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WORKING CONDITION OF URBAN INFORMAL SECTOR WORKERS IN KERALA

Economics

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ABSTRACT

This study is an attempt to trace the working condition of the urban informal sector workers in Kerala. It has been divided into four sections. The first section describes the growth of informal sector employment in Kerala. Secondly analyses the working condition of the urban informal sector workers in Kerala, includes the income status, educational level , working hours, years of experience and social security coverage. The third section analyses the significant factors associated with the informal sector by using multiple regression analysis, and in the last section, it results in the major findings of the analysis.

KEYWORDS

Informal Sector, Economic status, Income, Education, Hours of work,Years of Experience and Social security Schemes.

1. INTRODUCTION

In Kerala, the Informal sector workers are showing an increasing trend (Thomas 2004). Urbanisation is one of the most significant factors that cause the growth of the informal sector in Kerala. In Kerala, the process of urbanisation has been essentially the process of cityward migration (Retnaraj, 1994). Urbanisation and Urban Informal sector are closely related. The Informal Sector provides considerable jobs and income generation, especially in the urban area. The urban informal sector makes a significant contribution to development by offering many incomes earning opportunities to the labour forces. The present study purports to deal with the urban informal sector workers their working condition of the selected activities in Kerala.

The present study was taken from the two districts in Kerala namely Ernakulam and Kozhikode. The concentration of the informal workers in the two districts is higher than that of the other districts in Kerala; they are engaging the important leading activities are in manufacturing, construction and trade. The activity or industry groups are selected by the highest proportion of informal sector workers engaged in each industry group. The NSSO unit level data (2011-2012) shows that this proportion of informal workers are higher in manufacturing, Construction and trade. The criteria followed for selecting the samples from these districts are taken on the basis of the a) Urban growth regarding degree of urbanisation (Census Reports 1971 to 2011), b) The proportion of the informal sector workers engaged in the three main economic activities such as manufacturing, construction and trade , NSSO 68th Round (2011-2012 latest Unit Record Data).

2. REVIEW OF LITERATURE

In recent years there has been much conceptual and practical discussion concerning the status of the informal sector and its role in the development of third world countries (Aman, 1990). The origins of the informal sectors are traced to the twin problems of rapid urbanisation as a consequence of rural to urban migration and low rates of employment expansion in the modern sector to provide jobs for the fast-growing urban labour force. The informal sector not only serves the important function of absorbing surplus labour unable to find jobs in the modern organised sector, but it is also the training ground for workers in the informal economy (Shahnaz, 1987). Various classifications have been used to analyse the urban economies such as organised, unorganised, modern, traditional capitalism and subsistence, large and small, more recently it was called formal and informal (Papola, 1981). He notes that the degree of exploitation of workers is certainly higher in the informal sector than in the formal sector. The phenomenon goes against the hypothesis that the informal sector with its free entry condition and absorptive character tend to include most of the new entrants, local, as well as migrants in the urban labour market (Kashyap S. P, 1987).

Hagen and Smith (1983) examine the migrant's adaptation to the urban labour market and their income-earning opportunities in the two types of Philippines cities, the primary city of Manila and the secondary cities. This study used the formal and informal sector conception as a primary tool for analysing and how the different categories of migration absorbed into which type of urban occupation and how their earnings in their city were influenced by their positions in the dualistic structure of the urban labour market. The great popularity of two-country, two commodity models in international trade theory, provides a positive example of an economic dualism. Boeke (1953) introduces the concept of the dual economy. Boeke's concept of dual economy has not received much attention from economists at the time except for a detailed critique published by Higgins (1956). Since Lewis (1954) have concentrated on an economic dualism, based on economic criteria such as differences in methods of production and used the concept in the analysis of the labour market. This approach culminated in modes of migration and such as those developed in Harris Todaro,(1970). Ranis, G., and Frances, S. (1999) highlighted the urban informal sector in developing countries was often described as allowing productive backwater sponge is absorbing those who cannot find productive employment in formal urban activities. He divides the sector into two parts, modernising dynamic component and a traditional stagnant one.

