

# Challenges Before Private Security Industry In India: Some Observations

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## **Abstract:**

The private security industry in India is growing at a significant rate. The growth of this sector has resulted due to the promotion of industrialization and expansion of urbanization. This industry has created millions of jobs across India. The unskilled and semi skilled labour force, especially from rural area are being benefited by this. However, there have been number of challenges before private security industry, which could be an obstacle in the growth of this industry. This research article explores the challenges before the private security industry in India

**Keywords:** Unorganized sector, informal labour, private security industry, vulnerable group of labour, women labour

## **1) Introduction:**

The Indian economy has gone through several phases of economic policies. From the rigid structure to the liberal structure, Indian economy has entered into new phase of economics. The new economic policies after 1991 have introduced several economic reforms. All the factors of economy have contributed to rise in the gross domestic product of India. However, there have been ups and downs in the rate of gross domestic product. It's a fact that, the economic development of India over the years has improved the social and economic life of the people. Besides this, there has been one section of the society, which has been away from the process of development. According to Sengupta Arjun (1995) <sup>[1]</sup>, "the economic development must be working to improve the quality of life of the people in general. The development must include declining poverty, rising literacy and expanding health care needs". Despite of the several economic policies promoted by government of India, the poverty could be found even today in India. However, the ratio of poverty in India has been declining over the years. The people who are living with poverty are working in informal sector. The labour force from the informal sector has several serious issues related to the wage and work, which ultimately determines the rate of poverty.

The informal sector is also stated as the unorganized sector. There has been large section of labour force in India, which is part of unorganized sector. According to the 'National Commission on Labour' (1969), the unorganized labour cannot be defined precisely since it is not organized with common objective. This type of labour force is characterized with illiteracy. Hence, there have been several constraints in this field. They do not have social security measures. These all takes them to marginalized position of them. The unorganized sector constitutes around 93 per cent of the total labour force in India.

## 2) Objectives of the Research:

- 2.1 To analyze the challenges before the private security industry in India.
- 2.2 To explore the trends in the manpower in private security industry in India.

## 3) Hypothesis of the Research:

- 3.1 The manpower in private security industry in India has been growing.
- 3.2 There has been increasing challenges before private security industry in India.

## 4) Literature Review:

Grant Thornton (2015)<sup>[2]</sup> has conducted a study on 'Private security services in India', which explores the changing situation of this industry over the years. According to this report, the private security industry India has greater potential to grow in coming years. Klein, Ruiz and Hemmens (2016)<sup>[3]</sup> have studied the private security guard training in USA. According to the researchers, "the private security guards are performing most significant functions as the function of police officials. However there is need to re-examine the state regulation over the security guard training. The training of private security guards must be professional with modern equipment so that they can provide adequate protection to the public". Mahesh Nalla and Vaughn Chrichlow (2017)<sup>[4]</sup> have studied the private security guards in United States of America. The researchers have argued that, there has been increase in the employment in the private security industry in USA after the terrorist attack of 9/11. However, there have been issues of professionalism and accountability in private security services. The researchers have argued that, the security business has become hi-tech and digital in the recent period. Mark Button (2019)<sup>[5]</sup> has studied the private security industry and private policing in USA. The Researcher has argued that, there has been growth of private security industry along with private policing arrangements. The author also has argued that, "the policing arrangements have gone through drastic changes. These changes were 'revolutionary' changes. These changes have forced the state to make policies for their future growth".

## 5) Conceptual Framework:

The labour market discrimination is harmful for the economic efficiency in the long run. The discrimination of labour in terms of wage has been most common in unorganized sector. The social and economic discrimination of labour force is influenced by several factors. This is nothing but unequal treatment of labour in case of employment and its rule. The discrimination could be based on prejudiced policy influenced by race, sex, religion, age, caste and other several factors. Adam Smith (1743) argued that "the profit of the employer is based on the wage policy. The profit ratio could be increased by decreasing the wage ratio. The interest of the capitalistic economic does not work with social interest". Ricardo David (1803) has stated that the "capitalistic economy always offer the subsistence level of wage". Malthus Thomas (1903) has argued that, "the capitalistic economy does not take responsibility of labour force on the contrary the labour force is being paid with subsistence wage". Marx Karl (1883) argued that "the capitalistic economy is based on discrimination of labour. The wage level in the capitalism is always determined below than the value of production".

