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## **Earnings, expenditure and health status of the contract labours in Coimbatore city in Tamil Nadu**

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### **Abstract**

Contract labour is 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 principle employer. This employment contract is the service between the employer and employee, where the employee agrees to serve to the employer, in all subjectivity and supervision. The labour in which is employed to perform some work through a contractor and hence no direct employment relationship exists between the ultimate employer for whom she does work and herself. The study concluded that under contract majority of the workers working for low wages because of the jobs related to unskilled. At the same time, they work for a long time. Under this system mostly they work due to poverty and their family problems. Though some respondents receive their pension and income from other sources, that income was not enough for survival and also pointed out that the current wage rate was not reasonable because of current price level.

**Keywords:** Earnings, expenditure, health status of the contract labours, Tamil Nadu

### **Introduction**

Contract labour is 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 principle employer. This employment contract is the service between the employer and employee, where the employee agrees to serve to the employer, in all subjectivity and supervision. Contract labour is not new to India. In the early stages of industrialization, the recruitment of labour was primarily through intermediaries due to lack of mobility, low status of labours, caste, religion and language. These obstacles were overcome by appointing middlemen, also called contractors.

### **Contract Labour: Meaning and Significance**

The 'contract labour' is applied to labour which is employed to perform some work through a contractor and hence no direct employment relationship exists between the ultimate employer for whom she does work and herself. The contract workers and the contractor have contractual relationship. The contractor and the client (principal employer) have commercial relationship<sup>[1]</sup>. The contract workers provide their labour services to the principal employer.

### **Statement of the Problem**

Globalization provides more job opportunities but in the informal form. It has created vast changes in the structural form of employment especially the flexibility of labour. India has also been following this process of globalization and liberalization in its labour market in the last two decades. Hence, the increased employment opportunities in India are tremendously informal. Contract labour system is an informal form of employment. Contract labours differ from other classes of labours like permanent, temporary and casual in way of recruitment. They are recruited by middleman or agencies and are supplied to the work establishment. The contract labour system creates social disparity and social conflicts by shrinking the number of reliable job opportunities which hampers the socio economic development of the country. In this background it is important to study and understand the conditions of contract labours.

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### Nature of the Research Design

The study describes the earnings, expenditure and health status of the contract labours. Hence, the study is both descriptive and analytical in nature. The study based on primary data. The required data was collected from the sample respondents by using well-structured interview schedule. The total sample size was 71. Among 71 respondents 7 were male and 64 were female. The study was analyzed by using statistical tools such as Percentage, Likert

scale, weighted average, Chi-square test and Garrett Ranking, were used to analyze the data.

### Results and Discussion

#### Satisfaction Level of Contract Labours

Satisfaction level in Work place, Working hours and other facilities like Toilet, Drinking water and Infrastructure is given in the table 1

**Table 1:** Satisfaction Level of Contract Labours

S. No	Factors	Sample Respondents				Weighted Average Score
		Highly Satisfied	Satisfied	Not Satisfied	Highly Not Satisfied	
1	Work Place	36	153	18	2	3
2	Working Hours	0	105	22	25	2.14
3	Other Facilities (Toilet, Drinking water, Infrastructure)	20	93	36	17	2.33

Source: Primary data

The table 1 confirms that, the mean value obtain is 3 for work place which is 3 and greater than 2. Hence it is remarked that, majority of the respondents had satisfied with their work place. The mean value for working hours is 2.14 and 2.33 for other facilities which is lesser than 3. Hence it is concluded that, respondents were dissatisfied towards their working hours and other facilities like Toilet, Drinking water and Rest shed.

