible work such as day labour proliferates

Understanding the demand side and supply of the DLM is yet another factor which helps us to determine the general characteristics of such markets and where to place them.

Some of the common features (citing few examples) of the DLM can be observed from the table: 1.4 . From the table we can infer that the employers who visit the DLM sites are mostly deprived individuals and the workers who enter the market are either the deprived or the disadvantaged. The workers and employers are attached to the market but not attached to each other. None of them keeps a long-run relationship. If so then it cannot be regarded as DLM. The day labourers are mainly demanded for casual employment where the working hour lasts for a few hours, a day or a few days. Once the task gets completed the workers are paid a fixed charge determined by the employer or a particular sum that was bargained by the day labourer before the informal agreement (ibid).

Table: 1.4
Literature Review

Demand Side	Supply Side	Employer-employee Relationship	Mode of payment	Duration of work	Size of the market & duration	Type of work	Author
Petty contractors/direct employers	Immigrants from agriculturally backward states	Relationship is detached/temporary	Daily	A day's work/a few day's work	50-100 Morning time	Beldar, mason, plumber, painter, carpenter	C.S.K.Singh (2002)
Home owners (private individuals) & Contractors	Undocumented Immigrants	Do	do	do	15 – 150 4 hours	Construction work, painting, carpentry & landscape	Abel Valenzuela Jr. & Edwin Melendez (2003)
Individual home owners, construction & landscaping contractors	Immigrants	Do	do	do	50-100 4.5 hours	Variety of unskilled manual jobs	Peter Skerry (2007)
Private individuals, small firm owners & contractors	Residents & Migrants from nearby provinces	Do	do	do	Lee than or equal to 100	Construction work,	Dinh Thi Thu Phuong (2010)

Hence the day labour market can be regarded as a unique segment of the casual labour market. The formation of the day labor market and the way in which it functions as a 'market' for the disadvantaged and the magnitude of flexibility the market generates or offers makes it different from other casual labour market. The mode of functioning in general seems similar everywhere, but the informal procedures that the employer and employee adopt changes from location to location. Some countries face racial issues related to the day labourers some face threat and often these labourers are viewed suspiciously. But at the same time these labourers are in huge demand since they are ready to work for a wage rate profitable to the employers and they work hard more than the local labourers. As a result the growth of the day labour sites is one way putting stress on the local labourers and the other way making the employers side less risky and more beneficial (ibid).

(V) Research Questions:

From the literature and facts collected from the pilot survey following research questions were identified:

- How does the day labour market functions in general and what are the determinants in shaping the day labour market
- What are the characteristics of the day labourers and what are the factors that determine their employment, wages and conditions of work and their entry and exit into the day labour market
- How does each market differ from each other and does the presence of immigrant day labour market influence the employability of labourers in the local day labour market? If so how?

(VI) Objectives:

In the light of these research questions the following objectives were formed for the analysis:

1. To explore the functioning of the day labour market.
2. To analyze the characteristics of the day labourers and to identify factors that determine the employment, wages, conditions of work and their entry and exit to the market.
3. To analyze the intra market variation in the functioning of the DLMs and identify aspects of market segregation that encourages formation of multiple DLMs in the same region.

(VII) Data Source and Methodology:

This is an empirical study and hence the data for analysis is mainly primary. To set-up the background and further literature the study incorporates secondary data for analysis.

For data on migration the study uses Census of India 1991 and 2001 data (D series), NSS Report on Migration (49th, 55th and 64th Rounds). For Detailed tables on employment in formal and informal sector the study uses various rounds of NSSO (50th, 55th, 61st, 62nd and 66th) on Employment and Unemployment Situation in India, NSS data on Informal Economy and Conditions of Employment (55th, 61st, 64th and 66th Rounds). For Data on Kerala Economy and Labour Market along with the above mentioned data sources various issues of economic review (1970-2011) has been used. So as to get more detailed data on informal sector in India selected issues of NCEUS Reports (Reports 2007, 2008, and 2009: vol. I and II) have been made use of.

The study being empirical a primary survey was required. The study area chosen was Trivandrum city. The initial step was a field visit to the DLM at Ulloor. The purpose of the field visit was to observe the DLM for an hour daily. Later a pilot survey was conducted during July: 2011 so as to get an understanding of DLM and to build a rapport with the labourers and to identify the day labour spots. Initially DLM at Ulloor and Sreekaryam were identified and later Kazhakoottam DLM also. These three DLMs were

situated more or less at equal distance. The pilot survey incorporated mainly day labourers at Ulloor and Sreekaryam where the sample size was ten. A rough sketch of questionnaire was made with the help of literature and earlier field visits along with open ended questionnaire.

From the pilot survey and literature on DLM the research gaps were identified. The primary survey with a structured questionnaire was started by the end of November. The survey pursued till January first week. Open ended questionnaire was also adopted wherever necessary. Snow ball sampling¹¹ was employed since it was found to be an appropriate method during the field survey. A sample size of 150 day labourers was decided on a whole were 50 labourers were chosen from each market randomly. The questionnaire prepared was the same for all the 150 labourers, but a separate table for immigrants on their migration related factors was formed.

For making the study more precise both quantitative and qualitative data is used for analysis. The chapters are divided into five sections.

Chapter one intends to provide a brief outline of the structure of the study and literature associated with the study. Second chapter is on the Kerala economy where with the help of literature and data available it is proven how DLM became part of the informal sector of Kerala economy. The third chapter is on the primary data collected where it provides the functioning of DLMS in general. Fourth chapter covers in detail the employment, wages and conditions of work in DLMS. A comparison is also made between and within the DLMS. The fifth chapter gives the proximate factors that determine the employment, wages and conditions of work in the DLM. Here also a comparison between the three DLM has been working to get a detailed picture of the employment, wages and conditions of work in DLMS.

¹¹ Also called Network sampling, chain referral sampling/reputational sampling

CHAPTER 2

OUTPUT AND EMPLOYMENT IN THE KERALA ECONOMY

I. Introduction:

The State Kerala has always taken sincere effort and showed commitment to protect the interest of its labour class. But the sector on the other side is encountering problems like severe unemployment and under employment, lack of employment creation, lack of management of unorganized sector, adverse labour relations and so on (*Economic Review 2008, 2011*). Dating back to 1970's the agricultural sector scenario changed slowly. The land reforms in Kerala resulted in the weakening of the attached labour system and paved way for the growth of casual labour in Kerala. In the same context there occurred a structural transformation in the agricultural sector where food crops were replaced by cash crops. The food grain production declined and there was a gradual increase of commercial crops. There also occurred conversion of farmland for non-agricultural purpose. The above changes resulted in less use of labour and labour started moving to urban areas in search for employment especially in construction sector (Kannan, 1999; Mahesh, 2002; Jeromi, 2003).

On the other hand the State's industrial sector was not performing efficiently. Kerala is known for its traditional industries like handloom, coir, cashew, handicrafts and beedi where women are employed the most. These industries even though aimed at providing large scale employment were not able to sustain due to lack of investment, raw materials and management, low productivity (Jeromi, 2003; *Economic Review*, 1980) and absence of location – specific advantage (Thomas, 2003). During this period the employers practiced absolute extraction of surplus from this large group of labourers. But later this ill practice against the labouring class was countered by the organized power of labourers through strong labour movements (Kannan, 1998, 1999). . Kannan (1998) as cited in Waite (2001) attributes this difference explaining *the broad-based character of Kerala's labour movement that meant pre-independence demands by agricultural labourers*

quickly spread to other rural occupation. Head load workers (Nambiar, 1995 as cited in Noronha, 2006) for example were once subject to several forms of exploitation due to the casual nature of employment and due to the absence of any entitlement and other benefits. Later the Government involved in this issue and by 1957, the formation of a Communist Government in Kerala enabled the party to unionize the head load workers organize agitations to fight for their cause. This event is the best example to cite where labour movement in Kerala succeeded in formalizing working conditions of several casual labourers (Jose Thomas, 2003). In the early period the reform movements among the lower caste communities have given strength to the labouring class to organize and to fight for their interests (Kannan, 1999).

Looking at the informal sector as a whole it is observed that the labourers in the informal sector normally find it difficult to organize due to the nature of their work and the vastness of the sector (Kannan, 1998 as cited in Waite, 2001). Since Kerala had state – specific – informal sectors like coir industry, toddy taping and a group of other traditional industries, unionization or formation of worker organization was possible within the informal sector. Success of the labour movements in protecting their interest gave motivation for many labourers working in small scale industries (Kurein, 1995 ; Waite, 2001). This motivation indeed had a major effect on Kerala labour market which can be derived if we look into the political economy of Kerala labour market. The strong trade unions that operated since the 1930's with prior political support succeeded in increasing the worker wage rate and fixing working hours (eight hours), abolished child labour, ensured better working condition for the workers and introduced labour welfare schemes (Subramanian, 1990, Kannan, 1998). Thus a state supported labour movements succeeded in Kerala. The welfare state on the other hand has acquired high social development with heavy state intervention and the state has outperformed all other Indian states¹² (Heller, 1999; Kannan, 1999; Kurien, 1995).

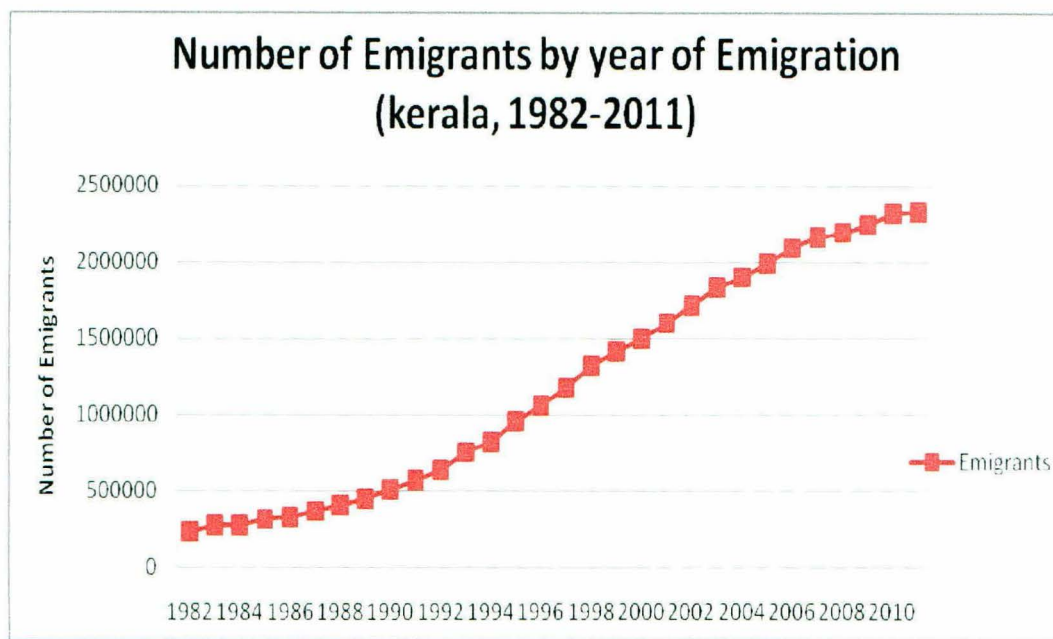
Redistributive justice was a prime slogan in Kerala's history. By the end of 1980's Kerala almost crossed the second age of demographic transition and then on it witnessed high

¹² HDI value is 0.790 (Rank 1) as per 2007-08 Human Development Report

social development. The social indicators like life expectancy, infant mortality, literacy rate and other social indicators improved drastically as a result of a fully fledged government intervention along with high inflow of remittances from Keralites residing abroad (Kannan, 1999; Kurien, 1995, Chakraborty, 2004). On one side the class mobilization transformed the relations of production, uprooting precapitalist institutions, most notably landlordism and traditional caste-based labour regime. On the other side the militant behavior of the trade union and state intervention undoubtedly discouraged investment. The state then acquired high social development with heavy state intervention (Heller, 1999).

The result of these changes had a negative effect on the labour market. The reluctant attitude of government towards adopting new technological changes in the industries accompanied with a higher wage rate resulted in the migration of employers to nearby states thereby weakening investment in the state (Kannan, 2005). To be more specific, in the Indian context the state Kerala is always an exception in terms of social development and also in the case of labour market behavior. The labouring class of (rural and urban) India work under low wages and in vulnerable conditions. Far from organized, this labour force became a cheap and abundant source for the capital class in Kerala which led to migration of capital from Kerala to nearby states (Thomas, 2003). This resulted in high unemployment. Concurrently there was shift in the socio-economic regime (due to gulf boom and welfare measures undertaken by the government) which changed the character of labour market as well as the job expectation of the youth (Kannan, 2005; Jeromi, 2003). The remittances from the emigrants from the Middle-east countries are the prime reason for the turnaround in Kerala's economic growth (Kannan, 1999). This choice of Keralites to migrate to gulf countries took place at the time when the state was undergoing the second stage of demographic transition.

Figure: 2.1



Source: Zachariah & Rajan (2011)

The effect of the remittances was identified from the rising consumption expenditure of the economy and this helped the state to overcome malnutrition and poverty up to an extent (Zachariah, Mathew and Irudaya Rajan, 2003 as cited in Rajan & James, 2008). High literacy rate and improved standard of living led to change in the job expectation of the youth (Kannan, 1998; Rajan & James, 2008) where they preferred white collar job. Kerala received much attention in the 1970s in view of the large number of emigrants to gulf countries (Figure: 2.1).

The emigration to Gulf countries totally changed the socio-economic conditions of certain regions in Kerala like Malappuram, Kasargod and Thrissur. These changes were seen in the form of high consumption pattern, investment pattern, life style, religion and education. As a result, economically and culturally, some parts of the state followed the Gulf countries. Keralites working abroad constituted 10% of the total workforce in Kerala (Azeez & Mustiary, 2009). The high educational level of the Keralites has led not only to high levels of educated unemployed, but also to a disdain for manual work in preference for white collar work. One important feature of Kerala Economy is the out

migration of labour force particularly to Gulf region and flow of huge remittances into the State. Krishna (1991) as cited in Rajan & James (2008) observed that the wages in the construction sector hiked just after the Gulf Boom. Later this increase in wage rate spread to other sectors. There also occurred wide practice of converting farm lands for house construction activities which paved way for the growth of construction sector.(Economic Review, 2011).

Kannan (1999) identifies three major development dilemmas in Kerala and its impact which includes (a) the organized power of labour that enabled higher wage rate and better working conditions resulted in such a way that the employers switched to capital intensive techniques and the migration of capital to low-wage areas in neighboring states where the organized power of labour is very weak, (b) rapid social development in the economy especially among the rural poor households led to a massive change in the expectations of younger age group where they preferred more regular and 'clean' jobs rather than opting the casual employment in agriculture and rural industries involving much drudgery and low social status. Migration of labour mostly from rural areas to countries in the Middle East resulted in reducing the immiserisation of rural labour, (c) The failure of the state to provide better infrastructure and promote technological change with investments despite the emergence of favourable conditions. Thus Kerala experience is referred to as paradoxical (Kannan 2005; Jeromi 2003) since there took place high social development accompanied with low economic development (Tharamangalam, 2008).

Keeping the above said changes that occurred and that has influenced the labour market of Kerala as a background this chapter intends to provide a detailed picture on placing the DLM in the construction labour market in Kerala. To arrive at this conclusion of emergence of DLM in Kerala the chapter is divided into four parts (i) Growth and structure of GDP, where it is explained how the structural transformation of the three sectors occurred in Kerala. (ii) Labour market scenario and Casualisation of labour in Kerala which details the shift of labour from primary to other sectors, the gulf boom that paved way for huge remittance and construction activities, emigration of Keralites to gulf

countries along with trade union regulated labour class which demand higher wage rate that resulted in labour shortage and increase in demand for cheap labour source in Kerala especially in construction sector. This section also elaborates the trend of casualisation of labour in Kerala. (iii) In-migration to Kerala that shows in brief the earlier trend of in-migration to Kerala to the emergence of DLM in construction sector.

A. Growth and Structure of SDP in Kerala:

Kerala has registered a structural transformation in output (Table: 2.1) away from agriculture and related activity (NSS 1999-2000). There was a clear deviation of sectoral growth in the economy where the primary sector which had a share of 56 percent in 1960 declined to 11 percent in 2011. At the same time the tertiary sector grew from a share of 29 percent in 1960 to 68 percent in 2011. The share of secondary sector on the other hand grew from 15 percent in 1960 to 20 per cent in 2011. At present the tertiary sector has the largest share in the SDP (Economic Review, 2011).

The structural transformation of the three sectors to the NSDP (Net State Domestic Product) at factor cost of Kerala is shown from 1970-71 to 2005-2006. The structural transformation is clearly visible from the decline of share of primary sector to NSDP. The primary sector registered a 15 per cent (1970-71 to 1980-81), 3.7 per cent (1980-81 to 1990-91) and a 15.17 per cent (1990 to 2001) decline over the years. The secondary sector on the other hand showed an increase till eighties (24 per cent), then on it declined but increased at a diminishing rate and the post-reform data shows the share has declined. The share of tertiary sector to NSDP before the reform period 1990-91, increased at a rate of not more than 6 per cent. But after the reforms 1990-91 the tertiary sector marked the largest share of NSDP. From the data it can be assumed or it is possible to make an argument that the decline of agriculture sector and the growth of the secondary and tertiary sector, has led to the exit of workers from the agro sector and paved way for employment opportunities and entry of many workers to the secondary and tertiary

sector¹³. In other words this has resulted in increased labour demand in industries apart from primary sector.

Table: 2.1			
Percentage distribution of NSDP at factor cost by Industry of origin (sub –total) at constant prices (Values in %)			
Year	Primary (% share)	Secondary (% share)	Tertiary (% share)
1960 – 61	55	17	28
1970-71	54.7	16.44	28.85
1975-76	51.21	17.12	31.68
1980-81	39.65	24.61	35.72
1985-86	37.11	23.69	39.2
1990-91	35.99	23.92	40.09
1995-96	32.7	23.81	43.49
2000-01	20.82	20.27	58.90
2005-06	15.83	11.45	63.28
2010-11	11.06	20.13	68.8

Note: for 1960 and 2010-11 data available is on Percentage distribution of GSDP at factor cost. The rest figures are Percentage distribution of NSDP at factor cost

Source: Economic Review (1980 - 2011)

B. The Labour market scenario and Casualisation of Labour in Kerala:

Observing the trends in the labour market it can be observed that, there is a steady exit of workers from the primary sector (Table: 2.2). There occurred a 21 per cent and 14 per cent share of rural and urban workers respectively from the agriculture sector. At the same time there is an increase in the entry of labourers into industry groups like wholesale/retail trade etc¹⁴, community services¹⁵ and into construction¹⁶. The

¹³ See Table: 2.3

¹⁴ Around 4 per cent increase in the share of workers (both rural and urban) from 1993-94 to 2009-10

¹⁵ The sector marked a 3 per cent (rural) and 2 per cent (urban) increase in the share of workers from 1993-94 to 2009-10

manufacturing sector also showed a 3 per cent increase in the share of workers. The NSS data on usually working persons in principal status by industry has been adopted so as to bring out this shift in choice of employment among the working class. Table: 2.2 show these facts. Thus there was a steady exit of workers from the agriculture sector which paved way for the entry of workers into the tertiary and secondary sectors.

Looking at the sectoral share to GSDP, the share of agriculture sector to GSDP declined from 15 per cent in 2004-05 to 8 per cent in 2010-11. Correspondingly there was an increase in the share of tertiary and secondary sector to NSDP (Table: 2.4). There was also an increase in percentage of workers entering the industries of tertiary and secondary sectors (Table: 2.2). Construction industry is one such entry for these labourers¹⁷. If we look at the sectoral share of construction sector to GSDP has been showing an increasing trend till 2006 -07 and then on it declined and remained stagnant till 2010 (Table: 2.3).

