

URBAN INDIA



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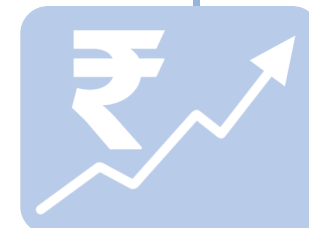


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Special Issue on Migration

Overview of Migration
Seasonal Migration
Gendered Migration
Migrant Child Labour
Job Search and Labour Market Outcomes
Migration and Conflict
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WELL-BEING OF MIGRANT WORKERS: PERSPECTIVES FROM DAILY LABOUR MARKETS IN NAVI MUMBAI

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Abstract

This paper is based on a survey of migrant labourers in daily labour markets across seven locations, called nakas, in Navi Mumbai. The paper documents the access of migrants to various aspects of integration into the city such as housing, basic amenities, political representation, financial inclusion etc. It also provides a description of various aspects of the daily labour market such as wages, employment, and occupational hazards. The study finds that, in addition to lack of access to basic amenities, unemployment and health hazards, a substantial proportion of the workers also face the risk of non-payment of their wages. Analyzing various market level covariates of being reneged on wage payments, such as the share of inter-state migrants, linguistic and caste fractionalization etc., it is argued that a regulated daily labour market might solve some problems related to wage payments. An absence of political voice among the workers might explain their inability to demand better living and working conditions.

Introduction

This paper¹ is an attempt to understand the living and working conditions of migrant workers employed through the local daily labour markets in Navi Mumbai, a satellite township of Mumbai. As is the case with several urban

¹ I would like to thank Dr. S. Chandrasekhar, Dr. Sripad Motiram for their guidance and support throughout this project and Dr. Partha Mukhopadhyay, Mukta Naik, and Ajay Sharma for comments on an earlier draft. Support from Gopal Dubey and the team at YUVA is gratefully acknowledged.



agglomerations, Navi Mumbai is characterised by the presence of daily labour markets at various locations in the city. These markets are places where labourers seeking daily wage employment are recruited by their prospective employers, either directly or by contractors recruiting on their behalf. The city squares where these markets are held each morning are known as *nakas* in local parlance.

The study, based on a survey conducted by the Youth for Unity and Voluntary Action (YUVA), an NGO in Navi Mumbai, was conducted across seven *nakas* in Navi Mumbai in January and February 2013 enumerating a sample of about 400 labourers who frequented these *nakas* for daily wage employment.

The motivation in undertaking this study is two-fold. First, by focusing on an otherwise less documented market where there is a predominance of migrant workers,² we intend to contribute to a better understanding of their working and living conditions in a burgeoning urban setting like Navi Mumbai.

Second, understanding the conditions of labour in the construction sector is an important part of the larger goal of understanding the informal sector³ in the economy, where labour is predominantly employed. It is well known that most of the employment generated in the construction sector in India is classified as informal employment. Moreover, among the major sectors of the economy, construction has contributed significantly to the growth both in terms of Gross Domestic Product (GDP) as well as employment generation⁴. As most of the labour recruited through the *nakas* is employed in the construction sector, our study can be viewed as a micro-empirical exercise to gain insights into an important segment of the larger economy.

The paper is organised into seven sections. The first section introduces the study. The second section deals with the sampling strategy. The third section documents the broad demographic characteristics of the workers in the

² To the best of our knowledge, the only other papers that have looked exclusively at the daily wage workers employed through daily labour markets in India is Singh (2002) in the context of Delhi and Mukherjee et al. (2009) in the context of Mumbai.

³ In 2009-10, about 93 percent of workers are classified as employed in the informal sector of the country (Mehrotra et. al., 2012).

⁴ Between 1999-00 and 2009-10, employment in construction increased by about 26 million, the highest among any major sectors in the economy (Mehrotra et. al, 2012). Between 2000-01 and 2011-12, the GDP of the construction industry grew by 14.58 percent at constant prices on average (RBI 2012).



sample. This includes information on the characteristics of the migrants at their source (i.e. from where they have migrated) as well. Section four discusses the workers' access to certain basic amenities related to their living conditions in Navi Mumbai. Section five examines the workers' access to formal institutions of savings and finance and the extent of their indebtedness. Section six provides a brief description of various features of the daily labour market through which these workers access employment, providing a preliminary analysis of various risks that they face in their occupations along with the possible covariates. The concluding section ponders on the possible benefits of organisation of informal workers in Navi Mumbai.