#### Wage Details of the Contract Labours

Wage is an important factor which determines the economic status and purchasing power of the person. Getting wage in time is one of the great problems faced by the contract labourers. Wage details of the contract labours were given in the table 2

**Table 2:** Wage Details of the Contract Labours

S. No	Variables	Particulars	No. of Respondents	Percentage
2	Wages per day	150-200	56	79
		200-250	5	7
		250-300	8	11
		Above 300	2	3
	<b>Total</b>		<b>71</b>	<b>100</b>
4	Satisfaction Level	Yes	6	8
		No	65	92
		<b>Total</b>	<b>71</b>	<b>100</b>

Source: Primary data

From the study it is found that out of 71 respondents, 79 per cent of the labourers getting Rs. 150 to 200 per day. Majority of the workers were getting 185 rupees per day. 11 per cent of the labourers are having per day wage of Rs. '250 to 300', 7 per cent of the respondents having Rs. '200 to 250' because they are belonging to cleaning work. Remaining 3 per cent of the labourers are having above 300 rupees. They are under gardening work especially male workers.

The data reveals that only 8 per cent of the labourers are satisfied with their current wage rate. Out of 71 respondents 65 are not satisfied with their current wage rate.

#### Chi-Square Test

Chi-Square Test was administered to check the wages is independent of the satisfaction level.

#### Hypothesis of the Study

1. Ho- There is no association between the wages and satisfaction level
2. Ho1- There is some association between the wages and satisfaction level.

The result of the test is summarized in the below table.

**Table 3:** Result of Chi-Square Test

Result of Chi-Square Test	
$\chi^2$	13.14
$\chi^2 \alpha=0.05$ d.f =3	7.81
Decision	Reject Ho

Now the calculated value is 13.14 and degree of freedom is 3. Tabulated value at 5per cent level of significance is 7.81 respectively. Since the calculated value is higher than the tabulated value, the null hypothesis is rejected. Hence there is some association between wages and satisfaction level. The null hypothesis of independence is rejected which exemplifies that the satisfaction level is dependent on the wages engaged in contract basis.

#### Monthly Expenditure of the Contract Labours

Expenditure items such as Food, House rent/ Maintenance, Education, Health, Electricity, and others were examined in the table 4

**Table 4:** Monthly Expenditure of the Contract Labours

Items	Average Amount (Rs)	Percentage
Food	3247.89	35
House rent/ Maintenance	2079.31	22
Education	1455.56	16
Health	1006.92	11
Electricity	190.29	2
Others	1402.08	15
<b>Total</b>	<b>9382.05</b>	<b>100</b>

Source: Primary data

This study analyses total expenditure of labourers. Above table shows the income spent by the labourers per month for their livelihood. It shows that the contract labours spent

major part (35 per cent) of their income on food because food is a basic need. 22 per cent of the labourers spent their money for House Rent/Maintenance. 16 per cent of the labourers spend their income for Education purpose. They were helping for their grandchildren’s education. Average income of 1402.05 spends for other expenses like tobacco, alcohol because some of the respondents have these habits.

11 per cent of income spent for medical purpose. Remaining 2 per cent of the respondents spend for electricity.

**Disease and Treatment**

Disease, Treatment and problems faced by contract labours were given in the table 5

**Table 5:** Disease and Treatment

S. No	Variables	Particulars	No. of Respondents		Total
			Yes	No	
1	Disease	Blood Pressure	3 (4)	68 (96)	71 (100)
		Skin Lesions	5 (7)	66 (93)	71 (100)
		Knee Injury	22 (31)	49 (69)	71 (100)
		Back Pain	34 (38)	37 (52)	71 (100)
		Stomach Ache	10 (14)	61 (86)	71 (100)
		Others	18 (25)	53 (75)	71 (100)
		None	16 (23)	55 (77)	71 (100)
2	Treatment		<b>Yes</b>	<b>No</b>	<b>Total</b>
		GH	45 (63)	26 (37)	71 (100)
		Private	27 (38)	44 (62)	71 (100)
		Rural Medicine	4 (6)	67 (94)	71 (100)
3	Problems	Others	2 (3)	69 (97)	71 (100)
			<b>Yes</b>	<b>No</b>	<b>Total</b>
		Health Hazards	48 (68)	23 (32)	71 (100)
		Irregular work time	5 (7)	66 (93)	71 (100)
		Deprived of Getting National Holidays	13 (18)	58 (82)	71 (100)
		Deduction in Wages	71 (100)	0	71 (100)
		More Hours to Finish Target	6 (8)	65 (92)	71 (100)
Balanced Work Life	19 (27)	52 (73)	71 (100)		
Social Security Measures	8 (11)	63 (89)	71 (100)		