Fang et al. (2013) their analysis shows that the overall quality of jobs in the urban labour market is quite low, and also found that there is a significant gap in the employment quantity between the migrant and urban local workers. There is a significant gap in the returns to education for formal workers as compared to informal workers, especially between those working in the formal and informal sector. Consequently, both formal and informal sector workers, are characterised by labour market segmentation (Park and Xiaobo Qu, 2013). Informal sector activities are commonly divided into agriculture, construction, manufacturing, trade and commerce, etc.

Poverty is another significant factor affecting the urban wage earners. It is ever present in the world and that the informal sector provides opportunities for improving real income for the category of workers as well as jobless (Hart, 1973). Breman (2011) pointed out that informal sector becomes identified as a waiting room for small peasants and land fewer labourers, pushed out of agriculture who left the countryside in search of work and income of urban localities. The informal sector offers a pool of cheap surplus labour that can be tapped for irregular employment. As a result, the informal sector and non-regular workers tend to earn less than the formal sector workers thus increasing further the inequality between the formal and informal sector workers (Sibal, 2007). The urban informal sector played a significant role in the employment promotion and poverty alleviation in developing countries. Cherunilam (1981) observes that the ease of entry and exit is an important characteristic of the informal sector. Arif Muhammad et al. (1998) pointed out that the concept of the informal sector had become popular in 1972. Since it is the well-known study of ILO in Kenya.

Employment distribution of male and female informal sector workers have also undergone a substantial change more over gender discrimination in wage is a general phenomenon in the informal economy (Sen, 2014). The entire Indian economy is divided between formal that is protected and less vulnerable segment and an informal that is unprotected and more vulnerable one (Iyer, 2014).

In the path of liberalisation of the Indian economy, the informal sector continues to account for a significant and growing segment of the labour market (Singhari, 2014). There has been a new enthusiasm for the informal economy regarding production, employment and income level. Faster and comprehensive growth of the informal sector needs special attention to the Indian economy (Shakeel Ahmed and Talha Ahmad, 2017). The informal sector is growing in size in several developing countries.

2.1 Urban Informal Sector in India

In India, there has been a bunch of theoretical and empirical work investigating the dynamics of the urban informal sector. Informal sector units and informal sector workers are predominant almost in all the urban and semi-urban areas. By employment conditions, activities in the economy are classified as formal and informal (Chaterjee, 2014). Informal employment is severe in India and accounts for (83.6 per cent) of non-agricultural employment. In the public sector one-third of the all workers are in informal (Kolli and Sinhary, 2011). During the last two decades, the percentage of workers in the informal sector in India has remained stable it was (92.6 per cent) in 1999-2000, (93.4 per cent) in 2004-2005, (92.4 per cent) in 2011-2012, Institute of Human Development (IHD),(2014). The continued existence of huge unorganised sector characterised by flexible labour practices and unstable employment are the important features of a developing economy (Nair, 2014). The informal sector suggests that in an economy has dualism in labour market arises in the formal and informal market there can be important overflow effects of one market on the other (Sinha,2014).

Employment growth in India has remained limited to the informal economy as the share of employment in the formal economy is continuously declining. The process of informalisation is happening in two ways. Firstly through the shrinking size of the formal sector. (decreasing from 8.8 per cent in 1999-2000, 7.7 per cent in 2011-2012) and secondly, the share of formal employment is declined within the formal sector (declined from 62.2 per cent in 1999-2000 to 45.5 per cent in 2011-2012).

The informal economy has remained more dynamic regarding output, employment and earnings. (National Statistical Commission, Government of India, 2012). A large amount of literature is highlighting the issue. The literature highlight that the word "poor" as a synonym for informal labour, Jha and Singh, (2014). The inability of the organised sector to absorb the growing labour force has led to the expansion of the unorganised sector. The unskilled migrant workers from the rural areas are largely getting into the informal employment in the urban informal sector. The non-agricultural enterprises constitute nearly 92 to 94 per cent of the urban informal sector (Aparna and Rao, 2014). The informal sector is facing financial constraints, so they offer very low wages to their employees (Jha and Singh, 2014).