Sampling Strategy

Although it is acknowledged that there is a significant presence of *naka* workers in Navi Mumbai, there are no reliable official statistics that provide an estimate of their extent and distribution across various parts of the city. YUVA estimates⁵ that about 4,000 workers assemble for employment at the daily labour market at seven major *nakas* across six major nodes⁶ of the city. However, these labourers are not distributed equally across the various nodes and *nakas*, as some markets have a larger congregation of workers than others. The Kharghar node accounts for the largest proportion of workers, followed by Panvel (which includes *nakas* at Sukapur and Kohinoor), Nerul, Sanpada, Belapur, and Vashi, in that order. The purpose of this study, as stated earlier, is to understand the living and working conditions of the migrant *naka* workers. Accordingly, we have chosen to undertake a survey of a sample of about 400 labourers which corresponds to 10 percent of the population estimate of 4000. This sample is then split across the various *nakas* in accordance with the distribution of workers across the *nakas*. Thus our sample has the highest representation from Kharghar (31 percent), followed by Panvel—where it is split between Sukapur (16 percent) and Kohinoor (10 percent)—Nerul (17 percent), Sanpada (12 percent), Belapur (8 percent), and Vashi (6 percent).

⁵Based on over a decade of YUVA's field experience of working with the construction workers in the city.

⁶For administrative convenience, Navi Mumbai is divided into fourteen sub-regions called 'nodes'.



Demographic Characteristics

The sample consists of 399 migrant labourers who have been migrating for work for an average of about 10 years. They have been coming to these *nakas* for about eight years on an average. They are predominantly male (representing about 93 percent of the sample) who are young, with the median age of the workers being 30 years (and mean of 33 years). About 90 percent of the sample is below the age of 45 years. Analysing it by religion, Hindus constitute the majority (79 percent of the sample) followed by Muslims (10 percent) and Buddhists (9 percent). Among those who chose to reveal their social group (i.e. 94 percent of the sample), most of the workers belonged to the Scheduled Castes (40 percent), followed by the Scheduled Tribes (25 percent) and Other Backward Castes (21 percent)⁷. About 80 percent of the sample workers are married, out of which about 73 percent have migrated to Navi Mumbai with their family. In all, about 64 percent of the migrants came to Navi Mumbai with their family. In terms of their education, 40 percent of the migrants are illiterate. Rest are literate, however 88 percent have not matriculated.

Most migrants do not have any major assets in their villages. About 55 percent of them are landless while another 40 percent of the sample population have land holdings of less than 2 hectares. A further disaggregation of landless migrants by social group reveals that landlessness is highest among SCs (64 percent) followed by Other Castes (57 percent), OBCs (49 percent) and STs (43 percent).

In the sample, about 60 percent of those who have some land are solely dependent on rains for irrigation. Moreover, majority of migrants come from arid and semi-arid regions as is evident by observing the distribution of workers by their places of origin. About 46 percent of the migrants come from Maharashtra, followed by 12 percent from Andhra Pradesh, and about 11 percent each from Karnataka and Uttar Pradesh. The remaining 20 percent of the migrants come from states such as Bihar (6 percent), Rajasthan (4 percent), West Bengal (3 percent), Odisha (2 percent), Madhya Pradesh (2 percent), etc. Overall, the sample consists of migrants from fifteen states. In Table 1, we provide the state-wise distribution of workers along with the distribution

⁷ Almost all of the Buddhist in the sample belong to the Scheduled Caste. However, it is not true the other way, i.e., not all of those belonging to the Scheduled Caste are Buddhist.



of workers who migrated with and without family from each state. As we can see from the Table, migrants from Maharashtra, Andhra Pradesh, Karnataka, Gujarat, and Madhya Pradesh have predominantly migrated along with their families. On the other hand, workers from states such as Uttar Pradesh, Bihar, West Bengal, Rajasthan, and Jharkhand have predominantly migrated either by themselves or through friends.

