

## **Thesis Abstract**

This study is an attempt to understand well-being of informal workers using alternative non-monetary concepts of evaluating well-being. Informal economy has been historically proven to be an integral structural component of the post-globalization capitalist economy. Broadly, informal enterprise is characterized by small unit size and lack of registration, and informal employment is characterized by lack of work-based benefits and legal security. In developing world, participation in informal economy is often more driven by survival need than growth opportunity. As lack of legal restrictions causes uncertainty and vulnerability regarding employment security, it also enables easy entry. Therefore, although informal economy has high coincidence of poverty and precarious jobs, it often acts as a safety net for poor people. Moreover, systematic inequality pushes the people at lower strata in informal economy for survival. And being a way of survival of poor and also a source of cheap labour and input of big formal enterprises, informal economy exploits poorer and more marginal workers disproportionately and keep them stuck in poverty as well, thus contributing to inequality. Hence, lack of protection of labours' rights and well-being in informal/non-formal employments result in deepening inequality (as it hurts more the marginalized section with lesser bargaining power) and a decline of collective social well-being in long run. Informal workers' well-being is subject to a complex network of socioeconomic systems which cannot always be separated. Hence well-being of the informal workers has been addressed from a holistic approach, using the concept of subjective well-being i.e. self-reported evaluations of well-being. Additionally, two more specific concepts have been considered. Since 'work' is an integral part of the life of an informal worker, this complex network of socioeconomic systems has been broadly divided into work related and non-work related strands. The concept of decent work has been considered for work related well-being. For the rest, the concept of social capital has been considered. Decent work is an idea of 'good work' which aims to improve an worker's life through employment, social security, workers' right and social dialogue. Social capital is understood as an intangible form of capital derived individually and collectively from the social environment we live in. Although these two concepts are far from being exhaustive in capturing every aspect of individual well-being, together they cover a significant portion. The main research objectives addressed in the thesis are: enquiring the state of overall well-being of the informal workers in terms of subjective well-being, enquiring the quality of work of the informal workers in terms of decent work condition and enquiring the state of social capital of the informal workers.

The study is based on data from an individual-level primary survey in the rural and urban areas of Hooghly district, West Bengal, India. One municipal corporation and two gram panchayets were randomly chosen from a total 13 corporation/municipalities and 18 blocks under four sub-divisions. Quota sampling technique was adapted to select a final 542 responders through face-to-face interviews.

The responders engaged in 22 major informal activities were categorized under three broad groups- self-employed, regular wage-earner and casual labour. Based on the information provided by the responders, three individual-level indices have been constructed to evaluate subjective well-being, decent work condition and social capital for each responder. Then simple econometric methods have been used to explore their relationship with other demographic factors and select material indicators of well-being and lastly, to each other.

In chapter 6 an individual-level composite subjective well-being index has been constructed using geometric mean. The final index (SWB) is a combination of two sub-indices- life satisfaction index (LS) and psychological well-being index (PWB), and contains information on a total 15 indicators under these two broad categories. The main question of this chapter was whether subjective well-being of the informal workers is influenced by their income or not. Simple OLS models have been used to investigate the impact of income on subjective well-being. The effect of income has been checked on the composite index (SWB) as well as the two sub-indices (LS and PWB). Two types of income- individual monthly income and household percapita monthly income, along with other control variables have been considered. Further, two segregated analysis have been done-across residing areas and across work categories.

Our findings suggest that income has a strong positive but diminishing effect on subjective well-being as well as life satisfaction and psychological well-being of informal workers. Moreover, self-employed workers and casual labours tend to have lower level of subjective well-being than regular wage-earners. And workers in rural areas tend to have higher subjective well-being than urban informal workers. Factors influencing life satisfaction differ from factors influencing psychological well-being. Also, factors influencing subjective well-being differ significantly across residing areas.

In chapter 7, an individual-level decent work index has been constructed attempted to evaluate the decent work achievements of the informal workers. The concept of seven work-related security dimensions following ILO's People's Security Survey from mid-2000 has been to select the decent work indicators. These dimensions are labour market security (addressing the ability to find a job given market condition), employment security (addressing the conditions of having a secured and sustaining job after one finds it), work security (addressing the conditions under which one performs the job), job security (addressing the appropriateness of the job for the worker), income security (addressing the adequacy of the remuneration from the job), skill reproduction security (addressing the skill building, ease of skill-transfer and growth opportunity the job provides) and representation security (addressing the workers' voice and their representation in social dialogue). Indicators under each dimension have been aggregated using arithmetic

mean to create seven sub-indices. The final decent work index is calculated by taking the sum of all the seven normalized sub-indices. The main question addressed in this chapter is finding out how supply-side factors like education influence decent work achievements of informal workers for the present study. Additionally two other supply-side factors have been considered- property ownership and dependency ratio (number of household member per earning member). Overall decent work condition has been measured by the composite decent work index (DWI). We have used two sets of OLS models to see whether the effect of education differs across residing areas and across gender.