The workers are classified by employment status of workers, type of enterprises, the number of workers, type of job contract and finally coverage of social security benefits (Sakthivel and Joddar, 2006), (Pustagi, 2015).

The workers are engaging various kinds of construction activities like road, public and private buildings, apartment, shopping complexes, bridges and culverts, and public works, etc. (Pattanaik,2012). But the service sector is growing fastly. Most of the studies show that the majority of the workers are coming now under the service sector (Hariaharan and Tamizharasan, 2014 : Samal 1985). There is no regularity or security of informal workers and should provide pension facilities, par with informal to the formal sector (Sudheer, 2015).

The informal sector workers engaged in a variety of activities like agriculture, home-based activities, micro-entrepreneurs, workers transportation, casual activities and domestic works, garment making, metal work, electronic assembly and repair, artificial flower making, jewellery making, motor vehicle repaired, etc (Romijin, 1993) and (Nirathron,2014). Women are the most vulnerable sections of unorganised labourers. The nature of work done by rural women is domestic work, unpaid family work, rearing small ruminants petty traders, construction workers (Subramanyam, 2003). The ILO enterprise definition is useful for policies to upgrade the informal enterprises, and to understand the causes of low productivity in the sector, and the impact of backwards and forward linkages of firms on the growth of informal enterprises. While the worker definition is useful for policies on labour regulation and social protection (Naik and Unni, 2013).

The high intensity of vulnerability present in the urban labour market is partly explained by the increasing informalisation taking place in the labour market (Naik and Unni, 2013). Individuals without any general and technical education have a greater possibility of entering the informal sector, as education increases, this probability decreases, in all states, irrespective of their development level (Bairagya I, 2012). Returns to education differ for workers engaged in various segments of the labour market both formal and informal sector. This segregation and marginalisation affect the workers capacity to bargain the labour market (Sarkar and Unni, 2013).

Kanbur (2014) argued that informality is coupled with low income and high poverty. His discretion of informality causes poverty, and in turn, poverty leads to informality. Migration is another factor for entering of informality. Migrants attracted to the city by informal sector opportunities, labour market segmentation is not a constraint on the achievement of their objectives, formed at the time of migration (Banergy, 1983). Informal sector uses labour-intensive technology, and thus high labour intensity of production is the main reason for the huge employment generation and thereby increasing labour income (Bairagya, 2010).

2.2 Urban Informal Sector in Kerala

The fast expansion of urban population results worsening of the employment situation, increasing poverty and urban settings constitutes a most important growth challenge of planners and urban establishment in developing countries (Tittus, 2000). The growth of the urban population had exceeded the employment expansion in the modern sector, the structural excess of labour resultant from the discrepancy has led to the emergence and rapid increase of the Urban Informal Sector.

Kerala is the most literate state in India with 93.91 per cent, 96.02 males and 91.98 females (Census of India, 2011), but one of the major problems that exist in Kerala is unemployment that is 7.4 per cent (Economic Review, 2014). The unemployment issue emerges as the foremost political issue in Kerala. Lack of adequate, regular, remunerative, modern work opportunities and chronic unemployment of the certain categories of the labour force are the two basic socio-economic problems faced by Kerala since its formation. A fundamental absence of the development process has been its failure to generate sufficiently, and remunerative employment in the organised sector to meet the rapid growth of educated unemployed (Prakash and Abraham, 2004).

One of the typical features of employment in Kerala is it's informal, which is heterogeneous (Thomas, 2004). Self-employed and casual workers constitute the foremost class of the informal sector in Kerala (NSSO 68th round). Kerala is considered as an industrially backwards state, the growth of the State Domestic Product (SDP) and the sectoral performance in agriculture and manufacturing has been either on the decline or stagnant. The informal sector employment is leading in the tertiary sector (Patric, 2012). The service sector growth has been showing 72.3 per cent, in National State Domestic Product (NSDP, 2013-2014). The relative share of primary and secondary sectors slightly came down, and the general expansion of informal employment has taken place only in the tertiary sector. The most remarkable fact is the only sector which showed some dynamism was in the case of the tertiary sector. This covered the way for the development of the informal sector, particularly the service sector as a survival strategy for the poor.

