

CHAPTER XI

SUMMARY AND CONCLUSION

11. 1 INTRODUCTION

The major findings of the study and conclusions drawn as per study objectives are presented in this chapter. While the first part of the thesis discussed the issues at the macro level using secondary data, the latter part of the thesis studied the job loss issues at the household and individual levels using the primary data collected through a survey and in-depth interviews. It was a challenge to link the macro and micro-level findings to present a comprehensive view of the problem of interrupted labour. The strength of the secondary data source was its ability to show confidently the extent of the research issue and job loss that had taken place in Mumbai in the last two decades. On the other hand, the primary data collected from the affected households using snowball sampling technique may not be representative of the city but it gives an insight of economic and social impact and hardship that affected the families and individuals due to job loss. The case studies were used to highlight the depth of the sufferings that the families had to undergo due to this sudden adverse event – job loss – on the main earner in the family and the resilience measures they took to overcome the impact of the adverse event.

11.2 MAJOR FINDINGS FROM SECONDARY DATA

To discuss the research issue at global level ILO data was used. While discussing at the national level up to the study area, authentic data sources such as decennial Indian Censuses and National Sample Survey Organisations (Government of India) quinquennial survey on Employment and Unemployment in India were used.

11.2.1 Trends and Pattern of Employment in India and Mumbai

At global level, the labour force participation rate has increased significantly between 1980 and 1990 but started to decline during 1990 and 2005. However, although the women's share in the labour force is relatively smaller, it started growing gradually over

the years. At the national level, since 1971 Workforce Participation Rate (WFPR) was increasing slowly, from 34.2 percent in 1971 to 39.1 percent in 2001. Gender specific WFPR shows that the male WFPR is almost stagnant during this period (52.8 percent in 1971 to 51.7 percent in 2001), whereas female WFPR is increasing steadily from 14.2 percent in 1971 to 25.6 percent in 2001. Same kind of trend is observed in urban as well as in rural India. However, increasing female WFPR in urban India needs some further exploration (7.2 percent in 1971 to 11.9 percent in 2001). During the same period, female WFPR in Mumbai was 7.7 percent in 1971 and 13.1 percent in 2001. The decade of 1991 – 2001, the city of Mumbai saw change in its workforce. There was marginal increase in the workforce participation in this decade. But there was decline in the WFPR of main workforce and increase in the WFPR of marginal workforce. Especially, among the women's WFPR, the increase was quite steep in the marginal workforce.

The reduction in main workforce and increase in marginal workforce, especially the substantial increase in female marginal workforce is a pointer to say that due to the job loss of the main earner in the household who was in the main workforce, has led to women in large numbers were forced to join the workforce. In the absence of any employable skills, they are engaged in the marginal workforce as domestic servants, street vendors and so on. The decrease in male main workforce and the increase in male marginal workforce are also an indicator that due to the loss of job in the organized sector (main workforce), he is forced to take up jobs in the unorganized sector (marginal workforce). Further, the job loss might have forced the sons to join the marginal workforce in the absence of job availability in the organized sector. This could also be the reason for the increase in male marginal workforce.

Age structure of the labour force showed that there was increase in the workforce in the old age group of 60 years and above. This increase was mainly in the marginal workforce. Since informal sector does not have any retirement age, they tend to work as long as they can in order to support the family. Another important feature of change in workforce in Mumbai was that there was substantial reduction in the manufacturing sector workforce and tremendous increase in the construction and service sector workforces.

Since the main earner has lost the job, the households are trying to maintain their household income level by involving more members of the households in the labour market, especially in the unorganized sector (marginal workforce), where jobs are available but the wages are low. Due to their low education level and low job skills, the women invariably end up in the marginal workforce. Further, the findings indicate Mumbai had lost a lot of jobs in the formal manufacturing sector.

11.2.2 Trends and Pattern of Unemployment in India and Mumbai

The unemployed person at global level according to ILO estimate were 205.2 million in 2009, comprising of 119.5 million unemployed males and 85.7 million unemployed females. As per Indian census 2001, 45.1 million were unemployed at all India level, 21.3 million unemployed males and 23.8 million unemployed females. The unemployed persons in the study area, Mumbai were 6.03 lakh in 2001 – 3.38 lakh unemployed males and 2.65 lakh unemployed females.

