

## **Wood Load Workers In Rubber Plantations: A Study of Informal Sector Labour Force of Kerala, India**

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### **Introduction**

The rubber plant originally hails from Dutch who cultivated it in their plantations at Indonesia. The Dutch introduced the rubber plant to Kerala, because of its similar tropical climate. Rubber trees which are tall slim trees, are a major revenue earner for the state of Kerala. Kerala accounts for 91.00 percent of natural rubber production of the country. Kottayam District has extensive areas producing and processing rubber. The District is one of the most prosperous plantation sectors in India.

The Rubber plant produces a sticky, white latex, which is collected and processed to produce natural rubber. A rubber plant has to grow for about seven years to produce latex and the rubber tree can be productive for over 20 years. The rubber is harvested by rubber tappers who make a long curving cut on the outer bark of the trunk of the tree. The latex from within the tree seeps to the surface of the cut and trickles down the cut into a container, tied to the tree by the rubber tapper. Every morning the rubber tapper empties the container tied to each tree, in the area of the plantation that he works in. After a few days another cut is made just above or below the first cut, so as to extract more latex from the rubber plant. After about 20 years the rubber tree will stop producing latex, which will have to be replaced upon so as to plant a new one. The following section throws light on the demographic features of the state.

### **Demographic Attainment of Kerala**

Among Indian States, Kerala has the dubious distinction of being one of most thickly populated areas. If one takes into account the low birth and death rates and the high literacy rate, demographically Kerala may be well considered as the most modern state in India. Thanks to highest literacy rate in the country, Kerala presents a fascinating picture of the impact of educational initiatives made by both Government and private agencies But its demographic achievement has not been matched by provision of employment opportunities which affects the development of the state negatively.

### **The Problem of Unemployment**

Highest unemployment rate is reported to be the negative factor retarding the economic development, which is almost three times that of all-India rate. According to the current daily status approach, Kerala's unemployment rate for those aged between 15-59 years was 16.5 percent against the national average of 5.8 percent. Though Kerala registered a growth of 8.24 percent in 2012-13, the state recorded the highest unemployment rate in the country. According to the live register of employment exchanges, unemployed constitute 39.78 lakh people in the state. The new statistics show that Kerala's unemployment rate is 7.4 percent, which is much higher than the national average of 2.3 percent. (Government of Kerala, 2013). Educated unemployment among youth is an issue of concern for the state. The level of unemployment is reported to be higher in urban areas compared to the rural areas under all approaches of measurement. Since the living cost as well as rate of unemployment are high in the state, youth prefer to immigrate to foreign countries seeking high remuneration.

### **Objectives of the Study**

Majority of wood-load workers in India are engaged in informal/unorganised sectors and Kerala is no exception to it. According to reports given by various Welfare Boards of Workers of Kerala state the workers of informal sector have no written contracts, no benefits other than wages and so they are not covered under the Social Security benefits. The analytical focus of the study is the socio-economic profile of the wood-load workers who carry the rubber wood which are cut for replanting purpose of rubber trees. Hardly any microeconomic studies have been conducted for analysing the labour market scenario of wood-loaders. The present study is fundamentally aimed at filling this serious knowledge gap by attempting a micro level analysis of wood-loaders.

### **The Respondents of the Study**

The respondents of the study constitute those who are involved in any loading activity related to rubber plantations located in Thidanad and Elikkulam Panchayats of Kottayam District of Kerala state. The respondents constituted those who were engaged in wood-loading activity till the cut-off period.

### **The Research Methodology Adopted**

The universe of the study constitute 450 wood-load workers belonging to five trade unions affiliated to different political parties at Elikkulam and Thidanad Panchayats. The trade union leaders associated with the five political unions were contacted and detailed information regarding the profiles of the workers were collected. This was followed by an intensive survey of 200 wood-load workers and their family members with a specially designed

questionnaire which constitute a sample size of approximately 43.00 percent. The income (wage) received by the wood-loader was taken as the dependent variable. Level of education of the respondent, membership of trade union, work experience, number of hours of work and the status of card holder/non-card holder were taken as independent variables.

