

Factors influencing the socio-economic condition of labourers in Coimbatore District

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Abstract:

Socio economic condition of labours is getting worse day by day. In this study, an attempt has been made to analyze the prevalence of forced labour, the factors contributing to it, how it affects their socio economic condition and finally what is the result of it has been brought into limelight. The research has been carried out in the pump industries in the Coimbatore district of Tamil Nadu. The problem is approached with the objective of studying the working conditions, how their economy has been changed, the security of employment and income, working facilities and job security of workers, the nature of relationship between employer and employees, and the willingness of workers to work and their contribution towards the development of business. The exploratory analysis clearly shows that workers in the Coimbatore informal sector face a high degree of unethical treatment and exploitation. Workers are found to toil for long hours. An interesting feature observed is the high casualization of labor. The workers have nobody to turn to, the government is indifferent, the casual mechanism is tardy, and there is a major dilemma about the unions. No specific protection is made available to these workers either by the government or by the employers. Such insecurity is further pronounced through the following factors: labour exploitation, acquiring labours for contract, improper working facilities, extended working hours, undeserved low wages, high labor turnover, informal employer-employee relationships; and rising unemployment and under-employment. Thus, as a result of which company enjoys a humongous amount of net profit and socio-economic condition of workers are drastically lowered.

Keywords: Labour exploitation, contract labour, labour wage, extended working hours, working facility and socio-economic conditions of labour

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1. Introduction

The urban informal sector comprises of an overwhelming majority of workers in the country. Unlike workers in the organized sector, unorganized sector workers do not have steady employment, and secured or sustainable income, and are not covered by social security protection (Nagarajan, 2018). Deprivation and vulnerability to vagaries of the life are the major threats faced by the workers in the urban informal sector. With the changing modes of productions and increasing rates of industrialization, and a steady exodus of workers from rural areas to urban centres, the informal sector is swelling in size (Subramanya, 2018). A crucial policy issue that is rapidly becoming a top priority for governments all over the world is how to provide adequate social protection for the vast majority of the labour force engaged in unorganized sector activities. Available evidence from the 1990s shows that more and more workers are being absorbed in unorganized/informal sector activities, which are characterized by the absence of effective social protection measures. Thus, the issues before a developing country like India are to design effective social protection measures for the unorganized sector workers, which would serve as a guarantee against poverty and, at the same time, provide adequate employment opportunities. This should be based on scientific enquiries to assess the various kinds of 'insecurities' being encountered by the informal sector workers (Sasikumar, 2016). This is the context in which an attempt is made in this paper to examine the issue of forced labours in relation to informal sector workers in the Coimbatore district of Tamil Nadu. Our project focuses on the pump industry in Coimbatore region because of the prevalence of more engineering firms in and around Coimbatore to determine the existence of forced labour and the factors contributing it and its influence on the socio economic condition of labours.

2. Review of Literature

The literature review was undertaken to support the exploratory study on forced labour in industrial clusters. For each variable a paper was studied and understands how the variable does have an effect on the other. Labour exploitation, contract labour, labour wages, extended working hours and working facilities were identified variables in forced labour in industries.

Labour Exploitation

Mukherjee, Pradipta (2013), stated that the growing pace of economic globalization has created more migrant workers than ever before. Unemployment and increasing poverty have prompted many workers in developing countries to seek work elsewhere. As a result, millions of workers and their families travel to countries other than their own to find work and they are exploited by making the workers to do their manager's personal works. Ellis, Kristi (2009), Exploitation of labour continues to be a widespread problem in the global production of apparel and footwear, cultivation of cotton, and mining of gold

and diamonds. Knight, Sarah (2012), stated that India has unique conditions that have enabled forced labour to persist over a great length of time, and allowed bonded labors to exist in greater numbers there than in any other country on Earth. Busse, Braun (2003), The universal condemnation of forced labour has failed to prevent the emergence of its modern forms, like trafficking in human beings and forced labour conditions. Weiss, Marley S (2015), canvass international, domestic, and private regulation of human trafficking, labour exploitation and forced labour.

