

**SOCIO-ECONOMIC BACKGROUND OF CONTRACT WORKERS
WITH A SPECIAL REFERENCE TO NAVAL BASE COCHIN**

Dissertation submitted to

MAHATMA GANDHI UNIVERSITY

in partial fulfillment of the requirement for the award of the degree of

MASTER OF ARTS IN ECONOMICS

By

TIMA PETER O

Register No:AM14ECO015

Under the guidance of

Dr. Thushara George



**DEPARTMENT OF ECONOMICS
ST.TERESA'S COLLEGE (AUTONOMOUS)**

ERNAKULAM

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CERTIFICATE

This is to certify that the dissertation titled “SOCIO-ECONOMIC BACKGROUND OF CONTRACT WORKERS WITH A SPECIAL REFERENCE TO NAVAL BASE COCHIN” submitted in partial fulfillment of the requirement of MA Degree in Economics to the Mahatma Gandhi University, Kottayam, is a record of bona fide research work done under my supervision and guidance.



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Dr. Thushara George



DECLARATION

I hereby declare that the dissertation titled “SOCIO-ECONOMIC BACKGROUND OF CONTRACT WORKERS WITH A SPECIAL REFERENCE TO NAVAL BASE COCHIN” submitted by me for the M.A. Degree in Economics is my original work.



Signature of Supervisor

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Signature of Candidate

Tima Peter .o



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CONTENTS

List of Tables

List of Figures

Chapter 1: Introduction

1.1: Review of literature

1.2: Objectives

1.3: Problem identification

1.4: Relevance of study

1.5: Methodology

1.6: Chapter scheme

1.7: Limitations of study

Chapter 2: An overview of socio economic background of contract workers with special reference to Naval base

2.1: World context

2.2: Indian context

Chapter 3: Analysis of socio economic background of contract workers with a special reference to Naval base

Chapter 4: Findings, Recommendations and Conclusions

End Notes

Bibliography

Questionnaire

LIST OF TABLES

Table No.	Title	Page No
3.1	Educational qualification of workers	25
3.2	Age distribution of contract workers	26
3.3	Other earning members in family	28
3.4	Salary scale of workers	31
3.5	Nature of work	34
3.6	Duration of work	35
3.7	Union membership	35
3.8	total years of experience	36
3.9	Feeling safety	39
3.10	Bad habits at work place	40
3.11	Work satisfaction	41

LIST OF FIGURES

Figure No.	Title	Page No
3.1	Age distribution	27
3.2	Distribution of earning members	29
3.3	Financial status	30
3.4	Salary scale of workers	32
3.5	Workers consumption pattern	33
3.6	Nature of work	34
3.7	Union membership	36
3.8	Total years of experience	37
3.9	Common amenities at work place	38
3.10	Bad habits at work place	40
3.11	Work satisfaction	41

CHAPTER I
INTRODUCTION

1. INTRODUCTION

According to Adam Smith “Labor is the real measure of the exchangeable value of all commodities, and human labor is the source of wealth”¹. But in the contemporary era, Labour value is affected by labor market flexibility, created unemployment and Underemployment. The declining trends In organized sector employment and the corresponding expansion of casualization of employment point towards the worsening conditions of labor.

. The contract labor system generally refers to labor engaged through an intermediary and is based on a triangular relationship between the principal employer, the contractor (including the sub-contractor) and the laborers.⁶ These laborers are millions in number and generally belong to the unorganized sector. They have little bargaining power, no social security and are often engaged in hazardous occupations endangering their health and safety .They are often denied minimum

wages and have little or no security of employment. This pattern of employment has serious consequences in the service industry. Very few studies have been done on the contract workers who form a sizable proportion of the total population in the organized as well as unorganized sector. And our study is confined to the small section of naval base, Cochin and we are dealing with the socio-economic back ground of contract workers in military engineering service at naval base.

1.1 REVIEW OF LITERATURE

Navamukundan (1997) in his case study, Contract Labor on Plantations in Malaysia, shows how the contract workers are abused by the contractors in various ways at different levels. However, he concludes saying, that the contract system cannot be abolished because it is developed in a way to fulfill the functional needs in the plantations. This system definitely brings a total deterioration in its terms and conditions of employment, collective bargaining and the scope of grievance redressal. Nevertheless, there arises a need for a specific mandatory mechanism, which brings a transparency in the system, with respect to the licensing of all contracts of labor

services, to avoid and to reduce the ill-treatment of the workers and to give them the workers' rights.¹

Varovidh (1997) in his paper, Contract Labor in the Textile and Garment Sector in Thailand, considers the different problems of the sub contract labors in identifying their principal employers, due to which there is ineffectiveness of the employee's state and the law of globalization, which is being enforced on them. So, he recommends the law of wage Compensation and the need for the employment termination to be revised in order to reflect the hardship of the workers and also take into account the inevitable period of unemployment before the worker is able to enter into new employment.²

Chapagain (2000) in his paper, Contract Labor in Nepal, explains the status of Contract labor system in Nepal, by showing the working conditions, social security and Employer - employee relationship. He also brings out the intermediary play, which is an important role in the provisions of working conditions and in settling any disputes between the contract labors without the knowledge of the principal employers. He concludes stating , That the working conditions of the contract labor are found to be generally poor.³

O'Reilly (2008) summarizes in her paper, Temporary Contract Labor in the Gulf States: Perspectives from two countries of origin, that the contract laborers are being recruited from Bangladesh and Pakistan to the Gulf Cooperation Countries (GCC) such as Arab Emirates, Saudi Arabia, and Kuwait, through their Friends or relatives. She focuses on the low skilled workers who are misinformed about wages and about the nature of work and how they are blindly driven away. The writer also recommends the ILO to provide its own guidance to the migrant and to the contract labor system, by which in turn, they would be able to manage, in accordance with the ILO's standards.⁴

Allen and Henry (1997) in their article, Ulrich Beck's Risk Society at Work: Labor and Employment in the Contract Service Industries, explain how the employment on contractual form increase with the difference in combinations of work time, its benefits and the entitlements for different groups of workers, like a package in Europe. He concludes by showing the causes, which are the labor market flexibility, institutional rationalization and restructuring⁵

Isaksson (2006)⁷ in his Community Research on Social Sciences and Humanities, in Psychological Contracts Across Employment Situations Psycones, describes the normal tendency

of job insecurity, aroused by the use of flexible contracts of employment in several forms. He also explains how it affects the job security and the organizational outcomes, such as performance and organizational commitments throughout the European countries.⁶

Kalleberg (2000)⁹ in his article, Nonstandard Employment Relations: Part-Time, Temporary and Contract Work in United States, shows the level of complexities in the relationship between the employers and employees, who work on non-standard work arrangements. This study explains the importance of employment relations and analyses the factors that affect the nature of employment.⁷

Gonsalves (1998) in his report on, Tragedy of Contract Workers shows that it has been nearly two decades since the Contract Labor Act has come into force, and still, the authorities have nothing to show in terms of amelioration/improving the conditions of the

Contract labors. Report on the Working Conditions Of Contract Labor In Cement Manufacturing Industry, Cement Related Mines, Food Corporation of India and National Thermal Power⁸

Ramauja in his book (2004) Contract Labor in India: An Overview, the article, 'Management of Contract Labor in India', speaks of the agenda, Contract Labor(Regulation & Abolition) Act 1970, that has outlived its utility and a need to be modified or be replaced by an effective legislative measure.⁹

Das and Pandey (2005) in their work, Contract Workers in India: Emerging Economic and Social issue, focus on the economic and social issues related to the wages given with deduction to the poor civic labor living in huts without any social security, where the contract workers are forced to work in Industries producing steel, cement and white goods in India. Illiteracy, unscrupulous and hazardous conditions of the workers have no voice for their safety concerns. Longer working hours and job insecurity adds to the other factors which challenges their everyday life.¹⁰

Jain's (2005) research on Facts of the Contract Labor(Regulation & Abolition) Act1970, highlights the Contract Labor Regulation and Abolition Act 1970, which has to a greater extent, prevented the exploitation of the contract labor and has also introduced the better working condition, which could be enhanced. In his research, he brings out the differences between the

Direct Labor and the Contract Labor in terms of employment, working conditions, recruitment and remuneration.¹¹

Ramchandani's (2006) research on actual position of the workers, explains in great detail, how in most of the industries, the contract labor system is adopted in different occupations, which includes skilled and semi-skilled jobs. He persuades the government to take up various initiatives to improve the condition of the contract labour¹²

ShyamSundar (2007) in his work Contract Workers: The Need For Community of Interest Perspective, observes the informal employment, the contract labor system has been the principal outcome of recent wave of globalization. He suggests that the labor market sectors could adopt the 'Community of Interests' approach, giving a 'holistic outlook', which would encompass the contract workers in the scheme of development.¹³

Kolamkar's (2009-11) reports on Working Condition of Contract Workers in Petroleum Refineries and Oil Fields was a study conducted by the Labor Bureau, Ministry of Labor and Employment Government of India Chandigarh, which was about the wage, working conditions, welfare measures and the industrial relation of the workers. The study also found that, in some places the workers are organized and possess a strong bargaining power because of which, the trade unions and some units have own grievance redress machinery.¹⁴

Nayyar (2009) in his work, The Nature of Employment in India's Services Sector: Exploring the Heterogeneity, observes the quality of the job was based on educational qualification and the quality of employment, he re-defines by including the variables that

reflect quality of life: the wages, the probability of getting a job contract and the probability of getting social security benefits.¹⁵

Saini and Debi's (2010) researches on the Role of the Contract Worker explains the rights conferred to the contract workers by the Constitution of India and various labor laws, which are hardly enforced. They show the importance of inclusive growth to be sustained, which can be achieved only if the working rights are enforced appropriately by the government.¹⁶