### **The Econometric Model**

To study the likelihood of securing better wages for wood-load workers logistic regression is used in this study. Bi-variate distributions are generated to understand the profile of wood-load workers with selected background characteristics and work profile in the informal wood-loading sector. An appropriate technique to analyse the relationship between a set of predictor variables and a dependent variable, which is dichotomous, is the logit or logistic regression.

In the case of logistic regression, the coefficients are estimated using maximum likelihood method. The results suggest that the odds of high income for wood-load workers could be explained with only two variables; card holders and education of respondents among all the four predictors considered in this analysis. The  $\text{Exp}(B)$  which is the odd ratio shows that odds of having higher income among trade union members who are card holders and educated to be nearly twice than those trade union members not having card or with little education.

### **Logistic Regression Results**

The output table of the logistic regression analysis is given in Table 1. In the table, the parameter estimates summarizes the effect of each predictor; the ratio of the coefficient to its standard error, squared, equals the Wald statistic. In the table,  $\text{Exp}(\beta)$  represents the ratio-change in the odds of the event of interest for a one-unit change in the predictor.

**Table 1: Variables in the Equation**

	$\beta$	S.E.	Wald	Df	Sig.	$\text{Exp}(\beta)$
Education	0.72	0.282	6.527	1	0.011	2.054
Cardholder(1)	0.699	0.337	4.303	1	0.038	2.011
Constant	-0.796	0.62	1.646	1	0.2	0.451

Source: Computed from SPSS software

The logistic regression was performed through forward stepwise method as well as backward method suggest that the odds of higher income for wood-load workers could be explained with only two variables. To summarize, the logistic regression results show that the likelihood of higher wages for workers engaged in wood loading sector for the study area depends on two factors; firstly, having education level of at least primary schooling and secondly, possession of card issued by Labour Officer. The result also suggests that the

model employed is fairly good for the analysis as both the methods; forward and backward stepwise yield the same variables as significant predictors. The Exp ( $\beta$ ) which is the odd ratio shows that odds of having higher income among card holders and educated wood-load workers to be nearly twice than those trade union members not having card or with little education.

### **Findings**

The proportion of married respondents was reported to be high with 97.00 percent which leaves out only 3.00 percent of singles. Since the job requires lot of physical strength, males predominate and only two females were found in the sample.

The literacy level of the workers is high in this labour market, owing to the fact that Kottayam District attained cent percent literacy. One of the important findings is that less educated people among wood-loaders constitute a small minority. Not only wood-loaders, but also their spouses and children constitute the educated category. Yet another interesting feature of the wood-loaders profile is that out of 200 respondents as many as 126 i.e., 63.00 percent belonged to the age group of (35-44).

### **Status of Employment**

Another significant observation of the study is that all respondents of this study are members of trade unions. However they may be classified into two ways on the basis of type of the membership card of the trade union issued: such as card holders and non-cardholders. The card holders are permanent workers possessing the card issued by the Labour Officer of District level located at Kottayam. The non-card holders are temporary workers whose position is more vulnerable as they are expected to participate in election work, demonstrations, and are at the mercy of the union leaders for their daily work. The Labour Officer stopped issuing labour cards for the last three to six years and hence the non-card holders outnumbered the card holders at the time of survey.

**Table 2: Age and Possession of Card**

<b>Age of the Respondent</b>	<b>Card Holders</b>	<b>Non-card holders</b>	<b>Total</b>
25-34	17 (8.50)	29 (14.50)	46 (23.00)
35-44	84 (42.00)	51 (25.50)	135 (67.50)
45-54	17 (8.50)	1 (0.50)	18 (9.00)
55-64	1 (0.50)	0	1 (0.50)

	119	81	200
<b>Total</b>	(59.50)	(40.50)	(100.00)

\* Figures in brackets indicate percentages

Employment was found to be quite limited among wood load workers. It was further observed that jobs held by wood-load workers were temporary in nature and therefore leading to insecurity and the income earned were insufficient for survival.

