# DETERMINANTS OF AWARENESS ABOUT SOCIAL SECURITY MEASURES AMONG INDUSTRIAL WORKERS IN COIMBATORE: A LOGISTIC REGRESSION ANALYSIS

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*"Healthy citizens are the greatest asset any country can have."*

– **Winston Churchill (1943)**

*Abstract*

*In this article aims at analyzing determinants of awareness about social security measures among informal industrial workers in Coimbatore. The current study explains the importance of satisfaction with the wages / salary that plays an important role in awareness about social security measures among informal industrial workers. Workers' satisfaction in salary seems be sensitive to employer-employee relation. The higher degree of salary satisfaction exists with higher degree of satisfaction in employer-employee relations in both the segments. It is a key ingredient in workers performance improvement. The study comprises 750 sample respondents from different foundry/engineering and textile industries in Coimbatore were interviewed by the researchers. Logistic Regression Technique is used to analyse the determinants of awareness about social security measures among informal industrial workers. Results have implication that satisfaction with the wages / salary plays a lead role in determining the awareness about social security measures among industrial workers. This study gives suggestions major insecurities for workers in the unorganized sector is the frequent incidences of illness and need for medical care and hospitalization of such workers and their family members. Despite the expansion in the health facilities, illness remains one of the most prevalent causes of human deprivation in India. The workers in the unorganized sector practically have no social protection. The massive poverty in our country is partly due to low wages and partly due to lack of secure employment throughout the year. The employment generation schemes cannot deal with the problems of low wages in the unorganized sector, especially when there is large scale unemployment. Most of the social security benefits in our country basically cater to the needs of the organized work force, which constitutes only one-tenth of the total work force. Given the weak state of voice and representation of the unorganised workers, the state and the civil society organisations have an important role in contributing to an industrial and labour relations environment in which the minimum conditions of work of the unorganised workers can be secured (Dharmaraj 2007).*

*Keywords: Social security, Informal industrial workers and Logistic Regression Technique.*

## Introduction

Health and Safety of the employees are important aspects of an organization's smooth and effective functioning. It is ironic that good health is often taken for granted and is neglected. The value of health is usually understood only when it is lost. A large part of one's adult life is spent at work. In India, it is estimated that about 98.97 million people are working in some enterprise, more or less equally distributed in urban and rural areas (Provisional Report of Economic Census 2005). As a factor of production, it is most important, because, the utilization of other factors largely depends on the proper and

optimum utilization of time and energy on the part of workers. As a matter of fact, workers are human beings, capable of holding responsibilities, extending co-operation and achieving objectives. They have their own attributes and aspirations which, if handled properly, lead to the success of industry and growth of the economy. Besides, labour is no more an unorganized mass of ignorant and unconscious workers, always ready to obey the arbitrary orders and dictates of their employers. Today, they are very much articulate and form an important and vocal section of the commodity. They have now acquired a dignity and social status in society. They have a crucial and significant role to play in a developing economy like India (David Koh, Dean Baker 2009).

**Statement of the Problem and Need for the Study**

The unprotected and unorganized workers are, by definition, disadvantaged workers. The degree of disadvantage, if one may say so, varies from segment to segment. There have been a large number of researches in the field of unorganized labour. But very few studies have been carried out about the unorganized industrial workers belonging to textile and foundry units, who form a sizeable proportion of the total labour population engaged in the informal sector. With the increasing in formalization of the work force and the large number of persons below the poverty line, there is an urgent need to focus occupational health safety for unorganized industrial workers. In India, occupational health safety has so far benefited, by and large, only the workers from the formal sector. The vast informal sector of the country has never been touched by the very sophisticated labour laws of the country.

Social security is a basic need of all people, regardless of the employment in which they work and live. It is an important form of social protection. It should begin with birth and should continue till death. In a general sense, social security refers to protection extended by the society and State to its members to enable them to overcome various contingencies of life. Social sufferings such as poverty, unemployment and disease are the sound grounds for advocating the provisions of social security measures in India as national programme. Social security is a dynamic conception which is considered in all advanced countries of the world. It has been considered as the most essential for the industrial workers, though it includes all sections of society. Against this background, this study aims to analyse the determinants of the industrial worker's awareness about social security measures.

**Data Sources and Methodology**

In the present study, the methodology consists of area of the study, Sampling frame and sampling size, and data collection procedures. The unorganised sector is an enterprise-based concept and does not reflect the characteristics of the jobs or employment relationships. It is possible that some workers in the unorganised sector do not enjoy any job security, work security or social security. In order to identify such categories of

workers, it is necessary to complement the definition of unorganised sector with a definition of unorganised/informal employment. All the casual workers and unpaid family workers in all enterprises, irrespective of the sector, are being considered as unorganised workers.