Table 1: State-wise Distribution of Workers and the Nature of Their Migration

State of Origin	No. of Workers who Migrated With Family	No. of Workers who Migrated without Family	Total No. of Workers
Andhra Pradesh	37	10	47
Assam	1	0	1
Bihar	7	18	25
Chhattisgarh	0	2	2
Gujarat	2	0	2
Haryana	0	1	1
Jharkhand	0	4	4
Karnataka	37	5	42
Madhya Pradesh	5	3	8
Maharashtra	147	38	185
Odisha	1	7	8
Rajasthan	3	12	15
Tamil Nadu	0	1	1
Uttar Pradesh	12	32	44
West Bengal	4	10	14
Total	256	143	399

Source: Author's, 2013

This information in itself does not imply that the workers come from arid and semi-arid areas; for that one needs to further disaggregate the states by districts from where the migrants had come.



Among the migrants from Maharashtra, 46 percent have come from the arid region of Vidarbha with a substantial proportion of them coming from Washim (16 percent), Yavatmal (16 percent), and Buldana (7.5 percent) districts. Other drought-prone districts outside Vidarbha such as Jalna (6 percent), Latur (6 percent), Solapur (5 percent), Beed (4 percent), and Nanded (4 percent) also account for a substantial proportion of migrants from Maharashtra.

Similarly as many as 90 percent of the migrants from Andhra Pradesh come from the drought-prone Mahabubnagar district. Among the migrants from Uttar Pradesh, those from the relatively poorer region of Eastern Uttar Pradesh account for about 57 percent with Jaunpur (14 percent) and Gorakhpur (11 percent) contributing significantly. Thus, majority of the migrants in the sample come from districts that are poor as well as drought-prone (with the exception of Uttar Pradesh on the second characteristic).

Within Navi Mumbai, at each of the seven *nakas*, considerable heterogeneity is observed in the distribution of the workers' religion, caste, and education categories. The median age across the *nakas* is not very widely apart, it varies between 29 years and 33 years. However, when the distribution of workers belonging to a state is considered, there occurs some variation across *nakas*. For instance, while workers from Maharashtra have substantial representation across all the *nakas*, about 60 percent of migrants from Andhra Pradesh and about 70 percent of migrants from Bihar are in the Kharghar *naka*.

Access to Basic Amenities

In this section, the workers' access to some of the basic amenities such as housing, cooking fuel, electricity, drinking water, toilet and drainage facilities are discussed.

While most of the migrants reside in rented accommodations, about 16 percent of the sample is homeless and does not have any fixed place of residence. In all about 75 percent reside in *kutcha* and semi-*pucca* houses.⁸ Most of the sample resides in dwellings made of plastic sheet, banners (40 percent) and tin or asbestos sheet (33 percent), thus making them vulnerable

⁸ The Census of India defines *kutcha* as a house with walls and/or roof made of impermanent materials like "un-burnt bricks, bamboos, mud, grass, reeds, thatch, loosely packed stones, etc." while a semi-*pucca* house has fixed walls made up of permanent material but roof is made up of impermanent materials.



to both heavy rains as well as peak summer. Moreover, 46 percent of the sample uses wood and charcoal as a cooking fuel exposing them and their families to the risk of respiratory ailments. As much as 26 percent of the sample does not have access to electricity.

About 75 percent of the migrants have a ration card, but they cannot access the PDS at Mumbai because the card belongs to their hometown. About 19 percent of the migrants have never had a ration card, while only about 6 percent have it in Mumbai.

The study found that about 31 percent do not have a voter identification card; another 65 percent have a voter identification card, but that is registered at their hometown. Thus, effectively, 96 percent of the migrants in our sample do not have a political voice in Mumbai.