Two measures were used to study the unemployment situation in the country, proportion unemployed (unemployed to the total population) and unemployment rate (the unemployed among the total labour force). In India, the proportion unemployed to the total population had increased from 2.9 percent in 1981 to 4.4 percent in 2001. Increase is observed among males and females as well as in urban and rural areas. However, in urban India, the proportion of unemployed among females has increased almost twice, that is, from 3.9 percent in 1981 to 7.7 percent in 2001. In urban Maharashtra, the proportion unemployed among total population has declined, mainly due to the reduction in unemployment among males. On the contrary, in Mumbai, between 1991 and 2001, there was rapid increase in unemployment, that is, the proportion was 1.2 in 1991, which has increased to 5 percent in 2001. This showed that while other urban centres in Maharashtra were generating employment, the largest urban centre of the state, Mumbai, had registered a declining employment.

Unemployment rate at the global level as per ILO estimate for 2009 was 6.3 percent for the world and 4.4 percent for South Asia. According to Indian census 2001, the unemployment rate for the country was 7.8 percent; at this period the same for Mumbai was 11.5 percent and the rate for the youth in the 15-24 age group was 28 percent

which is very high for any economy. This again reveals the severity of unemployment in the city of Mumbai.

NSSO data provides opportunity to link a person with all other background characteristics, where as census data is not flexible to do so. So it was decided to study the unemployed persons using NSSO data. The background characteristics of unemployed persons using NSSO 61st round data shows that, a majority of the (61%) of the unemployed were youth aged 15-24; had above secondary level of education (44%); not married (65%); were living in big families (61%); and were living in households having lower and lowest Monthly Per Capita Expenditure (MPCE), lowest 40 percentile category of the city (55%). And unemployed among female youth was very high. Through this method, usual activity status (activity major part of the reference period of one year), could capture the unemployed who were mostly new entrants. So it was decided to use another technique, which is discussed in the next section.

11.2.3 Interrupted Employment in India and Mumbai

Data set of the NSSO 61st round (2004-05) was used to study up to the unit level of Mumbai. The findings suggested that employment interrupted persons were mostly male (94.5%); from prime working age group (79.8%); married (61.3%); with middle school level of education (56.5%); head of the households (46.7%); from big families of more than five members (54.6%) and from lowest 40 percent of MPCE expenditure (57.6%).

The study linked the full members in a household using the question asked in the survey, 'Relationship to the head of the household' and chose all the members of the employment interrupted persons households. The comparative analysis of the general households (all) and the interrupted employment ex-workers in Mumbai reveals some interesting findings. Among wives, work participation is much higher among interrupted employment ex-workers family than other families in Mumbai. The proportion of unmarried children attending educational institution is less in the households of the interrupted employment of the ex-worker. This is further compounded with high proportion of unmarried children seeking employment in such households, especially the sons of the unemployed family. Sons were also less educated in the unemployed households.

The NSSO data indicates that the families of the employment interrupted persons were affected. Being a large scale quantitative national survey, the scope of information provided at the study area, Mumbai level was low. Also it does not go into the details of the economic and social impact of interrupted employment on the families and individuals. Therefore, a survey and some in-depth interviews were conducted to enrich the knowledge of interrupted employment in the city of Mumbai. The second part of the thesis was based on primary data that would deal with these issues in much detail.

11.3 Study of Mumbai as an Industrial City

Mumbai's economic growth as a modern metropolis began from port activities, followed by the textile mills, followed by heavy engineering, then chemicals, petrochemicals and now as financial and IT services. Over the years, the nature of city's industrialization has changed remarkably. The city has changed its manufacturing base from textile based industries to chemical, petro-chemical, fertilizer based industries, and pharmaceuticals to electronics, information technology and computer industries. The development of the Mumbai city from with least economic activity to a very big industrial centre is very obvious. In recent years the reduction in the industrial activity has been observed. Large number of registered working factories is closing down over the time. The manufacturing sector, one of the leading sectors within the Greater Mumbai has declined. Employments in unorganised sector are increasing whereas the organised sector jobs are declining. Currently the service sector is the leading sector. Due to the changing economic activity, many factories were closing down. More and more women are entering the labour force. The development of this island city which reached to the pinnacle of industrial action which attracted more and more workers in and around the state; reduction in the industrial activity due to various reasons explained above; reducing number of factories/ closure of manufacturing units which results into increasing job loss; reducing male workforce and increasing women workforce in the city; increasing unemployment in the city.