¹⁶ Construction sector showed around 10 per cent (rural) and 6 per cent (urban) increase in the share of workers from 1993-94 to 2009-10

¹⁷ The focus of the study will be on the construction labour market

NSS Various round	Categories	Agriculture, etc	Mining & Quarrying	Manufacturing	Electricity, Water, etc	Construction	Trade, Hotel & Restaurant	Transport	Fin. Inter, business act. Etc	Pub. Admin. Educn. Comm. Serv. Etc	Total
1993-94	Rural Person	56.4	1.5	12.8	0.3	5.7	9.0	4.0	1.1	9.2	100
	Urban Person	25.3	0.5	18.8	0.7	8.0	16.7	7.8	3.0	19.3	100
1999-2000	Rural Person	48.3	1.7	12.6	0.2	9.4	11.9	6.2	1.8	8.1	100
	Urban Person	9.5	0.3	20.2	0.5	10.7	30.5	8.7	4.4	15.2	100
2004-2005	Rural Person	42.0	1.3	13.7	0.2	10.6	12.2	7.0	2.5	10.5	100
	Urban Person	15.7	0.5	16.6	0.4	11.7	22.5	10.3	5.6	16.9	100
2009-2010	Rural Person	35.7	1.1	11.7	0.4	15.4	13.1	7.2	3.6	11.8	100
	Urban Person	11.0	0.7	16.8	0.3	14.1	20.9	9.4	9.1	17.6	100

Source: NSS Various Rounds

Year	Agriculture and allied activities (%)	Construction (%)
2004 - 2005	14.9	11.1
2005-2006	14.1	14.5
2006-2007	12.09	14.77
2007-2008	10.51	11.87
2008-2009	10.16	11.51
2009-2010	9.16	11.33
2010-2011	8.3	10.8

Source: Economic Review 2007-2011

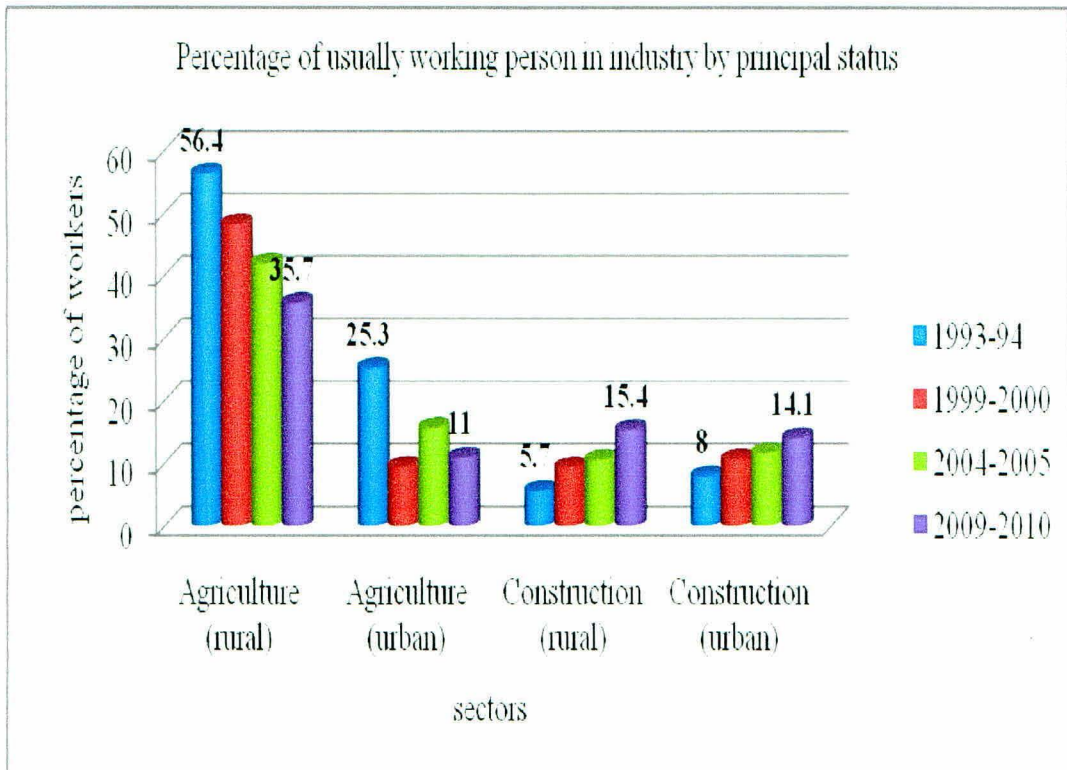
The percentage share of construction sector (Table: 2.4) to NSDP dwindled around 9 per cent from 1980-81 to 2000-01. The same for the secondary sector showed an increasing trend till 2000-01. The share increased from 37 per cent (1980-81) to 49 per cent (2000-01). The 2005-06 data show a decline but in 208-09 the percentage share of construction sector increased to 11 per cent.

Year	Construction (Rs. lakhs)	NSDP (Rs. lakhs)	Secondary (Rs. lakhs)	Share in NSDP (%)	Share in secondary (%)
1980-81	34496	378230	93157	9.120376	37.03
1985-86	35732	404172	95770	8.840791	37.31
1990-91	40270	526234	125877	7.652489	32.0
1995-96	56562	658375	162348	8.591152	34.84
2000-01	621521	6252268	1267614	9.940729	49.03
2005-06	-24640	8575929	1032866	-0.28732	-2.39
2008-09	1871452	16265920	3412918	11.5	54.8

Source: Economic Review [Note: 2008-09 shows total to GSDP]

A more detailed picture is given in the Figure: 2.2 where the percentage decline of workers in agriculture in both rural (21 per cent decline) and urban (14 per cent decline) and the percentage increase in construction workers in both rural (10 per cent increase) and urban (6 per cent increase) are shown.

Figure: 2.2



Source: NSS Various Rounds

Compared to the other industry divisions the percentage increase of workers in construction sector both rural and urban area is increasing the most. The percentage change of magnitude of workers from 1933-94 to 2009-10 is calculated for industry divisions except for agriculture in Table: 2.5. The result supports the fact that the entry of workers into the construction sector in both rural and urban area is the highest in Kerala.

Industry division	Percentage increase/decrease	
	Rural (%)	Urban (%)
Construction	10.0	6.0
Trade hotel& restaurant	4.0	4.0 (-)
Public Admin. Educn. Comm. Serv. Etc	2.6	7.5 (-)
Fin. Inter, business act. Etc	2.5	6.0
Manufacturing	1.1	2.0 (-)
Mining & Quarrying	0.4 (-)	0.2
Electricity, Water, etc	0.1	0.4 (-)
Transport	3.2	0.6 (-)

Source: NSS 50th and 66th Round

Earlier it was discussed that rapid social development (*ibid*) in the economy especially among the rural poor households led to a massive change in the expectations of younger age group where they preferred more regular and 'clean' jobs rather than opting the casual employment in agriculture and rural industries involving much drudgery and low social status. This has led to labour shortage in Kerala especially for manual labour. Unemployment problem in Kerala includes educational unemployment, unemployment of skilled, professional, semi-skilled, and unskilled workers. The out flow of Keralites even though created labour shortage in the state it resulted in the flow of huge remittances into the State. Huge out migration is because of lack of employment opportunity within the State (Economic Review, 2011)

According to Kannan and Hari (2002), as cited in Azeez & Mustiary (2009) Keralites working abroad constituted 10% of the total workforce in Kerala. Taking the total remittances into the country, Kerala alone receives 20 per cent remittances. This is a prime reason for the high level of average per-capita income. The post – reform period, 1990's onwards the growth of remittances was faster than growth of Kerala's NSDP (Economic Review, 2008).

Table: 2.6				
Number of Migrants, Remittances and its effect on PCI and NSDP				
Determinants	1998	2003	2008	2011
Migrants from Kerala (in million)	1.36	1.84	2.19	2.28
Remittances (in crores)	13652	18465	43288	49695
Per Capita Income (Rs.)	16062	25764	41814	52084
NSDP (Rs.)	53552	83783	140889	159144
Remittances as a percent of NSDP (%)	25.5	22	30.7	31.2

Source: Zachariah & Rajan (2011)

The amount of increase in migrants from Kerala from 1998 to 2011 is 0.92 million. The rate of increase is now decelerating (Table: 2.6). From 1998 to 2003 the number of migrants registered a 0.48 million increase, the year 2003 to 2008 registered an increase of 0.35 million migrants and that from 2008 to 2011 was an increase of 0.09 million migrants. Thus the trend shows a decline in the rate of increase of migrants from Kerala over the years from 1998 to 2011. The remittances also increased where there was an increase of Rs. 36043 crore from 1998 to 2011. The same trend was reflected for PCI where it registered an increase of Rs.36022. The remittances as a per cent of NSDP increased from 25.5 per cent in 1998 to 3.2 per cent by 2011. There was around 6 per cent increase of share of remittances to NSDP. The destination of majority of the migrants from Kerala to places outside India is the Middle East Countries. The 'Gulf Boom' has changed the entire lifestyle of an average Keralite. Table: 2.7 show the percentage increase of migrants from Kerala to Gulf countries. The out-migration trend registered an increase of 45 percentages from 1987 to 2011. By 2011, the destination of the 89 per cent of the total migrants from Kerala is to Gulf Countries.

Destination	1987	1998	2003	2008	2011
Gulf Countries	44.1	93.8	89	88.5	89.4

Source: Economic Review, 1990; Zachariah & Rajan (2011)

It has been observed by Planning Board that after the Gulf Boom, the practice of converting farm lands for house construction activities thereby increasing labour demand in construction sector (Economic Review, 2011). But there were few takers for construction jobs in Kerala due to migration, higher levels of income and higher levels of education. The unemployment in Kerala for the year 2011 is 1.05 million of Kerala's population and it was found that the unemployment was high among educated youth (Zachariah & Rajan, 2011). The social development has thus increased the unemployment among the educated youth and a labour shortage in the casual labour market in urban areas especially in the construction sector (ibid). However over the last one decade Kerala has been witnessing large number of in-migration of labour force to Kerala from other parts of the country (Economic Review, 2011). Among the in-migrants there are immigrants entering into the casual labour market in Kerala especially into the construction sector (Prasad, 2003). The percentage of rural and urban male workers has been increasing over the years when compared to the percentage increase of rural and urban female workers in the construction industry (Table: 2.8)

Rural Urban Person	Rural male	Rural female	Urban male	Urban female
1993 - 94	7.5	3.2	10.2	3.9
1999-2000	13	3.8	14.5	2.8
2004-2005	15.2	1.8	15.2	3.5
2009-2010	19.5	5.6	18.6	3.5

Source: NSS Rounds

There was a 12 per cent increase in the rural male workers from 1993-94 to 2010. The urban male workers marked an increase of 8 per cent during 1993-94 to 19 per cent in 2009-2010. The rural and urban female percentage of workers did not increased 2 per cent during the same period. It is a fact that this construction boom has been a major source of employment for Kerala in recent years (Abraham, CDS Venue) The Census of India 2001 data on Kerala reveals this picture. Agriculture, Plantation, Manufacturing, Construction, Whole Sale and Retail are the major industrial categories that absorb these immigrant labourers. There is also a visible increase in the sectoral share of GSDP and also an increase in the number of workers entering into the construction Industry in Kerala. This trend can be seen from the data provided by NSS data - various rounds (Table: 2.9).

Workers both skilled and unskilled are demanded where their relative wages are found to be high. Hence these workers either shift their occupation or migrate to these areas of construction activities expecting higher wage rate. In India among the 'casual labourers in other than public work' the average wage/salary received per day by those in Kerala stands second highest (Lakshadweep being the first) compared to all other states (Table: 2.10). It can be inferred that Kerala casual labourers enjoy a comparative advantage over other states in the case of average daily wage.

The change in the average wage rate calculated during various NSS rounds is shown in Table: 2.9. The average wage rate of casual labour increased from Rs. 91 (rural) and Rs. 93 (urban) to Rs. 206.52 (rural) and Rs. 217.66 (urban) respectively.

Table: 2.9 <i>(Values in Rupee)</i>		
NSS Rounds	Rural	Urban
55th Round	90.59	93.13
61st Round	119.51	126.81
62nd Round	124.6	136.34
66th Round	206.52	217.66

Source: NSS Various Rounds

Table: 2.10		
Average wage/ salary earnings per day received by casual labours engaged in works other than public works (values in Rupee)		
States	Rural	Urban
Andhra Pradesh	98.47	138.2
Arunachal Pradesh	169.39	160.63
Assam	90.1	104.59
Bihar	79.41	91.9
Chhattisgarh	68.84	110.55
Delhi	195.96	173.35
Goa	116.65	170.42
Gujarat	83.25	106.17
Haryana	139.58	142.97
Himachal Pradesh	139.56	152.4
Jammu & Kashmir	158.26	150.41
Jharkhand	101.15	105.34
Karnataka	84.5	108.64
Kerala	206.52	217.66
Madhya Pradesh	69.02	86.54
Maharashtra	75.19	109.9
Manipur	109.53	125.41
Meghalaya	110.02	133.03
Mizoram	141.76	159.05
Nagaland	141.44	128.37
Orissa	75.62	94.69
Punjab	130.43	138.67
Rajasthan	125.65	141.48
Sikkim	117.37	163.4
Tamil Nadu	110.76	136.71
Tripura	104.95	122.83
Uttarakhand	118.71	136.71
Uttar Pradesh	94.31	106.81
West Bengal	85.33	96.86
A & N Islands	141.78	151.86
Chandigarh	193.38	134.43
Dadra & Nagar Haveli	113.69	140.62
Daman & Diu	89.57	113.1
Lakshadweep	227.12	224.26
Puducherry	129.58	154.73
All India	93.06	121.83

Source: NSS Report No. 537: Employment and Unemployment Situation in India, 2009-10

Abraham (CDS Mimeo) in his paper brings out the fact that there is a shift of work force in Kerala from a self-employed one to a wage employed one with an increasing share of casualisation of labour. This is shown in the Table: 2.11. In both the rural and urban area we see a similar trend for the distribution of self – employed workforce over the years. For the self employed in both rural and urban areas we find initially a decrease in the distribution of work force from 1987-88 till 1993-94 and then the trend remain stagnant till 2004-2005. Later it declines over the time period till 2009-2010. The distribution of urban casual work force on the other hand increases during 1987-88 to 1993-94, remains stagnant with slight variation till 2004-2005 and then increases till 2009-2010. The distribution of rural casual work force showed an increase from 1987-88 till 1999-2000, declined then till 2004-05 and then increased from then on till 2009-2010.

Table: 2.11			
Percentage distribution of workers as per type of economic activity (Rural Urban) for Kerala			
(Values in %)			
Rural	Self Employed	Regular	Casual
1987-88	49.5	11.1	39.4
1993-94	45.4	11.5	43.1
1999-00	42.9	13.7	43.4
2004-05	45.4	16.4	38.1
2009-10	39.8	19.4	40.7
Urban	Self Employed	Regular	Casual
1987-88	43.9	32.1	23.9
1993-94	39.8	26.8	33.4
1999-00	41.3	29.1	29.6
2004-05	41.1	28.7	30.1
2009-10	34.1	34.2	31.8

Source: Taken from Abraham (2012)

In the rural as well as in the urban sector the percentage of self employed workers registered a 10 per cent decline from 1987-88 to 2009-10. The regular wage/salaried group showed an 8 percent and 2 per cent increase in the rural and urban sector respectively. The casual labour on the other hand registered an increase of 1.3 per cent in rural sector and an 8 per cent increase in the urban sector. More details are given in Table: 2.10.

In a nut shell we could thus summarise this phenomenon as such. The Kerala experience of a trade union-regulated labor market with due support of government and the substantiate improvement in social indicators that led to change in job expectation among youth accompanied by high emigration, cumulatively resulted in the labour shortage for manual work which later led to a gap in the labor market in Kerala into which migrant laborers are absorbed (Kannan, 2005). In periods of increasing and high demand for labour when employers are in a relatively unfavorable position on the market, they attempt to gain flexibility by moving into new fields or dimensions in which there is little regulations. The argument for greater flexibility is based on the assumption that security of employment, as a distinctive feature of the labour system in the formal sector of the economy, is counterproductive to the creation of more work (Bremen 2001) it is thus the political choice for an unadulterated capitalist development strategy where employees can be hired and fired according to the needs of the moment and that too at a price which - without corrective intervention - is determined by supply and demand.

The casualisation of labour (Bremen, 1996) is characteristic of the capitalist regime presently dominating in South Asia where a major advantage of the mobilization of casual labour is that they can be hired and fired according to the needs of the moment and transported for the duration of the jobs to destinations far distant from the home village. Informal sector in Kerala is an exception in the Indian context. Kannan (1998) as cited in Waite (2001) attributes this difference explaining *the broad-based character of Kerala's labour movement that meant pre-independence demands by agricultural labourers quickly spread to other rural occupation*. Head load workers (Nambiar, 1995 as cited in Noronha, 2006) for example were once subject to several forms of exploitation due to the

casual nature of employment and due to the absence of any entitlement and other benefits. Later the Government involved in this issue and by 1957, the formation of a Communist Government in Kerala enabled the party to unionize the head load workers organize agitations to fight for their cause. This event is the best example to cite where labour movement in Kerala succeeded in formalizing working conditions of several casual labourers (Jose Thomas, 2003).

According to the latest survey on employment and unemployment carried out by the NSSO in the 66th round of NSS during July 2009 – June 2010 it is estimated that the self employed workers in Kerala constituted 38.4 per cent of the total workers. Whereas the percentage share of regular wage/salaried employee accounted for 23.2 per cent and that of casual labour 38.4 per cent. In the case of workers in casual labour in other than public works about 82% in the rural areas and 86% in the urban areas reported to have worked in the informal sector (Economic Review, 2011). Harilal and et al (2006) observes from their empirical study on cashew industry and supports the argument made by Kannan (1983: 101-103) that so as to reduce the cost of processing involved in the cashew industry there has always been an incessant search for new strategies to informalise and casualise labour in the industry. Women form a major folk in these industries, majority of them belong to the backward caste where their income served to be the sole source of income to feed their family. The cost of processing will hike once the labourers in the cashew industry were given wages higher than the minimum along with other statutory benefits. This reflects the quest for casualisation in such export oriented industries like cashew.

A survey on the status of coir industry in Kerala (KITC) shows that majority of the workers' individual income forms the sole source of income for the respective households where two thirds of the workers are employed in the unorganized sector. Majority of the workers belonged to the OBC group and were 78 per cent were females. Only 10 per cent of the units have registered with the workers welfare board. Casualisation in a sense can be regarded as a result of globalization where vulnerable

workers of the society are channeled into low paying jobs with no security where the ultimate aim is to reduce cost of production.

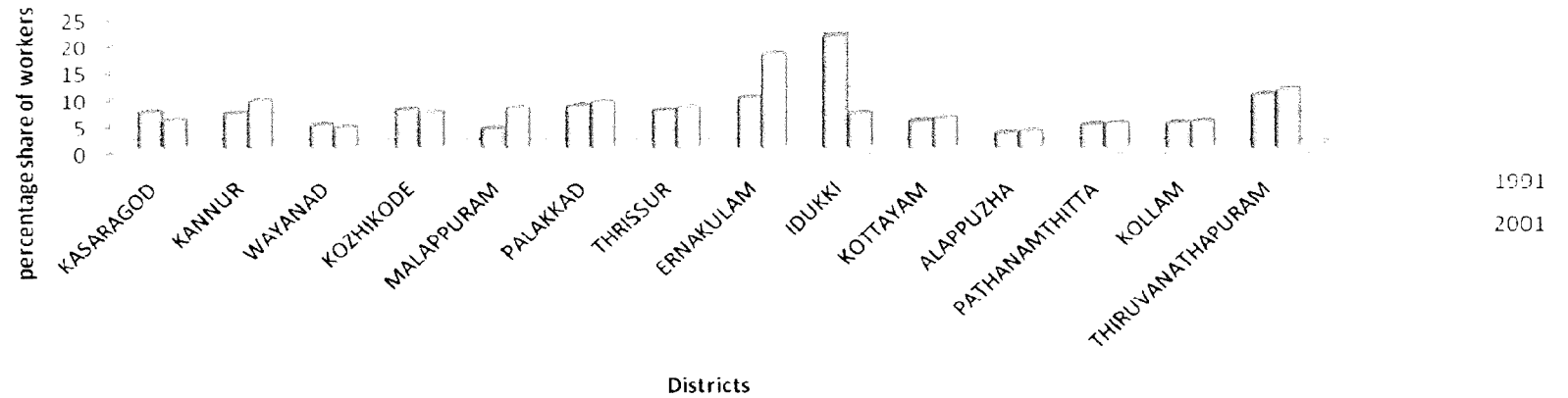
C. In migration to Kerala:

The uneven nature of capitalist penetration resulted in the underdevelopment of most of the countryside. Also it resulted in both proletarianization and pauperization of the countryside (Kannan, 1988). Over the period of time, the underdeveloped nature of some Indian states, the failures of respective governments to provide better infrastructure facilities to promote job opportunities and the development of a transportation system enables labor mobility towards regions where it is highly demanded (De Haan, Arjan 1997; Deshingkar and Akter, 2009). Kerala is one such destination for such internal migrants. The migrants are preferred mainly because there is an increasing shortage of workers for manual jobs (Rajan and James, 2008). The migrant workers from poorer states are in demand in the more developed states primarily because of their low levels of reservation wages (Economic Review 2010).