From the available information, it is understood that a falling proportion of agricultural growth resulted in fewer opportunities in that sector and large-scale movement lead to the concentration of workforce in the urban area for their livelihood. They usually confined to the unorganised and unregistered activities. The present study concentrates on the Informal Employment in the Urban Informal Sector.

3. Objective

- To examine the growth of informal sector employment in Kerala
- To analyse the working condition of urban informal sector workers in Kerala

4. Hypothesis

There is a significant relationship between income and related variables of the urban informal sector workers in Kerala. It depends upon the factors like working hours, education, years of experience and activity status of the workers. So better the education level and experience of the urban informal sector workers, higher will be their earning capacity**.**

5. Data Sources and Methods Used

For a disaggregated analysis, the study relied on NSSO data from 2004-2005 onwards. The reason is that only in that period the National Commission for Enterprises in the Unorganised Sector (NCEUS-2007) Report was presented and formed a clear-cut definition of the concept of the informal sector and informal worker. The primary data was collected from 312 informal sector workers in Kerala belonging to the two districts in the state such as Ernakulam and Kozhikode based on the Census Definition of 2011(degree of urbanisation) and proportion of informal sector employment in Kerala. A stratified multistage sampling Design has been adopted for the primary data collection. Kochi was selected as it has the higher proportion of urban population (68.07 in 2011) and urban informal sector workers 15.20 per cent,and also from the northern part of Kerala, Calicut was selected, as it is has the second highest percent of urban population (67.15 per cent) in 2011 census and (14.9 per cent) urban informal workers.

6. Informal sector employment in Kerala

This section mainly focuses on the informal sector employment in Kerala from 2004-2005 and 2011-2012 periods NSSO data. The total proportion of informal sector workers is on the increase. It must be because of the growth of urbanisation and thereby urban informalisation. So it is understood from the table that informal sector workers proportion is significantly higher in the rural area than in urban area.

TABLE 1: Distribution of informal sector and worker in Kerala by sector (In Percent)

Sector	Informal sector		Informal worker	
	2004-2005	2011-2012	2004-2005	2011-2012
Rural	57.2	59.7	77.7	80.1
Urban	61.8	65.9	75.4	78.9
Total	58.2	61.3	77.2	79.8

Source: Author's calculation from 61st (2004-2005) and 68th (2011-2012) Rounds of Employment and Unemployment Survey, National Sample Survey Organization (NSSO).

From table 1, it is observed that a comparison is made between the informal sector and informal workers. The total proportion of the informal sector and the worker's increases in both the rounds. The total proportion of the informal sector is 58.2 per cent in 2004-2005, and it increased to 61.3 per cent in 2011-2012. The informal worker's proportion increased to 77.2 per cent in 2004-2005, and 79.8 per cent in 2011-2012. So it is obvious from the table that the informal sector and worker proportion are continuously increasing in Kerala.

TABLE 2: Sector-wise classification of Economic Activities by the Informal Sector and Informal Employment in Kerala

Economic activity	The informal sector in Kerala				Informal Worker in Kerala			
	(2004-2005)		(2011-2012)		(2004-2005)		(2011-2012)	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
Agriculture	30.5	9.0	22.9	7.4	39.6	14.5	22.1	6.3
Mining	1.3	0.4	0.9	0.0	2.1	0.8	1.0	0.3
Manufacturing	16.6	17.7	14.7	17.9	15.1	17.6	14.6	17.8
Electricity, Gas and Water Supply	-	0.1	0.0	0.2	-	0.3	0.3	0.2
Construction	14.2	15.8	21.2	18.8	16.0	18.1	23.1	17.6
Trade	15.9	27.8	15.2	26.7	10.9	23.3	13.1	23.2
Hotels and Restaurants	3.7	5.3	3.7	3.8	2.6	3.9	3.0	4.4
Transportation and storage	10.6	12.1	12.4	10.5	8.5	10.9	10.2	9.7
Banking, Finance and insurance	0.6	1.5	1.4	3.4	0.4	0.9	1.6	3.3
Real estate Rending and Business	1.9	2.9	1.6	4.8	1.1	2.3	1.6	4.3
Public administration and defense	-	-	-	-	-	100	-	-
Education	1.4	2.9	1.1	1.3	0.7	1.7	0.5	0.4
Health and social work	0.8	0.9	1.7	1.5	0.4	0.4	2.3	2.7
Other Community ,social and personal services	2.3	3.6	1.7	3.8	1.5	3.3	2.7	2.9
Private households and extraterritorial organizations	0.2	0.1	-	.1.1	1.1	2.1	1.1	2.9
Total	100	100	100	100	100	100	100	100