11.4 STUDY PLAN

The magnitude of the research issues and the volatile nature of the study city, Mumbai, it was decided to conduct a survey in Mumbai to study the last three objectives of the study. So as a first stage, purposively those industries that were closed down or

retrenched large number of workers in the reference period of more than 7 years before the survey were chosen. In the second stage, 250 ex-workers were contacted by the 'snow ball sampling technique' (Those workers whose employment were terminated due to the closure or retrenchments were termed as 'Ex-workers' in this study). Among the 250 ex-workers, 100 were the ex-workers from metal, power and chemical industries. The remaining 150 were ex-textile mill workers. Among the textile workers, 75 were from the National Textile Corporation (NTC) mills ex-workers and the remaining 75 were from private mills. With the ex-workers who have lost their employment due to industrial close down /retrenchment were interviewed, information was collected from 1156 family members of these ex-workers – spouse, children, parents, and other relatives living with them at the time of the survey. Data collection period lasted from June – December, 2010.

11.5 MAJOR FINDINGS FROM PRIMARY/FIELD DATA

The survey data gives the details of the background characteristics of the ex-worker and his/her household members. This was followed by the analysis of economic and social impact of interrupted employment of the ex-worker on the household of the ex-worker.

11.5.1 Profile of the Study Population

Most of the ex-workers were male members. The ex-workers were older in age and were mostly married. They had larger family size. Many lived in joint or extended family. On the whole, the education level of the ex-workers was low – only one-third of the ex-workers (36%) had secondary or above level of education. Half of the ex-workers were working at the time of survey and little more than forty percent of them were not working at the time of the survey (22 ex-workers were dead at the time of survey). A good majority of the ex-workers (74%) had lived in Mumbai for the last 30 years or more. Exactly half of the ex-workers were currently working. Among them a significant proportion was working as security guards. A good majority of the ex-workers were living in chawls. Most of the ex-workers owned their homes. Only a quarter of them were born in Mumbai. Others had mainly migrated to Mumbai from the districts of Maharashtra. A significant proportion of the ex-workers also migrated from other states, especially from Uttar Pradesh and Orissa. In a little more than half of the families two or more members from the family currently living were working. On

the whole, the monthly income earned by the ex-workers and other family members was found to be low.

11.5.2 Economic Impact of Job Loss

For most of the ex-workers, they lost their job when they were in a crucial period in their family life with maximum economic burden on them as well as getting a new job was very bleak. When industries closed or reduced labour, they felt that it was a temporary phenomenon and they would be taken back. Hence many of them did not search for alternate employment. As days went by, they started realizing the enormity of the problem in their lives. By the time they started searching for jobs, they could hardly find any jobs for them. These ex-workers education level was low and only a small proportion of them were technically qualified. The only job available to them was security guard work and cleaning jobs in house-keeping companies. It was hard for them to accept these menial and hard work and many of them left such jobs in the middle. At the time of the survey, nearly half of them were not working. According to the NIC classification, all these ex-workers were employed in 'manufacturing' jobs before their job loss. However, after job loss, a majority of them were working in 'private household with employed persons' category jobs (see, Appendix-II). In the same way by NCO classification, a shift was observed in the occupation they were and are doing at the time of survey. It was clear that these ex-workers became either non-workers or became workers in menial service sector. There was a wide gap between the last wage these ex-workers drawn before job last in their respective industry and the wage at the time of survey.

How the ex-worker and the family do manage the job loss and its economic impact on the family? The number of earning members contributing to the family income had increased after job loss indicating that children and spouse might have started working. A significant proportion of the wives of ex-workers had taken up the work of maid servant. As housewives, they could only cook and clean the house and hence they joined the workforce as maid servants. It was observed that though many wives claimed that they were not working, in reality they were doing something at home and selling them. They were involved in some gainful activity while sitting at home. But they do not want others to know that they were working due to job loss of her spouse. Many of their children, especially sons had to stop schooling and start working.

The industry provided a few lakhs of rupees as compensation to the ex-workers, but most of them had used it for meeting commitments like marrying off their daughters and repaying debts. Some of them had wasted the money in bad investment. Only a few had put in fixed deposit or invested in useful small business ventures.

On the whole the economic impact of job loss was severe but the families had their own coping mechanism to survive in this crisis situation. Some have rented some part of their small hut or chawl. They also tried to live as extended and joint families to maximise their income and rationalizing their expenditure in the household. As seen above, more number of persons in the households started working in small jobs but their income put together, they could raise enough resources for survival. In many families, children understood the situation and did not demand clothes or other necessary items for them. They also reduced or even stopped spending on social and religious occasions. Thus, the ex-worker's families had adopted various economic coping mechanisms to face the crisis situation of job loss.

11.5.3 Social Impact of Job loss

Information on each and every member of the ex-worker's family members was enquired. On the whole, information on a total of 1156 persons living in the ex-worker's family at the time of survey was collected. They were analysed to study the social impact on family members. The spouses and the married and unmarried children living in the ex-worker's family were also analysed individually.