## (i) Area of the Study

The study was confined to Coimbatore of Tamil Nadu, the second largest city of the State. Coimbatore is one of the most industrialized cities in Tamil Nadu and is known as the textile capital of South India or the Manchester of the South. Among all the districts of Tamil Nadu, Coimbatore district is one of the most affluent and industrially advanced districts of the State. It has more than 40,000 small, medium and large-scale industries, which serve the engineering needs of the major parts of the country. The city is known for its dynamic people and excellent infrastructure. The entrepreneurial spirit of the business community here is renowned across the country. Besides Textiles, the city today has evolved itself into a diversified economy with Engineering, Auto Components, Pumps and Motors (Out of every two water pumps produced in the country one is from Coimbatore), Foundries (One among the six major centres in India) and the educational institutions (the highest density in the country: 84 in 75 Square Km) which produce about 40,000 graduates of various disciplines a year. Coimbatore is well known for its textile and engineering industry, which consists of units turning out a variety of products needed by different types of industries, as inputs. Apart from supplying components to major units, many engineering units are engaged in producing consumer durables too. The unorganised workers of these units are prone to unhealthy working and living conditions.

## (ii) Sampling Frame and Size

In the study area, the sample unprotected workers in the organised sector are mainly in the categories of regular, casual and contract workers who remain unprotected because of non-compliance of the provisions of the existing laws. This is a growing segment in the organised sector and this forms the universe of the present study. The study of unorganised workers with special reference to foundry and textile units in Coimbatore is an empirical one. The study is based on survey research technique. The information on workers in the informal sector has been gathered form extensive survey of field investigation. As working labour informal sector of Coimbatore constitute a heterogeneous group, stratified disproportionate sampling has been undertaken while collecting the sample workers. In order to get sufficiently large sample from both the selected industrial units under consideration, it was decided to get a sample of 10 per cent of the workers for the study, for which again **Systematic Sampling Method** was adopted (taking into consideration the number of workers in each selected industrial establishment). The researcher was able to contact 750 sample respondents only from whom detailed information was collected for the present study.

**Social Security**

The concept of social security implies collective action by the community to help a member against misfortunes and wants; he/she cannot meet with his/her own resources. The concept finds its mention in the early Vedic hymns which wishes everyone to be happy, free from ill-health, enjoy a bright future and suffer no sorrow. Today, it is based on the "ideals of human dignity and social justice". Social security, according to Lord Beveridge, "is an attack on five giants, viz., want, disease, ignorance, squalor and idleness. Social security is defined by International Labour Organisation (ILO) as "the security that society furnishes, through appropriate organization, against certain risks to which its members are exposed". These risks are essentially contingencies against which the individual, who has small means, cannot protect himself. These contingencies include employment injury, sickness, invalidism or disablement, industrial disease, maternity, old-age, burial, widowhood, orphan hood and unemployment. Hence, it is obvious that the purpose of any social security measure is

1. To give individuals and families the confidence that their level of living and quality of life will not erode by social or economic eventuality,
2. To provide medical care and income security against the consequences of defined contingencies,
3. To prevent or reduce ill health and accidents in the occupations, and
4. To protect against unemployment by maintenance and promotion of job creation (Madava Rao, 2002).

**Determinants of Awareness about Social Security Measures**

In the earlier section, the gross differentials in respondents' awareness about social security measures have been analysed across their selected background characteristics. However, such gross differentials are less conclusive and generalizations drawn from such analysis have their own limitations. Therefore, in the present section, an attempt is made to find out the principal factors that are likely to affect the respondents' awareness about social security measures. For this purpose, the respondents' awareness about social security measures has been considered as dependent variable which has been categorised into two groups viz., those respondents who have awareness about social security measures (by assigning a score of '1') or those who do not have such awareness (a score of '0' is assigned), whereas the selected independent variables have been considered as categories. In such a condition, adopting the logistic regression analysis is more apt and therefore, such an analysis is carried out and discussed in this section. The results are presented in Table 1.