With respect to sanitation, only about 49 percent of the sample has access to toilet facilities; the rest (51 percent) resort to open defecation. In comparison, Census⁹ data shows that only 8.87 percent of slum dwellers in Navi Mumbai defecate in the open. Similarly, 94 percent of slum households in Navi Mumbai have access to electricity, compared with only 74 percent within our sample. In terms of access to drinking water, only 62 percent of the sample has access to piped water from the municipal corporation (as compared to 93.2 in the Slum Census). Others depend on water tankers or other sources for their needs with about 25 percent of the sample purchasing water. Moreover, about 18 percent of the sample is not satisfied with the quantity of water available. About 60 percent of the sample does not have access to drainage facilities. With regard to access to medical services, we find that among those who fall sick, about 43 percent go to the government hospital for check-up, whereas the rest visit the private doctor, most of whom are reputed to be quacks.

Sample-wise outcomes on the various amenities mask considerable variation across the *nakas*. Table 2 below shows variation in access to several services such as electricity, water-availability, sanitation, health facilities across *nakas*. The study reveals while access to electricity is poor across all the *nakas*, access to toilets is very poor in Sukapur and Kohinoor in the Parnavel node. The proportion of migrants that are not satisfied with the available quantity of water is highest at Kharghar and the proportion of those who use government hospitals when they fall sick is the lowest in that *naka*.

⁹Census 2011 data on access to amenities in slums at Navi Mumbai



Table 2: *Naka* –wise Access to Various Amenities*

<i>Naka</i> **	Lack of access to electricity	Lack of access to toilets	Not satisfied with water availability	Use of govt. hospitals
Vashi (6)	13	39	13	61
Sanpada (13)	26	34	8	46
Nerul (17)	19	29	13	51
Belapur (8)	35	45	16	48
Kharghar (31)	29	51	30	27
Sukapur (16)	28	80	9	48
Kohinoor (10)	20	78	18	55
Total Sample (100)	26	51	18	43

Source: Author's, 2013

Note: *The figures denote the *percentage* of migrants at each *naka* who share the respective characteristic.

**Figures in the parentheses indicate the share of the particular *naka* in the total sample.

Table 3 reveals how access to basic amenities varies for migrants belonging to various states. For this, five major states as per their contribution to the sample are taken into account. Maharashtra, Andhra Pradesh, Karnataka, Uttar Pradesh, and Bihar together account for about 85 percent of the sample. Migrants coming from within Maharashtra (intra-state migrants) are slightly better-off than the entire sample across all the outcomes (see columns 2 and 8 of Table 3). Moreover, in each category, intra-state migrants do slightly better than all of the other four major states, except in the case of toilets where migrants from Bihar have better access. In addition, the accessibility of these amenities to migrants from outside Maharashtra (inter-state migrants) as a whole¹⁰ are also computed. Inter-state migrants seem to be doing marginally worse than those from Maharashtra (see columns 2 and 7 of Table 3).

¹⁰ This includes all the states except Maharashtra; not just the top four states.



Table 3: State-wise Access to Various Amenities*

<i>State**</i>	Lack of access to electricity	Lack of access to toilets	Not satisfied with water availability	Use of govt. hospitals
Maharashtra (46)	18	48	14	56
Andhra Pradesh (12)	65	71	44	17
Karnataka (11)	30	61	16	27
Uttar Pradesh (11)	20	50	16	48
Bihar (6)	20	32	24	12
Non-Maharashtra ^ (54)	32	53	21	32
Total Sample (100)	26	51	18	43

Source: Author's, 2013

Note: *The figures denote the *percentage* of migrants from each State who share the respective characteristic.

**Figures in the parentheses indicate the share of migrants belonging to a particular state in the total sample.

^ Figures for 'Non-Maharashtra' have been computed using all the states in the sample except Maharashtra.

Debt and Financial Inclusion

Debt

About 31 percent of the sample had outstanding debts at the time of the survey. Almost all of them (89 percent of the indebted) have taken the debt from their villages. Moreover, about 72 percent of the sample has someone or the other at their source household and about 65 percent visit their village at least once a year, which, taken together with the source of debt, confirms that the migrants still hold some ties with their villages. Among the lenders, traditional money lenders account for most of the loans (56 percent), followed by friends and relatives (26 percent), and banks (10 percent). The highest proportion of the loans is taken for social occasions such as 'marriage and other ceremonies' (37 percent), followed by loans taken for 'health expenditures' (22 percent) and 'household expenditures' (18 percent). Loans taken for 'marriage and other ceremonies' cost the migrants the most (with an average amount borrowed being around Rs 1,00,000), followed by loans



borrowed for health expenditures (around Rs 51,000) and household expenditure (around Rs. 45,000).