Source: Author's calculation from 61st (2004-2005) and 68th (2011-2012) Rounds of Employment and Unemployment Survey, National Sample Survey Organization (NSSO).

The table 2 presents the distribution of employment by rural and urban area based on the analysis between 2004-05 to 2011-12 shows that the manufacturing, construction and trade are the leading activities in Kerala both increase in the informal sector and informal employment. One of the notable features of the Kerala economy is that the share of agricultural contribution should be decreased, these proportions as much as same as in the case of the informal sector also. The proportion of informal sector workers in the agricultural sector, decreases, 30.5 percentage to 22.9 percentage (2004-2012). In Kerala, the informalisation of the formal sector is happening very fast. The reason is that the large numbers of unorganised labourers are coming under the unregistered and unrecognised activities under non-agricultural activities.

TABLE 3. Category of Workers in the Informal Sector in Kerala

Economic Activities	Sub-Categories	Rural (per cent)	Urban (per cent)	Total
Manufacturing	Manufacture of food products	1.8	2.8	2.1
Construction	Construction of buildings	14.0	11.3	13.2
Trade	Retail trade	10.9	21.8	14.0

Source: Author's calculation from 61st (2004-2005) and 68th (2011-2012) Rounds of Employment and Unemployment Survey, National Sample Survey Organization (NSSO).

From table 3, it is clear that the three economic activities are viz manufacturing, construction and trade were selected for the survey. In the manufacturing sector manufacturing of Food Products were taken, it consists of manufacturing of other bakery products including the manufacture of biscuits, cakes, pastries, rusks and manufacture of other bakery products. The construction sector includes the Construction of Buildings Carried out Own Account Basis/On a Fee/Contract Basis. The third activity is a trade, it consists of retail trade, except motor vehicles and motorcycles are the leading once. They are the retail sale of food, beverages and tobacco in specialised stores and retail trade of cereals and pulses, tea, coffee, spices .and flour and, retail sale of fresh/preserved fruits and vegetables (NSSO 68th Round (2011-12)-NIC Classification 2008). By this classification, we have selected the three major activities in Kerala for the detailed investigation.

7: Working Condition

This section deals with the working condition of the sampled respondents. This paper focuses on the variables like employment status, education, monthly income, working hours, years of experience and social security coverage.

a) Employment Status

The economic status of the workers are classified into four levels. They are self-employed workers, regular wage or salary earnings, casual labourers and contract labourers (NSSO 2012).

TABLE 4: Employment Status of the workers (in per cent)

Employment Status	Manufacturing	Construction	Trade	Total
Self Employed	11.9	-	88.1	100
Casual Labour	8.2	52.2	39.7	100
Contract Labour	-	100	-	100
Total	9.3	34	56.7	100

Source: Primary Survey

From table 4, it was observed during the time of survey that most of the labours as working as self-employed workers are higher in trade activities. Among the total respondents, Casual labourers are higher in each activity. Contractors are mainly occurring in construction activities only. Self-employed workers are existed both under trading and manufacturing.

b) Educational Status

Education was considered a very important attribute and as an asset for an individual to achieve productively, and gainful employment in the present era (NCEUS,2007). It is an important social indicator assessing human development since it plays a critical role in improving the socio-economic condition of society (Raj, K. 2012). Koo and Smith (1983) pointed out that education has the most important influence on the income of the workers.