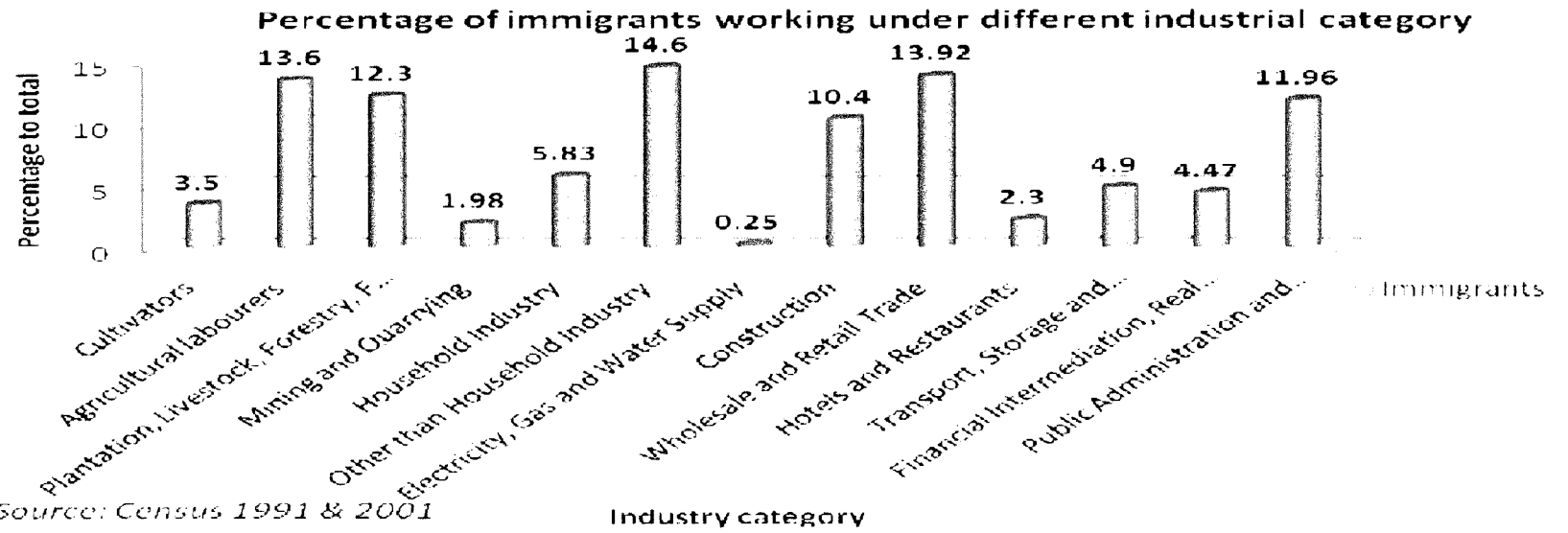
Migrants proceeding long distances (Ravenstein, 1889) generally go by preference to one of the great centers of commerce and industry. Higher wages for unskilled labour in the State (Economic Review, 2011), large opportunities for employment and shortage of local labour, paradoxically, despite the high unemployment rate in the State, led to massive influx of migrant labour from other States like West Bengal, Bihar, Orissa, Chattisgarh, Jharkhand etc, besides from the adjacent States. They are the less advantaged group in the labour market working for a subsistence living. The migrant labourers get much higher monetary wages than in their places of origin and they work for longer hours and their real wages may be lower. Though these workers are predominantly engaged in the construction, plywood and steel industries, their presence is visible in almost all employments including service sector in the State.

Figure: 2.3

District-wise share of immigrants in Kerala



*Source: Census of India



*Source: Census 1991 & 2001

Census of India 1991 and 2001 gives data on the migrants beyond the state of enumeration. Census D – series for Kerala provides the data on number of migrants into different districts of the State. During the 1991 Census Idukki District stood the highest absorbent of immigrants followed by Ernakulam and Thiruvananthapuram. In 2001 Ernakulam District was marked as the top absorbent of immigrants followed by Thiruvananthapuram (Figure: 2.3). Observing the census data on immigrants in Kerala working under different industrial category, it can be inferred (Figure: 2.4) that Agriculture and service sectors are the top most absorbent of the immigrant labourers. Around 15 per cent of the immigrants work in non-household industries. Around 14 per cent of the immigrants come under industrial category of whole sale and retail trade. Among the total immigrants 14 per cent and 12 per cent work as agriculture labourers and Plantation, Livestock, Forestry, Fishing, Hunting and allied activities. Another 12 per cent work under public administration and group of other industries.

D. Conclusion:

Earlier the immigrants were mainly from near-by states like Tamil Nadu and Karnataka commonly to the plantations. With increasing affluence in these regions labour from these regions have dried out in Kerala .Now it is a recent phenomenon where we find immigrants from north and north-east states of India as a result of increase in construction activity (Aleyamma, 2008).Thus Kerala labor market is an attractive destination for migrants from Northern states of India like Bihar, Bengal, Orissa and Jharkhand and also from nearby states like Andhra Pradesh, Karnataka and Tamil Nadu. What makes Kerala labor market different is the high worker wage rate it offers compared to other states in India (Table: 2.10).

The entry of these immigrant labourers were mainly through contractual routes. Earlier we saw the number of workers in the construction sector has been increasing over the period of time in Kerala. The attached system especially attached contractual system which is a regular model for migration is weakening with the betterment of transport and

communication. This decline in information costs and transaction costs has made the labour contractor redundant. The middle men have been replaced and the ready availability of employment in an economy with low skilled workers scarcity has created the space for emergence of the DLM in Kerala. The “Day Labourers” could be seen in several parts of Kerala like Ernakulam, Thrissur and Thiruvananthapuram. Often called as Day labour market or Spot Labour market, these workers are temporary workers where there is no attachment between employer and employee relationship. More details on this phenomenon are given in the next chapter.

CHAPTER 3

AN ACCOUNT OF THE WORKING OF THE DAY LABOUR MARKETS

I. An Overview:

This chapter provides a profile of the three day labour markets (DLM) and a sample of the workers who were surveyed to understand the functioning of the DLMs. The three spots surveyed were the Ulloor market, the Sreekaryam market and the Kazhakoottam market, three prominent spots within the Thiruvananthapuram urban formation. The profile of the working of the day labour market is described in the following manner. Firstly, the features of the day labour market spots, secondly market features of the hirers are described and thirdly market features of the workers are traced.

1. Features of Day Labour Markets

(a) Location of the spots: The three markets are situated near busy junctions. The day labour market in Ulloor is situated near the Ulloor junction¹⁸. The workers assemble at a busy corner of the junction flanked by retail shops. The day labour market in Sreekaryam is seen at the Sreekaryam Junction¹⁹ (around 3 km from Ulloor). Kazhakoottam day labour market emerges at the Kazhakoottam bus stop, near the Kazhakoottam junction (6 km from Sreekaryam). Thus the location chosen itself seem to publicize the presence of DLM workers. The presence of the workers does easily grab the attention of passersby. The chosen location provides various benefits. One being the ease of spotting the markets, secondly these are near busy junctions where workers can be efficiently transported. A close observation of the traffic in these three areas will bring into our notice that casual workers are of huge demand in the city since we could

¹⁸ The Ulloor Junction at Trivandrum is near Kesavadasapuram and the Medical College on the way to the Engineering College on the National Highway 47

¹⁹ The Sreekaryam junction at Trivandrum is near the College of Engineering and Loyola School

easily find workers - either immigrants or locals - being transported in small Lorries and goods carrier rickshaws.

(b) Size and functioning of the Market Spots: The workers start assembling from early morning and stay in the same place for a few hours until the nearby shops are open. The researcher has observed that the earliest arrival of workers at the spots around 6.00 a.m. in the morning and the spot would remain active for approximately 3 hours. There is no one to regulate them nor any official forces or agencies to scrutinize the overall functioning of the daily market. On repeated visits we observed that the average presence of workers during these hours would be range between 80 to 150 workers in each of these spots. The data on average number of workers who assemble on any particular day in the three markets is given separately in the table below.

Table: 3.1		
Average number of workers who assemble in the three day labour markets		
(Values in Frequency)		
Ulloor	Sreekaryam	Kazhakoottam
80-100	100-130	80-100

Source: From field observations

The markets are mainly male dominated. The table 3.2 given below depicts this fact that majority of the workers who undertake the casual employment in these three markets are male workers. In both Ulloor and Sreekaryam all workers were male workers, while in Kazhakoottam the share of males were about 54 percent.

Table : 3.2		
Percentage of workers in each market based on their gender		
Ulloor	Sreekaryam	Kazhakoottam
MALE (100%)	MALE (100%)	MALE (54 %)

Source: From primary data collection

The labourers assemble in the morning at their respective hubs and wait for the employers to hire them. They are mostly hired for work in the neighborhood areas. Some of them approach the employer who steps in the market for hiring his worker while some wait for the employer to call him/her. The nature of occupation and then the wage rate becomes the prior concern of the day labourer. If the wage rate is not up to his expectation he starts negotiating for better wage rate. There are skilled and unskilled workers among them. These day labourers are attached to this particular market alone. None of them are contract labourers. A few of them were working under a contractor earlier but for the past few years they are working as independent workers. None of them opted to shift from this day labour market to contract labour.

The employers are local people, contractors, contract workers or petty employers. The usual scene is an employer choosing a worker randomly. At times the employers get the help of a worker (snow ball) to hire more workers. Once a worker willing approach the employer, both the parties enter into an informal contract on the spot. The wages in the markets are fixed on the spot. The employer offers a wage rate initially and defines the task in a phrase. The worker either accepts the offered wage rate or he bargains for higher wages. It also happens where the worker disagree to go with the employer since he dislikes the task.

If both the parties are willing then the workers are transported to the work place in two – wheelers, Rickshaw, Taxi, Private Cars, Maruthi Van, Ordinary bus. The average functioning hours of the market are approximately 3 hours a day. None of these markets are controlled nor regulated by any union or association. Majority of the workers are seen unemployed at times. Still they come to the market early morning trying their day's fortune. The recruitment practice followed is both time rate and piece rate. There is a well built information network of local people and among the workers which plays a crucial role in determining the functioning of this market whereby the demand and supply side meets. The day labour market functions only for a short duration in the morning throughout the week.

There is only a temporary relation between the employer and the day labourer. The day labourers who have been covered under the survey do not agree at a wage rate below Rs.400 and during a week most of the workers are seen unemployed. Since the market is short lived it is easy to identify who stays in the market and who makes his/her fortune. An average day labourer gets employed for three to four days in a week and unemployed for the rest. If a day labourer is unemployed for a day either he gets back to his place of stay or move around the city in search for some job or he just roams around some place just for fun. Again he comes to the market the next day.

(c) Ethnicity of Workers: The three markets are occupied by labourers from different states. While the Ulloor and Sreekaryam markets have overwhelmingly migrant workers, the Kazhakoottam market was exclusively populated with local workers from Kerala, residing in and around Kazhakoottam itself. Thus there seems to be a preference among workers to differentiate their presence in various market spots on the basis of local versus migrants. There is also a clear ethnic divide visible among these three markets. The Ulloor market had 84 percent of the workers surveyed originating from Assam, while the Sreekaryam market had 86 percent of the workers originating from West Bengal, and the Kazhakoottam market had 100 percent workers from Kerala. The table 3.3 below shows this picture of the ethnic divide. This ethnically divided presence of workers in the various market spots seems to support the argument that the workers are segmented on the basis of ethnicity.

STATE	ULLOOR	SREEKARYAM	KAZHAKOOTTAM	TOTAL
ASSAM	14	84	NIL	32.7
WEST BENGAL	86	14	NIL	33.3
KERALA	NIL	NIL	100	33.3
RAJASTHAN	NIL	2	NIL	.7
TOTAL	100	100	100	100

Source: Primary data collected

(d) Occupation of the workers at the Spots: The workers commonly engage in casual employment in the construction sector. Workers engage in skilled and unskilled construction works like household construction, repair works and major construction works. The workers were asked to give an exact picture of the type of occupation they had been engaged over the past one week from the date of interview. And it is for helper jobs they were demanding more. Out of 150 labourers 51 per cent were hired for helper jobs, 25 per cent were hired as mason which is a skilled job, 13 per cent were hired for plastering work, and a single person went for quarrying which is regarded as a risky job by other day labourers and the rest 10 per cent labourers remained unemployed throughout the week.

Table: 3.4
Occupation to which the Day labourers are commonly hired in a week
(Values in %)

<i>Occupation</i>	<i>Helper in construction</i>	<i>Plastering</i>	<i>Mason</i>	<i>Quarrying</i>	<i>Unemployed</i>	<i>Total</i>
<i>Number of Day labourers</i>	51	13	25	1	10	100

Source: From primary data collection

2. Market Features of the Employers at the DLM

The data for this section comes from qualitative open ended interviews with a few employers who appeared at the DLMs in these spots to appoint workers for the day. The employers are commonly petty contractors, owners of small firms, house owners, contract workers and others. It is indeed difficult to track the employers since majority of them are not regular visitors. These employers approach the DLM rather than the conventional mode of recruiting casual workers from local labour contractors. The hirers of DLM workers have various considerations when they approach the DLM rather than the local contractors. The most important aspects are productivity & wage considerations, transaction costs, and information costs.

(a) **Productivity & wage considerations:** One of the important reasons for the employers depending on the DLM is owing to their perception that DLM workers are more productive, especially for unskilled work. The employers' view that the productivity of these workers are higher than that of the local workers, and also their wages are lower forms the motivation behind choosing DLM. The day labourers are highly demanded for helper jobs in construction. Helper job in construction include passing of bricks and soaked cement filled plates, filtering sands, breaking small rocks, mixing sand and cement, mixing metal and cement, cutting iron rods, steel rods, loading and unloading of construction materials from trucks and the list goes on. The employers are able to reduce their cost of production in the process wherein the local wages are higher than the migrant workers. For unskilled work migrant workers can be hired without loss of quality of work. From the employers' side it is a loss for them to pay Rs. 500 and more for a local casual worker for the undertaking helper job when they have a choice of paying Rs.350 to Rs. 400 as a day's wage rate for workers from the day labour markets.

One of the local work contractors at Ulloor remarked thus

"...For moving a brick or filtering sand there is no need for acquiring any training. Any child can do the job. For fixing the bricks in their exact position, concreting, and for measuring the correct level you need to have a good amount of skill as well as experience. Thus for skillful jobs we are ready to pay more, but for doing unskilled manual job what is the logic in paying higher wage rates?..."

Another employer who appeared on the Kazhakootam market stated

"...Earlier the employers had to pay higher wage rate for the local casual construction workers. During those periods employers had no other option but to employ them as they were under pressure to get the work done on time. Some of them stay away from the business. But now the labour supply to the construction sector has increased. Apart from local casual workers we have workers ranging from contract workers to these workers who stand near the road side for work (day labourers)..."

The wage rate the immigrant workers demand is less than the locally prevailing wage rate for a local casual construction worker and they work continuously.

“...There are skilled workers among these day labourers. They work systematically without any flaws and they finish off the work soon. They do not play around and swallow the wages without completing the task. But the difficult part is they bargain. Now they know the prevailing wage rate and hence they demand for more wages. They stick on to higher wage rate after 8:30 AM since they clearly know that from 9:00 AM the work has to be started and the employers lack the bargaining power as the time moves on...” (From Mr. R who is an owner of a small firm at Sreekaryam).

Yet another advantage is that there is no strike nor do the employers have to face a situation where the workers altogether boycott their work. The reason they provide is interesting and what they explain is pure market economics.

“... There is no question of getting scared of workers who protest and demand higher wage rate or security. If a group of workers is present in the market for example, if worker A is not willing then we move to worker B or C. There is no need to get worried because any one of them will be ready to take up the job. Also they are free workers and are not unionized. Hence worries like worker agitations can be thrown out. Their prime motive is a reasonable wage for that day. Their interest is confined to wage rate and the nature of the task they are about to undertake on a particular day. Hence the work gets completed without any unwanted interpretations...” (From Mr. K, a local - came to hire workers for his own house construction at Sreekaryam).

(b) Transaction costs:

The practice of recruitment through labour contractors does continue now as well. But many employers see advantage in recruiting workers through the DLM as they are able to avoid transaction cost here since they themselves enter into the recruitment process. The service of the labour contractor as the meeting point of the worker and the hirer was now replaced by the costless labour market spot.

“... We have to pay an amount to the contractor who supplies workers to the sites. Yes! This was of great help. But since we can pick these workers on the way to the workplace and what we need to sacrifice is a small amount of time, the commission given to the middlemen is absent here. Otherwise that amount would have been an additional cost apart from the wage rate paid to the workers...” (From Mr. R a local employer at Ulloor)

However, the labour contractor is not only a source of meeting point for the worker and the hirer. The contractor is also a source of information for the hirer and the worker. The contractor carries and exchange information of both the parties to each other. This provided the worker with assurances of wages, employment and reasonable work conditions, while it provided the employer with information on productivity, and shirk behaviour. With the appearance of the DLM this service is lost and therefore the employer and the worker have to suffer the fallouts of poor information.

(c) Information costs

To the employers choosing workers from any day labour market is not easy. The employers have no information of the skill and work behaviour of these workers. Unlike the local casual workers, for whom there is a lot of information of their work behaviour, the employer is not in a position to gauge the quality and productivity of work. Hence the employer may not be in a position to offer the commensurate remuneration. The employers strategize this by identifying a person from the group and establish a rapport with him. This helps in getting more workers a day since the task of convincing a group is taken over by the worker himself. The employer who is a regular visitor to the DLM establishes a rapport with one of the regular DLM workers and uses his information base to reach out to other workers. Mr. S a local petty contractor engages in small construction works. He has been hiring workers from these markets for the past two years. He has got a good rapport with a worker from West Bengal and he has been hiring group of workers with the help of this single worker. He says this is time and energy saving since it is difficult to convince good workers if you are a new face in the market.

3. Characteristics of the Day Labourers:

The prime characteristic of the day labourers are that, there are immigrant labourers from Assam and West Bengal (Table: 3.3). There are local Kerala workers also. Since the study is dealing with three different day labour pockets, profiling of the day labourers in general will provide a mixed picture. Hence here a few of the profiling of the day labourers will be done for each market. A basic profiling followed by the asset profiling and employment profiling depicts the general characteristics of the day labourers. Later the factors that led to their entry into the day labour market will be detailed. Here also both quantitative and qualitative data are used.

(a) Basic profile of the day labourers:

Basic profiling incorporates the age, gender, place of origin, religion and caste, education, marital status and household size of the day labourers. The purpose of the basic profiling is to understand the socio background of the day labourers. Age, gender, place of origin, religion and caste would tell us partially to which strata of the economy they belong. Followed by educational level, would tell us the chance of employability of the day labourer and the marital status and household size will tell us the level of income the worker has to obtain for the livelihood of his family.

(i) Age, Gender and Place of origin: Majority of the labourers being male the market consists of labourers from different states including Kerala. The labourers from Assam, Rajasthan and West Bengal are commonly youngsters and middle – aged and those from Kerala are commonly middle – aged. The entire female sample is from Kerala and they belong to the middle age group. Therefore we have a different mix of labourers consisting of youngsters and middle aged group and they belong to a different place of origin but same destination and same industry which is constructed.

Further details are given in the table: 3.5. It shows the frequency distribution of age-wise classification corresponding to Gender and place of origin of the day labourers.

	Age /Place of origin	Assam	Kerala	Rajasthan	West Bengal	Total
MALE	Below 18	1	0	0	0	1
	18 - 25	19	0	0	9	28
	25 - 30	12	3	0	10	25
	30 - 35	8	13	0	8	29
	35 - 40	3	4	0	7	14
	40 - 45	4	5	1	10	20
	45 - 50	0	1	0	4	5
	Above 50	2	1	0	2	5
	Total	49	27	1	50	127
FEMALE	Below 18	NIL	0	NIL	NIL	0
	18 - 25		0			0
	25 - 30		0			0
	30 - 35		7			7
	35 - 40		4			4
	40 - 45		8			8
	45 - 50		3			3
	Above 50		1			1
	Total		23			23
	Total					

Source: Extracted from Primary data Collected

(ii) **Religion & Caste:** The religion and caste wise distribution show that majority of the day labourers belong to the Hindu Religion (61 per cent) and most of them come under the SC (58 per cent) and OBC (35 per cent) category. Muslims (32 per cent) form yet another significant group where most of them come under OBC (88 per cent) category. The rest of the sample workers belong to the Christian religion (OBC).

<p style="text-align: center;">Table: 3.6 Religion and Caste wise distribution <i>(Values in frequency)</i></p>						
MARKET	RELIGION	SC	ST	OBC	OTHERS	TOTAL
SREEKARYAM	<i>Hindu</i>	21	1	20	5	50
	<i>Muslim</i>	1	0	2	0	
ULLOOR	<i>Hindu</i>	4	0	3	0	50
	<i>Muslim</i>	4	1	38	0	
KAZHAKOOTTA M	<i>Hindu</i>	28	0	9	1	50
	<i>Muslim</i>	0	0	2	0	
	<i>Christian</i>	0	0	10	0	
TOTAL	<i>Total</i>	58	2	84	6	150

Source: Extracted from Primary data Collected

(iii) **Education (corresponding to ethnicity):** The educational back ground of the day labourers gives us a mixed picture where we have a good number of labourers who have undergone average and above average level of education on one side and a fair percentage of workers who are not literate. The highest percentage of day labourers has completed their primary education (primary completed – 34 per cent). Among them the workers from Assam and Kerala (35 per cent) and West Bengal (27 per cent) are the majority. Among the day labourers 22 per cent are not literate, the highest being from Assam (45 per cent) and West Bengal (42 per cent). Those completed the Upper Primary (17.33 per cent) occupies the third majority wand among them 39 per cent are from West Bengal. Around 11 per cent day labourers have completed higher secondary education (Kerala workers being the majority – 88 per cent) and an equal percentage of workers have not completed primary education. Around 2 per cent of the day labourers have completed higher secondary education and any technical education respectively.