The major social impact of job loss was declining social relationship within and outside the family. Festivals were celebrated in a subdued manner. Their habit of visiting friends and relatives decreased tremendously. They felt that if they visited in this poverty condition, they might think that they had come for food. There was tremendous deflation of their ego after job loss. Another major social impact was the decision making autonomy of the ex-worker had declined after the job loss. As other family members were earning, there was shift in the decision making process in the family before and after job loss. Further, the gap between the aspirations of the family and their achievements widened mainly in areas like children's education.

To find out the social impact of the job loss, survey data alone was not enough. Hence through in-depth interviews, some of the social problems faced by the families were explored. There was no link between *pan, bedi, gutka and Thambakku* (tobacco) consumption and job loss, because all those who were consuming at the time of survey had stated that they started consuming the same while working in the industry and still continuing. It was difficult to find out quantitatively how many of them resort to alcohol due to job loss. But the case studies of some of the families revealed that many were social drinkers and few were alcoholics while working. In one case the ex-worker became alcoholic due to job loss and died. Domestic violence was reported in only seven percent of the families and again could not link it as a direct consequence of job loss.

11.5.4 Resilience Measures Adapted by the Affected Families

What kind of support that the ex-worker and family could depend on to face the problem of job loss? Nearly half of the ex-workers did not get any support from outside their immediate family. Parental support and support from the in-laws and brothers were of help to them. On the whole, the extended family was the support system. The support came in the form of financial assistance and also in kinds such as food grains from the village. The families who had unmarried children had to take up some kind of work other than their earlier job. Case studies showed that there were many intermediate processes after the job loss taken by the families. Some case studies showed that the family received support at family level as well as at community level.

11.6 CONCLUSIONS

This study showed that the interrupted workers suffered long lasting losses in disposable family income, although the large earning losses seem to have been replaced to some extent by other means such as increased labour supply of spouse or family members. Only four percent of the respondents stated that someone other than them (two members in the household) was working in their household before job loss, whereas, at the time of interview, in 50 percent of the ex-worker's households, more than one member was working. This study supports the first hypothesis taken for this study. Secondly, all the ex-workers were working in formal sector (manufacturing industry) before job loss. At the time of survey only half of the ex-workers were

working. Among those who were working, only 5.6 percent were in full-time employment and the remaining was working, either in contract basis or on part-timer/piece rate basis. This again supports the second hypothesis taken by this study.

This study helps to identify groups in the population that could be targeted for policy initiatives. A combination of a higher incidence of economic uncertainty for low-income and their limited resources to adapt and to recover from economic set backs may have contributed to the increasing inequality between the rich and the poor. Many economic policies have been disastrous for women. It is often women who bear the brunt of economic restructuring policies made by governments/organisations, often overlook to the fact that how polices could impact on millions of women and children. Often the quality of people's lives is sacrificed for the goal of wealth creation. Human development should not be sacrificed in the name of economic growth but rather economic growth should be used as a tool to help people achieve a healthy, creative and dignified life.

The study shows that the interrupted employment of a person had various levels of impact on the family. No uniform mechanism was adopted among the families to sustain the event of job loss. Proper utilization of compensation money was one mechanism, which resulted favourable to these ex-workers. However, the assets they possessed in the form of their home and children were utilised in great extent. Few spouses involved in gainful activities either from sitting inside their home or going out side home. On the social front, the children were affected. Educational level of these study ex-worker's children is lower than the normal households (all households of Mumbai taken together). Ex-worker's autonomy in making some selected indicators of household decisions has declined after their job loss. There were definitely disputes with regard to the ex-worker's job loss in the family, however, the response given were in different form. Very few resorted to physical violence.

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economic restructuring. Policies made by governments/organisations at macro level, often overlook how they could impact on millions of women and children. Often the quality of people's lives is sacrificed for the goal of wealth creation. Human development should not be sacrificed in the name of economic growth but rather economic growth should be used as a tool to help people achieve a healthy, creative and dignified life.

11.7 POLICY RECOMMENDATIONS

The study brought out some policy implications.

- There is a need for social security net to cushion the workers who are forced to leave their jobs.
- The exit policy used by the management of the industry should be monitored. Proper monitoring is needed so as the workers were not exploited and welfare of the worker's children - to prevent school drop outs and their immature entry into labour force.
- Proper monitoring is needed so as the workers are not exploited and welfare of the worker's household, especially children, viz., school drop out and their immature entry into labour force are prevented.
- It should be mandatory to the industry that they must provide some counselling to the workers on proper management the compensation money. The industries should provide proper vocational counselling and advocacy until they find another suitable employment.