

**Informal employment in Indian railways: A case study of Mysore railway station****Prof. Uma H R \*and Shruthi B R\*\*****\*Professor of Economics, University of Mysore.\*\*Research scholar, University of Mysore.****ABSTRACT**

*The service sector covers a wide array of activities ranging from services provided by the most sophisticated sector like telecommunications to simple services, highly capital intensive activities like civil aviation and shipping to employment-oriented activities like tourism and housing, infrastructure related activities like railways, roadways, and ports to social sector related activities like health and education. Indian Railways is one of the largest systems in the world under single management. It is also one of the very few railway systems in the world generating operating surpluses. With a modest beginning in India from 1853, the Indian Railways has emerged today as the main vehicle for socio-economic development of the country. Indian railways is contributing significantly to the employment generation. One of the main objectives of railway vision 2020 is also to generate large scale productive employment. Indian railway is a labour intensive industry having a workforce of over 13.6 lakhs employees. Indian railway is one of the largest employers not only in India but also in the world. The workforce of Indian railway is a varied mass of people from the gang man at one end to chairman of railway board at apex level. Apart from these formal employment Indian railways is also generating a large scale of informal employment through forward and backward linkages. This paper is an attempt to look at the employment which has been generated indirectly by Indian railways, they are also called as service providers who are providing different services to passengers, they are dependent on Railways. This study tried to capture the informal employment created by Indian Railways at micro level, area of this study is Mysore city railway station. The Case study of Mysore city Railway station has proved that Indian Railways is capable of generating large scale of productive informal employment. It is providing good opportunity for unskilled or semiskilled labour and also for those who have left their education at primary or high school level. This study highlights the importance of Indian railways as informal employers.*

*Keywords: Employment, service sector, unorganized sector, Indian Railways.*

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## Introduction

Indian railways is one of the major infrastructures in India. It is one of the largest railway systems in the world under a single management. Indian railways is a labour intensive industry having a workforce of over 13.6 lakhs employees. Indian railway is one of the largest employment provider not only in India but also in the world.

Employment generation has been one of the important objectives of development planning in India. Indian railway is contributing significantly to the employment generation. One of the main objectives of railway vision 2020 is also to generate large scale productive employment.

The workforce of Indian railway is a varied mass of people from the gang man at one end to chairman of railway board at apex level. Railway employees are working in various categories in the zonal railway and production units. There are around 700 categories of staff divided into 4 groups as A B C and D assigned according to working responsibilities. Apart from these formal employment Indian railways is also generating a large scale of informal employment through forward and backward linkages.

Formal employment indicates that employees have all types of social security and job security, but in informal employment an employee have no social security benefits. Nowadays informal employment has been increased within organized or formal sector. Here in this paper we are using the term informal employment for those types of jobs which are not associated with Indian railways directly but are working within Indian railways indirectly and serving the passengers.

Informal employment is increasing even within the organized sector. In India 55% of formal sector employment is of informal nature. Though at the macro level it is evident that service sector's growth is a jobless growth at micro level it may not be so. This paper is an attempt to look at the employment which has been generated indirectly by Indian railways, which is the largest employer in the world. We tried to capture the informal employment created by Indian Railways at micro level. They are also called as service providers who are providing different services to passengers, they are dependent on Railways.

## Types of Sectors

Mainly there are two types of sectors in the economy one is formal sector and another one is informal sector. Within these two sectors there are four types of employments

1. Sector is formal and employment is also formal in nature.
2. Sector is formal but employment is of informal in nature.
3. Sector is informal and employment is also informal.
4. Sector is informal but employment is formal.

## Existing Definition of Informal Sector and informal employment

### Informal sector/unorganized sector:

**As per System of National account (SNA) 1993**, "The informal sector consists of units engaged in the production of goods or services with the primary objective of generating employment and income to the persons concerned. These units typically operate at a low level of organization, with little or no division between labour and capital as factors of production and on a small scale".

The term informal sector was used to denote tiny units, engaged in the production of goods and services but whose activities were not recognized, recorded, protected or regulated by the public authorities. A wide range of activities from street vending, shoe-shining, food processing and other petty activities requiring little or no capital and skills to activities involving some amount of skill and capital such as tailoring, repair of electrical and electronic goods, operation of transport equipments were included in the informal sector. Invariably, the motivation for these activities is employment and income and not necessarily the maximization of profit or return on investment. (Dr. PronabSen and Ramesh Kolli, Ministry of Statistics and Programme Implementation, India)

### **Informal employment:**

In January 1993, the Fifteenth International Conference of Labour Statisticians (15th ICLS) adopted an international statistical definition of the informal sector employment: "Employment in the informal sector includes all jobs in informal sector enterprises or all persons who, during a given reference period, were employed in at least one informal sector enterprise, irrespective of their status in employment and whether it was their main or a secondary job".

The 17th ICLS defined informal employment as "comprising the total number of informal jobs, whether carried out in formal sector enterprises, informal sector enterprises, or households, during a given reference period".