The average size of the loan was around Rs 74,000. A break up by the type of lenders shows that on an average, banks have lent the highest amount (average of around Rs. 1,00,000; although accounting for only 10 percent of the total loans), followed by money lenders (around Rs 86,000), and friends and relatives (around Rs. 48,000). If we look at the median amount lent, the order changes slightly with money lenders lending the highest amount (Rs. 50,000), followed by Banks (Rs. 37,500) and Friends and Relatives (Rs. 20,000). Friends and relatives charge the lowest amount (average of 28 percent per annum), followed by banks (average of around 41 percent p.a.) with the highest rates being charged by money lenders (average of 49 percent p.a.).

Loans taken for the purpose of household expenditure (average of 53 percent p.a.) and for health expenditures (average of 52 percent p.a.) had charged the highest interest rates whereas those borrowed for expenditures on marriage and other ceremonies had charged the least (average of 37 percent p.a.). Migrants are particularly vulnerable in the area of health. As many as 90 percent of the sample does not have access to the government sponsored health insurance scheme: Rashtriya Swasthya Bhima Yojana (RSBY).

Financial Inclusion

The coverage of banking services among the migrants is poor. As much as 69 percent of the migrants do not have a bank account. On enquiring into the reasons for not having an account, 44 percent said that they lack sufficient documents for opening an account; 34 percent reported that they do not have sufficient money to open the account; whereas the remaining stated that they 'didn't feel the need for a bank account'.

Since earnings are variable, savings play a crucial role for migrants. About 59 percent of migrants said that they save some part of their income. Most of the savings are kept with the workers themselves (68 percent) followed by deposits in banks (24 percent). In fact, about 53 percent of those who said they did not have money to open a bank account, also reported to save money, predominantly with themselves. It appears that these workers are of the view that a very substantial amount of money is required to open a bank account and they seem unaware of the 'no-frills' banking account that various



banks are bringing out to enable financial inclusion of the poor.

Daily Labour Market

In this section we provide a brief description of various features of the daily labour markets in Navi Mumbai.

Employment and Wages

As mentioned earlier, a day labour market involves labourers gathering for work at street corners or important city junctions each morning to be recruited as casual labour. Most of the migrants in our sample are predominantly engaged in construction (74 percent) and allied activities (16 percent)¹¹. The employers in the construction industry usually outsource the hiring of naka workers to labour contractors. These contractors arrive in the *nakas* every morning and pick up the workers as per their requirements for the day. On some occasions, depending on the requirement, the contractor may recruit a labourer for a period of a week or two. In such cases, wages are usually paid after the completion of the entire work. The labour contractors act as an intermediary between the actual employers and the naka workers. In fact, the naka workers hardly interact directly with the employers and they transact mostly with the labour contractors. These features have also been found in other studies of naka workers in Mumbai (Mukherjee et al. 2009).

In our sample, nearly 60 percent of workers arrive at their *nakas* by 8 a.m. and almost everyone arrives by 9 a.m. On an average, workers get work for about fourteen days in a month (median of 15 days). There is no significant variation across *nakas* with the exception of Belapur which has the lowest average days worked at 11 days (and the lowest median at 10 days). On a day where they do not get any work, the labourers are forced to go back home. Although the daily labour markets appear to paint a picture of free mobility of workers across *nakas* where lack of work in one *naka* can be compensated by work in other places, as many as 83 percent of the sample reported that they do not visit other *nakas*. When asked for reasons, most of the labourers (about 51) responded by saying that other *nakas* are too far, that it is already too late to change locations by the time they realise that they won't get work for the day (17 percent), and that they do not have

⁸The allied activities include painting (14 percent) and plumbing (2 percent).



friends and acquaintances in other *nakas* (15 percent). Their decision of not going to other *nakas* can also be related to the fact that all the *nakas* have similar average number of days of employment.