(iv) **Marital status and Household size:** The day labourers who are married (82 per cent) and unmarried (18 per cent) together has a household size of 4 members on an average (36 per cent). Twenty six per cent and twenty of the day labourers has a household size of 5 members and six members respectively. Since the married population is more the dependency burden is more upon them. Among the 82 per cent of

the day labourers who are married 37 per cent day labourers has got a household size of 4 members and 26 per cent and 13 per cent has a household size of 5 members and 6 members respectively. Yet the unmarried labourers (18 per cent) also have got a good number of household members to support. 29 per cent of the unmarried labourers hold a household size of 4 members, 26 per cent (5 members), and 15 per cent (3 and 6 members respectively).

Labourers coming from different place of origin both youngsters and middle – aged labourers, commonly from Hindu and Muslim religion (commonly under SC and OBC category) are more or less a mix of literate as well as individuals who are deprived of education and majority of them has got 4 to 5 members in their hold. The dependency burden back at home is a crucial factor for them in choosing day labour market. Choosing other types of employment drag them into union or association or sometimes compel them to accept lower wage rate. Observing their socio back ground this market offers certain amount of flexibility to these labourers. Their presence at home as care takers as well as earning members is equally balanced here. Yet another advantage for them is the flexibility to switch over from one employment to another.

(b) Asset Profiling: Asset profile depicts the picture of the vulnerability of the labourers at home. It brings out the financial/economic forces behind their decision in choosing day labour market. This area touches upon a few types of assets the labourers own at home. Data was collected on land owned/leased, its area and type, other assets and debt profile.

(i) **Land:** From the data almost 64 per cent of the day labourers are landed. At the same time pattern of the type of land holding is different across the states. The labourers from Assam commonly hold land for agriculture purpose which also incorporates the residential area. The area ranges from Labourers of Kerala hold only land for residential purpose. Among the landed day labourers 34 per cent labourers hold a land area below 10 cent which is used purely as residential area and approximately 11 per cent hold 1

acre to 2 acre land area which is commonly agro based land. Table 3.7 shows the data on the area of land owned by the day labourers.

<p style="text-align: center;">Table: 3.7 Area of land possessed by day labourers at their place of origin <i>(Values in percentage)</i></p>				
AREA OF LAND POSSESSED	SREEKARYAM	ULLOOR	KAZHAKOOTTAM	TOTAL
BELOW 10 CENT	2	.0	100	34
10 – 50 CENT	6	8	.0	4.7
50-100 CENT	16	12	.0	9.3
1 ACRE – 2 ACRE	20	12	.0	10.7
2 ACRE – 3 ACRE	8	6	.0	4.7
3 ACRE – 4 ACRE	2	2	.0	1.3
DO NOT POSSESS LAND	46	60	.0	35.3
TOTAL	100	100	100	100

Source: Primary data

(ii) **Other Assets:** Other assets are classified into (i) agriculture inputs, (ii) non-durables and (iii) liquid assets and vehicle. Among these assets the day labourers hold more is liquid assets (ornaments – 58 per cent and bank account – 59 per cent). Among the non durables day labourers who own mobile phone are the highest (93 per cent). Cattle (58 per cent) and tools used in agriculture (36 per cent) are possessed more in the case of agriculture inputs.

(iii) **Debt Profile:** Not much of the day labourers are debt burdened. Around 84 per cent of the day labourers reported they are free from debt burden. The rest 16 per cent has borrowed money in cash form for day to day consumption, asset creation and for investment in land. Those labourers who are debt burdened rely commonly on relatives and friends. A few of them depend on money lenders. The minimum and maximum amount of debt taken ranges from Rs.5000 to Rs.15000.

Table: 3.8				
Purpose of debt taken by day labourers				
<i>(Values in %)</i>				
REASON	SREEKARYAM	ULLOOR	KAZHAKOOTTAM	TOTAL
Day To Day Consumption	2	4	2	2.7
Asset Creation	.0	2	.0	0.7
Investment Inland	6	16	.0	7.3
Others	2	6	.0	2.7
Have Not Taken Debt	86	72	94	84
Did Not Respond	4	.0	4	2.7
Total	100	100	100	100

Source: Primary data collected

4. Market Features of the Workers at the DLM

Like the employers who approach the DLM seeking various cost advantages, the workers who enter the DLM are also having certain specific distinguishing features. The single most distinguishing feature of the workers at the DLM was their nature of being unattached to any institution or agency and their complete dependence on the spot market.

(a) Detachment from Employers and Contractors: Unlike local casual workers who are attached to the employer either through a labour contractor or directly to the employer for a specific period of time, the DLM workers were unattached to any labour contractor or any particular employer. Most of the day labourers engage in casual employment in construction work. A day labourer is uncertain whether he will be employed on that

particular day. The day labour market offers a higher wage rate²⁰ and the work undertaken by the worker is less risky. The day labourer can exit the market according to his/her will. The wage rate is fixed by negotiation.

(b) Detachment from Labour Unions: The day labourers are unattached to any labour institutions of trade unions. Even though the workers stand together in groups daily, they are not interested in forming a union or association. The information that you will find employment in this market for a fair wage rate attracts these workers. Of the 150 workers surveyed none of them claimed membership with any labour unions (Table: 3.11 below). Most of them also stated that they found no benefit in joining labour unions.

At times it is possible to see one or two union members walking two and fro in the market area. They at the moment interpret and start interrogating if they see you talking to a worker for a long time. During the interviews with a group of workers revealed the fact that the union members after the market gets disappear persuade the unemployed workers who return to their stay to join their union. Not only that each worker has to make a down payment of Rs.10000 before joining the union. The members also made them aware of the benefits by joining the union. But these workers used to openly and collectively reject such offers.

“...by Rs.10000 I can feed my family for so many days. I can make use of the amount in different ways. And from where shall it is possible for workers like us to manage Rs.10000 just like that. Not only that we have to pay Rs.1000 during intervals to renew our membership. This is too much for poor people like us...” (Sreekaryam day labour market worker)

“...we cannot survive for long and feed our family if we join the union. They will call us whenever there is a call for job. But then there will not be job throughout. There will be

²⁰ A higher wage rate here implies a wage rate which is high in terms of certain features of work like physical effort, perks during work etc. Obviously there are workers who earn higher wage rate outside DLM. But earning a wage rate of Rs. 400 – Rs. 450 for petty works is comparatively higher.

group decision and everyone will have to stick together to the group decision. Here in day labour market we are free to come and free to go. It's entirely our choice and we do not have to wait for a second opinion. Yes at times we are unemployed. But there is still a benefit that we are left to make our choice and decision making..." (Sreekaryam day labour market worker)

(c) Exclusion from Labour Regulations: The DLM workers were also excluded from all labour regulations. The state provides security to the labour force where the labourers enjoy benefits from the state led policies. How far the labourers are aware of their rights is a question to be explored. Here among the day labourers 98 per cent are unaware whether they are covered under any legislation or not. The State Kerala provides an identity card to the labourers in the construction sector where these labourers are covered under the contract law. Among the day labourers 66 per cent do not have the state issued identity card. Similarly 66 per cent of these labourers are not member of any social security scheme of Kerala. More details are shown in Table: 3.9

**TABLE: 3.9
ROLE OF INSTITUTIONS**

Institutions		Worker's response (Frequencies)
UNION OR ASSOCIATION	MEMBERSHIP IN TRADE UNION	Do not have (150)
	TRADE UNION MEMBERSHIP AT LOCAL PLACE	Do not have (147)
	BENEFITS RECEIVED	No benefits (150)
ROLE OF STATE	COVERED UNDER LEGISLATION	Do not know (95), Covered (50)
	IDENTITY CARD ISSUED BY KERALA STATE	Do not have (99), YES (50)
	MEMBER OF ANY SOCIAL SECURITY SCHEME OF KERALA STATE	Not a member (99), Have membership(50)
LAW & ENFORCEMENT	BEEEN VISITED BY ANY LAW ENFORCEMENT AGENCIES	NO (150)
	VISITED ANY LOCAL POLICE STATION	NO (150)
	ASKED TO PRODUCE EVIDENCE ABOUT YOUR IDENTITY BY POLICE	NO (150)
CIVIL SOCIETY	APPROACH BY ANY NGO TO ADDRESS YOUR PROBLEM	NO (150)
	APPROACH BY ANY POLITICAL PARTY	NO (150)
	MEMBERSHIP IN ANY POLITICAL PARTY	NO (150)

Source: Primary data collected.

(d) Invisibility from State Machineries: Majority of the workers are undocumented. A few workers were able to show their employment identity card issued by their respective Panchayath.

“...once we were hired by a contractor who took us to a big construction site. We were hired for manual jobs. By noon the contractor came to us and asked us to move away from the site for a while. We were moved to a place away from the site and after waiting for sometime a man came and brought us to the work site. We were asked to continue the work and during the break time our fellow workers informed us that it was a police enquiry. The workers working under a contractor has to be registered and they should own an identity card from the respective authority. So we understood that since none of us had such an ID card we were moved. But till now we were not questioned by any police or any law enforcement agency on our identity as a construction worker...” (By Mr. J from Ulloor day labour market)

This clearly reveals that these workers who are recruited to the construction sites are not registered. This undocumented status might be the reason why they do not join the contract workers group. Or it might be, as they have claimed earlier, they enjoy a freedom in this market where they are not controlled.

From the survey it was revealed that none of the labourers have been approached by any law enforcement agencies. None of them have been asked to produce evidence about their identity nor did they have to visit any police station nearby. The civil society also does not play any role in the functioning of the day labour market. Thus it seems that the workers though are physically present in the labour do not have any account of them in the state machinery. It may be argued that the State seems to be completely oblivious of their presence in the markets, and them as workers and especially as part of the Kerala workforce, though mostly migrants seem to be invisible to the eyes of the state.

Thus it seems reasonable to argue that employment in the DLM are uniquely positioned as apparently, the most flexible form of employment and the workers are subjected to vagaries and fluctuations of the labour market in its crude form without any cover of

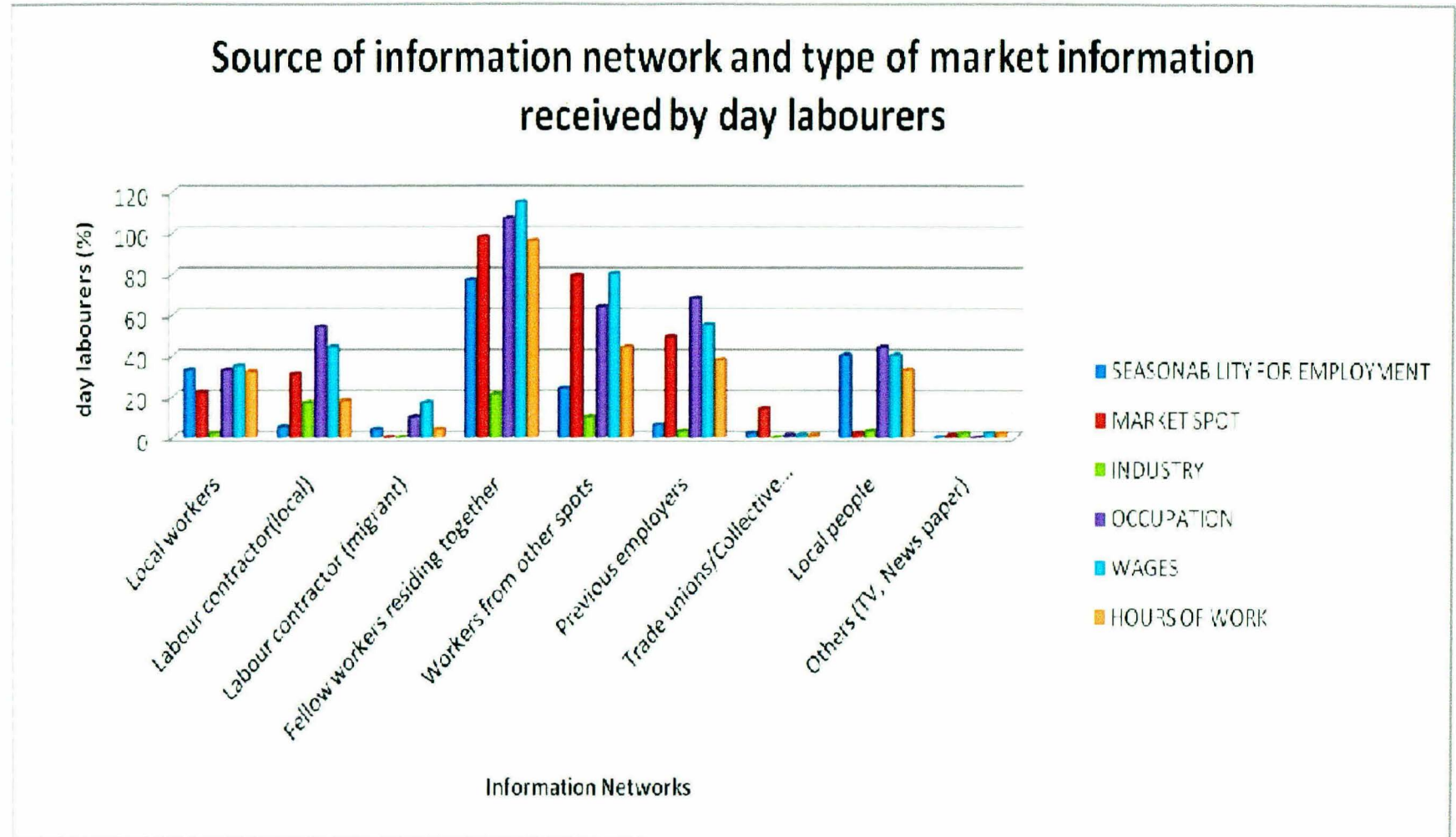
social security. In effect the DLM is excluded of formal social protection mechanisms such as social security and even excluded from informal labour market security such as a job security for at least for the tenure of a work project and a socially accepted minimum wages. These characteristics of the labour market of the DLM make it more akin to a commodity market, rather than the labour market.

Under such conditions of risk and uncertainty, the role of information is critical. It is information that provides the DLM workers the security of employment.

(e) Information Network: The information, unlike local casual workers, is keenly sought by the DLM workers. To identify the information network nine possible sources of information were identified. They include (a) Local workers, (b) Labour contractor- local, (c) Labour contractor – migrant, (d) Fellow workers residing together, (e) Workers from other day labour markets, (f) Previous employers, (g) Trade unions/collective associations, (h) Local people, (i) Others/TV, News paper etc²¹. These networks were identified on the basis of field observations and from the pilot survey. The workers were asked to list out those persons with whom they maintain contact for employment purpose. From their answers these nine networks were identified along with the type of information they receive. The type of information includes (a) season for employability, (b) market spot, (c) industry, (d) occupation, (e) wages and (f) hours of work. The figure 3.1 given below shows the hierarchy of the network which the labourers follow is as such.

²¹ This throws light on the fact that the chain of intermediaries operating in the construction sector is multiple. The listed networks are a few of them who operate in ground level construction works.

Figure: 3.1



Source: Primary data

Majority of the day labourers keep contact with their fellow workers residing with them. The prior information they receive is on wages (77 per cent), occupation (71 per cent), market spot (65 per cent), hours of work (64 per cent), season for employability (51 per cent) and on industry (14 per cent). Secondly they depend on workers from other day labour markets. The prior information they receive from them is on wages (53 per cent), market spot (53 per cent), occupation (43 per cent), hours of work (25 per cent), season for employability (16 per cent) and on industry (7 per cent).

Thirdly they depend on previous employers where they receive information commonly on occupation (45 per cent), wages (36 per cent), and market spot (33 per cent) and on hours of work (25 per cent). Fourthly the day labourers depend on informal networks (local people), local labour contractors and on local workers. Here also they interact with them so as to know the prevailing wage rate, occupation and about the market spot. Another interesting thing to notice is that they do not keep any contact with trade unions or any kind of association. This clearly depicts their dislike to organise and function as a team or union. This makes day labour market different from casual labour market where the workers are in some way or the other part of trade union.

The mode of interaction with these networks is mainly (i) personal contact at residence, (b) mobile phone, (c) group meetings at work place and (d) group meetings at other places²².

The day labourers maintain a good information network whereby they bring new workers to the market in the same way as they have entered. They help the new entries in adjusting with the market. But this is not acceptable to the majority. A few groups of labourers take the interest of taking initiative in bringing new lads to the day labour market while others do not encourage since it increases the competition.

²² See Appendix 3A

“... There is no problem in bringing a friend or cousin to this market. But the fact is that it is like beating on your own stomach and feeding others. Entry of a new worker on one hand increases the chance of being unemployed of the existing worker. There is no problem for his entry and no one can prevent a new worker if he wishes to stand here like us waiting to get hired. But still we also have to survive. Not only that the new lads are unaware of the prevailing wage rate for helper jobs and they easily agree to work for a lower wage rate, say for Rs.300 to Rs.350. This puts pressure on us as the employer gets to know that there are workers ready to work at a cheaper wage rate...” (Worker from Bihar - Ulloor DLM; he has been in this market for the past 3 years).

II. Conclusion:

Observing the features of the day labour market, day labourers and the functioning of this market and other crucial aspects bring to us a labour market that is completely left out to the market forces to operate. The characteristics of the day labourers make them totally eligible for their stay in the market. In other words the verifying the socio-economic background of these labourers it is possible to prove that the DLM forms an appropriate labour market destination for them. The unattached feature of both the supply and demand forces leaves this market as the most flexible form of market in the informal sector. It is interesting to observe the mechanisms through which the day labourers operate in the DLM which is completely detached from law and enforcement or any rules or regulations. To be more specific this is a market where no action is pre-determined. Hence adjusting their decisions or choice in every aspect of the functioning of such a market can be seen only in DLM. Thus DLM can be regarded as a unique segment of the informal labour market.

APPENDIX 3A

NETWORKS	SREEKARYAMm			ULLOOR			KAZHAKOOTTAM		
	<i>Keep contact</i>	<i>Magnitude of Interaction</i>	<i>Mode of interaction</i>	<i>Keep contact</i>	<i>Magnitude of Interaction</i>	<i>Mode of interaction</i>	<i>Keep contact</i>	<i>Magnitude of Interaction</i>	<i>mode of interaction</i>
Local workers	NIL	NIL	NIL	NIL	NIL	NIL	35	DAILY	GROUP MEETINGS AT WORK PLACE
Labour contractor(local)	12	IRREGULAR	MOBILE	10	IRREGULAR	MOBILE	34	IRREGULAR	MOBILE
Labour contractor (migrant)	6	DAILY	MOBILE	4	DAILY	MOBILE	NIL	NIL	NIL
Fellow workers residing together	50	DAILY	PERSONAL CONTACT AT RESIDENCE	50	DAILY	PERSONAL CONTACT AT RESIDENCE	24	DAILY	PERSONAL CONTACT AT RESIDENCE
Workers from other spots	22	IRREGULAR	MOBILE	22	DAILY	MOBILE	37	IRREGULAR	PERSONAL CONTACT AT WORK PLACE
Previous employers	18	IRREGULAR	MOBILE	12	IRREGULAR	MOBILE	39	IRREGULARLY	MOBILE
Trade unions/Collective associations	NIL	NIL	NIL	NIL	NIL	NIL	1	DAILY	PERSONAL CONTACT AT RESIDENCE
Local people	5	ONCE IN A MONTH	PERSONAL CONTACT AT RESIDENCE	5	IRREGULARLY	PERSONAL CONTACT AT RESIDENCE	36	DAILY	GROUP MEETINGS AT OTHER PLACES
Others (TV, News paper)	NIL	NIL	NIL	1	DAILY	OTHERS	NIL	NIL	NIL

Note: Numbers in the table are frequencies.

Rank 1

Rank2

Rank3

CHAPTER 4
EMPLOYMENT, WAGES AND CONDITIONS OF WORK AMONG
DAY LABOUR MARKET WORKERS
A COMPARISON OF THE THREE DAY LABOUR SPOTS

I. Introduction:

This chapter intends to bring out some of the crucial aspects related to the employment, wages and conditions of work among the day labourers and the market entry and exit features of the immigrant day labourers. Hence a comparison within and between the three day labour spots are analyzed so as to understand the factors influencing their employment, wages and conditions of work at DLMs. By keeping this in view this chapter has two sections. Section one looks into the Employment, wages and Conditions of work among the DLM workers. Section Two looks into the factors that led the immigrants into the DLM.