Joshi (2011) in his paper, *Contract Labor: A Way Forward*, argues, that if India really wanted not just faster growth but sustainable and inclusive growth, it will have to convert the contract labor into a productive and happy workforce. The earlier it is done, the better will it get for the overall progress of business and society, states Joshi.¹⁷

The All India Organization of Employers Federation House, Tansen Marg, New Delhi(2012) in their book, *Industrial Relation and Contract Labor in India*, point out how the Liberalization of market economy and antediluvian labor laws have forced industries to hire contract labors to survive and compete the globalized economy. They recommend the concomitant changes in the Industrial Disputes Act, 1947 with altered social security net, which are necessary to avoid the industrial unrest.¹⁸

Ashim Roy (2012) in his report, *Study of the Contract Labor System in the Garment Industry in Gurgaon*, shows how the theft of the minimum wage of the contract workers cause large socio-economic problems to the workers, which includes eviction from their home and inability to buy food, resulting in the malnourishment of younger generation, which also leads to their children's education being affected. The non-compliance of the Provident Fund and the lack of coverage of ESI for workers and their dependence, seem to create economic pressure on the next generation, in terms of taking care of the older generation. Hence, the study shows the need to make the necessary amendments to protect, by giving importance to regularization and unionization of the contract workers.¹⁹

The study brings forth many reviews on the contract labor system that exists in India and across the world, as well as in India. These reviews highlight in common, the concept of contract labor system identically in the context of the flexible labor. Through this study, one can come to a conclusion, that in this era of globalization, the contract labor system is inevitable. Therefore, this study covers all the aspects of contract labor and gives a vivid knowledge of the system this study comprises the socio-economic conditions, workers' satisfactory level of employment.

1.3 PROBLEM IDENTIFICATION

Contract labor system is an informal form of employment. Contract laborers differ from other Classes of laborers like permanent, temporary, casual and in way of recruitment. They are

recruited by middlemen or agencies and are supplied to the work establishment. This process has increased the discrimination in wages, working conditions, and security of work for the permanent and contract laborers who are working in the same place. This has led to poor wages and inferior status for contract laborers who are adding value to the production process to a large extent. The collective outcome finally has resulted in social inequality and poor purchasing power for a majority of the workforce. Contract laborers are more in the service industries as employment opportunities in the agricultural sector are dwindling. The contract labor system creates social disparity and social conflicts by shrinking the number of reliable job opportunities which hampers the socio economic development of the society. In this background it is important to study and understand the condition of contract laborers in naval base, especially in Cochin

1.4 SIGNIFICANCE OF STUDY

This study is confined to contract laborers employed in various companies of military engineering service of naval base, Cochin. Naval base provides various job opportunities through the contractors. There are three types of contract laborers, they are skilled, semi-skilled and unskilled laborers. In this project we are focusing on the laborers who are working under the companies of MES (Military Engineering Services). The nature of employment adopted by these companies are mainly contractual. This study focuses on the socio-economic conditions, working conditions, welfare measures provided to the contract laborers in Naval Base, Cochin

1.4.1 CONCEPT AND DEFINITION

'Contract labor' generally refers to the 'workers employed by or through an intermediary on work of any establishment'. However, the contract workers have no direct contact with the principal employer. This employment contract is the service between the employer and employee, where the employee agrees to serve the employer, in all subjectivity and supervision.

Encyclopedia Britannica, 1998 defines contract labor as, 'the labor of workers whose freedom is restricted by their terms of contractual relations and the laws that make such arrangements permissible and enforceable'.

1.2 OBJECTIVES OF THE STUDY

1. To evaluate the socio economic conditions of contract workers in naval base.
2. To suggest the ways and the measures for the betterment of contract labourers based on the present study.
3. To assess the working conditions ,welfare measures ,and social security measures provided to the contract laborers

1.6 METHODOLOGY

1.6.1 Source of data

Primary data as well as secondary data were used in the study .Primary data were collected through questionnaire method by the investigator. Information was collected from books, journals, official websites, publications, newspapers etc.

1.6.2 Area of study

The area selected for the present study is Navalbase,kochin

1.6.3 Sampling size

A total number of 50 respondents were selected for the study

1.6.4 Sampling size

A random sampling technique used for the selection of sample of 50 respondents

1.7 CHAPTER SCHEME

First chapter, includes, 'Introduction and design of the study'. It covers introduction to the contract labor system, review of literature, relevance of study, objectives, methodology, limitations of the study and the chapter scheme.

Second chapter explains the concept and the over view of the contract labor system and their legal status.

Third chapter 'Socio economic background of contract laborers 'analyses the demographic and socio-economic conditions of contract laborers in naval base.

The fourth chapter includes the 'findings and conclusion of the study. It also offers valuable suggestions to uplift the conditions of the contract laborers. The fifth chapter includes end notes and bibliography

1.8 LIMITATIONS OF THE STUDY

The study on socio-economic background of contract laborers in Naval base has the following limitations:

The authorities have declined to provide all the required data and information for the project. After persuasion they have agreed to provide the information and permitted the researcher to meet the contract laborers.

Many of the laborers were reluctant to give the answers.

Sample size which has been selected for the project is very small and in this study we consider only those companies which are comes under the MES(Military Engineering Services).

These are the three main limitations of this study.

CHAPTER 2

AN OVERVIEW OF SOCIO ECONOMIC BACKGROUND OF CONTRACT WORKERS WITH REFERENCE TO NAVAL BASE KOCHI

2.1 WORLD CONTEXT

Employees and employers

An employee contributes labor and expertise to an endeavor of an employer or of a person conducting a business or undertaking (PCBU) is usually hired to perform specific duties which are packaged into a job. In a corporate context, an employee is a person who is hired to provide services to a company on a regular basis in exchange for compensation and who does not provide these services as part of an independent business.

Employer-worker relationship

Employer and managerial control within an organization rests at many levels and has important implications for staff and productivity alike, with control forming the fundamental link between desired outcomes and actual processes. Employers must balance interests such as decreasing wage constraints with a maximization of labor productivity in order to achieve a profitable and productive employment relationship.

Finding employees or employment

The main ways for employers to find workers and for people to find employers are via jobs listings in newspapers and online, also called job boards. Employers and job seekers also often find each other via professional recruitment consultant which receive a commission from the employer to find, screen and select suitable candidates. However, a study has shown that such consultants may not be reliable when they fail to use established principles in selecting employees.

Training and development

Training and development refers to the employer's effort to equip a newly hired employee with necessary skills to perform at the job, and to help the employee grow within the organization. An appropriate level of training and development helps to improve employee's job satisfaction

Remuneration

There are many ways that employees are paid, including by hourly wages, by piecework, by yearly salary, or by gratuities (with the latter often being combined with another form of

payment. In sales jobs and real estate positions, the employee may be paid a commission, a percentage of the value of the goods or services that they have sold. In some fields and professions (e.g., executive jobs), employees may be eligible for a bonus if they meet certain targets. Some executives and employees may be paid in stocks or stock options, a compensation approach that has the added benefit, from the company's point of view, of helping to align the interests of the compensated individual with the performance of the company.

Employee benefits

Employee benefits are various non-wage compensation provided to employee in addition to their wages or salaries. The benefits can include: housing (employer-provided or employer-paid), group insurance (health, dental, life etc.), disability income protection, retirement benefits, daycare, tuition reimbursement, sick leave, vacation (paid and non-paid), social security, profit sharing, funding of education, and other specialized benefits. In some cases, such as with workers employed in remote or isolated regions, the benefits may include meals. Employee benefits can improve the relationship between employee and employer and lowers staff turnover.

Organizational justice

Organizational justice is an employee's perception and judgment of employer's treatment in the context of fairness or justice. The resulting actions to influence the employee-employer relationship are also a part of organizational justice.

Workforce organizing

Employees can organize into trade or labor unions, which represent the work force to collectively bargain with the management of organizations about working, and contractual conditions and services.

Ending employment

Usually, either an employee or employer may end the relationship at any time, often subject to a certain notice period. This is referred to as at-will employment. The contract between the two parties specifies the responsibilities of each when ending the relationship and may include requirements such as notice periods, severance pay, and security measures²⁰. In some

professions, notably teaching, civil servants, university professors, and some orchestra jobs, some employees may have tenure, which means that they cannot be dismissed at will.

Wage labor

Wage labor is the socioeconomic relationship between a worker and an employer, where the worker sells their labor under a formal or informal employment contract. These transactions usually occur in a labor market where wages are market determined. In exchange for the wages paid, the work product generally becomes the undifferentiated property of the employer, except for special cases such as the vesting of intellectual property patents in the United States where patent are usually vested in the original personal inventor. A wage laborer is a person whose primary means of income is from the selling of his or her labor in this way.

In modern mixed economies such as that of the OECD countries, it is currently the dominant form of work arrangement. Although most work occurs following this structure, the wage work arrangements of CEOs, professional employees, and professional contract workers are sometimes conflated with class assignments, so that "wage labor" is considered to apply only to unskilled, semi-skilled or manual labor.

Wage slavery

Wage labor, as institutionalized under today's market economic systems, has been criticized, especially by both mainstream socialists and anarcho-syndicalists, using the pejorative term wage slavery. Socialists draw parallels between the trade of labour as a commodity and slavery. Cicero is also known to have suggested such parallels.

The American philosopher John Dewey posited that until "industrial feudalism" is replaced by "industrial democracy", politics will be "the shadow cast on society by big business, Thomas Ferguson has postulated in his investment theory of party competition that the undemocratic nature of economic institutions under capitalism causes elections to become occasions when blocs of investors coalesce and compete to control the state

Employment contract

Australia

Australian Employment has been governed by the Fair Work Act since 2009.