Contract Labours

Bradford (2006), the nature of psychological contracts and organisational attachments for both permanent employees and forced temporary workers is complex. Andrees, Beate(2015), The Protocol stipulates that member States should ensure that the public and private sectors act with a certain standard of care - due diligence - addressing the root causes that heighten the risks of contract and forced labour. New, Stephen John (2015), considers the differences between permanent and contract labours and other concerns within CSR. It examines legal attempts to encourage supply chain transparency and the use of corporate CSR methods. Lalani (2012), there is a high concentration of migrants in pump manufacturing industries, some of whom have insecure or irregular immigration status and put to work as contract labours and as a result may not be forthcoming about exploitative working conditions and poor treatment.

Labour Wages

Sanyal and Maity (2018), considers the issue of labour migration which is very significant for economic development of any nation. It presents in a nutshell the trends and patterns of migration in India, its causes and impacts. Labours are classified into two categories based on push and pull strategy. Sean Dougherty (2008), Wages are generally much lower than in the formal organized sector. It is only India's organized sector that is subject to labour market regulation, and employment has fallen. The role of employment protection legislation in affecting employment outcomes is controversial in India. Kumar, Ganesh (2013), providing undeserved wages is a socioeconomic problem alive in every country of the world, but it varies in nature and scale depending on the existing socio-economic structure of society.

Extended Working Hours

Peetz and Townsend (2003), stated that extended hours were mostly employer- driven, where workplace regulation of hours was weak so that employees were not compensated for extra hours worked, though in a minority of instances they were jointly driven by employers and employees who benefited from overtime pay. Ollus, Natalia (2016), stated the awareness of migrant workers and analyzed their experience in work and their position in working life. The exploitation of migrant labour should be identified and addressed in order to prevent misuse of any workers by making them to toil for long hours, especially migrants. Mantouvalou, Virginia (2006), addressed the breach of the

prohibition of slavery, servitude, forced and compulsory labour, problem of the excess working hours of migrant under the European Convention on Human Rights.

Working Facilities

Whittaker and Simmons (2016), provided a conceptual support on insufficient recognition of deception, exploitation, coercion, improper working conditions and poor working facilities under global chains. Metcalf (2012), stated that the working facilities provided to the migrant workers was really poor and this lowers their socio economic condition drastically and thus as a result migrant workers face a exploitative working conditions and poor treatment. Kaufman and Davids (2004), focused on labour practices in the Thai garment industry. It discussed about the labour implementation and issues related to health problems, safety and working facilities. Bischoff James (2006), explores the phenomenon of forced labour in the Amazon, where labours are compelled through trickery and coercion to work in subhuman conditions. Government failed to secure labours through anti-slavery act.

Socio Economic Condition of Labours

Divya MV(2018), stated that the socio economic condition of rural workers in Thrissur is kept low i.e they are left with no savings and investments. Dr. P. K. Manoj (2015), stated that the socio economic condition of rural workers in Kerala is kept very low i.e. they are deprived of the social security they deserve and there face a lot of unethical treatment that leads to a poor lifestyle. Shruthi Ashok (2014), stated that the socio economic condition of workers in India is kept low by the companies i.e they are struggling to have a proper housing facilities and left with no financial and social security.

The unemployed people were forced to work as a slave in the industry and not able to work in their natives because of low paid salary. They were often affected by vulnerable and excluded groups. Our research mainly focuses in the industries around Coimbatore to know the social economic status of the forced employees which were not covered by other researchers.

In previous research the variables used are child trafficking, human trafficking, debt bond, contract labour, labour exploitation, labour wages, extended working hours and working facilities but they have used these variables in different combinations for their research. In our research we have used the five variables as independent variables they are contract labour, labour exploitation, labour wages, extended working hours and working facilities. These combinations of variables have not been used in previous research to find out the prevalence of forced labour in industries.

1. Objectives of the study

- The main objective of the study is to find the prevalence of forced labour of migrant workers in industrial sector around Coimbatore region and to critically analyze and evaluate the factors associated with forced labour with the help of questionnaire.

- The study focuses on analyzing the factors influencing the socio economic condition of labours and the finding the percentage of influence.