According to 7th Meeting of the Expert Group on Informal Sector Statistics (Delhi Group) "Employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severances of pay, paid annual or sick leave, etc.)".

### **Objectives**

1. To prove that Indian railways is providing informal employment to large number of people.
2. To examine whether the job opportunity in Indian railways has helped them to improve their standard of living or not.
3. To throw light on the fact that by providing informal employment Indian railway has helped to reduce unemployment to some extent.

### **Methodology**

This is based on primary data, which has been collected from informally employed people at Mysore railway station. Required data has been collected using questionnaire schedule. This study is descriptive in nature. simple data tables and cross tabulations are used for interpretation of the data.

#### **Sample size:**

- At Mysore Railway station there are 11 stalls of edibles, books and magazines and 4 vehicles to sell edibles. We have collected the information from all these sellers.
- There are around 10 to 15 kooli / porters at Mysore city Railway station, among them we have chosen 5 sample respondents randomly.
- The third category is auto and taxi services; among them we have chosen 10 auto drivers and 10 taxi drivers as sample respondents.

## Review of literature

**Chandrasekhar C.P and JayathiGhosh (2013)** are of the opinion that share of employment under informal or unorganized sector have retained an important position in India's non agriculture sector, when we approach from the employment side informal sector is an overwhelmingly large sector in the Indian economy. This study also throws light on the problem of variation in definition of unorganized sector or informal sector. This study gives glimpses of the available statistics on informal sector and their limitations.

**Chakrabatrhisatyabrata (2009)** gives a detailed picture of informal sector and informal employment in India. This study mainly focused on gender dimensions of the informal sector employment in India. By using NSSO employment and unemployment survey data this study analyses the changes in male and female informal employment in India. Author is of the opinion that women are less likely than men to be engaged in full time regular employment as employee in informal sector enterprise, women are bigger workforce of informal employment.

**Table 1: Organized and unorganized employment in major sectors 2009-10 (in million)(Using usual principal and subsidiary status)**

Sectors	Total	Unorganized employment	Organized employment
Agriculture	244.85	242.11(99%)	2.74(1%)
Manufacturing	50.74	34.71(69%)	16.03(31%)
Non-manufacturing	48.28	30.38(63%)	17.9(37%)
Service	116.34	80.17(69%)	36.17(31%)
Total	460.22	387.38(84%)	72.84(16%)

Source: NSS 66<sup>th</sup> round, Employment and Unemployment survey

Table 1 shows the distribution of workers among different sectors, as agriculture is a major unorganized sector in India 99% of employment in agriculture sector is of informal nature. In service sector 69% employment is unorganized or informal.

According to NSS 66<sup>th</sup> round employment unemployment survey in India among 72.87 million organized sector workers around 42.13 million are informal employees. Within services organized service sector total employment is 36.18 million. Within this sector formal employment is 22.84 million and informal employment is 13.33 million.

### Informal employment in Indian railways: A case study of Mysore railway station

We have conducted a primary survey of service providers engaged at Mysore railway station to capture the economic and other conditions of people who are informally employed at Mysore city Railway station. Mainly there are 6 types of service providers who are engaged in and around every Railway stations they are

1. Stalls to sell coffee, tea, juice, fruits, snakes and other edibles.
2. Book stalls at station.
3. Platform vendors.
4. Kooli or luggage carrying service.
5. Auto services.
6. Taxi services.

At Mysore Railway station there are 9 stalls to sell edibles and 2 stalls of books and magazines, and 4 mobile platform vendors who have a small vehicle to sell edibles at platforms. Those who have taken the shops on contract by Indian Railways through auction are in good economic conditions and they are satisfied with their occupation as they are earning good profit. Among them 6 shop owners have hired one or two people informally to assist in shop keeping. The people who are working as assistants are young boys, who are doing part time job along with their studies or those who have discontinued their study after 12<sup>th</sup> standard. They are eager to skip to better job, present job has helped them as a waiting place for short time, where they can stay and find a better job.

Kooli/ porters are one of the important service providers at each and every Railway stations, they are informally employed, at Mysore Railway station there are around 60 porters most of them belongs to lower middle class or below poverty line, some of them are sole earners of their family they are struggling hard to make two ends meet, their earning depends on number of factors some days they may not earn anything. During festivals like Dasara and summer holidays they are earning more. Some of them are following this occupation because their fathers were following the same occupation. Among them some people came to this job due to loss in their previous small business like selling flowers, vegetables and fruits. These porters have formed their own organization to solve their problems immediately and to avoid clashes and cut throat competition among them. They have to pay around 50 to 60 rupees annually as a license fee to Indian Railways. When compared to other service providers porters are the people who have no obligation to invest initially the whole amount what they earn per day is their net earnings.