Bangladesh

Bangladesh Association of International Recruiting Agencies (BAIRA) is an association of national level with its international reputation of co-operation and welfare of the migrant workforce as well as its approximately 1200 members agencies in collaboration with and support from the Government of Bangladesh.^[9]

Canada

In the Canadian province of Ontario, formal complaints can be brought to the Ministry of Labor. In the province of Quebec, grievances can be filed with the Commission des norm du travel.

Pakistan

Pakistan has Contract Labor, Minimum Wage and Provident Funds Acts. Contract labor in Pakistan must be paid minimum wage and certain facilities are to be provided to labor. However, the Acts are not yet fully implemented.

India

India has Contract Labor, Minimum Wage, Provident Funds Act and various other acts to comply with. Contract labor in India must be paid minimum wage and certain facilities are to be provided to labor. However, there is still a large amount of work that remains to be done to fully implement the Act.

Philippines

In the Philippines, private employment is regulated under the Labor Code of the Philippines by the Department of Labor and Employment.

United Kingdom

In the United Kingdom, employment contracts are categorized by the government into the following types:

- Fixed-term contract: last for a certain length of time, are set in advance, end when a specific task is completed, and ends when a specific event takes place.
- Full-time or part-time contract: has no defined length of time, can be terminated by either party, is to accomplish a specific task, specified number of hours.
- Agency staff
- Freelancers, Consultants, Contractors
- Zero-hour contracts

In the United States, the standard employment relationship is considered to be at will, meaning that the employer and employee are both free to terminate the employment at any time and for any cause, or for no cause at all. However, if a termination of employment by the employer is deemed unjust by the employee, there can be legal recourse to challenge such a termination. Unjust termination may include termination due to discrimination because of an individual's race, national origin, sex or gender, pregnancy, age, physical or mental disability, religion, or military status. Additional protections apply in some states, for instance in California unjust termination reasons include marital status, ancestry, sexual orientation or medical condition. Despite whatever agreement an employer makes with an employee for the employee's wages, an employee is entitled to certain minimum wages set by the federal government. The states may set their own minimum wage that is higher than the federal government's to ensure a higher standard of living or living wage for those who are employed. Under the Equal Pay Act of 1963, an employer may not give different wages based on sex alone.

Employees are often contrasted with independent contractors, especially when there is dispute as to the worker's entitlement to have matching taxes paid, workers compensation, and unemployment insurance benefits. However, in September 2009, the court case of *Brown v. J. Kaz, Inc.* ruled that independent contractors are regarded as employees for the purpose of discrimination laws if they work for the employer on a regular basis, and said employer directs the time, place, and manner of employment.

In non-union work environments, in the United States, unjust termination complaints can be brought to the United States Department of Labor.

Labor unions

Labor unions are legally recognized as representatives of workers in many industries in the United States. Their activity today centers on collective bargaining over wages, benefits, and working conditions for their membership, and on representing their members in disputes with management over violations of contract provisions. Larger unions also typically engage in lobbying activities and electioneering at the state and federal level.

Most unions in America are aligned with one of two larger umbrella organizations: the AFL-CIO created in 1955, and the Change to Win Federation which split from the AFL-CIO in 2005. Both advocate policies and legislation on behalf of workers in the United States and Canada, and take an active role in politics. The AFL-CIO is especially concerned with global trade issues.

Sweden

According to Swedish law, there are three types of employment.

- Test employment, where the employer hires a person for a test period of 6 months maximum. The employment can be ended at any time without giving any reason. This type of employment can be offered only once per employer and employee combination. Usually a time limited or normal employment is offered after a test employment.
- Time limited employment. The employer hires a person for a specified time. Usually they are extended for a new period. Total maximum two years per employer and employee combination, and then it automatically counts as a normal employment.
- Normal employment which has no time limit (except for retirement etc.). It can still be ended for two reasons: personal reason, immediate end of employment only for strong reasons such as crime, or lack of work tasks, cancellation of employment, usually because of bad income for the company. There is a cancellation period of 1–6 months, and rules for how to select employees, basically those with shortest employment time shall be cancelled first.

There are no laws about minimum salary in Sweden. Instead there are agreements between employer organizations and trade unions about minimum salaries, and other employment conditions.

There is a type of employment contract which is common but not regulated in law, and that is Hour employment which can be Normal employment (unlimited), but the work time is unregulated and decided per immediate need basis. The employee is expected to be answering the phone and come to work when needed, e.g. when someone is ill and absent from work. They will receive salary only for actual work time and can in reality be fired for no reason by not being called anymore. This type of contract is common in the public sector.^[27]

Age-related issues

Young workers are at higher risk for occupational injury and face certain occupational hazards at a higher rate; this is generally due to their employment in high-risk industries. For example, in the United States, young people are injured at work at twice the rate of their older counterparts. These workers are also at higher risk for motor vehicle accidents at work, due to less work experience, a lower use of seatbelts, and higher rates of distracted driving. To mitigate this risk, those under the age of 17 are restricted from certain types of driving, including transporting people and goods under certain circumstances.

High-risk industries for young workers include agriculture, restaurants, waste management, and mining. In the United States, those under the age of 18 are restricted from certain jobs that are deemed dangerous under the Fair Labor Standards Act.

Youth employment programs are most effective when they include both theoretical classroom training and hands-on training with work placements.

Older age workers

Those older than the statutory defined retirement age may continue to work, either out of enjoyment or necessity. However, depending on the nature of the job, older workers may need to transition into less-physical forms of work to avoid injury. Working past retirement age also has positive effects, because it gives a sense of purpose and allows people to maintain social networks and activity levels.

Models of the employment relationship

Scholars conceptualize the employment relationship in various ways. A key assumption is the extent to which the employment relationship necessarily includes conflicts of interests between employers and employees, and the form of such conflicts. In economic theorizing, the labor market mediates all such conflicts such that employers and employees who enter into an employment relationship are assumed to find this arrangement in their own self-interest. In human resource management theorizing, employers and employees are assumed to have shared interests (or a unity of interests, hence the label “unitarism”). Any conflicts that exist are seen as a manifestation of poor human resource management policies or interpersonal clashes such as personality conflicts, both of which can and should be managed away. From the perspective of pluralist industrial relations, the employment relationship is characterized by a plurality of stakeholders with legitimate interests (hence the label “pluralism”), and some conflicts of interests are seen as inherent in the employment relationship (e.g., wages v. profits). Lastly, the critical paradigm emphasizes antagonistic conflicts of interests between various groups (e.g., the competing capitalist and working classes in a Marxist framework) that are part of a deeper social conflict of unequal power relations. As a result, there are four common models of employment:

1. **Mainstream economics:** employment is seen as a mutually advantageous transaction in a free market between self-interested legal and economic equals
2. **Human resource management (unitarism):** employment is a long-term partnership of employees and employers with common interests
3. **Pluralist industrial relations:** employment is a bargained exchange between stakeholders with some common and some competing economic interests and unequal bargaining power due to imperfect labor markets
4. **Critical industrial relations:** employment is an unequal power relation between competing groups that is embedded in and inseparable from systemic inequalities throughout the socio-politico-economic system.

These models are important because they help reveal why individuals hold differing perspectives on human resource management policies, labor unions, and employment regulation. For example, human resource management policies are seen as dictated by the market in the first view, as essential mechanisms for aligning the interests of employees and employers and thereby

creating profitable companies in the second view, as insufficient for looking out for workers' interests in the third view, and as manipulative managerial tools for shaping the ideology and structure of the workplace in the fourth view.

Academic literature

Literature on the employment impact of economic growth and on how growth is associated with growth and on how growth is associated with employment at a macro, sector and industry level was aggregated in 2013.

Researchers found evidence to suggest growth in manufacturing and services have good impact on employment. They found GDP growth on employment in agriculture to be limited, but that value-added growth had a relatively larger impact. The impact on job creation by industries/economic activities as well as the extent of the body of evidence and the key studies. For extractives, they again found extensive evidence suggesting growth in the sector has limited impact on employment. In textiles however, although evidence was low, studies suggest growth there positively contributed to job creation. In agri-business and food processing, they found impact growth to be positive.

They found that most available literature focuses on OECD and middle-income countries somewhat, where economic growth impact has been shown to be positive on employment. The researchers didn't find sufficient evidence to conclude any impact of growth on employment in LDCs despite some pointing to the positive impact, others point to limitations. They recommended that complementary policies are necessary to ensure economic growth's positive impact on LDC employment. With trade, industry and investment, they only found limited evidence of positive impact on employment from industrial and investment policies and for others, while large bodies of evidence does exist, the exact impact remains contested.

Globalization and employment relations

The balance of economic efficiency and social equity is the ultimate debate in the field of employment relations. By meeting the needs of the employer; generating profits to establish and maintain economic efficiency; whilst maintaining a balance with the employee and creating

social equity that benefits the worker so that he/she can fund and enjoy healthy living; proves to be a continuous revolving issue in westernized societies.

Globalization has affected these issues by creating certain economic factors that disallow or allow various employment issues. Economist Edward Lee (1996) studies the effects of globalization and summarizes the four major points of concern that affect employment relations:

International competition, from the newly industrialized countries, will cause unemployment growth and increased wage disparity for unskilled workers in industrialized countries. Imports from low-wage countries exert pressure on the manufacturing sector in industrialized countries and foreign direct investment (FDI) is attracted away from the industrialized nations, towards low-waged countries.

Economic liberalization will result in unemployment and wage inequality in developing countries. This happens as job losses in uncompetitive industries outstrip job opportunities in new industries.