The average daily wage earned by the entire sample is around Rs 375 (median Rs 350). There is a slight variation among the *nakas* with respect to daily wages, with workers in Vashi and Nerul *nakas* earning a higher daily wage of Rs 400 on average.

Table 4 provides the disaggregation of mean and median wages earned with respect to the various occupations of the workers. As can be seen from the table, a distinction can be made among those classified as construction workers by classifying them further into low wage, medium wage, and high wage workers. The average wages across these categories vary from about Rs 270 to Rs 575. Painters are paid the next highest daily wage after high-wage construction workers.

In terms of state-wise variation in wages received by the workers, no major change is observed. Average daily wages earned by workers from the five largest states in the sample is around Rs 350-Rs 380.

Table 4: Daily Wages by Type of Occupation

Occupation	No. of Workers	Mean Wage (Rs)	Median Wage (Rs)
Construction Labour - Low Wages	105	269	300
Construction Labour - Medium Wages	118	366	350
Construction Labour - High Wages	54	575	575
Painter	56	403	400
Others	66	376	350
Total	399	376	350

Source: Author's, 2013

Occupational Hazard: Reneging on Wage Payments

In addition to low employment levels, workers face a significant risk of non-payment of their wages, that is, the contractor/employer gets the work done



but refuses to pay the labourer his/her wages. In the sample, as much as 38 percent of workers have reported that they have faced renegeing on wage payments at least once. About 40 percent of those whose wages have been renegeed have had to face this on more than three occasions. In terms of the quantum of loss of wages, almost 60 percent of those who have been renegeed have said that they lost more than five thousand rupees as a result. Considering that the average income of the labourers in the sample is between Rs 5,000 – Rs 6,000, the amount that these workers have lost is at least as large as the efforts of their labour for an entire month.

Clearly, there is a need to understand if there are any factors that make some workers more vulnerable to being renegeed on wage payments than others. During our survey and focus group discussions, we heard anecdotes from migrants about how certain contractors are antagonistic to migrants from states other than Maharashtra. The wages of these migrants are not paid and are threatened when they demand the same. Because they already face an adverse political climate due to their status as non-Maharashtrians, these migrants have little recourse to redressal mechanisms in the event of renegeing of their wages and the contractors seem to exploit this aspect. Thus, inter-state migrants might be more vulnerable to wage renegeing than intra-state migrants. Another plausible hypothesis could be that the more experienced a worker is, the less likely he is to face renegeing on wage payments. The underlying mechanism could be that although he himself has faced wage renegeing, the worker learns about the presence of opportunistic contractors from the experience of others in the *naka*.¹²

Further, as already noted earlier, the *nakas* are composed of significant diversity, in terms of its caste, linguistic, and state-wise composition. It can plausibly be argued that greater the diversity in a market, less likely it is that the workers interact amongst each other. To the extent that information sharing among workers about errant employers might reduce renegeing on wages, greater diversity could have an adverse impact on its incidence. Thus, an attempt has been made to understand this phenomenon by looking at the covariates of market diversity and incidence of wage renegeing.

¹² It is to be noted that the scenarios noted above do not imply that there is no renegeing of wages among intra-state migrants, or among the more experienced workers. We are only trying to assess if the risk of wage renegeing is *higher* among the *more* vulnerable groups.



First, in order to gauge the diversity of each *naka* in terms of the states from where workers have come, the languages they speak, as well as the castes they belong to, we calculate a fractionalization index given as the following (Alesina et. al. 1999).:

$$Fractionalization = 1 - \sum_{i=1}^n s_i^2$$

Where S_i denotes share of migrants from state (or language, caste, etc.) 'i' among all the migrants in the *naka*. The index measures the probability that two randomly drawn people from a *naka* belong to different castes or states, or they speak different languages (Alesina et. al 1999). State-wise, caste, and linguistic fractionalization indices for each *naka* is presented in Table 5. It is observed that Kharghar is the most diverse *naka* with respect to representation from different states, languages as well as castes. Sanpada is also as diverse as Kharghar in caste composition. On the other hand, Kohinoor *naka*, which has 72 percent of its constituents from Maharashtra, has the lowest diversity across these categories.