SECTION: I

II. Employment, Wages and Conditions of work at DLMs:

a) Employment: Table 4.1 shows the Current Daily Status (CDS) of the day labourers in the three DLMs. The day labourers at Sreekaryam DLM are better-off in terms of average number of days (3.82) employed or hired for, than the labourers in the other DLMs. A crucial point here is that even after being part of a local DLM the CDS of the day labourers at Kazhakootam DLM show that these day labourers get employed hardly for three days in a week (their average number of days of being employed being 2.82 in a week). Thus it can be understood that there are some factors that influence the chance of employability and related factors of these day labourers.

Table: 4.1				
Percentage of day labourers employed per day on the particular week before the interview				
<i>(Values in %)</i>				
Week/Market	Assamme dominated Sreekaryam DLM (50)	Bengali dominated Ulloor DLM (50)	Keralites dominated Kazhakootta m DLM (50)	Total (150)
Day1	100.0 (50)	86.0 (43)	90.0 (45)	92.0 (138)
Day2	100.0 (50)	96.0 (48)	82.0 (41)	92.7 (139)
Day3	90.0 (45)	86.0 (43)	64.0 (32)	80.0 (120)
Day4	40.0 (20)	54.0 (27)	34.0 (17)	42.7 (64)
Day5	26.0 (13)	36.0 (18)	12.0 (6)	24.7 (37)
Day6	24.0 (12)	20.0 (10)	.0(0)	14.7 (22)
Day7	2.0 (1)	2.0 (1)	.0 (0)	1.3 (2)
Average days of employment per worker	3.82	3.8	2.82	3.48

Note: Values in brackets are frequencies

Source: primary data collected

Observing in detail the number of day labourers employed in a week²³, the cumulative distribution shows (Table: 4.2) that by the middle of the week the number of day labourers hired is the highest for Sreekaryam DLM. The scene in Ulloor DLM is also the same. The total number of man-days added up to 161 man-days²⁴ by the fourth day is. The picture changes when we take the local Kazhakoottam DLM where the cumulative number of day labourers hired by the fourth day marks 135 labourers, which is comparatively low. If we observe the same further none of the day labourers are employed further and the total man-days of day labourers at Kazhakoottam DLM

²³ The market functions during Sundays also.

²⁴ Adding the number of labourers employed on each day. A day labourer X employed on day1 might be employed on day2. But while calculating the total man-days total number of employment generated is calculated taking the number of day labourers employed as proxy.

together marks 141 man-days by the fifth day and remains the same. What determines this chance of employability is a factor to be addressed.

Table: 4.2				
Cumulative Number Of Days Of Employment				
<i>(Values in %)</i>				
Week/Market	Bengali dominated Sreekaryam DLM	Assamme dominated Ulloor DLM	Keralites dominated Kazhakoottam DLM	Total
one day	100 (50)	86 (43)	90.0 (45)	92 (138)
two days	100 (100)	96 (91)	82.0 (86)	92.7 (277)
three days	90 (145)	86 (134)	64.0 (118)	80.0 (397)
Four days	40 (165)	54 (161)	34.0(135)	42.7 (461)
Five days	26 (178)	36 (179)	12.0 (141)	24.7 (498)
Six days	24 (190)	20 (189)	.0(141)	14.7 (520)
Seven days	2 (191)	2 (190)	.0 (141)	1.3 (522)
All days	191	190	141	522

Note: Values in brackets are frequencies

Source: Primary data collected

(b)Unemployment: Table: 4.3 show the number of man-days lost by the day labourers on a week. The labourers at the Kazhakoottam DLM and Ulloor DLM experience unemployment from the first day of the week. The number of man-days lost increases and by the end of the week majority of the day labourers are unemployed. Comparatively the labourers at Sreekaryam DLM experience unemployment only from the third day of the week and this market can be identified as less vulnerable. When we observe the markets together more number of labourer are unemployed from the fourth day of the week. The total unemployed labourers (from the fourth day) increases from 57 per cent to 99 per cent by end of the week.

Week/Market	Bengali dominated Sreekaryam DLM	Assamme dominated Ulloor DLM	Keralites dominated Kazhakoottam DLM	Total
Day1	0	14 (7)	10 (5)	8 (12)
Day2	0	4(2)	18 (9)	7.33 (11)
Day3	10 (5)	14 (7)	36 (18)	20 (30)
Day4	60 (30)	44 (22)	66 (33)	56.67 (85)
Day5	74 (37)	64 (32)	88 (44)	75.33 (113)
Day6	76 (38)	80 (40)	100 (50)	85.33 (128)
Day7	98 (49)	98 (49)	100 (50)	98.67 (148)
Average days of man - days lost per worker	3.18	3.18	4.18	3.51

Note: Values in brackets are frequencies

Source: Primary data collected

What we can infer from this is the vulnerability of the DLM where unemployment persists for longer period. Why this is so is a problem to be addressed. And so Table: 4.4 identify some of the common reasons for the day labourer's state of unemployment in a week. The prime reason for staying unemployed is that none of the employers approached them. This implies that the even though the functioning of the market is regular, the process of hiring is irregular. For the Kazhakoottam labourers (90 per cent) this becomes the sole reason for their unemployment, which implies that hardly hirers visit the market or there are other factors which determine their state of being unemployed. But looking at the data for the other two immigrants DLM, Sreekaryam and Ulloor DLM, apart from the earlier mentioned reason the labourer's identifies other reason for their employability. Reasons like '*did not go to the spot*', '*wages offered by the employer was very low*', '*unfavourable climate*', harthal and communication problem with employers and their dislike for certain jobs are some other reason for the unemployment among the immigrants. Observing these reasons it

is clear that these immigrants stick on to their preferences rather than taking-up any kind of job. Their unwillingness to go to the spot, dislike against some of the jobs and their claim of lower wages shows that they are less vulnerable group. This also prompts us to analyze the reason for their choice of DLM. Whereas the labourers at Kazhakoottam are in a vulnerable position since they are attached to this market alone. Also the presence of the immigrant market implies larger supply of labourers (Table: 4.5) undertaking same occupation (construction work). This might be one of the reasons behind their unemployment where more number of labourers does not get a job from the first day of the week. More details are shown in Table: 4.4

Reasons	Bengali dominated Sreekaryam DLM	Assamme dominated Ulloor DLM	Keralites dominated Kazhakootam DLM	Total
No employer approached	21 (42)	21(42)	45(90)	58
Wages offered by the employer was very low	3 (6)	3(6)	5(10)	7.33
Did not go to the spot	18 (36)	19(38)	0	24.67
Employers approached you but you did not want to do that particular work	2 (4)	0	0	1.33
Employers approached but was not able to communicate properly	4(8)	1(2)	0	3.33
Unfavourable climate	2(4)	2(4)	0	2.67
Harthal	0	4(8)	0	2.67
Total	100	100	100	100

Note: Values in brackets are frequencies

Source: Primary data collected

(c) **Occupation undertaken:** From the immigrant DLM the workers are mainly hired for helper jobs in construction, which requires only physical effort (Table: 4.5). Hence the demand is for 'able bodies' and not for skilled labourers. From the Kazhakoottam

DLM labourers are hired for both helper jobs (46 per cent) and for mason (54 per cent) works. The helper jobs are mainly undertaken by female labourers and mason work by male labourers.

Table: 4.5
Occupation commonly undertaken by Workers in Day Labour Market
(Values in %)

Occupation	Assamme dominated Sreekaryam DLM	Bengali dominated Ulloor DLM	Keralites dominated Kazhakoottam DLM	Total
Helper in construction	98(49)	50(100)	46(23)	81.33 (122)
Plastering	2(1)	0	0	0.67 (1)
Mason	0	0	54(27)	18(27)
Quarrying	0	0	0	0
Total	100	100	100	100

Note: Values in brackets are frequencies

Source: Primary data collected

Hence the employers have got choices in front of them, where three DLM situated at equal distance supplying a large pool of labourers to the single industry 'construction'. This is one reason for the unemployment of female labourers since on the other side there are a good number of male immigrant workers ready to undertake helper jobs. The male labourers at kazhakoottam are not willing to work below their reservation wage rate Rs. 500 – Rs. 550 (Table: 4.12). Therefore the three DLMs influence each other in terms of employment. None of the immigrant day labourers are hired for mason works.

Labourers at Sreekaryam DLM were asked why not they undertake mason work, to which a labourer replied, “*Vo bohoth time lekar karna hei. Naap lena paditha hei har*

waqkt. Aise pakadke, waise pakadke”(the labourer laughing in between and so the others around).

[It takes a lot of time. We have to measure every time. You have to catch the scale in many ways] In between a lad interpreted “*Bohuth boring kaam hei*” [it’s a very boring job]

Another labourer said loudly, “*hamaraa kaam acha hei. Bohath mehnath karna padtha hei. Shuru se lekar end thak mehnath karna hei. Sham ko vaapas aake aaram. Mason kaam acha nai lagtha*” [helper work is good. It requires more effort. By evening we come back and take rest. I do not like mason job]

Table: 4.6				
Occupation undertaken by immigrants at place of origin and at place of destination				
<i>(Values in %)</i>				
	Occupation	Current Place of work		Total
		helper in construction	plastering	
Place of origin	Casual agriculture labour	82	1	83
	Shop keeper	1	-	1
	Helper in construction	6	-	6
	Student	1	-	1
	Technician	1	-	1
	Business	2	-	2
	Mason	1	-	1
	Any kind of manual work	3	-	3
	Gold smith	1	-	1
	Mechanic	1	-	1
	Total	99	1	100

Source: Primary data collected

Therefore it is clear that the choice of helper work is a pre-determined one. The immigrant labourers are not trained for helper work (Table: 4.6). But on the other hand there is no need for a prior training for helper work also. The work requires pure physical effort and anyone can take up this job. The immigrant labourers are a good proof to this fact were majority of the immigrant workers (82 per cent) were casual

agricultural labourers at their place of origin. They at present take up helper job which is quiet an alien work for them.

Individuals undertaking different occupations (shop keeper, student, technician, business, gold smith, mechanic etc.) now undertake helper job in Kerala. Comparatively higher wage rate that the market offers is prime factor. Their motive behind migrating to a long distance and take up this manual work is financial. The Average wage rate the Immigrant labourers are hired ranges between Rs. 350 – Rs. 500. The Average wage rate of the local labourers at Kazhakoottam is Rs. 450 to Rs. 500. More details are given in Table: 4.7. If a comparison is made between these two wage rates the Kazhakoottam labourers demand a higher wage rate. For the Immigrants what they earn is a higher wage rate compared to what they earn at place of origin (Table: 4.18).

Wages	Bengali dominated Sreekaryam DLM	Assamme dominated Ulloor DLM	Keralites dominated Kazhakoottam DLM	Total
250-300	-	-	-	-
300-350	4 (2)	-	4 (2)	2.67 (4)
350-400	50 (25)	38 (19)	-	29.33 (44)
400-450	20 (10)	14 (7)	6 (3)	13.33 (20)
450-500	16 (8)	18 (9)	64 (32)	32.67 (49)
500-550	10 (5)	16 (8)	6 (3)	10.67 (16)
550-600	-	-	10 (5)	3.33 (5)
above 600	-	-	-	-
Total	100	100	100	100

Note: Values in brackets are frequencies

Source: Primary data collected

(d) **Earnings:** Around 33 per cent day labourers earn Rs.1000 to Rs.1500 a week. If we calculate the earnings for a particular month keeping the number of days employed in a week constant the monthly earnings of the 33 per cent day labourers ranges between Rs.4000 to Rs. 6000. This is fairly a good amount of earnings for the day

labourers. 19 per cent earn an amount between Rs. 2000 to Rs. 2500 i.e. on an average they earn around Rs. 9000 a month. Comparing the three markets the labourers in the Ulloor DLM and Sreekaryam DLM earn a better amount than labourers at Kazhakoottam DLM. The amount of earnings on a particular week of labourers at Kazhakoottam DLM is dispersed around Rs. 500- Rs.1000 and Rs.2000 – Rs.2500. Whereas that of the immigrant DLM ranges from Rs 500-Rs.1000 and Rs.3000 – Rs.3500. More details are shown in Table: 4.8

Table: 4.8
Average earnings of day labourers in a week
(Values in %)

Earnings	Sreekaryam	Ulloor	Kazhakoottam	Total
<500	0	0	2(1)	0.67(1)
500-1000	10(5)	12(6)	20(10)	14(21)
1000-1500	48(24)	26(13)	26(13)	33.33(50)
1500-2000	10(5)	20(10)	24(12)	18(27)
2000-2500	16(8)	24(12)	18(9)	19.33(29)
2500-3000	14(7)	12(6)	0	8.67(13)
3000-3500	2(1)	2(1)	0	1.33(2)
3500 above	0	0	0	0
No earnings	0	4(2)	10(5)	4.67(7)
Total	100	100	100	100

Note: values in brackets are frequencies

Source: Primary data collected

(e) Negotiation between Demand and Supply forces: The employers' strategy of choosing the cheapest source available is compromised here because the day labourers bargain for wages. When we make a comparison between the immigrants and Keralites day labourers there is indeed a difference in wage rate. Then also for a very short - term task the wage rate the immigrants demand seems to be high for the employers.

At Sreekaryam an employer who came on a two wheeler to hire a worker had to leave the market disappointed because his offer was Rs. 350 and the task was unloading the construction materials from the lorry. He tried to convince 3 labourers but vain. When we asked he said that *“Rs.450 is a higher wage rate for unloading task. These labourers know that there are people who need them and ready to offer a reasonable wage rate. Earlier they used to come for Rs.250 – Rs. 300. But now they will not come”*.

To make the supply part also clear we asked the same labourer who refused to go with the employer who came on a two wheeler. He said that the local worker’s minimum wage rate is Rs. 500, so why should I work for Rs. 300? The labourer was an ITI diploma holder. He work here as helper in construction. The workshop which he own at his place of origin is not running at a good pace due to some financial problem (he has to pay a sum of Rs.45, 000). So he came here to earn a stipulated sum. And this labourer has been an irregular visitor at the DLM. Whenever he experiences a financial crunch, he says this is an easiest way to earn money. Since we do not have to spend for many people here we are able to save a good amount.

Therefore as said earlier the workers bargain for better wage rate and the motivation behind their choice to migrate is the prime reason behind their bargaining. When we compare the three DLMs we can find that the labourers at Kazhakoottam do not bargain (Table: 4.9). Whereas the immigrant day labourers engage in open bargaining. The factors that they take into account while bargaining is Physical effort required for the job (73 per cent), immediate requirement of money (70 per cent) and Hours of work (67 per cent). Helper jobs are easy to grasp and learn since it requires less physical effort and need no skill level. The wages these immigrant labourers receive is comparatively high. The standard working hours being 8 also is comparatively advantageous to them. Hence they have set a good criterion for bargaining.

Factors affecting wage bargaining	Bengali dominated Sreekaryam DLM	Assamme dominated Ulloor DLM	Keralites dominated Kazhakoottam DLM	Total²⁵ (%)
Nature of the occupation	56(28)	50(25)	Do not bargain	53
Hours of work	66(33)	68(34)	Do not bargain	67
Physical effort required for the job	86(38)	70(35)	Do not bargain	73
Perks during the work	8(4)	6(3)	Do not bargain	7
Immediate requirement of money	68(34)	72(36)	Do not bargain	70
Minimum wage paid for a local Kerala labour	26(13)	40(20)	Do not bargain	33

Note: Values in brackets are frequencies

Source: Primary data collected

But the bargaining power is highest for the Kazhakoottam labourers. Since the wage rate they demand is fixed and rigid (Table: 4 10). This implies that whoever are the employer and whatever the task for which the person has come to hire, the wage rate the labourers had set is fixed. This shows that the bargaining is more intense at Kazhakoottam DLM; the difference is that they do not engage in open bargaining.

Every labourer will have a perception about their own reservation wage rate. Reservation wage rate is a wage rate under which the labourer will not be willing to work. It is based on this reservation wage rate the particular labourer bargains. The reservation wage rate is highest for the Kazhakoottam labourers, where 92 per cent day laborers' reservation wage rate is Rs. 500 – Rs. 550.

²⁵ Since none of the kazhakoottam labourers engage in open bargaining, the total gets added to 100.

Table: 4. 10				
Reservation Wage rate of Day labourers in each market				
<i>(Values in %)</i>				
Wages	Bengali dominated Sreekaryam DLM	Assamme dominated Ulloor DLM	Keralites dominated Kazhakoottam DLM	Total
250-300	0	0	0	0
300-350	0	0	0	0
350-400	42(21)	34(17)	0	25.33(38)
400-450	42(21)	44(22)	0	28.67(43)
450-500	16(8)	16(8)	8(4)	13.33(20)
500-550	0	6(3)	92(46)	32.67(49)
550-600	0	0	0	0
Above 600	0	0	0	0
Total	100	100	100	100

Note: Values in brackets are frequencies

Source: Primary data collected

On the other hand the reservation wage rate is comparatively low for the immigrant day labourers. Also within these immigrant DLMs there are two sets of reservation wage rate (i) Rs. 350 – 400 (42 per cent) and (ii) Rs. 400 – 450 (42 per cent). Hence we can assume that competition prevails to some extent within and between these markets since preference will always be the lowest supply price. How these employers and labourers negotiate to fix a wage rate and other factors influencing this negotiation are discussed further.

Table: 4:11 incorporates five features which gives us a more detailed picture on open negotiation taking place at respective DLM. Majority of the day labourers get knowledge about the task from the employer before hiring them. Mostly they ask the employer about the task and related aspects like wage and hours of work. There is an open bargaining for wages among the employers and day labourers. The wage bargaining has been explained in detail earlier (Table: 4.11). The type of recruitment is time rate for the immigrant DLMs and the Kazhakoottam day labourers get hired for both piece rate and time rate hourly. The piece rate works will be main construction

works like concreting and it will take lesser number of hours. A few labourers have reported the presence of a mediator during the negotiation and it is the immigrants who get the help of a mediator who is paid a stipulated sum of Rs.100 (8 per cent labourers at Sreekaryam and 16 per cent at Ulloor). Here the cost has to be paid by the labourer. But mostly this mediator will be a person among their group who understands the local language. Rarely do they get help of the local people nearby.

Table: 4. 11
Data on features of open negotiation occurring on a daily basis in the DLM
(Values in %)

Negotiation features	Bengali dominated Sreekaryam DLM	Assamme dominated Ulloor DLM	Keralites dominated Kazhakootta m DLM	Total
Nature of work was told	84(42)	72(36)	78(39)	78(117)
Wage bargaining	62(31)	58(29)	6(3)	42(63)
Type of recruitment	Time rate hourly 94 (47)	Time rate hourly 88 (44)	Piece rate 48 (24) time rate hourly 32 (16)	Nil
Received exact wage	100(50)	86(43)	90(45)	138
Is there a paid mediator	8(4)	16(8)	0	8(12)

Note: Values in brackets are frequencies

Source: Primary data collected

Thus the negotiation starts from a clear understanding of the work and then decides on fixing of wage rate through open bargaining. The immigrants prefer time rate work which requires only physical effort. The labourers new to the field also get clear understanding with the help of a mediator. In the case of bargaining the day labourers has got a clear understanding on the prevalent wage rate for different labourers engaged in different types of employment. Table: 4.12 show this understanding of labourers. Five different groups of labourers undertaking similar work were acquainted to the labourers and they were asked to rank according to the highest wage rate received. The workers in the three markets gave the same ranking where the labour

group who get the higher wage rate is the Local contractual worker. The next is Local casual worker. Migrant DLM worker has been put under Rank3 and finally Migrant contractual worker receives the lowest wage rate. This low wage rate can be a reason for these immigrants for not entering the contract system.

Table: 4.12
Ranking Of Different Employment Groups By Day Labourers According To Their Average Wage Received

Type of employment	Bengali dominated Sreekaryam DLM	Assamme dominated Ulloor DLM	Keralites dominated Kazhakoottam DLM	Total
Local casual worker	Rank 2	Rank 2	Rank 2	67
Local contractual worker	Rank 1	Rank 1	Rank 1	77
Migrant casual worker	Have no information	Have no information	Have no information	Have no information
Migrant contractual worker	Rank 4	Rank 4	Rank 4	103
Migrant DLM worker	Rank 3	Rank 3	Rank 3	103

Note: the total was given for the respective ranks. For e.g.: out of 150 day labourers interviewed 103 labourers assigned Rank 3 for Migrant DLM worker

Source: Primary data collected

There are several factors that hinder these labourers from entering other types of employment. Table: 4.13 provides this information where Low level of education, Lack of Skill, Language, Lack of information and their migrant status form a stumbling block for the immigrants to entry into other types of employment like casual, contract and regular waged employment. For immigrants their ethnicity and migrant status also block them from entering other markets. Language becomes a crucial factor that hinders these labourers entry to other market types.