Workers will be forced to accept worsening wages and conditions, as a global labor market results in a "race to the bottom". Increased international competition creates a pressure to reduce the wages and conditions of workers.

Globalization reduces the autonomy of the nation state. Capital is increasingly mobile and the ability of the state to regulate economic activity is reduced.

What also results from Lee's (1996) findings is that in industrialized countries an average of almost 70 per cent of workers are employed in the service sector, most of which consists of non-tradable activities. As a result, workers are forced to become more skilled and develop sought after trades, or find other means of survival. Ultimately this is a result of changes and trends of employment, an evolving workforce, and globalization that is represented by a more skilled and increasing highly diverse labor force, that are growing in nonstandard forms of employment

Alternatives

Subcultures

Various youth subcultures have been associated with not working, such as the Hippy subculture in the 1960s and 1970s (which endorsed the idea of "dropping out" of society) and the punk subculture, in which some members live in anarchist squats (illegal housing).

Postsecondary education

One of the alternatives to work is engaging in postsecondary education at a college, university or professional school. One of the major costs of obtaining a postsecondary education is the opportunity cost of forgone wages due to not working. At times when jobs are hard to find, such as during recessions, unemployed individuals may decide to get postsecondary education, democracy because there is less of an opportunity cost.

Workplace

Workplace democracy is the application of democracy in all its forms (including voting systems, debates, democratic structuring, due process, adversarial process, systems of appeal) to the workplace.

Self-employment

When an individual entirely owns the business for which they labor, this is known as self-employment. Self-employment often leads to incorporation. Incorporation offers certain protections of one's personal assets. Individuals who are self-employed may own a small business

Volunteerism

Workers who are not paid wages, such as volunteers who perform tasks for charities, hospitals or not-for-profit organizations, are generally not considered employed. One exception to this is an internship, an employment situation in which the worker receives training or experience (and possibly college credit) as the chief form of compensation.

Indenturing and slavery

Those who work under obligation for the purpose of fulfilling a debt, such as an indentured servant, or as property of the person or entity they work for, such as a slave, do not receive pay for their services and are not considered employed. Some historians suggest that slavery is older than employment, but both arrangements have existed for all recorded history. Indenturing and slavery are not considered compatible with human rights and democracy.

2.2 INDIAN CONTEXT

A striking feature of Indian labour markets has been the increasing use of contract workers – workers on temporary contracts hired through a government-licensed intermediary or contractor – by the organized manufacturing sector. The proportion of contract labourers has increased from 12% in 1985 to a substantial 24% in 2008 in registered manufacturing, and in some states such as Andhra Pradesh, more than half of the organized manufacturing workforce comprises contract workers.

Flexibilisation of labour markets

Employment of contract workers in India is regulated by the Contract Labour (Regulation and Abolition) Act, 1970 that ensures minimum wage, health and safety, and some insurance provision for them. However, contract workers are not granted the same job protection, compensation and union representation that permanent workers are granted through the Industrial Disputes Act (IDA), 1947. One distinctive provision of the IDA is that no permanent worker can be fired without the permission of the relevant state government; this is widely regarded as very restrictive. However, this and other restrictive provisions of IDA have remained unchanged, despite India's sweeping reform of trade and industrial policies since 1991. By resorting to contract employment, an employer can bypass restrictive labour regulations and improve efficiency. But it is also possible that contract hiring is largely strategic to force a wage cut on permanent workers or even induce them to leave. Not surprisingly, concern has been

raised from various quarters over the implications of contract labour (National Commission for Enterprises in the Unorganized Sector (NCEUS) 2007).

Notwithstanding the controversy, the increasing trend of contract hiring by Indian firms is in line with the global trend of seeking employment flexibility. Over the last two and half decades, unionisation has fallen across the world. Job outsourcing and dispersing of the workforce across multiple countries have become commonplace even for medium-sized firms in developed countries; the zero-hour contract¹ is the latest example of flexible hiring in Britain. Developing countries such as China, Bangladesh, Egypt, Brazil and Colombia are also changing their labour laws to permit flexible hiring.

Role of trade liberalization and labour reform in the use of contract hiring

A number of studies have tried to explain the 'flexibilisation' of labour markets by the forces of globalization (such as trade) and labour reform.

In the Indian context, to what extent do trade liberalization since 1991 and the lack of labour reform explain the increasing use of contract workers? Intuitively, it is not clear that trade liberalizations necessarily lead to greater use of contract workers by formal-sector firms in India. Import competition may force firms to seek short-run efficiency and flexibility in labour use by hiring workers on fixed-term contract. On the other hand, firms mindful of long-run efficiency and/ or concerns of quality improvement (a key issue for exporting firms) may invest in improving productivity of permanent workers. So the effect of trade liberalizations can go either way.

Up till 1991, large and strong trade unions resisted job cuts, job outsourcing or any other measures that they saw as detrimental to the interests of permanent workers. Yet firms found ways to bring in contract workers; and after 1991 the practice became open and blatant. This is possibly for two reasons: (i) industrial deregulation immediately led to an increase in labour demand, and (ii) the operational procedures of contract hiring, such as registration of employers and licensing labour contractors by state governments, were substantially eased up. The process

gathered further momentum by several state-level amendments of the key features of the legislation on contract labor.

To understand the role of trade liberalization and labour laws in the use of contract labour, we, along with our co-author Dibyendu Maiti, examine the determinants of contract labour usage using data³ for 58 industries in the formal manufacturing sector from 15 largest Indian states over the period

To steer our data analysis in a clear direction we first develop a theoretical model, with two types of labour (skilled and unskilled), two modes of hiring (permanent and contract) and two types of firms (technologically modern and backward). Skilled labour is essential for modern firms, as it enhances the marginal productivity of capital, while unskilled labour reduces the marginal productivity of capital.² In addition, there are likely to be some contracting costs when terms of employment are set on a worker-by-worker basis, as opposed to collectively contracting with a union. Modern firms will be keen to hire skilled labour on a permanent basis for lower cost of contracting, but the permanent workers then form unions and demand a higher wage. Alternatively, they can be hired contractually at a much lower wage, *albeit* at a higher cost of contracting. Backward firms will not be interested in skilled workers, because they will not make any additional contribution to output, relative to the unskilled workers.

We show that, in a backward firm, only unskilled workers are employed and they are hired as permanent workers because there is not much rent to be conceded to the union (these firms are less productive and hence, produce very little surplus). But one benefit of having the union is that individual contracting costs are avoided. So on balance, these firms may end up having only permanent workers. In the case of modern firms, the story is a little complex. In general, they will hire a mix of skilled and unskilled labour. All unskilled labour will be hired only through the contract mode. But whether all the skilled labour will be hired as permanent, or on contract, or in combination of the two, depends on what the firm can do in an industrial dispute scenario.

Suppose, the firm can keep running with the help of contract labour, if the permanent workers go on strike. Then having some skilled workers among the pool of the contract workers ensures a

minimum profitability, because of their superior productivity. This also confers some strategic advantage to keep the union's wage demand in check. Therefore, the modern firm will then hire some skilled labour on contract and some as permanent. Hiring them all as contract workers is costly from contracting point of view and hiring them all as permanent involves a significant opportunity cost during a potential industrial dispute.

However, if the scenario is such that the service of contract labour cannot be utilized at the time of industrial disputes, and they are used along with permanent workers in periods of no industrial disputes, the strategic advantage of holding skilled workers in the contract category disappears⁴. In that case, the most profitable utilization of skilled labour dictates that they all be hired on the same terms and utilized together so that their marginal productivities are equalized. Then whether they will all be hired as permanent or all as contract depends on the relative contracting costs of the two modes of hiring plus the potential cost of unionization⁷. We show that it will be optimal to hire them all as permanent. Thus, in the second scenario, we see a dichotomous choice of hiring skilled and unskilled workers on two distinctly different terms of employment within a modern firm; all skilled workers will be permanent and all unskilled workers will be on contract.

In the context of trade liberalization and bargaining power of trade unions, our model shows that the share of contract workers in total formal employment will increase if the bargaining power of permanent workers rises and/ or if imports become cheaper due to a reduction in tariffs. The reason is that with greater bargaining power of permanent workers, the firm has to concede more rents to the union, and therefore, substituting some permanent workers for contract labour would be optimal. A similar incentive to substitute for contract labour also occurs when imports become cheaper and firms have to find ways to cut their costs to remain competitive.

We then take our theoretical model to the data. We find that import penetration does increase the share of contract workers in formal firms, and so does the union's bargaining power, as predicted by the theoretical model. The positive effect of import penetration is stronger in states that have pro-worker labour laws. However, export orientation (increase in the export-to-output ratio) does not affect contract labour usage to the same degree. Our findings show that in the presence of labour rigidities, increasing trade exposure, particularly import penetration⁵, contributes to the

'flexibilisation' of the formal workforce in India. Our estimates indicate that approximately three-tenths of the increase in contract workers in total organized manufacturing can be attributed to increasing import penetration during the period 1998-2004.

Welfare implications of trade liberalization in the presence of labour rigidities

What does our analysis suggest about the welfare implications of trade liberalization in India, in a situation where firms use contract workers to get around onerous labour laws? As we know from economic theory, trade liberalization tends to reallocate resources efficiently across various sectors. However, given labour-market rigidities in India, the main route of reallocation of labour is the contract route. Our analysis shows that firms are clearly better off by hiring contract labour, when import penetration in particular increases.

Are the workers also better off? From the point of view of unskilled workers, those who are hired as contract workers in the formal sector may experience a wage gain vis-à-vis working in the informal sector, or at least will be guaranteed the minimum wage, in addition to working in a better environment. So these workers are most likely to be better off. Permanent workers, who now experience a wage reduction due to strategic hiring of contract workers, will probably be worse off. So the overall welfare effect for the whole economy is somewhat ambiguous.