2. Definition of Variables

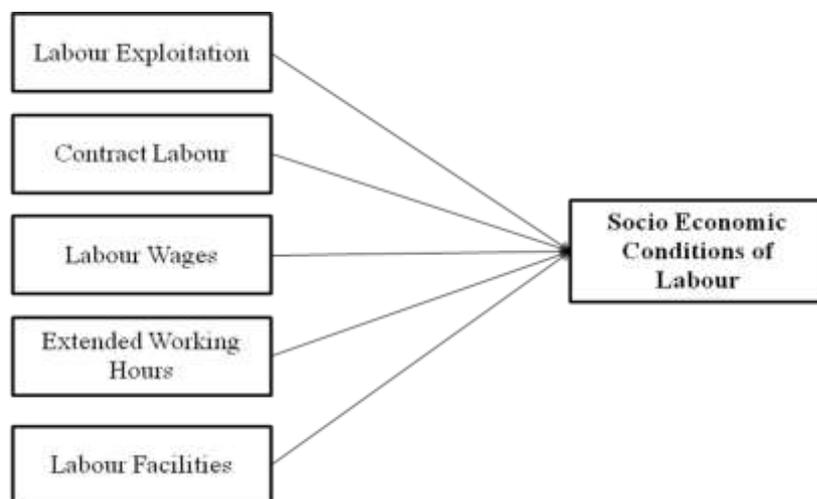
The research work done in forced labour in industries so far clearly indicated five variables have greater impact on the forced labour conditions prevailing in industries. The five variables are labor exploitation, contract labours; labor wages cost, extended working hours and working facilities. These variables help us to understand the prevalence of forced labour in the industrial cluster. Briefly these variables are described below:

Variable	Definition	References
Labour Exploitation	Exploiting their basic human rights and labours are deprived of their rights and needs and they are used beyond a limit.	Stephen john(2015), Matthias (2003), Andrees(2014), Beate (2015)
Labour Wages	Wages are the driving factor for migrant workers. Forced labours are being paid with minimum wages	Knight, Sarah (2012), Kunkel, Sarah (2018), Sean, Dougherty (2008)
Extended Working hours	Labours are made to work overtime and paid with minimum wages.	Rodet, Marie (2014), Penningtons, Manches LLP (2018), Mantouvalou, Virginia (2006)
Working Facilities	Labours were forced to work under unstructured environment and they are deprived of the basic facilities that they deserve in a working environment	Bischoff,Jam(2006),Weiss MarleyS(2015),Braun Sebastian(2003)
Contract Labours	Labours who were hired by intermediary or the company to perform certain work for a finite period of time and hence they are treated in a unethical manner compared to non-contract workers.	Andrees,Beate(2015), Bradford(2006), Kaufman(2004)
Socio economic conditions	It denotes the social and financial security and status	W. Arthur Lewis (1994), Mumtaz Lalani (2012),

of labour	of the labour and this being exploited for the beneficiary of the company	Glenn Simmons (2016)
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3. Conceptual Model

The study has five independent variables which influences one dependent variable and this research framework helps us to find the correlation between Socio economic conditions of labour (dependent variable) and labour exploitation, contract labour, labour wages, extended working hours and working facilities (Independent variables). To determine the influence of independent variables over the dependent variable, we have considered the following model to study.



4. Research Methodology

The study was based on comprehensive literature review regarding forced labor conditions in industries, followed by the development of a survey report.

The research method involved is exploratory, since we are analyzing what are the factors influencing forced labour in industries. In the present study we have developed hypotheses which are to be tested. Our targeted population is migrant workers working in pump industry around Coimbatore. The sampling technique used is snow ball sampling technique.

In sociology and statistics research, snowball sampling is a nonprobability sampling technique where existing study subjects recruit future subjects from among their acquaintances, Jesse (2012).

Literature review has been done and a suitable instrument has been developed corresponding to the identified problem. The broader purpose of this research was to

provide an insight on how these variables helps researchers to understand the impacts of forced labour in the industrial cluster.