**Table 3.**Wage of Card Holders and Non-Card Holders

<b>Wage (in ₹)</b>	<b>Card Holders</b>	<b>Non-card holders</b>	<b>Total</b>
400-500	17 (8.50)	29 (14.50)	46 (23.00)
501-600	84 (42.00)	51 (25.50)	135 (67.50)
601-700	17 (8.50)	1 (0.50)	18 (9.00)
701-800	1 (0.50)	0	1 (0.50)
<b>Total</b>	119 (59.50)	81 (40.50)	200 (100.00)

\* Figures in brackets indicate percentages

It was revealed that majority of card holders and non-card holders belonged to the same age group i.e. (35-44) and the lowest of both were from the age group (55-64). The wood load workers are entangled in poverty due to limited number of days of work.

It was brought to notice that only 0.50 percent (1 person) of the sample fell in the highest category of wages earned ₹ (701-800). The inference drawn from the sample indicated that higher wages had nothing to do with the age or work experience of the wood-loader, but was more dependent on his strong involvement in the union activities. It also depended to a certain extent on his capability to exert decision making. The leaders of the trade union and the card holders were reported to be in comparatively commanding position with regard to allocation of wages as well the stipulation of number of days of work. Owning a card issued by the Labour Officer will not affect the chance to secure higher wages or more number of hours of work in a labour market dominated by trade unions, as revealed by the study. It may be observed here in this context that the engagement in the activity of wood-loading can be considered as survival strategy of the workers since the number of days of work in a year is limited.

#### **Days of Gainful Employment**

Along with the details of the current work undertaken, it was pertinent to collect information

related to total number of gainful employment of the wood-load worker. The information brought out somewhat somber picture in this regard. The minimum number of days which a wood-loader could secure the work was 35 and the maximum number of days work reported was more than 140 as brought out by Table 4. Primarily, high rate of wages paid to a wood-loader and secondly, due to the absence of any alternative avenues of work.

**Table 4.**Number of Days of Work

<b>Days of work in a year</b>	<b>Number</b>	<b>Percentage</b>
35-55	17	8.50
56-76	15	7.50
77-97	29	14.50
98-118	95	47.50
119-139	43	21.50
More than 140	1	0.50
<b>Total</b>	200	100.00

The simultaneous existence of piece rate contract and daily wage contract among wood-load workers have been observed in the informal labour markets in Elikulam and Thidanad. A daily wage contract for a wood-load worker involves working for a fixed wage and a fixed number of hours. In the piece rate contract wood-load workers are paid according to the amount of work accomplished. Among wood-load workers in Elikualm and Thidanad daily wage contract accounted for ₹ 600 whereas piece rate contract amount is higher which may go up to ₹800 for the remaining work.

#### **Overtime and Part-time Wages**

As revealed by the survey, the availability of overtime and part-time wages depend upon two factors, such as assignment of such opportunities by the trade union leaders and willingness to take up part-time and overtime jobs. It is observed that respondents having strong influence in trade union, who secured job through union and are card holders get the opportunity to do overtime work and receive overtime wages. The card holders of union enjoyed priority treatment over the non-card holders owing to their proximity to trade union leaders and the willingness to devote more time for union activities as well as to contribute in larger quantum for the trade unions.

The study also focussed on the number of dependents of wood-loaders which have a bearing on the motivation for taking up further jobs. Large number of dependents may provide as a disincentive to wood-loaders from opting for leisure and conversely less number