However, if one factors in dynamic employment effects due to greater flexibility in labour usage, there may be secondary and tertiary welfare generated elsewhere in the economy through job creation in future and through the entry of new firms. When trade unions have less bargaining power, wages are lower and in the long run this generates more opportunities for profitable investment and hence, more employment would follow. New firms will enter the industry seeing flexibility in hiring. A bigger question is whether export opportunities will provide a boost to employment across all industries, and the answer partly depends on the extent to which the contract route becomes more accessible and unions become more compromising, so that the relative cost difference between the two modes of hiring diminishes⁶. In the long run then, the firms will focus much more on the workers' skill and productivity rather than modes of hiring. Given the current trend, it may not be unrealistic to expect that with increasing use of contract workers in the formal Indian manufacturing sector, there will be a welfare improvement for the whole economy in the long run.

CHAPTER 3

ANALYSIS OF SOCIO ECONOMIC BACKGROUND OF CONTRACT WORKERS WITH A SPECIAL REFERENCE TO NAVAL BASE

Cochin Naval Base is the one of largest base of Indian Navy. Here Indian Navy provides various kinds of training to the soldiers. At cochin naval base there is lot of other amenities to the family Indian navy men like Residential buildings, Hospitals, Shopping complex, Movie theatre, Stadiums,Schools...etc. Maintenance of these amenities are carried out by another government agency called MES (Military Engineering Services). Major part of MES works are carried out by contract workers.

In this project we are mainly dealing with the socio-economic background of these contract workers. In order to reduce the cost of functioning and increase the efficiency MES has decided to give the works to private company. In order to complete the given work within the stipulated time these contract company will hire some workers. These workers may not have any job security or sufficient amount of earnings. Socio-economic background of these workers may be poor in some condition in this project we will have a close look of their life.

EDUCATIONAL QUALIFICATION

Educational qualification is a main constraint in every industrial environment. Educational qualification will always has a direct relation with the role of person in an industry. This will also affect the inter personal relation between the workers in an industry.

Table 3.1 Educational qualification of the worker

EDUCATIONAL QUALIFICATION	NO:OF SAMPLES	PERCENTAGE (%)
SECONDARY LEVEL	4	8
HIGHER SECONDARY LEVEL	11	22
GRADUATE LEVEL	27	54
POST GRADUATE LEVEL	8	16
TOTAL	50	100

Source:primary data

Above table shows the education qualification of contract workers in Naval base. We took 50 samples. From the given column diagram we understood that majour part of the workers are

graduates that is around 54% .Next higher category is Higher secondary level that is around 22% . In Naval base there are some unskilled work is there. So there is some coolies also work there they have only secondary school education.Only 8% people come under this category. Post graduates are also rare in naval base16% of people are come under this category.

AGE DISTRIBUTION OF CONTRACT WORKERS:

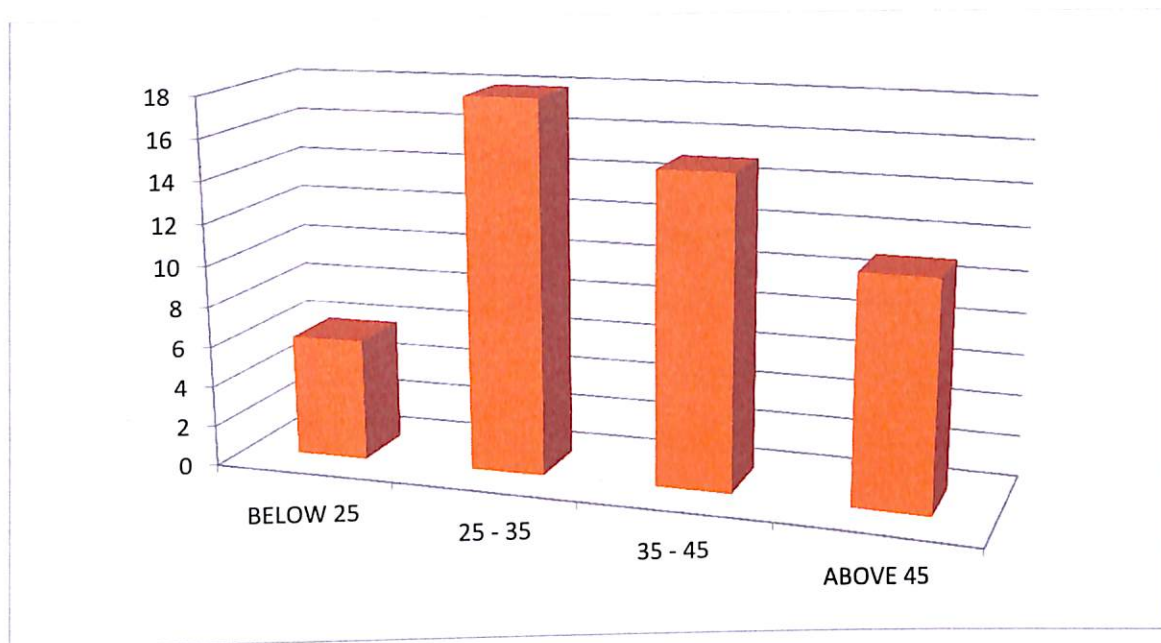
Productivity of a human being is related on the age. At the lower age group workers are physically fit and ready to work hard, but they don't have much experience. This will diminish the productivity. Vice versa at the higher ages. The output is more at the middle age groups they have physical qualities and experience at the equilibrium condition.

Table 3.2 Age distribution of contract workers

AGE GROUP	NO: OF SAMPLES	PERCENTAGE (%)
LESS THAN 25	6	12
25-35	18	36
35-45	15	30
MORE THAN 45	11	22
TOTAL	50	100

Source: primary data

Figure 3.1 Age distribution of contract workers



Source: primary data

Above diagram shows the age distribution among contract workers in naval base. In which more numbers of workers are coming under the category of age group 25- 35. Here 36% of workers are coming under this category. 30% of workers are coming under the category of 35-45 age group. 22% of workers are more than 45 years. These groups of workers are highly experienced in their field of work. These group will always have invitation from most of the organization even out of naval base so, number of these group is comparatively small. Least number of workers are coming under the category of less than 25 years. This is because of their lack of experience