In terms of average number of years spent in the *naka* (Table 5), it is found that workers in the Kharghar *naka* have spent less number of years (6 years) in comparison with workers in other *nakas* (between 8 to 12 years). Workers in Belapur have spent highest number of years, on an average. This pattern is also true if we consider the number of years since the migrant came to Mumbai.

The migrant workers were further enquired as who first told them about this *naka*. Those who have come through friends (48 percent) and relatives (15 percent) together constitute about 63 percent of the sample. As regards the rest, about 30 percent have come to their *naka* by themselves and a meagre 2 percent have said that the contractor introduced them to the *naka*.



Table 5: *Naka* Wise Characteristics

<i>Naka</i>	Size of the <i>Naka</i>	Share of inter-state migrants*	Average years in the <i>naka</i>	Percentage of those experiencing wage renegeing	State Wise Fractionalization	Linguistic Fractionalization	Caste Fractionalization
Vashi	23	39	9	39	0.586	0.465	0.699
Sanpada	50	54	9	38	0.726	0.62	0.767
Nerul	67	46	9	31	0.664	0.435	0.712
Belapur	32	53	12	34	0.684	0.655	0.697
Kharghar	123	66	6	55	0.791	0.727	0.761
Sukapur	65	58	9	20	0.741	0.505	0.731
Kohinoor	39	28	8	33	0.465	0.302	0.654

Source: Author's, 2013

Note: *The figures denote the *percentage* of migrants from each *naka* who share the respective characteristic.

Among those who came either by themselves or through the contractor, as many as 46 percent have experienced wage renegeing whereas among those who came through friends and relatives, about 37 percent have experienced it. Thus at the sample as a whole, those who have come through friends and relatives appear to be less vulnerable to wage renegeing than those who came by themselves or through contractors.

Table 6 gives the correlation between the proportions of workers whose wage payments were renegeed at a *naka* and various covariates associated with the *naka* such as the distribution of Maharashtra and non-Maharashtra migrants, its regional, linguistic, and caste fractionalization, and the average number of years spent by the workers in the *naka*.

Table 6: Covariates of Renegeing on Wage Payments

Correlation between share of inter-state migrants at the <i>naka</i> and wage renegeing	0.3
Correlation between mean no. of years spent in the <i>naka</i> and wage renegeing	-0.6
Correlation between state-wise fractionalization at the <i>naka</i> and wage renegeing	0.2
Correlation between linguistic fractionalization at the <i>naka</i> and wage renegeing	0.5
Correlation between caste-wise fractionalization at the <i>naka</i> and wage renegeing	0.4

Source: Author's, 2013



We find that the share of workers who experienced wage reneging is positively correlated with the share of non-Maharashtrians in the *naka* indicating that *nakas* with higher share of inter-state migrants are at more risk of being reneged on wages. Similarly, the average years spent in the *naka* by workers is negatively correlated with the share of workers experiencing wage reneging. One might posit that workers with greater experience learn about the credibility of the contractors and are better equipped to avoid wage reneging. To the extent that higher regional or linguistic or caste fractionalization inhibits information flow among the workers, we find positive correlation between fractionalization (of all the three kinds) of a *naka* and the share of workers who were reneged on wages.

Since the correlations are low, it can be inferred that no single factor seem to be solely responsible for the incidence of wage reneging; there seem to be multiple factors at play and the simple correlations do not control for other factors, thus pointing towards the need to undertake a multivariate regression analysis. We undertake such an exercise in Naraparaju (2014) and find that, labourers in markets that are large, with greater linguistic and caste fractionalisation, are more likely to be reneged on their wage payments. On the other hand, payments to labourers with access to social networks are less likely to be reneged.

During the discussions with the workers we found that one of the ways that the wage reneging occurs is when there is a discrepancy between the worker and contractor's perception of the number of days worked. Workers complained that the contractor tries to undercount the number of days they worked. Given this, maintaining a record of the days worked seems to be important to avoid problems in wage payments.