Contract labours affected by some diseases. The study reveals that, majority of the labourers are old age people so they have some diseases caused by their work. It revealed that 48 per cent of the respondents are caused by back pain because they are engaged on sweeping. 22 (31 per cent) labourers are affected by knee injury they were also engaged on sweeping. 25 per cent of the workers are caused by other diseases like cold and fever. 10 (14 per cent) labourers having stomach ache. 3 per cent of the workers having blood pressure because of hyper tension. Remaining 23 per cent of the respondents of the people don’t have any disease. Most of the respondents (63 per cent) prefer GH because they are economically poor. 27 (38 per cent) labourers are go for their treatment in private hospitals. A rural person prefers rural medicine for their treatment, and finally 3 per cent of the people prefer others like clinic. A contract labourer faces so many problems relating to their work and also health difficulties. It is classified into seven types they were Health hazards, Irregular work time, Deprived of getting national holidays, Deduction in wage, More hours to finish target, Balance work life and Social security. It shows that all the 71 respondents revealed that if they took leave for their personal work they were unpaid. 48 (68 per cent) workers were affected by some health issues relating to their work. 73 per cent of the respondents revealed that they didn’t have balanced work life with their salary. 63 (89 per cent) labourers don’t have any social security measures like PF and ESI. 18 per cent of the respondents are regular to their work even on national holidays. 5 (7 per cent) labourers have irregular work time.

**Factors Influencing Contract Labours**

The study has observed some of the prime factors which induce the labourers to work on contract basis. To find out

the most significant factor which influences the respondent, Garrett’s ranking technique was used. As per this method, respondents have been asked to assign the rank for all factors and the outcomes of such ranking have been converted into score value with the help of the following formula:

$$\text{Percent position} = 100 \frac{R_{ij} - 0.5}{N_{ij}}$$

Where

R<sub>ij</sub> = Rank given for the i<sup>th</sup> variable by j<sup>th</sup> respondents

N<sub>j</sub> = Number of variable ranked by j<sup>th</sup> respondents

**Table 6:** Factors Influencing Contract Labours

Factors Influencing Contract Labour	Garrett Score	Rank
Easy Availability	4052	3
Poverty	4821	1
Flexible work time	3509	4
Illiteracy	4317	2
Unskilled Nature of Work	3500	5
Reasonable Wages	1592	7
Continuous Work	3172	6

Source: Primary data

From the table, Poverty of the Labour is the main reason among prime factors which influencing contract basis works. The increasing level of illiteracy compels the contract labours to select the unskilled nature of job with fewer wages so illiteracy placed as 2<sup>nd</sup> position. Easy availability of job ranked 3<sup>rd</sup> as there is no job security given by the employer. Flexible work time and unskilled nature of work placed as the 4<sup>th</sup> and 5<sup>th</sup> ranking. Though there is lack of job security and change of the contractor, the labourers will continue in the same job as there is flexibility in the

work time so continuous work placed as the 6<sup>th</sup> rank. And finally nobody was accepting it is a reasonable wage so it was placed as 7<sup>th</sup> rank.

### **Conclusion**

From the study, it concluded that under contract majority of the workers working for low wages because of the jobs related to unskilled. At the same time, they work for a long time. Under this system mostly they work due to poverty and their family problems. Though some respondents receive their pension and income from other sources, that income was not enough for survival and also pointed out that the current wage rate was not reasonable because of current price level.

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