**Table 1: Logistic Regression Results on Awareness of Social Security Measures**

| Explanatory Variables | Beta | Exp (B) | Level of Sig. |
|---|---|---|---|
| **Age** | | | |
| ≤ 24 Years | -- | 1.000 | -- |
| 25 – 34 Years | -0.807 | 0.446 | **0.01** |
| 35 and Above | -0.458 | 0.632 | 0.274 |
| **Gender** | | | |
| Males | -- | 1.000 | -- |
| Females | -2.161 | 0.115 | **0.001** |
| **Marital Status** | | | |
| Unmarried | -- | 1.000 | -- |
| Married | 1.434 | 4.198 | **0.001** |
| **Caste** | | | |
| Scheduled Castes / Tribes | -- | 1.000 | -- |
| Most Backward Castes | -0.220 | 0.803 | 0.435 |
| Backward Castes | 0.011 | 1.011 | 0.961 |
| Forward Castes | -0.816 | 0.412 | **0.01** |
| **Educational Status** | | | |
| Uneducated / Primary School | -- | 1.000 | -- |
| Middle School | 0.131 | 1.140 | 0.633 |
| Higher Secondary School | 0.063 | 1.065 | 0.841 |
| Diploma / Degree | 0.153 | 1.166 | 0.613 |
| **Monthly Income (in Rs.)** | | | |
| ≤ 6000 | -- | 1.000 | -- |
| 6001 – 8000 | 0.115 | 1.122 | 0.795 |
| **Satisfaction with Salary** | | | |
| No | -- | 1.000 | -- |
| Yes | 0.862 | 2.369 | **0.001** |
| **Nature of Employment** | | | |
| Temporary <3 days / One Week | -- | 1.000 | -- |
| Contract | 0.299 | 1.349 | 0.311 |
| Permanent | 0.402 | 1.495 | 0.140 |
| **- 2 Log likelihood** | 728.742 | | |
| **Chi-square (d.f)** | 232.811 (14) | | |
| **Significance Level** | 0.001 | | |
| **N** | 750 | | |
| **Cox & Snell R Square** | 26.7 | | |
| **Nagelkerke R Square** | 36.9 | | |

Among the sample respondents, it is evidently noticed that 5 out of 8 explanatory variables under consideration have shown statistically significant net effects on the respondents' awareness about the social security measures. Controlling for all the variables used in the model, the odds of awareness regarding social security measures are 4.2 times higher (OR = 4.198; p<0.001) among those who are currently married than those who are unmarried / widowed at the time of survey. Next to this, respondents' satisfaction with the wages / salary they use to earn / get has exhibited a significant positive net effect on their awareness of social security measures. This indicates that respondents who are satisfied with their salary have greater awareness about social security measures (OR = 2.369; p<0.001) than those who are not satisfied with their earnings.

Respondents' current age has exhibited a negative and significant independent effect on their awareness about social security measures. From the Table one can see that the likelihood of having awareness about social security measures is significantly (p<0.01) less among those who are in the age-group of 25-34 years as compared to those who are in the ages of 24 years and below. Also such likelihood appears to be lower among those who are in the ages of 35 years and above, but the odds didn't turn out as statistically significant. Another noticeable fact here is that, controlling for other variables included in the model, females have significantly (p<0.001) lesser likelihood of awareness about social security measures as compared to their male counterparts. Contrary to the expectation, respondents who belong to forward castes (who are said to be fairly high in social standing) tend to have lesser awareness about social security measures, that too, highly significant extent (p<0.01) as compared to those who belongs to Scheduled Castes / Tribes. Further, such pattern is also noticed in the case of those respondents who belong to Most Backward Castes, but in insignificant manner. However, it is interesting to note that, as anticipated, the odds of having awareness about social security measures are somewhat higher among those respondents who belong to the Backward Castes (OR = 1.011) as against the respondents of reference category, but the t-test results didn't turn out as statistically significant.

Among the other variables, though respondents' different levels of education have showed positive net effects on their awareness about the social security measures, the t-test results in these case didn't turn out as statistically significant. Likewise, though the level of income as well as nature of employment have shown the expected directions of independent effects on respondents' awareness about social security measures, these effects lack statistical significance.

## Conclusions

The workers in the unorganized sector constitute nearly 93 percent of the total work force in the country. The Government has been implementing some social security measures for certain occupational groups, but the coverage is miniscule. Majority of the

workers are still without any social security coverage. One of the major insecurities for workers in the unorganized sector is the frequent incidences of illness and need for medical care and hospitalization of such workers and their family members. Despite the expansion in the health facilities, illness remains one of the most prevalent causes of human deprivation in India. The inescapable conclusion is that the arguments for the regulation of working conditions ensue not only from the protection of workers and their rights as well as concerns with basic dignity of work, but also from the logic of enhancing productivity and growth, even though such logic may not be immediately obvious to individual employers (NCEUS, 2007). The element of income security and social protection, food, water, health care, child care, shelter and education need to be treated as basic entitlements of the workers and producers of the economy. They are entitled not only because they are citizens, but also because they are the main contributors to the wealth of the nation. Today, even without these entitlements, they contribute their labour, skill and entrepreneurship to the economy. Social security must contain at least health care (including maternity, injury) child care, shelter and old age support that strengthen productivity and the economic security of the current workforce.

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