Auto and taxi services are very common near any Railway station, there are number of auto and taxi drivers around railway station some of them have their own auto or taxi and some people are driving the vehicle owned by someone else, they have hired the vehicle. Investment in this occupation is mainly to buy or to hire vehicle and then fuel charges and cost for repair. Both educated and illiterates are following this occupation, this is one of the occupations for those who are not able to get white collar jobs even after graduation. This occupation contributes to reduce unemployment to some extent. Nowadays women are also started working in this occupation. Our respondent auto drivers are associated with prepaid auto service outside the Mysore city railway station. As per our observation auto drivers are earning well when compared to taxi services. Because of good facility of public transport these taxi drivers are earning well only in seasons like Dasara and summer when tourist arrival is more. These taxi drivers have to pay around 1000 per year as parking charge to Indian Railways.

We asked all these type of service providers about their age, educational qualification, experience, net earnings, etc questions, and when we have done cross tabulation we got the following results.

- Among our respondents 10% are within the age group of 25 to 30, and 17.5% are between 31 to 35, among our respondents more people i.e 22.5% are between 36 to 40. 12.5, 20%, 12.5% and 10% service providers are between 41 to 45, 46 to 50, 51 to 55 and above 55 respectively. It shows that Indian railways has provided informal employment to all age groups of working population.
- Among our respondents 97.5% are male, it shows that informal employment generated in and around Mysore city railway station is mainly for males, as all koolis and shop owners and taxi drivers are male, only in auto service we observed female participation.
- 40% of our respondents have studied up to high school and 25% have studied only up to primary school. 22.5% service providers studied P.U.C; we found only 7.5% of illiterates among them. Some of them are ITI holders. It shows that the people who have left their education after

primary and high schools find their occupation in unorganized sectors or informal employment within organized sectors. We observed that age of all the illiterate respondents is above 50 years.

- 55% of our respondents have 6 to 10 years of experience in the same job, 7.5% have experience of more than 25 years and 15% have only 1 to 5 years of experience. Rest of the people has experience between 11 to 25 years. As 30% of people among our respondents are following the same occupation it shows that they are getting good remuneration and they are satisfied with their job.
- As these service providers don't get any fixed income every day, their earnings vary day to day. Per day Net earnings of 82.5% respondents is between 100 rupees to 500 rupees. Net earnings represent the amount of income left over after all operating expenses have been deducted from total revenue. It is also called as net profit or net income. Per day Net earnings of 10% respondents is between 500 to 1000 rupees and only 7.5% earns around 1000 to 1500 per day. No one is earning below 100 rupees per day it shows that the present occupation has provided them a better livelihood. The people who are earning above 1000 are edible stall owners, and they have provided job for one or two people in their shops.
- Among our respondents 60% are sole earners of their family, we have observed that among our respondents most of the young people within the age group of 25 to 30 and people above the age of 50 are not the sole earners of their family. More number of Service providers between 30 to 50 years of age are sole earners in their family.
- 62.5% are not following the same occupation from the beginning only 37.5% are following the same occupation from the beginning. It shows that due to several reasons when they are unemployed or left their previous occupation Indian railways has provided an alternative opportunity in the form of their present occupation. Some people were doing agriculture previously, some people were doing some other business, and few people were working in factories. Main reasons for their shift to this job are loss in their business, health reasons, lack of interest, and to earn better. 60% of respondents are satisfied with their present occupation.
- 95% are living in pucca houses only 5% are not living in pucca houses, those who are not living in pucca houses are koolis/porters. When we asked questions about the comforts and luxuries at their home we found that 77.5% have television, 55% have radio 27.5% have scooter and 57.5% have cycles in their houses. It shows they are leading a comfort life by their earnings. They can afford not only basic necessities but also some comforts. 87.5% respondents have mobile phones as it has become a necessary good. Interesting thing is the respondent who is not living in pucca house also has a mobile phone.
- 80% of service providers have bank accounts and only 20% don't have bank accounts, it shows that majority of them are financially included.
- When we asked about monthly saving we came to know that savings of 32.5% people is nil, they are not saving anything. 10% are saving above 3000 rupees per month. 27.5% are saving between 100 to 500 rupees every month, and 17.5% are saving 500 to 1000 rupees. Few among them are saving upto 3000 rupees. Only 32.5% are not able to save anything from their income, remaining people are saving a certain amount; this shows that the present occupation has provided them sufficient income so that they can save a minimum amount for their future.
- All most all respondents are providing education to their children; they are also providing nutrient food and good health care facilities to their family members.

## Conclusion

Indian Railways is one of the largest employment providers not only in Indian but also in the world. This paper is an attempt to look at the employment which has been generated indirectly by Indian railways. In this paper we have tried to capture the informal employment created by Indian Railways at micro level. The Case study of Mysore city Railway station has proved that Indian Railways is capable of generating large scale of productive informal employment. It is providing good opportunity for unskilled or semiskilled labour and also for those who have left their education at primary or high school level. Indian Railways has provided them a job through which they can lead a better life with some comforts. They are able to provide education and health to their children.

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