In the survey, the migrants were asked whether they maintained any records of the work done. The study found that those workers who maintained records with themselves were less prone to wage reneging (30 percent) than those who said that contractors or the employer had the records (40 percent). The effectiveness of maintenance of work records in reducing wage reneging is also confirmed from Naraparaju (2014).

Occupational Hazard - Health

In addition to the uncertainties on employment and wage payments, workers also face the risk of occupational health hazards. In the sample, as many as



60 percent of the workers have said that they suffer from some health complication or other as a result of their work, with the majority reporting open injuries, followed by breathing problems, and cough and fever. About 15 percent of the sample has met with an accident during work and 85 percent of the migrants did not receive any compensation or reimbursement for their medical expenses. The median number of days lost as a result of these accidents is around 15 days. In spite of the prevalence of injuries, 87 percent of the sample has said that they have not received any safety training for their job; 86 percent do not have access to any safety equipment during work. Moreover, 96 percent have said they do not have access to any accident insurance policy.

The Building and Other Construction Workers Act, 1996 (BOCWA, 1996) stipulates the establishment of a Construction Workers Welfare Board (CWWB) in each state for the provision of social security benefits such as compensation of medical expenses for treatment of major ailments, payment of pension for workers aged above 60 years, financial assistance in terms of grant of loans for construction of workers' houses, education of workers' children (Soundararajan, 2013). Almost none of the workers in the sample are registered with the CWWB. When enquired about the reasons for not registering, as many as 98 percent stated that they have not heard about it. Soundararajan (2013) showed that both the registration for CWWB as well as utilisation of its funds has been very low across the country (except for a few exceptions like Kerala, Tamil Nadu, and Madhya Pradesh). At the all-India level, only 12 percent of construction workers have registered with CWWB and only 17 percent of the cess collected for the workers' welfare has been utilised.

Conclusions

From the above discussion, it can be inferred that daily wage labourers face significant deprivations in terms of access to various basic amenities such as housing, water, electricity, and sanitation facilities. They also face substantial risks with respect to their employment. First, they are not guaranteed a job on a particular day. Second, even if they get the job they are not sure if they will be paid a fair wage. Third, they face a significant risk of an accident or other health hazards during their work, without any social security or reimbursement for the ensuing medical expenses incurred.



Increased awareness about the benefits of registering with the CWWB and a relaxation of some of the criteria for the registration might go a long way in improving the workers' social security.¹³

With respect to the incidence of wage reneging, the analysis of covariates suggests that workers who have avenues to gather better information about the employers (either through friends and relatives or through their own experience) as well as those who maintain a record of work done are less likely to face wage reneging. This implies that market interventions to reduce information asymmetries between workers and contractors¹⁴ might reduce the incidence of wage reneging. Such interventions already exist in developed economies. Singh (2002) talks about a government operated labour office, called 'arbeitsamt' in Germany, which performs the role of liaison between the daily wage labourers and the potential employers each of whom gather there every morning.

One can also plausibly assume that a labour union might give the workers certain degree of bargaining power with the employers to counter wage reneging. Almost all the workers in our sample are not part of any labour union (92 percent). About one-third of those who experienced wage reneging felt that an effective labour union would have reduced its incidence, yet hardly any workers are part of one. Perhaps the workers themselves are pre-occupied with finding employment for the day and do not have either the time or the resources to organise other workers into a union. High regional fractionalization across *nakas* also implies that collective action to organise union might be difficult.¹⁵ It is therefore left for the government or the local political class to help form a labour union and provide its support to it. However, with over 95 percent of the sample lacking a political voice in Mumbai, it is not possible for them to persuade the political class to help them form a union. The latter, therefore, continue to be indifferent to the plight of the *naka* workers.

¹³ Currently, registration requires a number of documents, including a proof of age, a certificate of work from the employer/registered trade union/or official of labour department, some of which might be difficult for the workers to furnish. In addition, registration is restricted to workers aged between 18 and 60 years of age Soundararajan (2013).

¹⁴ In terms of improving each others' credibility.

¹⁵ Alesina et. al. (1999) show that ethnic fractionalization is inversely related to spending on public goods.



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