Our results show that composite decent work index decreases at an increasing rate with years of schooling, strengthening the idea that for the people who are likely to end up in unskilled and semi-skilled employment sectors, the short-run cost of acquiring basic education exceeds its long-run benefits. Further, income, skill-reproduction and representation security are found to have the minimum average contributions towards overall decent work achievement of the responders.

In chapter 8, the structural-relational-cognitive construct of social capital has been used for constructing an individual-level social capital index. Structural social capital is understood as the interpersonal and impersonal connections an individual possess can derive benefit from. Relational social capital relates to the nature and quality of interpersonal relationships like trust-trustworthiness, expectations, norms and obligations. Cognitive social capital is the shared language, codes and narratives, value, cultural and social norms. The final composite social capital index is the sum of the three normalized sub-indices i.e. structural, relational and cognitive social capital index. The main problem addressed in this chapter is whether social capital should be considered as a tool for poverty alleviation, more specifically, the effect of social capital on income subject to existing socioeconomic condition of the responders. A composite variable 'affluence' has been used to measure socioeconomic condition of the responders. As the earning pattern and associated uncertainty vary across the residing areas and types of work, the responders have been divided into six groups: rural self-employed, rural wage-earner, rural casual labour, urban self-employed, urban wage-earner and urban casual labour. A responder is considered to be affluent if their household percapita income lies above the respective group average and they own a house/land. Simple OLS models have been used for this exercise. Further, three segregated analysis have been carried out-across residing areas, across work categories and across gender.

Our findings suggest that increase in social capital generally tends to enhance income for workers, but income gain from same amount of increase in social capital is much higher for workers with better socioeconomic condition. In fact, cost of increasing social capital can outweigh the economic benefit of increased social capital if existing socioeconomic condition is not adequate. Because not only the impact

of social capital on income is heavily influenced by existing socioeconomic condition of responder, social capital can even have detrimental effect on income if those conditions are not favorable. When other factors are considered, increase in social capital tends to enhance income for workers (and more for workers with better socioeconomic condition) most in cases of- urban informal workers compared to rural workers, self-employed workers compared to other two work categories, and male workers compared to female workers.

Lastly in chapter 9, the relationship among subjective well-being, decent work and social capital of the informal workers have been investigated through three questions: whether there is any correlation present among the three indices, whether a responder scoring high in one index scores high in other indices as well, and whether decent work and social capital contribute to subjective well-being. The main motivations were to see whether these three concepts signal similar levels of well-being and whether as determinant of well-being, decent work and social capital actually contribute to subjective well-being (a constituent of well-being). For the first question a simple correlation analysis was done. For the second question, quartile variables of the indices have been created (which take discreet categorical values representing the number of quartiles, four in this case) and plotted against each other to see whether values belonging to higher quartile of one index have associated values of another index belonging to higher quartile. For the third question, the previous regression models (of investigating the relationship of subjective well-being with other relevant socio-economic factors) from chapter 6 have been considered to check whether adding decent work and social capital as additional explanatory variables improve the explanatory power of the model.

Our findings suggest a general positive association among all these constructs. Although the associations are often weak and insignificant except for social capital and decent work i.e. there is positive association between good quality of work and high social capital. The results also suggest that social capital contributes to subjective well-being of informal workers when considered with other relevant socioeconomic factors. This finding is consistent with the existing literature. The impact of decent work is not pronounced. Our study generally indicates that even though quality work is often accompanied by high social capital, social capital has larger positive impact overall well-being than decent work achievement.

The main takeaway from this study is that subjective measures of well-being tend to get influenced by material conditions and achievements of life and income is a strong influencer of well-being for informal workers who come from the poorer section of society. The study indicates a possible higher cost of getting formal education compared to its long run benefit for an informal worker and suggests policies to

reduce the money and resource cost of acquiring elementary education. Lastly, the study argues against considering social capital as a mean to alleviate poverty condition, because the potential of social capital to enhance income and other economic outcomes are limited by the existing socioeconomics conditions, as the findings of this suggest. Also, this study warns against development policies targeted towards building and maintaining social capital but not sensitive towards the historical and systematic oppression and marginalization which determines the present socioeconomic conditions of poor and marginalized people of society. Lastly, the thesis concludes that though subjective well-being provides valuable information that objective indicators miss, considering them without complemented by the objective measures can be misleading and harmful.