Table 5: Educational Status of the Sample Respondents

Educational Details				
General Education	Manufacturing	Construction	Trade	Total
Not literate	-	80.0	20.0	100
Primary	20.0	30.0	50.0	100
Middle	2.6	61.5	35.9	100
Secondary	9.6	36.2	54.2	100
Higher Secondary	12.5	15.0	72.5	100
Graduation and Above	6.5	6.5	87.1	100
Total	9.3	34.0	56.7	100

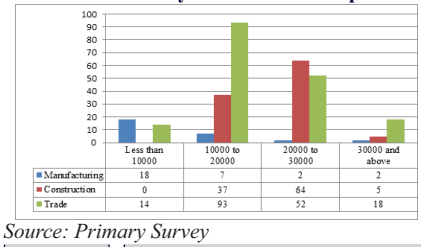
Source: Primary Survey

From table 5 indicates that the heads are the leading earning members of their family. It exhibits that most of the workers are attain the secondary level education 54.2 per cent in trade, 36.2 per cent in construction, 9.6 per cent in manufacturing. Higher secondary earners are only 40 respondents. No respondents as found of having higher qualification up to post-graduation and above level. One of the notable findings is that the education level is highest in self-employed workers in the manufacturers and traders, remaining proportion of workers are not taken up to the level of higher secondary. But their son is attaining the education above graduation and post graduation level. But the only small proportion of them is ready to do their fathers occupation (hereditary). They wish to do white collar jobs only. Another notable point is the variation in individuals earnings is well explained by schooling and work experience (Abid and Abbas, 1991).

c) Monthly Income

Income is an inevitable factor for any person and any economic activity. For a worker/employee, the family income is the basic thing for which he/she lives and faces necessities. Monthly income and economic activity of the workers are closely related. Classification of informal sector workers by monthly income generation per worker indicates that majority of the workers have low income earners. Only limited numbers of them have a high income earning capacity.

FIGURE 1: Monthly Income of the Respondents



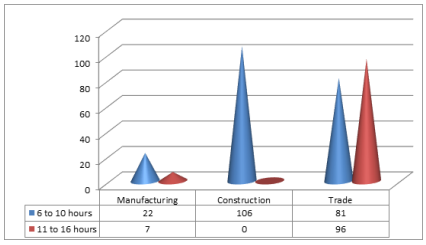
Source: Primary Survey

From figure 1, the monthly income can be classified into less than 10000, 10000 to 20000, 20000 to 30000, and 30000 and above. It is found that the maximum numbers of workers have their family income between, 10000-20000 per month. Only 118 respondents of the sample get income between 20000 to 30000 and 32 respondents earning less than10000 as monthly income. While those having an income generation capacity of 30000 and above is only (8 per cent) respectively. Only a small per cent of informal sector workers has a monthly income generation capacity ranging from 30000 and above. Only less per cent of the employees get less than 10000 and above 30000. It reveals that the incomes of the employees are not much satisfied as to meet the day to day expenses.

d) Working hours

For earning, informal workers have to work continuously for hours and hours; they do not bother heat, rain, cold, winter and other unpleasant weather conditions just to earn few more bucks needed for survival. This aspect was highlighted by NCEUS (2007) underlined that the informal workers often strive to make a meagre by self-exploitation through lengthening the working day. For this reason, a majority (67 per cent) of the informal sector workers work for on average, 6 to 10 hours daily. In the sample (33 per cent) worked for 11 to 16 hours in a day. This shows that these people work for more than the statutory provisions related to work hours as given in the Factories Act 1948.