A questionnaire has been developed based on the six variables to measure the impact of forced labour in the industries. The questionnaire consists of common question regarding the migrant workers basic details, their wages, working hour and nature of the job. The sample size has been decided and the data is collected using snow ball sampling technique due to its strong affiliation towards the nature of study. The data sample consists of 153 migrant workers working in the pump industries in and around Coimbatore.

4.1 Research Questions, Hypothesis and Objectives

LE – Labour exploitation

CL – Contract Labours

LW- Labour wages

EWH – Extended working hours

WF – Working facilities

SECL – Socio economic conditions of labour

Questions	Objective	Hypothesis
Factors influencing the Socio – economic condition of labours	Measuring the impact of LE on SECL	There is a positive relationship between LE–SECL
	Measuring the impact of CL on SECL	There is a positive relationship between CL–SECL
	Measuring the impact of LW on SECL	There is a positive relationship between LW–SECL
Factors influencing the Socio-economic conditions of labours	Measuring the impact of EWH on SECL	There is a positive relationship between EWH– SECL
	Measuring the impact of WF on SECL	There is a positive relationship between WF–SECL

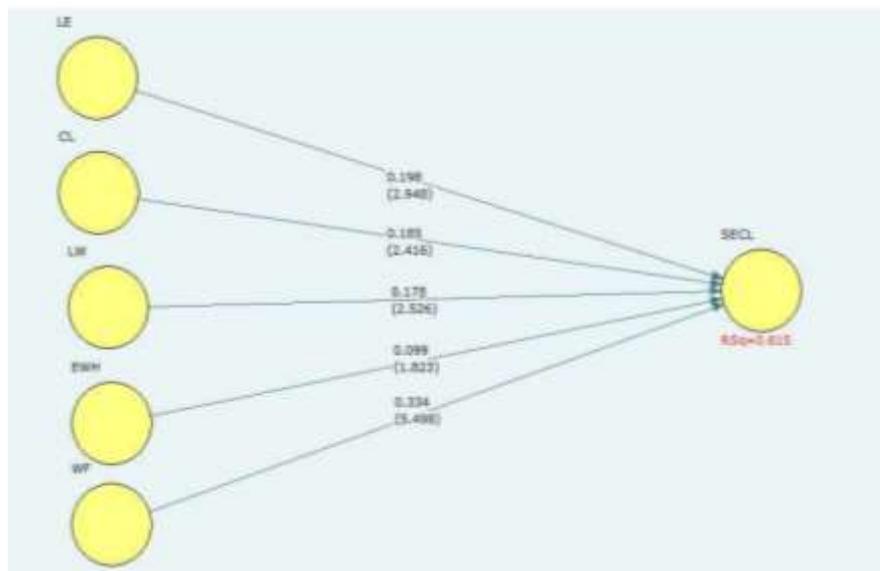
5. Data Analysis

7.1 Construct Validity

Construct	Cronbach Alpha
LE	0.756482
CL	0.790367
LW	0.751954
EWH	0.735298
WF	0.732758
SECL	0.788586

Cronbach Alpha is the measure of internal consistency i.e. how closely related set of items are as a group. It is the coefficient of reliability. From the study, it found that all the variables had a reliability value of more than 0.7 which is an acceptable value.

7.2 SEM Model



R square value is 0.615 indicates that 61.5% of socio-economic conditions of labour is measured by the independent variables and the remaining 38.5% of the influencing variables are yet to be found.

Construct	Entire Sample Estimate	T Value	Result

LE	0.198	2.948	Significant
CL	0.185	2.416	Significant
LW	0.178	2.526	Significant
EWB	0.099	1.823	Insignificant
WF	0.334	5.498	Significant

H1: Relationship between labour exploitation and socio-economic conditions of labour

Relationship between labour exploitation and socio-economic conditions of labour is significant with 0.198 (Beta value) and 2.948 (T Value). It shows that labour exploitation has greater influence on socio economic conditions of labour, and this clearly indicates that the migrant workers have been exploited by their supervisors. Migrant workers have been used by their supervisor to do their personal work. Deprived of deserved designation, bonded labour are some of the ways migrant employees been exploited.