Table:4.13				
Barriers In Undertaking Other Employment: Reasons Identified By Day				
Labourers				
<i>(Values In %)</i>				
Reasons	Bengali dominated Sreekaryam DLM	Assamme dominated Ulloor DLM	Keralites dominated Kazhakoottam DLM	Total
Lack of Skill	72 (36)	64 (32)	38 (19)	58 (87)
Low level of education	86 (43)	88 (44)	62 (31)	78.67 (118)
Ethnicity	4 (2)	2 (1)	12 (6)	6 (9)
Caste/religion	14 (7)	-	-	4.67 (7)
Migrant status	40 (20)	42 (21)	4 (2)	28.67 (43)
Language	86 (43)	78 (39)	48 (24)	70.67 (106)
Lack of information	50 (25)	54 (27)	44 (22)	49.33 (74)
Legal sanctions	4 (2)	6 (3)	2 (4)	4 (6)
Informal sanctions from local workers	2 (1)	-	8	3.33 (5)

Note: Values in brackets are frequencies

Source: Primary data collected

Low level of education and lack of proficiency in language forms a major difficulty for the day labourers in entering other types of employment. These reasons are important in determining their present employment status. Lack of information affects the immigrants more where it becomes difficult for them to search for other types of employment. The inefficiency in handling the language also adds up to this problem.

A labourer from West Bengal at Sreekaryam DLM is a graduate in Subject Bengali. He came to Kerala to earn money so as to help his family going through a financial

distress at present. He came with his day labour friends who stay in his village. Therefore he is into DLM now. The young lad is willing to work in a better employment and he dislikes this job but still pursuing because he needs some money as early as possible. He said he is new to this place and he has no idea where to find better employment and the language is so confusing here at Kerala that it will take ages for him to grasp it.

Migrant status is yet another reason. Beyond the aspect of status these labourers are undocumented. Hence their undocumented status is a threat to their dream of getting hired in other types of employment which is more or less permanent.

Summing up:

Comparing the employment, wages and conditions of work among the three DLMs a crucial as well as determining factor of the DLM is “wages”. Wage as a factor decides the choice of employment of day labourer. The differential wage rate prevailing (reservation wage) in the market decides the choice of employers entry into the DLM. The knowledge of the day labourers on the prevailing wage rate of a few labour groups in the construction sector reveal that the fixation of reservation wage rate is with prior understanding of the wages in the construction labour market. The factors affecting the wage bargaining itself reveal that the immigrants’ labourers prefer occupation that the labourers differentiate the tasks by calculating the physical effort required for the task. At the same time majority of them prefer helper jobs in construction. This implies that these labourers are here not for hard core construction work. On one hand in the background of a demand for construction workers the entry of immigrants into the DLM as helpers in construction and a lower reservation wage rate with clear understanding of wages prevailing in the market and on the other hand the decision of the local labourers to stick on to a higher reservation wage rate irrespective of nature of occupation gives us a picture of the acute competition prevailing in the market. The standard working hours and less physical effort required for the helper work is of a relief to the immigrant labourers. For the local labourers since they are into this occupation for a long period of time a division of work as helper and mason did not

make any effect until there was a division in wages accordingly. Skill differential accompanied with wage differential left the local workers in the rising unemployment situation. The rising unemployment is also due to the higher reservation wage rate which these labourers are not willing to reduce.

Section: II

III. Factors that led the Immigrants into the DLM

This section looks into the patterns and trends of migration of migrant DLM workers. For immigrants the entries into the day labour market is governed by push factors and pull factors. *Push factors* involve those factors that motivated the labourer to migrate from his local place. *Pull factors* involve those factors that attracted the labourers at the place of destination. Push and Pull factors can range from financial to social factors that either motivate or compel the individual to migrate to another place. Identifying the push and pull factors of the immigrants at Sreekaryam and Ulloor DLM, will give us a clear picture about the reason behind their choice to migrate and their decision to choose DLM.

A) *Push Factors:*

i) ***Lower wage rate and long working hours:*** The immigrants have to work for more than 10 hours a day and they receive a lower wage rate. Majority of the immigrants being casual labourers receives a wage rate between Rs. 150 – Rs. 250 at their local place which is not enough to run a family of 4 members²⁶. The type of employment they undertook at their local place and the corresponding wages they receive are given below in Table: 4. 14

Majority of the immigrants is casual labourers (82 per cent); 41 per cent get a wage rate of around Rs. 150 – Rs. 250 and 37 per cent earn a wage rate below Rs.150. Thus

²⁶See Appendix 4A

the miss-match of lower wage rate and longer working hours leave the labourers in a pathetic condition where they have to feed their family of 4 members on an average.

<i>Type of employment/wages received</i>	<i>250 - 300</i>	<i>300 - 350</i>	<i>450 - 500</i>	<i>150 - 250</i>	<i>Below 150</i>	<i>Total</i>
<i>Casual labourer</i>	1	1	2	41	37	82
<i>Self-employed</i>	-	1	-	1	-	2
<i>Regular employee</i>	1	-	1	2	2	6
<i>Day labourer</i>	-	-	-	2	-	2
<i>Contract labourer</i>	-	-	-	5	1	6
<i>Others</i>	-	-	-	1	1	2
<i>Total</i>	2	2	3	52	41	100

Source: Primary data collected

ii) Ill treatment from contractors: Often the labourers are harassed physically. The longer working hours without any perks become intolerable when these labourers are physically harmed by their employers. The work has to be done on time and if they see any labourer idle they beat him or shout at him at times.

A labourer remarked thus, "*peet pe maarthei hei, aur kabhi paeir se bhi*" [they beat you on your back and sometimes they kick you with their leg].

The other labourers then did not allow him to speak more. They were talking in Bengali and later they asked the author to move on to next question. In between they were asking him what is the need of telling all these and the rest was vague.

iii) Financial distress: Financial problems at home compel the labourers to migrate to nearby or faraway places to earn money so that they can send it back home and come out of the distress. Different types of financial distress (35 per cent) and lower wage

rate (39 per cent) form two major reasons for labourers to migrate from their local place. The table: 4. 15 shows the data on reason for the choice of labourers to migrate.

Table: 4.15	
Reason to migrate from place of origin – Push factors	
<i>Push factors</i>	<i>Percent</i>
Lower wage rate	39.0
Bad working condition	1.0
Relatives or friends work else where	6.0
Distress at local place	8.0
Financial problem	35.0
Bad living condition	5.0
To invest in the agriculture / establishment	5.0
Did not change location	1.0
Total	100.0

Source: Primary data

iv) Mobility: Mobility of the labourers is restricted from one place to another. There is no freedom for the workers to migrate to nearby villages and search for employment. If they happened to be seen in another village they will be strictly interrogated and viewed suspiciously. Wages received will be much lower in such situations.

A Bengali worker from Sreekaryam DLM shared his experience. “It is very difficult to move from one village to another and search any kind of job. A village there is a like an enclosed area and a new face is easily recognized. If they see you they stare for some time and they will call you near and ask...

aie!! Edhar aa!..[hey! Come here]

Kaun hei? [who are you] , Kaunsa gaauv? [which village], Edhar kya kar raha hei? [what are you doing here] and the interrogation goes on until the person get completely

exhausted and they leave him in a position where he will not dare to think of entering that village.

Hence mobility is to an extent restricted. This leaves the labourer with one choice that is to migrate to longer distance.

v) *Low level of social security:* the labourers have neither social security nor employment security at their local place. Most of them own the NREGA 'job card' and majority of them do not receive exact wage rate. Wages from NREGA was found to be very low ranging from Rs.80 to Rs.110 and there exist a biased treatment from the Panchayath. The authorities provide a very lower wage and no one dares to question them. The villagers are scared of them since they are well aware of the consequences. The treatment followed by the authorities is highly party based treatment and you need to be on the side of the winning political party to acquire a reasonable wage rate.

Most of the labourers reported low level of security from police and concerned authority. It is not possible to return home from work place with cash. The "gundas"/rowdies are supported by the police and concerned authority and hence there is no hope for social security.

A worker from Sreekaryam DLM said: "Kaam khatham kiya, thanha liya hazaar rupaya. Vo aadhmi ya tho seedha ghar pauhunchega bina jeb mei paisa liye ya tho murdha jaayega aur vo bhi bina jeb mei paise liye." [Suppose a person completes his work and receives a wage of Rs.1000 and decides to returns home. Either that person will reach home alive without cash or he will reach home dead and that also without cash]

So the social atmosphere is so unhealthy at their local place that they prefer migrating to faraway places.

(b) Pull Factors:

(i) Higher wage rate: The day labourers receive comparatively higher wages at their current place of work (Kerala). From the table: those labourers who received a wage rate of Rs.150 – 250, now receives wage rate ranging from Rs. 350 – 500. This is an advantage for them since they can earn double the wage rate by migrating. Therefore wage differential is a crucial and prime factor behind migration. Also the labourers are able to save a reasonable amount of money to send back home. Since they do not have much expense here at Kerala and they stay together and thereby the room rent is shared they are able to save a small portion.

Table: 4.16
Wages received by immigrants at place of origin and place of destination

		<i>Current Place of work</i>						<i>Total</i>
		between 300 to 350	between 350 to 400	between 400 to 450	between 450 to 500	between 500 to 550	between 550 to 600	
<i>local place</i>	250 to 300	-	-	2	-	-	-	2
	300 to 350	-	1	1	-	-	-	2
	450 to 500	-	-	-	3	-	-	3
	150 to 250	1	22	19	7	3	-	52
	below 150	1	24	10	4	1	1	41
Total		2	47	32	14	4	1	100

source: primary data

A worker at Ulloor DLM said how he saves from his daily wage. *"I have a bank account here at Trivandrum. I used to deposit some amount every week. By the end of the month I am able to save a good amount of money and can send it home.*

(ii) Lower working hours: The standard working hour i.e. 8 hours is comparatively low since they had to work for 10 to 12 hours a day continuously and receive a lower

wage rate. Hence for the immigrants less effort and better wage rate result in better working condition at Kerala. This knowledge about working conditions in Kerala attracts more labourers from other states.

(iii) Mobility: Mobility within the state (Kerala) is not restricted. The immigrants are not treated as aliens here and hence they can roam around places at anytime. They enjoy a social security in terms of mobility and their stay in Kerala. Also there is a well built information network among the immigrants who migrate to Kerala as construction workers.

A worker at Ulloor DLM said, *“Kerala mei humko koi khathra nai. Subha theen bhaje , chaur bhaje ya raathko gyaarah bhaje hum kahi bhi ghoom sakti hei. Eisiye humareliye kerala acha hei”* [We are safe in Kerala. We are free to roam around the city at early morning or mid night and so we like this State]

(iv) Persuasion from people: Back at home the story of workers who migrated and improved their living conditions is also a motivating factor for the labourers to migrate. Persuasion from locals as well as family members to migrate and earn a living is also a deciding factor. There are labourers who migrated unwillingly for the sake of his family.

A labourer at Ulloor DLM explained how they persuade young people at home. *“Vo bolthe hei ki ‘dheko uska maama Kerala jaake kaam kiya aur abh uska ghar bhasgaya.’ Budde log jo pehele Kerala aayatha na, vo bhi yahaaki bathe kar kar ke humko bhehelaathe hei aur bolthei hei ki jao aur kuch kamaake aao”* [they used to tell us how the nearby Uncle went to Kerala, worked hard and earned a good living. Age-old men who were early migrants to Kerala go on telling about Kerala and ask us to go and earn something and return.]

The immigrants are aware of the labour shortage in Kerala and that they have a high preference than the local labourers. There is a huge demand for construction workers in Kerala. The wage rate the immigrants receive is comparatively high when compared with the wage rate which they receive at their local place. At the same time when we

compare the immigrants' wage rate with the exact wage rate of a local construction worker it is comparatively low. Hence the demand is high for immigrants and there is always a space for the immigrants in the Kerala labour market. The demand is for manual workers and hence there is no question arising of skill level or experience, nor do the labourers have to undergo any procedures before entering the labour market. Thus Kerala is an attractive destination for these labourers.

(C) Shift from Contractual system to DLM: The flow of immigrants into the labour market on Kerala was commonly through contract system. But now the trend is changing where we can see a shift from contract labourer to casual day labour. To identify whether such a shift is taking place, the data on type of employment undertaken at first place of work in Kerala and Current place of work in Kerala was compared. Table: 4.17 show that such a shift has occurred.

Table: 4.17				
Change in the type of employment by Immigrant labourers				
- a comparison between first and current place of work in Kerala				
<i>(Values in %)</i>				
Shift from contract labourer to a day labourer		<i>Current Place of work</i>		Total
		Day labourer	Contract labourer	
<i>1st place of work in Kerala</i>	Day labourer	58	0	58
	Contract labourer	42	0	42
Total		100	0	100

Source: Primary data

Out of the immigrant day labourers 42 per cent labourers entered the labour market as contract labourers but now the same per cent chose to be in the day labour market. The reason behind they say, is the flexibility that these labourers enjoy in deciding the employer, wages, employment etc. The rest 58 per cent started working as day labourers from the beginning itself. For 71 per cent of the immigrant day labourers their friends (day labour friends) operated as the major channel of migration²⁷. Being

²⁷ Appendix 4B

displaced workers 94 per cent of them learned the ground level construction work straight from the work site (Table: 4.18).

<i>Source of learning</i>	<i>Percentage of workers</i>
From the work site	94
From friends	1
From local place	5
Total	100

Source: Primary data

Majority of the immigrant day labourers find this day labour market as a short term employment opportunity. They stay at work place for a few months and return home. We cannot term the entire labourers as circular migrants since there are labourers who return home forever after earning a good amount of money to meet their urgent financial need. The average period of stay of the immigrants is 2 to 5 month period (44 per cent). 23 per cent of them who stayed for a longer period of 8 to 11 months now stay for a shorter period of 2 to 5 months (Table: 4.19).

<i>Duration of stay</i>		<i>Current Place of work</i>						<i>Total</i>
		<i>> 2 months</i>	<i>2 to 5 months</i>	<i>5 to 8 months</i>	<i>8 to 11 months</i>	<i>one year</i>	<i>> one year</i>	
<i>1st place of work in Kerala</i>	<i>> 2 months</i>	5	1	-	-	-	1	7
	<i>2 to 5 months</i>	3	44	-	1	2	2	52
	<i>5 to 8 months</i>	-	3	1	1	-	1	6
	<i>8 to 11 months</i>	1	23	-	-	-	-	24
	<i>one year</i>	-	3	-	-	2	1	6
	<i>>one year</i>	1	3	-	1	-	-	5
Total		10	77	1	3	4	5	100

Source: Primary data

IV. Conclusion:

After going through the employment, wages and conditions of work of the three DLMs it is possible to conclude as such: (i) the data on employment of the day labourers speaks of their vulnerability on one hand and the competition prevailing between the local and immigrant day labourers (ii) the wages and conditions of work changes the earlier picture where we find less vulnerable immigrants entering their respective DLMs for a very short period to meet their contingencies and a vulnerable section of locals experiencing pursued unemployment and competition from immigrant day labourers. Here because of the immigrants entering the DLMs for their short-term purpose negatively affects the long-term employability of the local day labourers. A detailed look into the immigrant DLMs reveal the picture that competition is acute within and between these two markets²⁸.

Therefore on the whole we have day labourers from entirely different background in the three DLM competing among each other for their own self interest.

The crucial factor that determines the entry of immigrants into the DLM is their friends who led them into DLM. The entry of the immigrant labourers into the construction sector started a few years ago and hence a number of immigrants have made their entry as construction labourers. Therefore the state Kerala is not new to them and their adaptability in this state as construction workers has its own expertise. This has helped in the smooth entry of new labourers into the labour market in Kerala.

²⁸ Reservation wages

APPENDIX 4A

Table : A				
Percentage of Day labourers corresponding to their household size				
HOUSEHOLD SIZE	SREEKARYAM (%)	ULLOOR (%)	KAZHAKOOTTAM (%)	TOTAL (%)
0 - 3	6	2	20	9.3
3 - 6	88	58	78	47.7
6 - 9	6	34	2	14
9 - 12	.0	.0	.0	.0
12 - 15	.0	4	.0	1.3
15 -18	.0	2	.0	.7
TOTAL	100	100	100	100

Table: B						
Channels of Migration From First Place of Work in Kerala to Current Place of work in Kerala						
MIGRATION RELATED FACTORS	First	Current	First	Current	First & Current	
	SR1	SR2	UL1	UL2	KA1	KA2
STATE	SREEKARYA M	SREEKARYA M	ULLOOR	ULLOOR	KAZHAKOOTTA M	KAZHAKOOTTAM
CHANNELS OF MIGRATION	Friends & Relatives	Friends	Friends & Relatives	Relatives & friends	Local people	Local people
TYPE OF EMPLOYMENT	Day labourer & Contract labourer	Day labourer	Day labourers & Contract labourer	Day labourer	Day labourer	Day labourer

Source: Table A & B from Primary data collected

CHAPTER 5

PROXIMATE FACTORS THAT INFLUENCE EMPLOYMENT, WAGES AND HOURS OF WORK OF WORKERS IN DLM

I. Introduction:

This chapter intends to identify the proximate factors that influence employment, wages and Hours of work of labourers in DLM. These proximate factors directly or indirectly influence the employment, working hours and wages of the day labourers. For the purpose of this analysis eight factors are chosen and total number of days of employment, hours of work and wages is compared with these factors so as to identify the factor that influence the chance of employability, hours of work and wages the most. The factors chosen are a) Spot of the market b)Age c)Highest level of education level d)Religion e)Caste f) State of origin g) Occupation h) Source of information.

II. Factors Influencing Employment and Hours of Work:

a) Spot of the market: Table: 5.1a shows spot wise comparison of the percentage of day labourers employed per day in a week before the date of interview and Table: 5.1b show the spot-wise comparison of average number of hours worked by the day labourers per day in a week.

As explained in the earlier chapters three DLM situated at more or less equal distance. The spot of the market does have an influence on the employment and hours of work, since the day labourers are not seen as casual labourers searching for employment at several places. They make their presence at busy junctions so as to get the attention of employers. The advantage is both on the employer side as well as on the worker side since both of them need not search for labourer/labourers and employment respectively. The spot on one hand partially reveal the characteristics of day labourers. Hence the

employers are aware of the occupation undertaken by the day labourers and the total number of hours they work. Therefore it does influence the Hours of work. Majority of the labourers in the immigrant DLMs work for longer hours, whereas hours of work of the labourers at Kazhakoottam DLM ranges from 2 hours to 8 hours.

Table: 5.1a
Percentage of day labourers employed per day in a week before survey
(Values in %)

Days of Employment	Sreekaryam	Ulloor	Kazhakoottam
day1	100(50)	86(43)	90(45)
day2	100(50)	96(48)	81(41)
day3	90(45)	86(43)	64(32)
day4	40(20)	54(27)	34(17)
day5	26(13)	36(18)	12(6)
day6	24(12)	20(10)	0
day7	2(1)	2(1)	0

Note: values in brackets are frequencies of day labourers employed per day

Source: Primary Survey

Table: 5.1b
Spot-wise distribution of day labourers and the corresponding number of hours they work per day in a week
(Values in %)

Average hours of work on a day in a week	Sreekaryam	Ulloor	Kazhakoottam	Total
2 hours	-	-	100	1.3
4 hours	-	-	100	2
5 hours	-	-	100	6.7
6 hours	-	-	100	6
7 hours	45.45	18.18	36.4	7.33
8 hours	43.7	39.8	16.5	68.7
Total	33.33	33.33	33.33	100

source: Primary data

The day labourers at Sreekaryam and Ulloor DLM get more employed than day labourers at Kazhakoottam (Table: 5a) Hence the spot does have an influence on the chance of

employability of the day labourers. At the same time this fact is backed by the data in Table: 5b where the day labourers at Sreekaryam and Ulloor work for more number of hours than the day labourers at Kazhakoottam. Out of the 69 per cent of the total day labourers (taking the market as a whole) around 44 per cent and 40 per cent belong to the Sreekaryam and Ulloor DLM. Thus it is also possible to argue that hours of work willing to work determine the chance of employability.

b) Age: Table: 5.2a show the age-wise classification of day labourers per day in a week and the Table: 5.2b the age-wise distribution of day labourers is compared with the corresponding average number of hours they work. The labourer of the age-group 30-35 (132 man days in a week) and 18-25 (106 man days in a week) and 25-30 (94 man-days in a week) are more employed in a week compare to other age groups. Observing the number of man-days lost in a week the labourers in the age-group 30-35 has lost the highest number of man days. But at the same time this group is better in terms of number of man-days gained when compared to other age-groups. When we compare the number of man-days lost with that of number of man-days gained the worst affected is age-group 40-45. Therefore mostly the employers prefer younger age - group. Since the helper works needs no experience but a good physique the younger age –group are preferred more. Hence age does influence the chance of employability. But looking at the total number of hours work undertaken by these age-groups it is clear that more number of man-days are gained by those age – group who work for more number of hours. The age-wise data show that the day labourers belonging to the age – group 18-25, 25-30 and 30-35 work for eight hours and hence their employability in a week is better compared to other age-groups. The day labourers belonging to the age-group 40-45 work for eight hours. But their employability is less compared to other age-groups. Thus age as a factor does influence the number of working hours since younger workers are demanded more

Table: 5.2a
Age-wise classification of day labourers employed per day in a week *(Values in frequency)*

Age-wise classification	day1	day2	day3	day4	day5	day6	day7	Total man-days Gained in a week	Total man-days lost
Below 18	1	1	1	0(1)	0(1)	0(1)	0(1)	3	3
18 - 25	27 (1)	28	23(5)	12(16)	8(20)	7(21)	1(27)	106	90
25 - 30	23(2)	24(1)	23(2)	11(14)	8(17)	5(20)	0(25)	94	81
30 - 35	36	34(2)	28(8)	17(19)	11(25)	5(31)	1(35)	132	120
35 - 40	17(1)	17(1)	16(2)	8(10)	4(14)	2(16)	0(18)	64	62
40 - 45	22(6)	23(5)	20(8)	11(17)	5(23)	2(26)	0(28)	83	113
45 - 50	6(2)	6(2)	5(3)	3(5)	0(8)	0(8)	0(8)	20	36
above 50	6	6	4(2)	2(4)	1(5)	1(5)	0(6)	20	22

Source: primary survey [Values in brackets are frequencies of day labourers who are unemployed]

Table: 5.2b
Age-wise distribution of day labourers and the corresponding number of hours they work per day in a week *(Values in frequency)*

Age/Average hours of work on a day in a week	2 hours	4 hours	5 hours	6 hours	7 hours	8 hours	unemployed	Total
below 18	-	-	-	-	-	1	-	1
18-25	-	-	-	-	2	25	1	28
25-30	-	-	1	-	2	20	2	25
30-35	1	2	3	3	5	22	-	36
35-40	1	1	3	-	-	12	1	18
40-45	-	-	3	3	2	14	6	28
45-50	-	-	-	2	-	4	2	8
above 50	-	-	-	1	-	5	-	6
Total	2	3	10	9	11	103	12	150

Source: primary survey

c) Education: Observing the first 4 days of employment (Table 5.3a), we can have the conclusion that labourers who are with a maximum of upper primary qualification get employed for at least four days in a week. The chance of employability is the same for the labourers who are not literate. From the fifth day onwards the situation of labourers is vulnerable irrespective of educational qualification. Table: 5.3b show the distribution of day labourers based on the number of hours they work corresponding to their educational qualification. Observing the data only a few primary and secondary qualified people work for lesser number of hours and hence the day labourers who are unemployed belong to primary and upper primary completed group. But the majority work more than seven (precisely eight hours) per day on an average. This might be because of their rigidity in selecting occupation which are of lesser hours but provide more income.