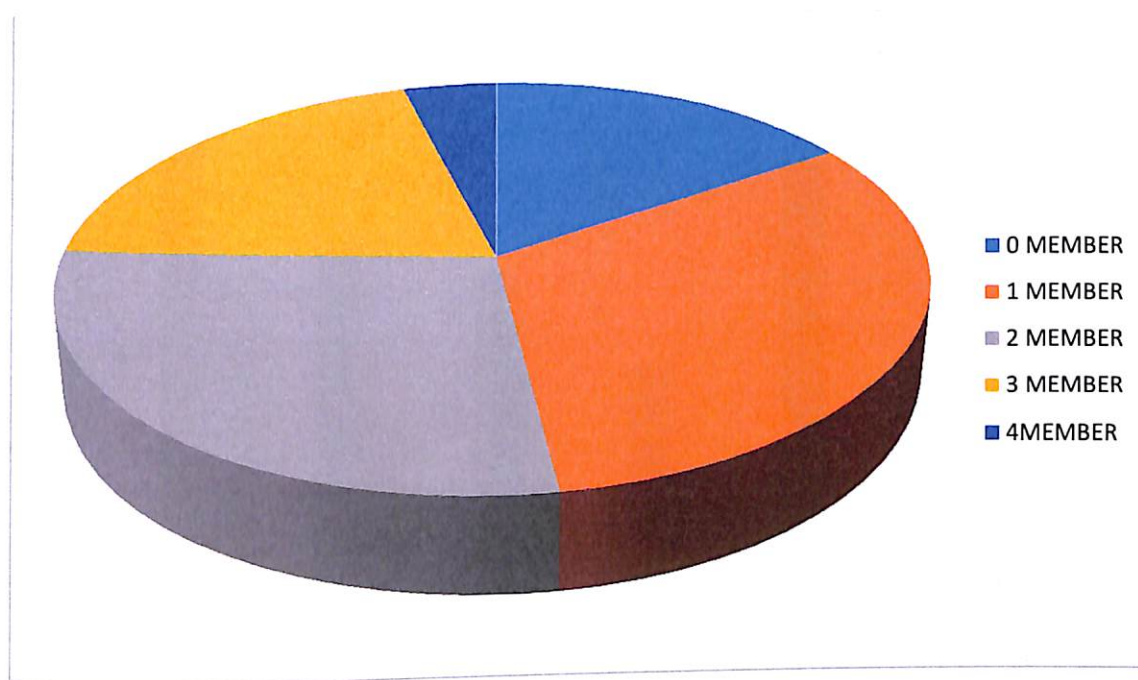
OTHER EARNING MEMBERS IN FAMILY

Table 3.3 Other earning members in family

NO. OF OTHER EARNING MEMBERS	NO : OF SAMPLES	PERCENTAGE (%)
0	8	16
1	16	32
2	14	28
3	10	20
4	2	4
TOTAL	50	100

Source: primary source

Figure 3.2 Distribution of other earning members

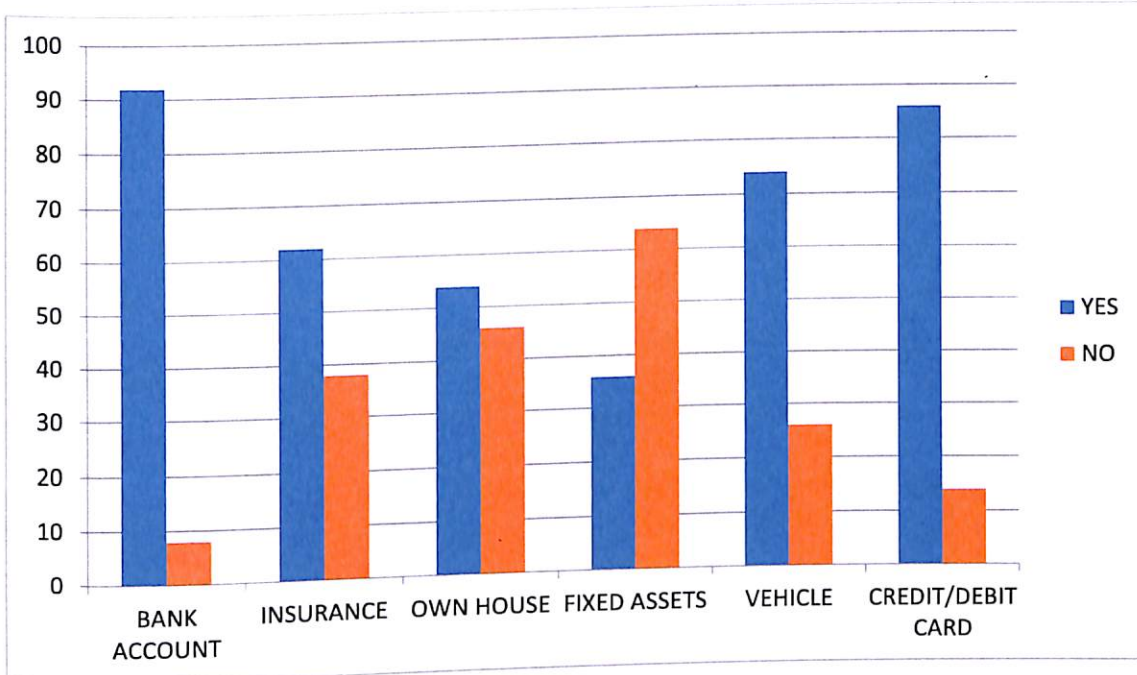


Source : primary data

Number of earning member in a family is directly relate with the socio economic background of family, More number if earning member in a family means more earnings so, it will positively influence the economic background of family. From the above figure it shows most of the family has single other earning members. 28% of family has 2 other earning members. 20% of family has 3 other earning members in a family.16% of the family has only single earning member. Only 2 family has 5 number of earning members in a family

FINANCIAL STATUS

FIGURE 3.3 Financial status



Source: primary data

Above figure shows the basic financial position of workers. Above given are the basic financial, investment aids. This shows the financial status of the workers. From the above diagram we know that 92% of workers have bank account. Insurance is saving as well as safety precaution only 62% of people have this. Own house is also a factor affecting financial status 54% of workers has this other have to pay rent for houses. People who have fixed assets like land other than own house is less only 36% has this. 74% of workers are come to work in their own vehicle. Some people who have bank account is not using the service of credit/debit card so percentage using this service is little lesser than the percentage of having bank account. 86% of workers have this facility.

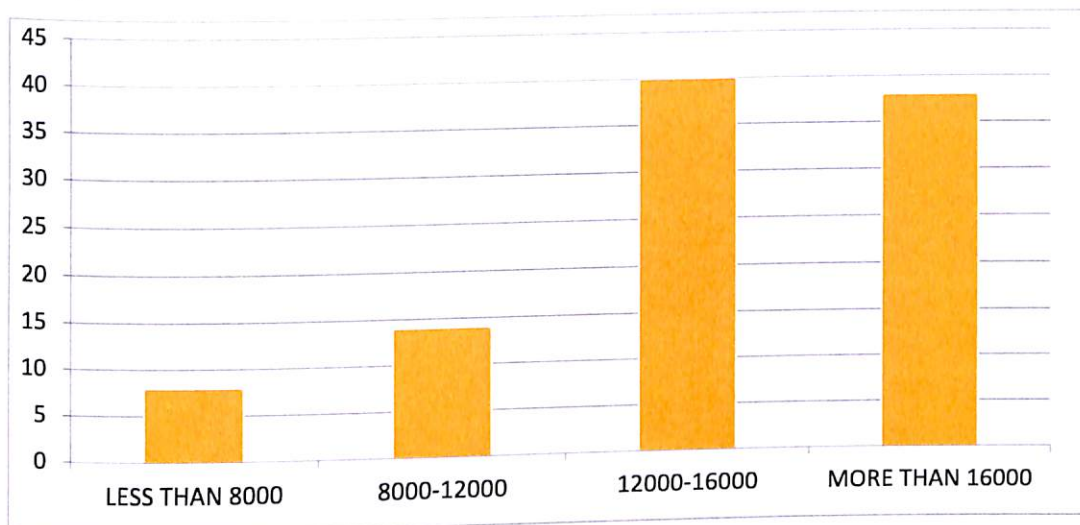
SALARY SCALE OF WORKERS

Table 3.4 Salary scale of workers

SALARY SCALE	NO: OF SAMPLES	PERCENTAGE (%)
LESS THAN Rs. 8000	4	8%
Rs. 8000-Rs. 12000	7	14%
Rs. 12000-Rs. 16000	20	40%
MORE THAN Rs. 16000	19	38%
TOTAL	50	100

Source: primary data

FIGURE 3.4 Salary scale of workers

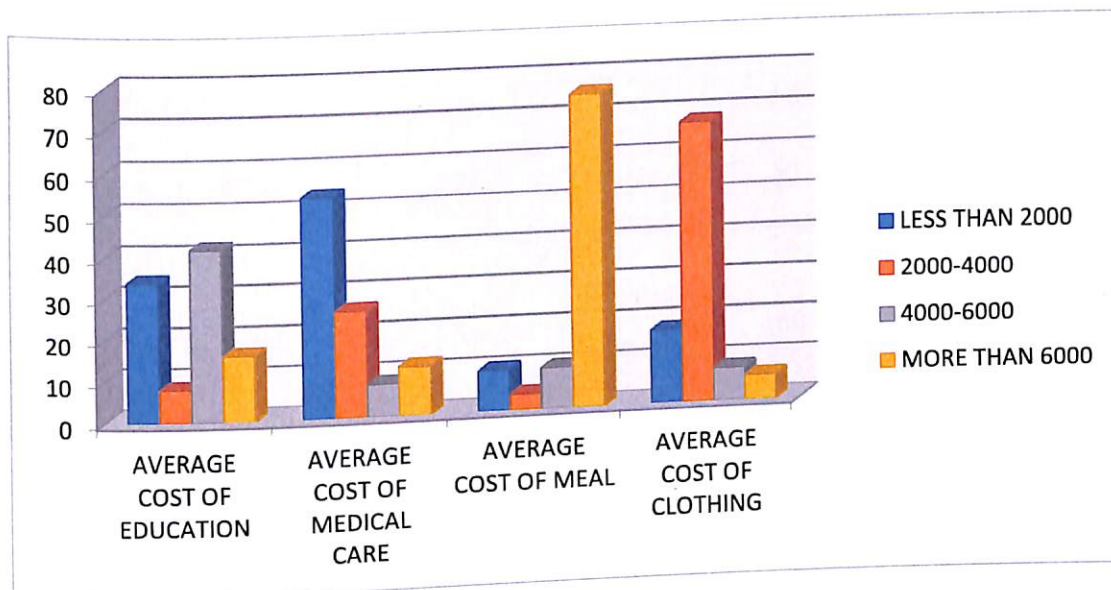


Source: primary data

From the above diagram we can understand that major group of people are getting the salary between Rs. 12000-Rs.16000 that is 40% of workers has this. 38% of workers are getting the salary of rupees more than Rs. 16000. People who get salary between Rs.8000-Rs.12000 are 14%. Only 8% of workers are getting salary less than 8000 rupees per month.

WORKERS CONSUMPTION PATTERN

Figure 3.5 Workers consumption pattern



*source:
primary
data*

We can

divide the expenditure into four major group. That are Cost of education, Cost of medical care, Cost of meal, Cost of clothing. Consumption pattern of each family is different. Distribution of amount in different categories is given in the table. In this table we analyze the consumption pattern of the entire household .For education 34% workers less than Rs.2000.42% workers spend amount ranges between 4000-6000.16%of people spend more than 6000 for the education.54% workers spend less than 2000 for medical care. Only 12%spends more than Rs 6000 for medical care. People spend more money for meals.76% worker spends more than Rs.6000 for meals.

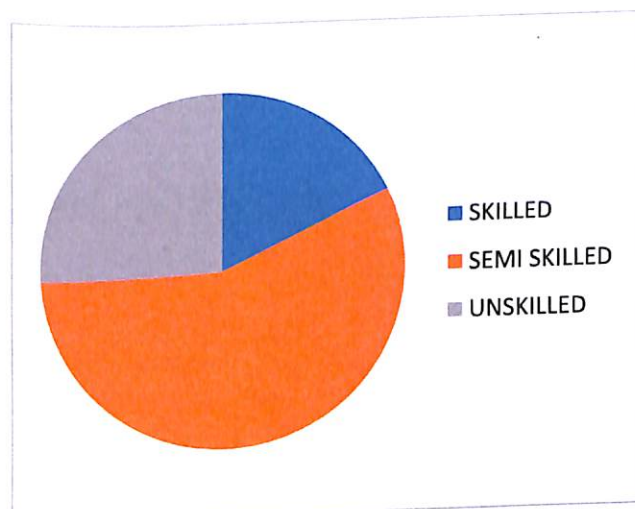
NATURE OF WORK

Table 3.5 Nature of work

CATEGORIES	NO:OF SAMPLES	PERCENTAGE (%)
SKILLED	9	18
SEMI SKILLED	28	56
UNSKILLED	13	26
TOTAL	50	100

Source: primary data

Figure 3.6 Nature of work



Source: primary data

The nature of work can be classified into 3 categories, skilled, semi-skilled and unskilled workers. The above figure and table shows the percentage of workers who are employed in these categories. From the table we can understand that the 18% of people are skilled workers, and 56% of workers comes under the semiskilled category. Remaining 26% of people are unskilled workers. Among these 3 category semi-skilled workers constitute the major part of the work force.