FIGURE 2. Working Hours and Activity Group



Source: Primary Survey

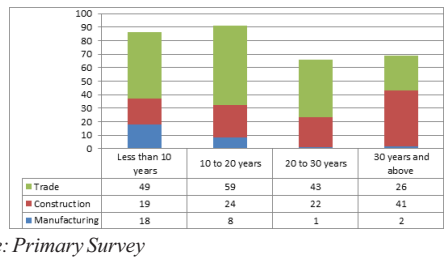
From the Figure 2 indicates that the hours of work is an important factor that influences the informal sector workers in Kerala. Out of the total informal workers, the majority of the workers are coming under 6 to 9 working hours. This proportion is highest in construction and manufacturing. But the working hour's increases to 11 to 16, of the workers, are still working this time also, which is higher in traders that are 96 respondents and the remaining seven respondents in manufacturing. The traders are working long hours compared to other to activities. The reason is that the majority of the workers in trade are self-employed, so they have the freedom to earn to more and spend more time in their work.

On the other hand, among the total worker's majority of the workers have engaged non-seasonal work, both seasonal and non-seasonal 19.9 per cent and seasonal only 15.1 per cent respectively. Construction workers are shown the highest proportion of non-seasonal workers then trades, but manufacturing activities are mostly seasonal one. The descriptive statistics show that the mean hours of work is highest in trade, then manufacturing and finally construction activities.

d) Years of Experience

Experience is the best known of any small economic activity of a person. If experience increases, our knowledge increases, skill will develop and did work as easily as possible. The working experience can be classified into less than ten years, 10 to 20 years, 20 to 30 years, and 30 years and above.

FIGURE 2: Years of Experience and economic activity of the respondents



Source: Primary Survey

From figure 2, years of experience at work shows that the majority of the workers have 10-20 years of working experience than less than ten years of experience respectively. The result shows that the informal sector workers have a longer year of working experience in construction, then trade and manufacturing. One of the important facts is that when years of experience and risk level is inversely related. When the years of experience increases, the risks of the workers continuously declining.

Multiple Regressions

Linear multiple regression refers to the statistical technique of modelling relationship between the variables. One important objective of regression analysis is to arrive at a mathematical relationship which can be used to predict the values of one variable based on the values of the remaining variables, called the independent variables. It shows one dependent variable related to two or more independent variables. Multiple regression help to know the relative importance of some independent variables (Explanatory) variables when they are used to predict dependent variables. To know its influence, multiple regression model were estimated for the Monthly income and the state using a model.

The following multiple regression model emerges on the basis of the table 3.

$$Y = \infty + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where,
Y= (Dependent Variable) Monthly Income
(1-Less than15000,
2-Above 15000)

α = Constant term
$\beta_1, \beta_2 \ldots \beta_4$ = Regression Coefficients

X_1 = Economic Activity
(1-Manufacturing,
2-Construction,
3-Trade)

X_2 = Education
(1-Primary education,
2-Secondary education,
3-Higher secondary education,
4-Graduation and above)

X_3 = Hours of work
(1-6-10 hours,
11 to 16 hours)

X_4 = Years of Experience
(1-Less than 10 years,
2-10 to 20 years,
20 to 30 years,
30 years and above)

ε =Error term

TABLE 6: Multiple Regression analysis on Income and Related variables

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.282[a]	.079	.067	.445

a. Predictors: (Constant), Years of Experience, Activity, General Education, Hours of Work

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.244	4	1.311	6.617	.000[b]
	Residual	60.830	307	.198		
	Total	66.074	311			

a. Dependent Variable: Monthly Income
b. Predictors: (Constant), Years of Experience, Activity, General Education, Hours of Work

Coefficients						
Model	Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.354	.149		9.087	.000
	Activity	.008	.042	.011	.181	.856
	General Education	.079	.034	.132	2.307	.022
	Hours of Work	-.041	.060	-.042	-.676	.500
	Years of Experience	.102	.023	.244	4.457	.000

a. Dependent Variable: Monthly Income

In this model, the value of R^2 is .079, which means that about 79 per cent variations in the dependent variable influences activity, general education, hours of work and years of experience. Here the P- value was less than the 0.05 then the group of independent variables like economic activity, education, hours of work and year of experiences has shown a statistically significant relationship with the dependent variable.