Here education as a factor does not influence the number of days of employment as well as hours of work undertaken by the day labourers.

d) State of Origin: Table: 5.4a show the state – wise classification of day labourers employed in a week. Observing the percentage number of day labourers employed per day the labourers from West –Bengal and Assam are employed for more number of days in a week compared to labourers from other states and labourers in Kerala. Keeping the fact that unemployment prevails from the fourth day of the week, out of the total labourers from West Bengal 26 per cent get employed and out of the total labourers from Assam, 18 per cent get employed in 6th day of the week. The destination being Kerala for these day labourers the local labourers are the worst affected where majority of them are unemployed from the fourth day of the week. Hence there is a preference for immigrant labourers in the demand side. The nativity of the day labourers thus affects the employment of these day labourers. The state-wise distribution (Table: 5.4b) shows that the Keralites work for different time period ranging from 8 hours to 2 hours. At the same time majority labourers from other state work for eight hours. Hence the employers prefer the immigrants who work for longer hours than local day labourers who work for lesser number of hours.

Highest Educational Level	day1	day2	day3	day4	day5	day6	day7
Not literate	31 (2)	31(2)	29(4)	13(20)	6(27)	4(29)	0(33)
Below primary	15(1)	15(1)	15(1)	10(6)	5(11)	5(11)	1(15)
Primary completed	46(5)	49(2)	42(9)	24(27)	16(35)	7(44)	0(51)
Upper primary completed	23(3)	23(3)	16(10)	12(14)	8(18)	4(22)	1(25)
Secondary completed	16(1)	14(3)	11(6)	2(15)	0(17)	0(17)	0(17)
Higher secondary completed	3	3	3	2(1)	2(1)	2(1)	0(3)
Graduation completed	1	1	1	0(1)	0(1)	0(1)	0(1)
Any technical education		3	3	1(2)	0(3)	0(3)	0(3)
Total	138(12)	139(11)	120(30)	64(86)	37(113)	22(128)	2(148)

EDUCATIONAL LEVEL /AVERAGE HOURS	2 hours	4 hours	5 hours	6 hours	7 hours	8 hours	unemployed	Total
Not literate	-	-	-	-	2	29	2	33
Below primary	-	-	-	1	2	12	1	16
Primary completed	1	3	4	4	2	33	4	51
Upper primary completed	-	-	1	2	3	16	4	26
Secondary completed	1	-	4	2	1	8	1	17
Higher secondary completed	-	-	-	-	-	3	-	3
Graduation completed	-	-	-	-	-	1	-	1
Any technical education	-	-	1	-	1	1	-	3
Total	2	3	10	9	11	103	12	150

source: Primary data(Table: 5.3a, 5.3b)[Values in brackets are number of day labourers unemployed]

State	day1	day2	day3	day4	day5	day6	day7	Total
Assam	95.9	100	89.7	38.7	22.4	18.3	0	32.7
Kerala	90	82	64	34	12	0	0	33.33
Rajasthan	100	100	100	100	100	0	0	0.7
West Bengal	90	92	86	54	38	26	4	33.33
Total	92	92.67	80	42.67	24.67	14.67	1.33	100

Source: Primary survey

State of Origin/ hours of work	2 hrs	4 hrs	5 hrs	6 hrs	7 hrs	8 hrs	unemployed	Total
Assam	-	-	-	-	10.2	85.7	.04	32.7
Kerala	4	6	20	18	8	34	10	33.33
Rajasthan	-	-	-	-	-	100	-	0.7
West Bengal	-	-	-	-	4	86	10	33.33
Total	1.33	2	6.7	6	7.33	68.6	8	100

Source: Primary survey

e) *Religion on employment and Hours of work:* Based on the religion – wise classification (Table: 5.5a) of day labourers employed in a week the day labourers belonging to the Hindu religion and Muslim religion employed more. Out of the total day labourers 32 per cent belong to the Muslim religion and around 23 per cent of the total Muslim day labourers find employment till the sixth day of the week .Out of the total day labourers 61 per cent belong to the Hindu religion and around 37 per cent of the total Hindu day labourers find employment till the fourth day of the week. Though it then declines steadily these labourers but a few of them get employed till the end of the week. But at the same time presence of more number of day labourers belonging to the Hindu

religion partially explains the preference of more number of Hindu population to migrate into this sector.

Table:5.5a
Religion-wise classification of day labourers employed in a week (Values in %)

Religion	day1	day2	day3	day4	day5	day6	day7	Total
Hindu	94.56	94.56	80.42	36.96	20.65	11.95	1.09	61.33
Muslim	89.59	83.34	35.4	54.15	35.41	22.9	2.1	32
Christian	0.8	0.7	0.6	0.4	0.1	0	0	6.67
Total	92	92.67	80	42.67	24.67	14.67	1.33	100

Source: Primary survey

Table: 5.5b
Religion-wise distribution of day labourers and the corresponding number of hours they work per day in a week.
(Values in frequency)

Religion/Number of hours of work	2 hrs	4 hrs	5 hrs	6 hrs	7 hrs	8 hrs	Unemployed	Total
Hindu	1.1	3.26	7.6	6.5	8.7	67.4	5.4	61.33
Muslim	2.08	-	-	-	4.17	83.33	10.42	32
Christain	-	-	30	30	10	10	20	6.67
Total	1.33	2	6.7	6	7.33	68.7	8	100

source: primary data

Looking at the data on number of hours of work undertaken by the day labourers it is observed that the day labourers belonging to the Muslim religion work for more (8 hours) hours than the other day labourers belonging to the Hindu and Christian Religion. And this can be regarded as the reason behind the employability of Muslim day labourers for more number of days. The working hours undertaken by 27 per cent of total the Hindu labourers is less than 8 hours and hence they are unemployed from the fourth day onwards. Thus religion does have an influence on the total number of days employed.

f) Caste on Employment and Hours of Work: The caste-wise classification (Table: 5.6a) of day labourers employed in a week show that the day labourers of the Caste group 'Others' find employment in the last day of the week also. Majority of the day labourers belonging to the caste group SC and OBC get employed till the third day of the week and then the number declines steadily.

Table: 5.6a
Caste-wise classification of day labourers employed in a week
(Values in %)

Caste	day1	day2	day3	day4	day5	day6	day7	Total
SC	56	51	44	21	11	7	-	58
ST	2	2	2	1	-	-	-	2
OBC	74	73	68	24	13	1	-	84
Others	6	6	6	2	2	2	1	6
Total	138	139	120	48	26	10	1	150

Source: Primary survey.

Table: 5.6b
Caste-wise distribution of day labourers and the corresponding number of hours they work
per day in a week *(Values in frequency)*

Caste/Number of hours of work	2 hour s	4 hour s	5 hour s	6 hour s	7 hour s	8 hour s	Unempl o-yed	Total
SC	1	2	4	4	2	43	2	58
ST	-	-	-	-	-	2	0	2
OBC	1	1	6	5	7	54	10	84
Others	-	-	-	-	2	4	-	6
Total	2	3	10	9	11	103	12	150

source: primary data

Out of the total number of workers from the 'others' group, majority of them work for 8 hours. The other caste groups SC and OBC even though work for longer hours a reasonable number of the labourers work for lesser number of hours. Thus they are unemployed from the midst of the week. Hence caste does influence employability and working hours.

g) Occupation: Table: 5.7a shows the classification of day labourers employed in a week and the occupation they have undertaken or to which they are hired for. Observing the data it is clear that the supply of day labourers as helpers in construction is more compared with labourers undertaking other occupation in construction sector. Out of the total day labourers 81 per cent undertake helper work and 18 per cent undertake mason work. It is possible to make another argument that labourer for helper work is demanded more and those labourers ready to work as helpers in construction get more days of employment in a week.

Table: 5.7a Classification of day labourers employed in a week corresponding to their respective occupation undertaken <i>(Values in %)</i>								
Occupation	day1	day2	day3	day4	day5	day6	day7	Total
Helper in Construction	92	94	83	46	27	18	2	81.33
Plastering	100	100	100	0	0	-	-	0.67
Mason	93	85	67	30	15	-	-	18
Total	92	92.67	80	42.67	24.67	14.67	1.33	100

Source: Primary Survey

Helper jobs are of different types which ranges from hardcore works to works which requires less physical effort. Hence the time of the work might be varies accordingly. This is the reason why, the data shows different duration of time for the same type of occupation. Then also majority of the helper work undertaken extends to eight hours. Mason work on the other hand differs from the nature of the task and size of the construction building. Hence occupation does not influence hours of work. Table: 5.7b shows more details. But we can conclude that helper workers ready to work for longer hours are employed more.

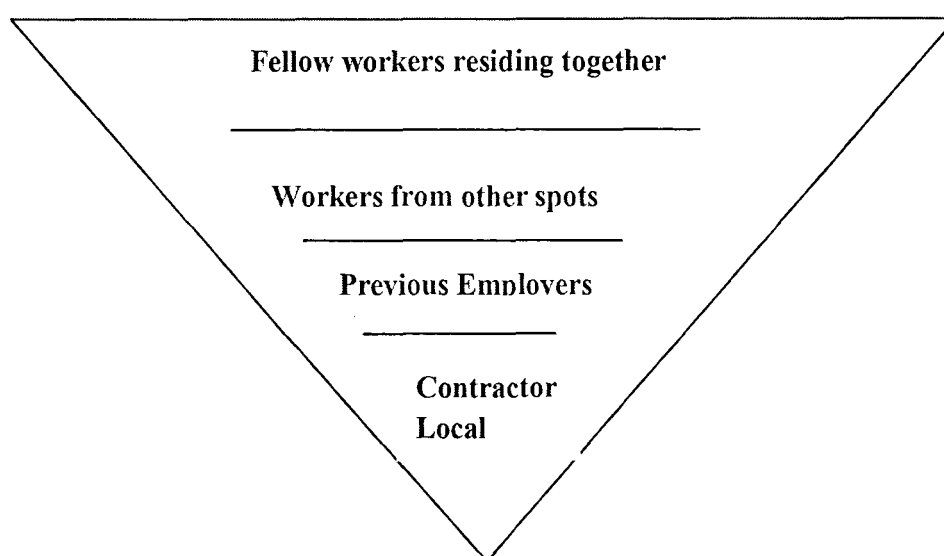
Table: 5.7b								
Occupation-wise distribution of day labourers and the corresponding number of hours the work per day in a week (Values in %)								
Occupation /Average number of hours worked per day employed	2 hrs	4 hrs	5 hrs	6 hrs	7 hrs	8 hrs	unemploye d	Tota l
Helper in Construction	0.8	0.8	4.9	6.5	6.5	72.2	8.23	81.3
Plastering	-	-	-	-	-	100	-	0.7
Mason	3.7	7.4	14.8	3.7	11.1	51.7	7.4	18
Total	1.3	2	6.7	6	7.3	68.7	8	100

source: Primary data

h) Sources of Information: Table: 5.8a gives data on the information network the day labourers choose so as to get knowledge about the labour market and their corresponding days of employment. The dependence on human networks is illustrated below:

Figure: 5.1

Information Network



The figure: 5.1 explains the human networks that act as a source of information to the day labourers in an hierarchical order. The main sources of information on employment are fellow Workers residing together, workers from other spots, previous employers and local labour contractor. The data given in table: 5.8a show that day labourers maintaining contact with the above human networks tends to get more days of employment in a week.

Majority of the workers relies on different sources for information on employment except on trade unions/collective associations, migrant contract labour and others. The source of information as a factor influencing the average working hours is crucial. This can be observed from the data where majority of the day labourers who depend on their fellow workers with whom they reside as a major source of information on employment work for 8 hours. The new day labourers thus follow the fellow workers who work for more or less number of hours since their friends become their first acquaintance in Kerala. The same happens when they rely on workers from other spots (33 per cent)

Sources of Information	day1	day2	day3	day4	day5	day6	day7
Local workers	21.33	18.67	14	8	2.67	0	0
Labour Contractor (local)	34	32.67	26.67	16	9.33	4.67	0.67
Labour Contractor (Migrant)	6.67	6.67	6.67	3.33	2.67	2.67	0.67
Fellow Workers residing together	76	79.33	70	36.67	23.33	14.67	1.33
Workers from other spots	48.67	50	42.67	23.33	14	6.67	0
Previous Employers	42	40.67	34.67	20.67	12	5.33	1.33
Trade Unions/ Collective Associations	0.67	0	0	0	0	0	0
Informal networks (local people)	27.33	26	21.33	11.33	4.67	0	0
Others (TV, Newspaper)	0.67	0.67	0	0	0	0	0

Source: Primary data

Sources of Information /Average number of hours worked per day employed	2 hours	4 hours	5 hours	6 hours	7 hours	8 hours	unemployed	Total
Local workers	5.7	5.7	13.4	15.5	8.57	28.5	8.57	23.3
Labour Contractor (local)	3.6	3.6	8.92	14.28	5.35	55.35	8.92	37.3
Labour Contractor (Migrant)	-	-	-	-	-	100	-	6.7
Fellow Workers residing together	-	2.41	3.22	0.8	6.45	79	8.06	82.7
Workers from other spots	2.46	2.46	9.87	8.6	6.17	61.7	8.6	54
Previous Employers	2.8	4.3	10.1	5.3	11.59	8.69	11.59	46
Trade Unions/ Collective Associations	-	-	-	100	-	-	-	0.7
Informal networks (local people)	4.34	4.34	15.2	17.39	6.52	41.3	10.8	30.7
Others (TV, Newspaper)	-	-	-	-	-	100	-	0.7
None	1.3	2	6.7	6	7.3	68.7	8	100

Source: Primary data

III. Factors influencing Wages:

(a) *Spot of the Market:* Table: 5.9 show the average amount of wages received by day labourers from the respective spot to which they arrive. The data shows that there exist wage differential in the market as a whole. Hence the spot does influence the wages. Out of the total day labourers who receive a wage rate of Rs.450 – Rs.500, the majority are day labourers of (65 per cent) Kazhakoottam DLM. Given the wage rate, spot of the market thus indirectly projects the bargaining power of these day labourers since spot on the other hand partially represent the employment characteristics of the day labourers.

Wages	Sreekaryam DLM	Ulloor DLM	Kazhakoottam DLM	Total
250-300	-	-	-	-
300-350	50	0	50	2.67
350-400	56.8	43.2	0	29.33
400-450	50	35	15	13.33
450-500	16.32	18.36	65.32	32.67
500-550	31.25	50	18.75	10.67
550-600	0	0	100	3.33
Unemployed	0	58.3	41.7	8
Total	33.33	33.33	33.33	100

source: Primary data

(b) *Age:* Taking the Age-wise classification (Table: 5.10) the 17 day labourers belonging to the age-group 30-35 earn a wage rate ranging between Rs. 450 to Rs. 500. But using this single figure it is not possible to conclude that age as a factor influence the wage rate. The data reveal that the age-wise distribution of wages received is dispersed more or less equally among the age-groups. This reveal the wage differential prevailing in the market which result in competition among day labourers within and between DLMs. Hence the age as a factor cannot be considered.

Age/wage	250-300	300-350	350-400	400-450	450-500	500-550	550-600	unemployed	Total
below 18	0	0	1	0	0	0	0	0	1
18 – 25	0	1	10	5	6	5	0	1	28
25 – 30	0	0	5	8	7	3	0	2	25
30 – 35	0	1	7	4	17	5	2	0	36
35 – 40	0	1	7	0	5	1	3	1	18
40 – 45	0	0	9	2	11	0	0	6	28
45 – 50	0	0	2	1	1	2	0	2	8
above 50	0	1	3	0	2	0	0	0	6
Total	0	4	44	20	49	16	5	12	150

source: primary data

Highest Educational Level	Not literate	Below primary	Primary completed	Upper primary completed	Secondary completed	Higher secondary completed	Graduation completed	Any technical education	Total
250-300	0	0	0	0	0	0	0	0	0
300-350	1	0	2	0	1	0	0	0	4
350-400	10	5	18	9	1	1	0	0	44
400-450	7	2	5	4	0	1	0	1	20
450-500	8	5	16	7	11	0	1	1	49
500-550	4	2	5	2	2	1	0	0	16
550-600	1	1	1	0	1	0	0	1	5
Unemployed	2	1	4	4	1	3	0	0	12
Total	33	16	51	26	17	0	1	3	150

source: Primary data

(c) **Education:** Table: 5.11 gives the data on average amount of earnings of the day labourers corresponding to their level of education attained. Out of the total day labourers 33 per cent (49) day labourers and the 29 per cent day labourers who earn wage rate of Rs.450 to Rs.500 and who earn Rs.350 to Rs.400, have completed their primary education (32 per cent and 41 per cent respectively). Out of the 29 per cent day labourers receiving wage rate Rs. 350 to Rs. 400 23 per cent are not literate. Hence irrespective of educational level the day labourers receive their respective wage rate.

(d) **Religion & Caste:** Table: 5.12 show the religion-wise distribution and the average wage rate of day labourers. Out of the 33 per cent of the total day labourers who receive an average wage rate of Rs. 450 to Rs. 500, around 76 per cent belong to the Hindu religion. This can also be interpreted by arguing that the day labourers belonging to the Hindu-religion have more bargaining power. Among the day labourers belonging to the Muslim religion the majority receive a wage rate ranging between Rs. 350 to Rs.400. The day labourers belonging to the Christian category also receive a higher wage rate.

Table: 5.12				
Religion-wise distribution of day labourers and their average corresponding wage rate				
<i>(Values in %)</i>				
Wages	Hindu	Muslim	Christian	Total
250-300	0	0	0	0
300-350	75	25	0	2.67
350-400	56.8	43.2	0	29.33
400-450	50	40	10	13.33
450-500	75.5	16.3	8.2	32.67
500-550	56.25	37.5	6.25	10.67
550-600	60	20	20	3.33
Unemployed	41.7	41.7	16.6	8
Total	61.33	32	6.67	100

source: primary data

The caste-wise distribution shows that the day labourers belonging to the SC category receive higher wage rate of Rs.450 to Rs.500 (out of the 33 per cent day labourers who receive Rs.450 to Rs.500 51 per cent belong to SC category). The OBC group has less bargaining power since 70 per cent of the OBC group (out of the total 29 per cent who

receives wage rate between Rs. 350-400) receives wage rate between Rs. 350 to Rs. 400. Thus caste does have an influence on the wage rate received.