DURATION OF WORK

Table 3.6 Duration of work

DURATION	NO OF SAMPLE	PERCENTAGE (%)
LESS THAN 8 HOURS	6	12
8 HOURS	37	74
MORE THAN 8 HOURS	7	14
TOTAL	50	100

Source: primary data

Duration of work shows the socio economic condition of a labourer. From the 50 samples we could analyze that the about 12%of workers are working in the duration of less than 8 hours.74% of workers are works for 8 hours .remaining 14 %workers ,works for more than 8 hour

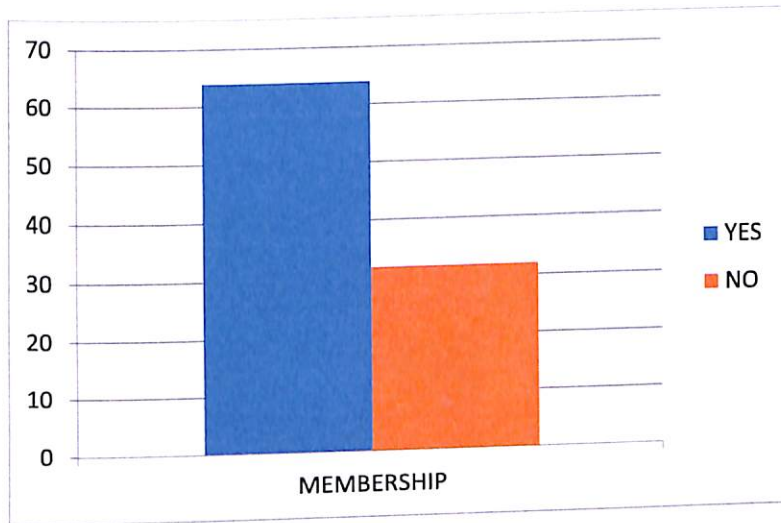
UNION MEMBERSHIP

Table 3.7 Union membership

MEMBERSHIP	NO OF SAMPLE	PERCENTAGE (%)
YES	34	64
NO	16	32
TOTAL	50	100

Source: primary data

FIGURE 3.7 Union membership



Source: primary data

The contract labourers of the public sector are depending on the support of the regular employees union in order to satisfy their needs. The table shows the % of workers who have membership in unions. 64% of workers has the union membership, while remaining 32% of workers have no any membership in the unions. Through union membership workers can avail more welfare provisions. So union membership has an important role in the life of a contract labour.

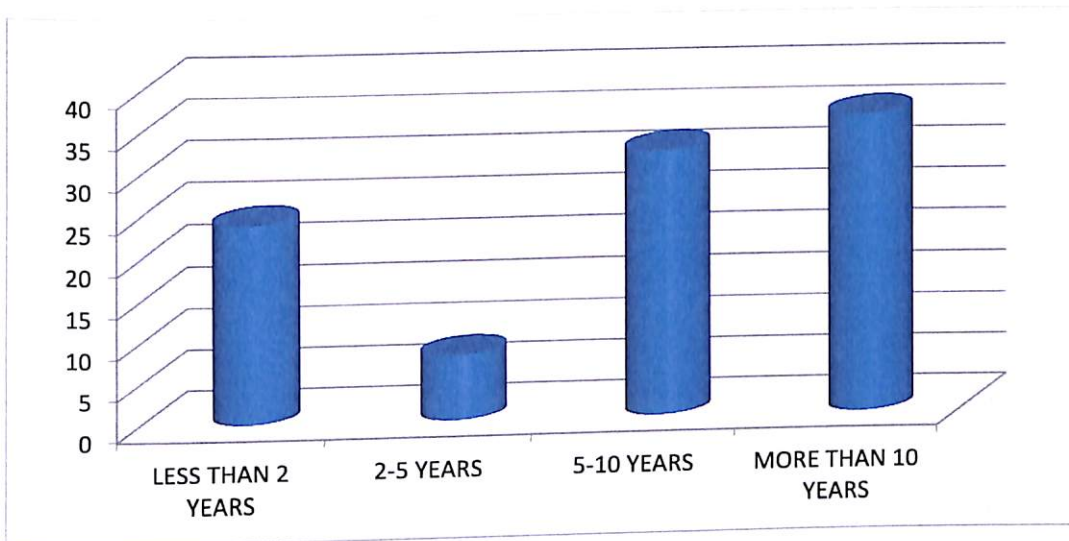
TOTAL YEARS OF EXPERIENCE

Table 3.8 Total years of experience

YEARS	NO: OF SAMPLE	PERCENTAGE (%)
LESS THAN TWO YEARS	12	24
2-5 YEARS	4	8
5-10 YEARS	16	32
MORE THAN 10 YEARS	18	36
TOTAL	50	100

Source: Primary data

Figure 3.8 Total years of experience

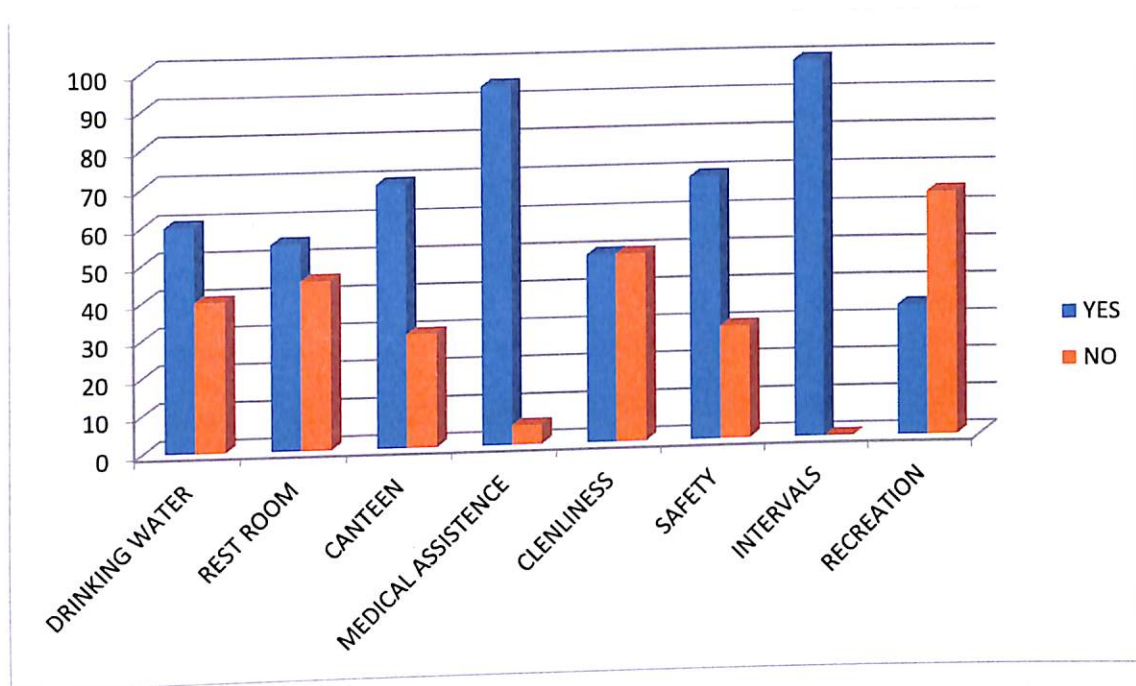


Source : primary data

The above table shows the total years of experience of contract labourers. The years can be divided into 4 categories. The first category is less than 2 years. it constitute 24%. 8% of workers are coming under the second category ,that is 2-5 years. 32% of workers are in the third category ,that is 5-10 years remaining 36% of people has the experience of more than 10 years.

COMMON AMENITIES AT WORK PLACE

Figure 3.9 Common amenities at work place



Source :primary data

The amenities of a labour determine the facilities that are available to each household. This can indicate drinking water facilities, rest rooms, canteens, medical assistance, cleanliness, safety, intervals, recreation programs etc. The availability of amenities is represented in the table.