The regression equation is :

$Y = 1.35 + .008\,X_1 + .079\,X_2 + -.041X_3 + .10\,X_4$

Adjusted R^2 =.067
N= 312

Thus the Null hypothesis H1 which states that there is a significant relationship between the monthly income and years of experience. Moreover the adjusted R2 .067 this indicates that the 67 pper centof the variations in income is explained by the independent variables. This makes the model a good fit. But hours of work and monthly incomes are showing a negative relation. Here there is a positive relationship between income and general education of the workers. Moreover, the standardised coefficient of years of experience (.24) is higher than that of economic activity, education and hours of work. This signifies that years of experience has a higher influence on income than other variables. Thus the H0 is accepted. The result shows that the education and years of experience increases, the monthly income also increases. It can be concluded from the above discussion that there is a difference in the dimensions of the urban informal sector workers their income influence mostly on the four variables like economic activity, hours of work, education, and years of experience. The years of experience has more influence on the income of the informal sector workers.

e) Social Security Coverage or Welfare Programmes

The trade unions act as a pressure group for the Government and local administration for provisioning various welfare measures for improving the quality of life of the working class. The union also acts as a platform for grievance handling and addressing the day to day problems within and outside the families of the workers particularly in the formal sector (Gurnam, 2012). On the contrary, the unionisation among the workers in the informal sector is very less that is why these workers do not have any bargaining power and continue to be exploited. The facts that, an active trade union can acts as a pressure group for the state and help to improve living and working conditions. For securing better conditions for their member's trade unions can help to tackle poor labour conditions by promoting human rights, core labour standards, and social responsibility in business consumption and investment (Tim and John, 2007).

TABLE 7: Participation in Welfare Programmes

Participation in welfare Programmes	Activity				
	Response	Manufacturing	Construction	Trade	Total
Member of NGO	No	15.1	41.9	43	100
	Yes	.8	22.2	77	100
	Total	9.3	34	56.7	100
Participation in Religious Activities	No	10.3	41.2	48.6	100
	Yes	5.8	8.7	85.5	100
	Total	9.3	34	56.7	100

Participation in Gramasabha	No	6.3	16	77.7	100
	Yes	15.1	68.9	16	100
	Total	9.3	34	56.7	100

Source: Primary Survey, Note: values in brackets are percentages

From table 7 shows that the majority of the workers had no interest in the activities of trade unions and never participated in them. Remaining 126 respondents argued that they get very supportive help from the union. They opine that at any time they have to get considerable help from that side. So they become an active member of Union, they are from 77 per cent in trade,22.2 per cent in construction workers respectively. The informal workers also participate in the various religious ceremonies and programmes. Traders are more religious and actively participated in these kinds of activities. Remaining (77.9 per cent) are not engaged in these activities. The majority of the traders are Christians and Muslims, so they actively participated in their religious ceremonies and beliefs. In the case of participation in grama sabha, the majority of respondents are construction workers, then manufacturing and finally traders. Traders are not actively participated in this activity. The reason is that most of the traders are fully engaged in their activity, so they are not fully involved and engaged in this activity. It is clear from the table that 106 respondents of the informal workers actively participate in gramasabha. Remaining 206 respondents are not involved in any Gramasabha. Majority participants are from manufacturing and construction activities. The female labour force participation is highest in the manufacturing sector. Females are more actively involved in grama sabha.

8. CONCLUSION

This study discussed the working condition sampled workers in the two selected districts in Kerala. One of the important findings is that the majority of the workers are economically and socially better in their living conditions compared to the other poor category. Their information indicates that in the case of manufacturing sector sales is the main problem of the workers. The majority of their work depends on during some seasons. The construction workers are to earn more. But most of the workers are above 50 years old-aged people, they doing their work as hereditary. Finally, a trader opines that they were running in a very crucial situation. After a few years the small retailers will disappear and come to huge shopping malls, and sales will go on. So we can conclude that most of the workers in the informal sector in Kerala have less educated once, they are doing as a hereditary occupation. They are satisfied their present living and working condition. But coming to the next generation, they will not ready to do their hereditary occupation. So one of the major problems of the future generation is that they were entirely depending on the huge shopping malls and buy a product at very high prices. Therefore the concept of decent work paradigm is not applicable to the informal sector workers.

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