Wages	SC	ST	OBC	Total
250-300	0	0	0	0
300-350	75	0	25	2.67
350-400	25	4.5	70.5	29.33
400-450	40	0	60	13.33
450-500	51	0	14	32.67
500-550	43.8	0	56.2	10.67
550-600	40	0	60	3.33
Unemployed	16.6	0	83.4	8
Total	38.67	1.33	56	100

source: primary data

(e) State of Origin: Table: 5.14 give data on the state-wise distribution of day labourers and their average wage rate. Out of the total number of day labourers around 33 per cent who receive a wage rate of Rs. 450 to Rs. 500, 65 per cent belong to the state Kerala or are local day labourers. out of another 30 per cent who receive wage rate of Rs. 350 to Rs.400, majority of the day labourers belong to the states Assam and West Bengal. This clearly shows the direct influence of state of origin upon wages where locals receive a higher wage rate (more bargaining power) and immigrants receive comparatively lower wage rate. This also points towards wage differential within and between ethnic groups. Among the day labourers there are labourers who receive higher wages within the group also. Hence we can only argue that there is only a partial influence of ethnicity upon the wages received.

Wages	Assam	Kerala	Rajasthan	West Bengal	Total
250-300	0	0	0	0	0
300-350	50	50	0	0	2.7
350-400	47.7	0	2.2	50.1	29.3
400-450	50	15	0	35	13.3
450-500	14.3	65.3	0	20.4	32.7
500-550	43.7	18.8	0	37.5	10.7
550-600	0	100	0	0	3.3
unemployed	16.6	41.7	0	41.7	8
Total	32.7	33.3	0.7	33.33	100

source: Primary data

(f) **Occupation:** The table: 5.15 show the occupation-wise distribution of day labourers and their corresponding average wage rate. From the data we get a mixed picture where differential wage rate prevails within an occupation. For helper work wage rate ranging from Rs. 350 - Rs.450 to Rs. 500 – Rs. 550 prevails. This discrimination can be attributed to the difference in the nature of the same occupation or total time taken to complete the work. The wage rate differs from one occupation to other. For Mason work the starting wage rate is Rs.450 – Rs. 500. For Plastering the wage rate is Rs. 300 – Rs. 350. Hence wages differs according to the nature of occupation.

Wages	Helper In Construction	Plastering	Mason	Total
250-300	0	0	0	0
300-350	75	0	25	2.7
350-400	97.7	2.3	0	29.3
400-450	100	0	0	13.3
450-500	65.3	0	34.7	32.7
500-550	81.3	0	8.7	10.7
550-600	20	0	80	3.3
Unemployed	83.3	0	6.7	8
Total	81.3	0.7	18	100

source: Primary data

Table: 5.16

Sources of Information on employment and the Average daily wage-rate received by the day labourers *(Values in %)*

Sources of Information	Local workers	Labour Contractor (local)	Labour Contractor	Fellow Workers residing together	Workers from other spots	Previous Employers	Trade Unions/ Collective Associations	Informal networks (local people)	Others (TV, Newspaper)
250-300	0	0	0	0	0	0	0	-	0
300-350	5.7	3.6	0	1.6	2.5	4.3	0	4.3	0
350-400	0	14.3	20	35.5	20.9	18.8	0	10.8	0
400-450	5.7	10.7	0	14.5	11.1	13	0	6.5	0
450-500	45.7	48.2	40	24.2	40.7	44.9	100	54.3	100
500-550	2.8	8.9	40	12.9	12.3	5.7	0	6.5	0
550-600	8.5	5.4	0	3.2	3.7	4.3	0	6.5	0
unemployed	8.5	8.9	0	8.1	8.6	8.7	0	10.8	0
Total	23.3	37.3	6.7	82.7	54	46	0.7	30.7	0.7

Source: Primary data

(g) Sources of Information: The table: 5.16 shows a list of human networks identified as the source of information on employment to the day labourers along with the corresponding daily wage received by the day labourers. A detailed observation of the data shows that the fellow workers residing together form the major source of information to the day labourers. Hence those labourers relying on this particular source get a fair amount of wage rate. Out of the total day labourers who depend on fellow workers as a source of information (83 per cent), 35 per cent and 24 per cent receives a wage rate of Rs 350 to Rs.400 and Rs.450 to Rs.500 respectively.

Among the day labourers 54 per cent who depend on workers from other spots as a source of information majority receives a wage rate of Rs. 450 to Rs. 500. We can also observe an interesting picture where those day labourers who depend on other workers of different spots (54 per cent) receive higher wage rate than those who depend on fellow workers. The same is the case when these labourers depend on previous employers (46 per cent) and local labour contractor (37 per cent). They receive a wage rate of Rs. 450 to Rs. 500 on an average.

IV. Factors Affecting Wage Bargaining:

Out of the total day labourers 77 per cent of the day labourers bargain for better wages. The rest 23 per cent do not engage in wage bargaining. There might be several factors that decide the wage bargaining decision of the day labourers. Hence 6 factors were identified from the pilot survey. The labourers were asked to rank these factors according to their priority. Among the six factors the immediate requirement of money was identified by 56 per cent (out of 77 per cent day labourers who bargain) of the day labourers as their prime factor that decide their bargaining for better wages. For 47 per cent of the day labourers physical effort required for the work became the second factor that influence wage bargaining. 20 per cent and 33 per cent day labourers identified the hours of work as yet another deciding factor behind wage bargaining. The other factors were found as less relevant while bargaining.

Table: 5.17 Factors Affecting Wage Bargaining of Day labourers (Values in %)		
Factors Affecting Wage Bargaining	Ranking of factors by day labourers	Percentage
Immediate requirement of the money	Rank 1	56
Physical effort required for the work	Rank 2	47
Hours of work	Rank 3 & 4	20 & 33
Nature of Occupation	-	-
Perks during the work	-	-
Minimum wage paid for local Kerala labour	-	-

Source: Primary data

The majority of the day labourers are unattached to the market and hence they do not form union or take any kind of collective effort. The immediate requirement of money taken as a factor while bargaining reveals this fact that these labourers are into this market for this prime motive. Hence these labourers stand independent in the market. Majority of the labourers being immigrants prefer less physical effort of work since they were casual agriculture labourers before. It becomes difficult for them to undertake hard core work and work which requires high skill level. Hence the wage bargaining is backed by their urgent need and their work experience before coming to Kerala.

V. Conclusion:

Among the factors influencing the employment and hours of work undertaken by the day labourers the occupation, state of origin, religion, caste and source of information has a greater influence on the chance of employability of the day labourers. Education does not have a significant role in determining the employability of the day labourers. The working hours on the other hand is influenced more by the ethnicity, occupation, source of information, religion and caste. The data on number of days employed show that the immigrants get hire for more number of hours and days than the locals. This put the local day labourers in a dilemma. The local labourers who received a higher wage irrespective of occupation undertaken are now replaced by immigrant day labourers. The division of occupation as helper, mason and plastering and the wage differential accordingly has given rise to competition among the day labourers. There exists labour unrest among the local day labourers since they are not willing to reduce

their supply price and they are facing unemployment majority days of a week. The factors affecting wages directly are occupation, ethnicity and sources of information. Since there exist differential wage rate within the group, the other factors cannot be taken as relevant in determining wage rate.

Thus ethnicity, occupation and sources of information have more influence in deciding the employment, hours of work and wages. These three factors are inter-related. The three DLMs differ on the basis of ethnicity but they come under one sector for employment i.e. construction. The sources of information are a crucial factor for the entry of these labourers into the DLM. Hence a sound information network backed by different ethnic groups decides the chance of employability, working hours and wages of day labourers. The immediate requirement of money as a prime factor of motivation behind wage bargaining, reveal the vulnerability of day labourers.

CHAPTER 6

CONCLUSION

The day labour market as a source of employment has or creates its own space and time and functions independently without depending on any exogenous forces and hence it is distinct from other informal labour markets functioning in the economy. The market has its own automatic mechanism of entry and exit where day labourers are independent to make their choice. Individuals who are in need of labour and are ready to sell their labour respectively meet at an open place where the demand and supply forces interact with each other and enter into informal contact after prior negotiation. Around hundred labourers in each market (Sreekaryam, Ulloor and Kazhakoottam) entering the DLM to get hired for reasonable wage rate implies large supply of labourers to the employers. This market is supply determined. Wage bargaining, choice of occupation and even the choice of entering the DLM thus form part of the day labourers decision making process.

The DLMs studied at Trivandrum city is based on a large pool of construction workers. The employers are left with a number of choices since there are large numbers of labourers ready to work at different supply price for the same occupation. This on the other hand creates competition between the markets. There is free mobility for the employers between the markets, but the mobility of the day labourers between the markets is largely governed by their ethnicity. Hence we have a Bengali dominated DLM, Assamme dominated DLM and Keralite dominated DLM. Within the market also there prevails differential supply price and hence the day labourers are independent workers at their respective DLM. The DLMs are not part of any association nor unions, neither do they want to organize themselves into an association or union. The characteristics features of the day labour markets being the same, the day labourers are not willing to unite and take collective decisions for the better functioning of their respective DLMs. The employers on the other hand take advantage of these labourers since the motive of these day labourers are purely financial.

The age-old presence of a local DLM and the recent development of two immigrant DLMs results in labour unrest among the local day labourers. The higher wage rigidity among the local day labourers versus the differential wage flexibility among the immigrant day labourers increases competition and threat to the chance of employability of the local day labourers at Kazhakoottam day labour market. The immigrant day labourers in the DLM are commonly short term migrants to Kerala back by financial motive. The immigrant day labourers are hired for a lower wage rate compared to the local day labourers. But the immigrant day labourers have a very high comparative advantage over the wages compared to the wages in their respective states. The immigrant day labourers entering the DLM for a short period are casual agricultural labourers at their respective state of origin. The push and pull factors even though becomes the prime reason behind their migration in search of employment, what governs their entire migratory process is their information network at the place of destination and place of origin. Thus it is possible for them to adapt easily with the new atmosphere and employment in Kerala. The presence of immigrant workers turned out to be an advantage to the employers in terms of longer working hours and differential wage rate.

The DLM do not offer very cheap supply price of labour. The wage is determined after an open bargaining process between the employer and the day labourer. The immigrant day labourers offer a lower supply price compared to the local day labourers, but on an average in a week they earn more than the local day labourers. The higher wage rigidity among the local labourers is the reason behind unemployment among local labourers. Lowering their supply price negatively affects their daily expense at home of the local day labourers. The presence of large supply of immigrant contract labourers outside the DLM and the presence of immigrant workers undertaking construction work leads the local day labourers in a vulnerable condition. The females are the worst affected. The higher wage rigidity and rigidity in the occupation results in a high labour unrest among the female day labourers. For the local day labourers, the spot of their market and their skill level in undertaking the construction work for a long period of time and their information network decides their employment wages and conditions of work. For the immigrants their immigrant

status and source of information and occupation determines their employment wages and conditions of work in Kerala.

The increased inflow of labourers from other states to Kerala especially into the construction labour market has led to formation of different labour groups like casual labourers, contract labourers, informal contract labourers and day labourers. This has created a high labour unrest to which the state as well as other institutional authorities remains silent. This unrest can be considered as a part of labour market mechanism where inflow of cheap labour source replaces the local labour source which on a later stage might lead to a situation where there is a uniform wage rate for both local and immigrant day labourers or a situation of acute competition within the labour market between labourers with lower supply price and labourers with higher supply price.

The essence of the existence and persistence of immigrant DLMS is reflected in one of the interviews that I had with a local worker He said;

“ pandu nammade aalukal gulfil poyi sambaadhichathu kaaranam orupaadu kudumbangal ennu naatil nalla nilayil aayi. Annu ethupole aa naatilullavarkum prashnangaal vannitundakum. Pakshe ennalum nammade aalukal pinneyum poyi sambaadhikanund. Anganeyulla nammade naatileku evarvarumpo engane nilavilichond oru arthavum ella. Hindikaar eppo pandathe malayalikale poleyaamu. Avark nammade naadu gulf poleyaanu ”

[Earlier our people from Kerala migrated to Gulf countries and just because of their income many households live in better condition today. That time the inflow of Keralites into their labour market might have resulted in labour unrest. But still even today our people migrate to gulf countries in search of a better living. So when the immigrants enter into such a State in search for employment, there is no point in blaming them. To me these immigrants labourers resemble the old “*gulf-malayalee*”, To them Kerala is like a ‘*Gulf country*’]

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QUESTIONNAIRE

No.	BLOCK:1 – WORKER PROFILE - BASIC INFORMATION					
1.1	NAME					
1.2	AGE					
1.3	SEX (male – 1, female – 2)					
1.4	STATE		DISTRICT		VILLAGE	
1.5	RELIGION				CASTE	
1.6	MARITAL STATUS (married – 1, unmarried – 2)					
1.7	HOUSEHOLD MEMBERS AND EMPLOYMENT STATUS:					
	Male			Female		
	Students (No.)	Employed (No.)	Not in labour force (No.) ø	Students (No.)	Employed (No.)	Not in labour force (No.) ø
1.9	WHAT ARE THE SKILLS YOU POSSESSES? (code: \mathfrak{D})					
1.10	HIGHEST EDUCATIONL LEVEL ATTAINED (code α)					
1.11	LANGUAGES KNOWN (code β)					
1.12	ANY DEBTS due to (Code: day to day consumption – 1, for conducting marriage – 2, asset creation – 3, illness or death in family – 4, investment in land/establishment owned – 5, others – 6)					
1.13	Source of debt (code: local money lender – 1, land owner – 2, credit society – 3, Formal institutions of credit – 4, friends – 5, relatives – 6, others – 7)					
1.14	Amount of debt as on today					
1.15	Repayment mode (code: cash – 1, kind – 2, work – 3)					

BLOCK :2 – ASSETS OWNED AT NATIVE PLACE					
Land owned at native place (2.2:1)		Total Area (2.2:2)		Type of land (2.2:3)	
Land cultivated (2.2:4)		Area (2.2:5)		Type of crop (kharif -1,rabi – 2) (2.2:6)	
(2.2:7) Land leased in (area)		(2.2:8) Land leased out (area)			
Any establishment? (Y/N) (2.2:9)		Type of establishment (2.2:10)		Monthly earnings (2.2:11)	
2.2:1 2	What are the other assets you own	A tractor		A bullock cart	
		Two wheeler		Mobile phone	
		Cattle		Ornaments	
		Tools used in agriculture		Bank account	
		Television		Washing machine	
		Fridge			

Note: Cell 2.2.12 refers to those assets through which he can make his earnings

BLOCK:3 – MIGRATION TO DLM							
		NATIVE PLACE	1 ST PLACE OF WORK IN KERALA	CURRENT PLACE OF WORK	2 ND PLACE	3 RD PLACE	4 TH PLACE
3:1	Month & Year						
3:2	Duration						
3:3	Place (district, state)						
3:4	Channels of migration(code:\$)						
3:5	Reason for change in location(code:©)						
3:6	Type of employment(code:@)						
3:7	Occupation(code:#)						
3:8	From where did you learn the occupation?(code:€)						
3:9	Wages received (code:¥)						

(2nd, 3rd and 4th place refer to those places where the worker halted for searching employment before coming to the current place of work)

BLOCK:4 – OCCUPATION DETAILS IN DLM							
4.1	4.2	4.3	4.4	4.5	4.6	4.7	4.8
DAYS Days	Name of the spot (code:Δ)	Did you get a job?(Y/N)	If (Y), did the employer made you understand about the nature of work? (Y/N/vaguely)	Was there a bargain on wage? (Y/N)	Can you tell how much did you bargain for? (If 4.4 is Y)	Can you tell how much did the employer offer? (If 4.4 is Y)	At what amount was the wage fixed?
Day 1							
Day 2							
Day 3							
Day 4							
Day 5							
Day 6							
Day 7							

4.1	4.9	4.10	4.11	4.12	4.13	4.14	4.15
DAYS	Total hours you worked?	Occupation (code: #)	Recruitment practice (code: &)	Did you receive the exact wage which was fixed? (Y/N)	Did the same employer recruit you today? (Y/N)	If you were unemployed today what did you do? (code: Ω)	Why did not you get any job today? (code: μ)
Day 1							
Day 2							
Day 3							
Day 4							
Day 5							
Day 6							
Day 7							

Table 4 continued....

Table 4 continued...

4.16	Will there be a mediator among you or outside to help you communicate with the employer? (Y/N)	
4.17	Who is he? (code: any worker from his group – 1, a local person – 2, a group leader – 3, none – 4,)	
4.18	Do you have to give him a commission for his service? (Y/N)	
4.19	How much is the pay?	

BLOCHE: 5 – ENTRY INTO DLM			
NO.	MORE INFORMATION ON DLM		
5.1	Have you worked under a contractual system? (Y/N)		
5.2	If Y, then since when did you switched over from contractual system to DLM?		
5.3	Have you been getting occupation through DLM since then? (Y/N)		
5.4	Channels led to the selection of DLM for getting employment? (code: day labourer friends – 1, by your own – 2, undocumented status – 3, absence of an ID card – 4, others [specify them])		
5.5	At what time do you come to the spot and at what time do you leave?	Arrival	Departure
5.6	Do longer hours of waiting have any influence on the wage rate?		
5.7	During which month do you leave?		
5.9	Is there any exact period of stay? (Y/N)		
5.10	If N, then what is the purpose of choosing a short term employment? (code: to meet urgent financial need -1, easy to find an employment – 2, higher wage – 3, others – 4 specify them)		
5.11	Do you bring your friends and relatives to this market? (Y/N/sometimes)		
5.12	IF Y, do you suggest them to enter DLM? (Y/N)		
5.13	IF Y, WHY? (high wage rate – 1, easy to get employment – 2, can bargain for wages – 3, less working hours – 4, can go home at any time – 5)		
5.14	IF 5.10 is N, then WHY? (entrance of new labourers depress the wage rate – 1, no reason – 2, other [specify]– 3)		
5.15	Do you follow any criteria in selecting occupation? (Y/N) (code: working hours -1, physical effort needed for a work – 2, wages offered – 3, others [specify] – 4)		

BLOCK: 6 - SOURCES OF INFORMATION AND THE TYPES OF MARKET INFORMATION

No:	Sources of information			What Type of Market information do you get from the sources					
	Do you keep contact with (Yes/No)	How often do you interact with them (code: £)	What is the common mode of interaction (code:π)	Season for Employability	Market Spot	Industry (CodeΣ)	Occupation (code:#)	Wages	Hours of work
6:1	6:1.1	6:1.2	6:1.3	6:1.4	6:1.5	6:1.6	6:1.7	6:1.8	6:1.9
6:2	Local workers								
6:3	Labour Contractor (local)								
6:4	Labour Contractor (Migrant)								
6:5	Fellow Workers residing together								
6:6	Workers from other spots								
6:7	Previous Employers								
6:8	Trade Unions/ Collective Associations								
6:9	Informal networks (local people)								
6:10	Others (TV, Newspaper)								
6:11	None								

BLOCK: 7 - PERCEPTIONS OF SEGMENTATION IN LOCAL LABOUR MARKET

7:1 In your perception can you rank workers according to the average daily wages they receive in the same industry and occupation that you work for generally? (Highest be given 1)

A	Local casual worker		C	Migrant casual worker		E	Migrant DLM worker	
B	Local contractual worker		D	Migrant contractual worker				

No:	TABLE:7.2 - SUPPLY DECISION and RESERVATION WAGES	
7.2:1	Currently what is the lowest daily wage below which you will not be ready to work?	
7.2:2	Who decides this reservation wage?	
7.2:3	How is this decision made?	
7.2.4	Does entry of new labourers to DLM depress the wage rate? (Y/N)	

BLOCK. 8. Do you think you will get work in other types of employment (casual, contract, regular) in the same industry and occupation? (Y/N). If N, why do you think so?

Reasons	Yes /No	Reasons	Yes/No
Lack of Skill		Lack of information	
Low level of education		Legal sanctions	
Ethnicity		Informal sanctions from local workers	
Caste/religion		Informal sanctions from local unions & associations	
Migrant status		Other reasons (specify)	
Language		Don't know	

TABLE: 9 – FACTORS AFFECTING WAGE BARGAINING			
9.1	Nature of the occupation		9.4 Perks during the work
9.2	Hours of work		9.5 Immediate requirement of money
9.3	Physical effort required for the job		9.6 Minimum wage paid for a local Kerala labour

No:	BLOCK: 9 - ROLE OF INSTITUTIONS		
9:1	Unions/ Associations	Do you have membership in any formal Trade Unions in Kerala?	
		Are you a member of any trade unions in your native place?	
		What benefits do you get from being a member of a trade union?	
		Employment information-	
		Minimum wages and wage negotiations –	
		Financial support during periods of unemployment	
		Conflict resolution in case –	
9:2	Role of State/	Are you covered under any of the labour legislations	
		Do you have an identity card issued by the Kerala State	
		Are you member of any of the social security schemes of the Kerala State	
9:3	Law enforcement agencies	Have you ever been visited by law enforcement agencies (Police)	
		Have you ever been asked to visit the local police station	
		Have you ever been asked to produce evidence about your identity by police	
9:4	Civil Society	Has any NGO approached you to address your problems?	
		Have representatives of any political party approached to address your problems?	
		Do you have membership in any political party?	