H2: Relationship between contract labour and socio-economic conditions of labour

Relationship between contract labour and socio-economic conditions of labour is significant with 0.185 (Beta value) and 2.416 (T Value). It shows that contract labour has greater influence on socio economic conditions of labour, it indicates that contract labour work more than non-contract workers and been paid less wage when compared to non-contract workers. Contract labours were working more than non-contract labours but they are deprived of the perks they deserve.

H3: Relationship between Labour wage and socio-economic conditions of labour

Relationship between Labour wage and socio-economic conditions of labour is significant with 0.178 (Beta value) and 2.526 (T Value). It shows that labour wage has high influence on socio economic conditions of labour, because low paid wages will decrease the economic conditions of the labour. Economic conditions of the labour can be improved only when they have been paid appropriate wage. Migrant workers were forced to work more than the specified time and they are not been paid for the extra work they do. They are not even aware of provident funds, ESI and other benefits provided by the company.

H4: Relationship between Extended working hours and socio-economic conditions of labour

Relationship between Extended working hours and socio-economic conditions of labour is insignificant with 0.099 (Beta value) and 1.823 (T Value). Because labours working in the industry has no idea about the specific working hours, which is a basic right under law which has been blatantly violated as they as not aware of the rules and regulations which has been used against them because of their illiteracy. This is because workers when given

questionnaire they did not know about the impact of extended working hours as they are getting paid in meagre value without knowing they are being exploited. If they are educated about their rights regarding the answers may vary and even become significant.

H5: Relationship between working facilities and socio-economic conditions of labour

Relationship between working facilities and socio-economic conditions of labour is significant with 0.334 (Beta value) and 5.498 (T Value). It shows that working facilities has greater impact on socio economic conditions of labour, because the workers were not given comfortable work place, rewards, health benefits, flexible shifts and job security.

Migrant workers were forced to work in unstructured environment, and not been rewarded for their work. These workers are not aware of the policies and benefits that should be provided by the company.

6. Implications of the study

The study helps us to understand that forced labour exists in the pump industries through the five independent variables which are labour exploitation, labour wages, contract labours, extended working hours, working facilities and working facilities. These variables influence the social economic conditions of the migrant workers except extended working hours. The study focuses on the migrant workers who come from northern part of India to work in Coimbatore region. Contract labours can be distinguished from the direct workers in terms of employee- employer relationship and the method of wage payment. The contract labour does not have any direct relationship with the principal employer.

As a manager there are various factors that should be considered to abolish forced labour prevailing in the industries. Labours should be made to work in a proper working environment and should be paid with appropriate wages. The awareness about employment rights and fair treatment should create among the labours who work in the industries.

And it was understood that migrant workers can form trade union if they are at least six members. Apparently, the company has to provide provident fund, Employee state insurance to them.

Hence in order to annihilate the exploitation of labours and to regulate the wages and working hours:

- A separate committee should be formed by the government that audits the company at least once in two months to ensure that there is no exploitation happening socially and financially against the labours.
- Separate orientation programmes can be conducted by the committee for labours to make them know about their rights.
- The company should be penalized by the committee if the government suggested working facility and wage is not provided.

- Any grievance raised by the labours should be addressed by the committee during the monthly meeting.

7. Limitations of the study

- Communicating with the workers was a major issue while collecting the data.
- The behavioural pattern of migrant workers differs from person to person some may be treated well in their organization and some may not be treated well.
- Female workers were not included in this study.
- The study is limited only to the pump industry.
- Responses were collected individually because mostly all were illiterate which made the process tedious.
- Getting responses from the workers was also a major hurdle in organized sector because we have to be approved by the manager or the authority over there.

8. Conclusion

Thus there is a strong existence of ill-treatment imposed on the migrant workers in the pump industries of Coimbatore by keeping their socio economic condition low and the forced labour is majorly in the form of providing a poor working facility, exploiting the basic rights and needs of the employees, providing them a very low wage than they deserve and always keeping them as contract workers to keep them under control. So, the basic human rights is being constantly chipped off by the companies and it is kept unnoticed. In future this research can be extended to all other industries in various parts of the country and finally producing the research results to the various NGO's and the Government, with a hope that they will take proper action regarding it.

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