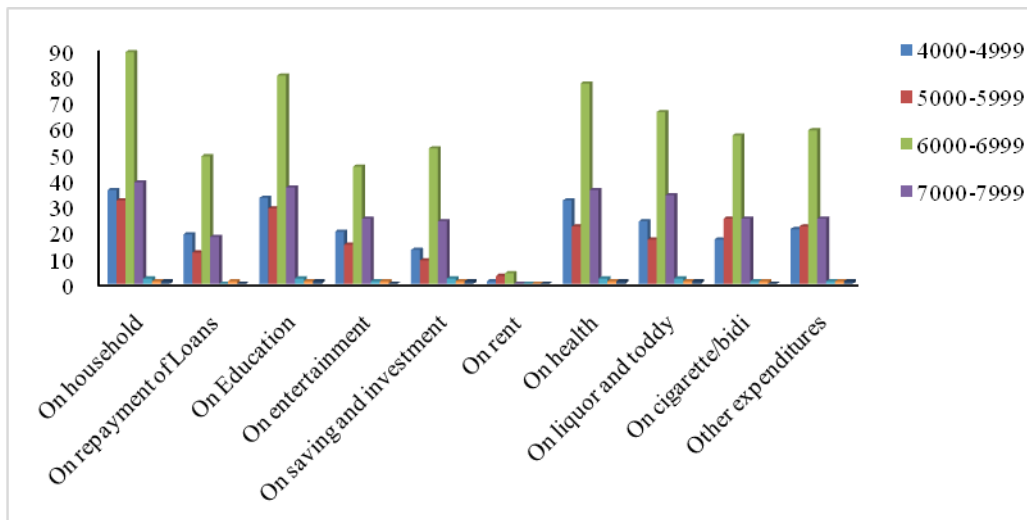
of dependents may induce them to take up more odd jobs when they are free from wood-load related work. It was also revealed that some of the wood-loaders were engaged in repair work of their house and storing dried tapioca which is their staple food to take up hard work of wood-loading.

### **Monthly Expenditure of Wood-loaders**

A wood-loader's expenditure has specified constituents such as household, repayment of loans, education, entertainment, saving and investment, rent, health, liquor and toddy, cigarette/beedi and other expenditures. The findings suggest that the maximum 44.50 percent households had spent ₹ (6,000-6,999) per month on household expenditure, 19.50 households up to ₹ (7,000-7,999) per month, while 0.50 percent up to ₹10,000 per month showing not so affluent pattern of expenditure. Among the next pertinent regular item of expenditure the most prominent is the schooling of children. As noted earlier, an average Keralite is desirous to educate his children. The unique feature of the respondent is reflected in the heavy expenditure on education. As many as 22.50 percent of respondents spent up to ₹ (6,000-6,999). While 0.50 percent spent up to ₹ 9,999. The figures suggest the need of respondents to create an environment for mental relaxation where little existed.

The next important concern of wood-loader is evidently on extravagant consumption in the pattern of expenditure under two counts namely liquor/toddy as well as cigarette/bidi. Significantly a high percentage of respondents were willing to spend heavy amounts on these items constituting a significant part of their regular income. It may however be observed that the initiative to spend further on intoxicant is prevalent and was more prominent among respondents in the absence of wives or family members.

Closely akin to the respondents predilections to repay loans, there is a tendency observed among respondents for building up savings and investment as an important component of their personal and security. The saving pattern can be improved if due care is taken by them in limiting their consumption of harmful items and diverting such expenses for better quality food. Obviously expenditures on unspecified items do not form a significant factor in the monthly income profile of the majority of wood-load households.



**Fig. 1.**Monthly Expenditure

Not more than 30.00 percent of the requirements from medical help. So high degree of reliance for financing liquor/toddy and cigarette/bidi consumption was a matter of great concern.

The study highlights the fact that Kerala model of labour organisation by powerful trade unions acts as a countervailing weapon in the age of liberalisation. Major decisions undertaken in the wood-load workers of the study are shaped by the active support of the trade unions.

### **Conclusion**

A major finding of the survey reveals that in Kerala’s rural informal economy, union militancy is more pronounced than employer’s militancy. The post reform period in India testifies that trade union power has weakened and as a result number of strikes have come down. As observed in many other studies, the employer’s militancy has gone up in the post reform period as number of lock outs have come down significantly. The empirical data generated in this study strongly refutes the impact of labour market reforms on wood-load workers in Elikulam and Thidanad Panchayats led by powerful unions.

For the sustainability of the so called Kerala model of development, policy makers have to pay more attention to the rural unemployed and underemployed. Globalisation and the growth of union led subcontracting pulled many into the informal sector. The wood-load workers’ activity in the informal rural economy caters to strong markets and have strong production linkages with the formal economy. In light of the research findings on wood-load workers it is found that growth and efficiency oriented paradigms leave a large number of



people untouched in the informal sector in rural areas. There is no single policy prescription for the informal economy in Kerala. The reforms must work in a more inclusive and socially responsible manner. Policy makers should draw their immediate attention for the sustainability of rubber based wood-loading activity on which Kerala's economy thrives.

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