FEELING SAFETY

Table 3.9 feeling safety

FEEL OF SAFETY	NO: OF SAMPLES	PERCENTAGE (%)
YES	35	70
NO	15	30
TOTAL	50	100

Source: primary data

There should be safety for every work .From the 50 samples, about 70% of people has the feeling of safety in their job .While the remaining 30% of people does not have. Lack of safety can cause many problems in the life of contract labourer

BAD HABITS AT WORK PLACE

Table 3.10 Bad habits at work place

BAD HABITS	NO : OF SAMPLES	PERCENTAGE (%)
SMOKING	14	28
DRINKING	4	8
PAN MASALA	6	12
NO BAD HABITS	27	52
TOTAL	50	100

Source: primary data

Figure 3.10 Bad habits at work place



source: primary data

There are various unhealthy habits, which affects the life of the people. Smoking, consuming alcohol-based drinks, using pan masala is the major bad habits. In this table we analyze the unhealthy habits of respondents. In the survey conducted it was found that there were 13 respondents or 26% of respondents were smoking, 8% of respondents drank alcohol, 12% of respondents consumed pan masala. 52% of respondents had no unhealthy habits

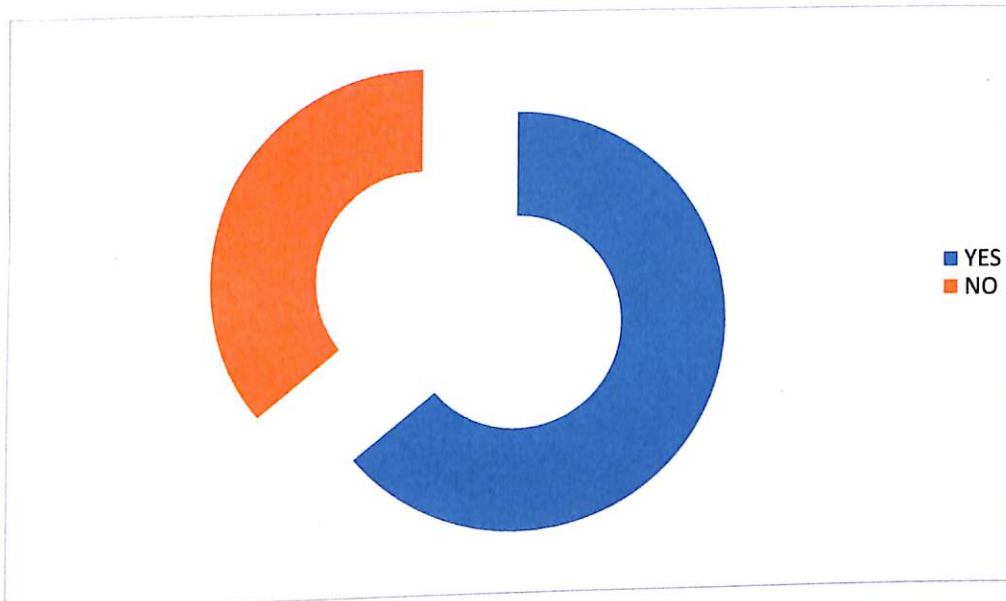
WORK SATISFACTION

Table 3.11 Work satisfaction

WORK SATISFACTION	NO. OF SAMPLES	PERCENTAGE (%)
YES	32	64
NO	18	36
TOTAL	50	100

Source: primary data

Figure 3.11 Work satisfaction



Source: primary data

Work satisfaction is an important factor, which shows the satisfaction level of the people in their work. The table and figure explain that 32 people or 64% of respondents are satisfied with their job. While remaining 36% of respondents are not satisfied with their job.

CHAPTER IV
FINDINGS, RECCOMENDATIONS
AND CONCLUSION

4.1 FINDINGS

- 1) The study of age distribution shows that more employees are coming under the category of 25-35 age groups.
- 2) More than two fifth of the contract labourers earn around 16000. Only eight percent labourers earn less than Rs8000
- 3) Nowadays unhealthy habits like use of pan masala, smoking, alcoholism are wide spread among the workers. Twenty-eight percent of workers have smoking habit; Rest of Fifty two percent of people does not have any bad habits at work place.
- 4) Total work force can be divided into 3 categories that are skilled workers, semiskilled workers and Unskilled workers. Among that Fifty-six percent of workers are semiskilled workers
- 5) Study of duration of work shows that most of the people that is Seventy-four percent of people are working for eight hours
- 6) Sixty-four percent of workers have union membership, but remaining Thirty-two percent of workers does not have membership in any union
- 7) Thirty-six percent of people have more than 10 years of experience. Eight percent of people have experience below 5 years.
- 8) The study shows that fifty-six percent of workers are graduate.
- 9) Study about the financial status shows that Ninety two percent of workers have bank account.
- 10) Sixty two percent of workers have insurance coverage.
- 11) Fifty six percent of workers are living in their own house.
- 12) From the above data we get a feeling that Thirty six percent of workers have some fixed assets other than their house.
- 13) Seventy percent of workers are travelling in their own vehicle.
- 14) More than Forty percent of people will earn salary around 12k-16k. Only Eight percent of people have less than 8k.an
- 15) From the survey we understood that workers may get amenities like Drinking water facility, rest room facility, medical assistance, Safe work environment, Intervals and Recreation programs..etc.

- 16) Ninety six percent of workers have medical assistance. All labors get regular interval.
- 17) Study of work satisfaction shows that Sixty four percent of workers are satisfied with their job, While remaining Thirty six percent are not.

4.2 RECOMMENDATIONS

After analyzing the survey certain suggestions can be made to improve the standard of living of the contract labors in naval base.

- 1) Many of the labors have only single earning member in their family. The authority should entertain certain programs or scheme to protect them.
- 2) There are certain workers who work more than Eight hours In a day. We should not entertain such activity. Authority should take care of such activity.
- 3) From the survey we understood that Thirty six percent of works have more than ten year experience. Authority should provide some extra bonus to such workers
- 4) After analyzing the survey we understood that enough safety is not providing to the workers.so the authority should provide safety environment to the all workers.
- 5) The contract labourers must be provided with proper employment opportunity in which they can work hard and earn their money. The present system of daily wage makes their incomes volatile and fluctuating and will also lead to uncertain future I times of unemployment.

4.3 CONCLUSION

The overall of study of contract labour in Naval base, cochin, especially in companies under MES (Military Engineering Service) extract the socio economic aspects and status of employment of contract labourers and the problems of the contract labourers in the work environment. Contract labour system is un avoidable in techno flexi, liberalized world. This study concludes that social security schemes different for different workers. So the authorities should ensure the social security coverage of the labourers.The coverage under the existing social security schemes like EPF and ESI should be made mandatory and the contractors should be mad responsible to ensure the coverage of the social security measures.Most of the labourers are satisfied with their working environment because of the flexibility in their work.

APPENDIX

END NOTES

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QUESTIONNAIRE:

NAME	
AGE	
GENDER	
COMPANY NAME	
EDUCATIONAL QUALIFICATION	

FAMILY DETAILS:

SL NO:	RELATION WITH THE WORKER	AGE	GENDER	EARNING MEMBER OR NOT

FINANCIAL STATUS:

- 1) DO YOU HAVE ANY BANK ACCOUNT?
 - YES
 - NO
- 2) DO YOU HAVE ANY INSURANCE?
 - YES
 - NO
- 3) ARE YOU STAYING IN YOUR OWN HOUSE?
 - YES
 - NO
- 4) DO YOU HAVE ANY FIXED ASSETS?
 - YES
 - NO
- 5) DO YOU HAVE A VEHICLE?
 - YES
 - NO
- 6) DO YOU HAVE DEBIT/CREDIT CARD?
 - YES
 - NO

CONSUMPTION PATTERN:

- 7) WHAT IS THE AVERAGE COST OF EDUCATION?
 - LESS THAN 2000
 - 2000-4000
 - 4000-6000
 - MORE THAN 6000
- 8) WHAT IS THE AVERAGE COST OF MEDICAL CARE?
 - LESS THAN 2000
 - 2000-4000
 - 4000-6000
 - MORE THAN 6000
- 9) WHAT IS THE AVERAGE COST OF MEAL?
 - LESS THAN 2000
 - 2000-4000
 - 4000-6000
 - MORE THAN 6000

10) WHAT IS THE AVERAGE COST OF CLOTHING?

- LESS THAN 2000
- 2000-4000
- 4000-6000
- MORE THAN 6000

NATURE OF WORK AND JOB SATISFACTION:

11) NATURE OF WORK?

- SKILLED
- SEMI SKILLED
- UNSKILLED

12) DURATION OF WORK?

- 8 HOURS
- MORE THAN 8 HOURS
- LES THAN 8 HOURS

13) DO YOU HAVE ANY UNION MEMBERSHIP?

- YES
- NO

14) TOTAL YEARS OF EXPERIENCE?

- LESS THAN 2 YEARS
- 2-5 YEARS
- 5-10 YEARS
- MORE THAN 10 YEARS

15) DO YOU GET ANY LEAVE BENEFIT?

- YES
- NO

16) MODE OF PAYMENT?

- DAILY
- WEEKLY
- MONTHLY

17) HAZARDOUS WORKING ENVIRONMENT?

- HIGHLY HAZARDOUS
- MEDIUM HAZARDOUS
- NOT HAZARDOUS

COMMON AMENITIES AT THE WORK PLACE:

18) IS THERE ANY DRINKING WATER FACILITY AT YOUR WORK PLACE?

- YES
- NO

19) IS THERE A REST ROOM FACILITY AT YOUR WORKING PLACE?

YES

NO

20) IS THERE CANTEEN FACILITY AT YOUR WORKING PLACE?

YES

NO

21) IS THERE ANY URGENT MEDICAL ASSISTENCE AT YOUR WORK PLACE?

YES

NO

22) CLEAN WORK SPACE?

YES

NO

23) IS THERE ANY SAFETY APPILENCES AT YOUR WORK SPACE?

YES

NO

24) DO YOU GET INTERVALS AT YOUR WORKING TIME?

YES

NO

25) DO YOU HAVE ANY RECREATION PROGRAMMES OR ANY ANNUAL TOUR PROGRAMMES

YES

NO

MORALITY AND INTERPERSONAL RELATIONSHIP:

26) WHETHER THE WORKERS FEEL SAFE AND SECURE AT WORK PLACE?

YES

NO

27) WHETHER FACED ANY DISCREMINATION BY OTHER WORKERS OR OFFICERS?

YES

NO

28) UNHEALTHY HABBITS OBSERVED?

SMOKING

ALCOHOL

PAN MASALA

29) ARE YOU SATISFIED WITH YOUR PRESENT WORK?

YES

NO