Abrahamsen and Williams (2009)<sup>[6]</sup> have argued that, "the changing global structure of the governance has given birth to the private security". The global economic structure has changed and has become more commercial and professional. The informal sector has developed at considerable level.

## 6) Methodology:

The present research analysis is given on the basis of secondary data. The private security industry has been surveyed by various organizations including the Government of India. The researcher has used the reports of the Government of India (2017) and FICCI (2018) for the analysis. However, the books and research articles also have been considered for the analysis.

## 7) Analysis of Data:

The unorganized sector or informal sector in India has been dominating the total workforce and this trend will increase further more in future as the government promotes the liberalization. The privatization policy of the government also has contributed to this trend. The significance of public enterprises in India has declined to considerable extent. This again expanded the orbit of informal sector. The rising informal sector have contributed to the national income, however there has been increasing economic inequality in India. According to Sengupta Arjun (2008)<sup>[7]</sup> “the developing countries have achieved the rising per capita income stage however they also have reached to rising poverty and deprivation”.

Himanshu K. (2011)<sup>[8]</sup> has pointed out that, the employment structure in India especially after economic reforms has changed in terms of quality and quantity. There has been declining trend of regular employment; on the contrary, the trend of casual labour is rising in the recent years. This trend shows that, the social security measures for labour force is declining and this is against the welfare of the workforce. The urban employment structure is different than rural employment structure. However, the falling significance of agriculture also has contributed to expand the informal sector in rural India.

The tertiary sector in India has been rising over the years. The investment in urban economic enterprises has been rising; especially the ‘Business Process Outsourcing’ and ‘Shopping Mall’ structures are strengthening day by day. This has created large number of employment opportunities to various skilled and unskilled labour forces. This has created the demand for security labour force also. The saturation of employment opportunities in rural area has promoted the migration to urban area. The trend of migration from rural to urban could be found for last three decades. The rural labour forces are unskilled and half-educated. Hence, they are attracted towards the informal sector, which is established in urban economy. This labour force was being paid with low wage and low facilities. They were living with inadequate basic facilities. They were stated as the vulnerable group of labour.

The private security manpower in India is increasing as the growth of Indian economy takes place. In the year 2012-13, the total private security manpower was 7 Million, which increased to 7.14 Million in the year 2014-15. (See Table No. 1). Further it increased to 8.9 million in the year 2016-17. According to one estimate, the private security manpower will reach to 12 million in the year 2022-23. This shows the trend of rising manpower in private security industry in India.

Table No. 1

Trend of Private Security Manpower in India

Year	Total Private Security Manpower (in Million)
2012-13	7
2014-15	7.14
2016-17	8.9
2022*	12
Source: Report of the Ministry of Skill Development (2016-17) (* Expected Increase)	

The private security industry is offering employment to backward and economically weaker sections of the Indian society, particularly from rural area. The private security industry in India has been growing with rapid rate; however there are increasing challenges before this sector. Vikrant Rohatgi and Ankur Jain (2016)<sup>[9]</sup> have given some of the challenges before private security industry in India. The lack of quality manpower has been most significant challenge before this industry. According to the author, the low quality manpower attracts lower wage. Besides this, the lack of technical skill also has been identified as an important challenge before the labour force. In the recent years, technological up-gradation has been very fast, which has become inevitable for the private security purposes. The labour force working in this field is lacking competitive technical education. The imbalance between demand and supply of private security labour force also has been important challenge in the recent years. This could affect directly the wage policy of the employer. The demand for security service is increasing, especially skilled security service. There has been imbalance in this space of labour force. The employers or agencies have been neglecting the regulatory norms prescribed by the law. The low compliance to regulatory norms can affect the social welfare of the labour force. This also can put a limit to the growth of this sector. Since the private security services are growing, there have been entry new firms in the recruitment agency field. The entry of big firms or operators may create a big challenge to the small operators. Besides this, there are agencies, which have been functioning on the unorganized structure. This has again set limit to attract the skilled labour force. The private security industry has several challenges, together these challenges must be addressed with policy framing.

Above challenges have become obstacles in the growth of private security service industry. These hurdles must be addressed with special training at different level. The private security industry has greater potential to grow and increasing business has shows this trend. Therefore, market should be allowed to grow by removing its problems.

According to Annamma Oommen (2017)<sup>[10]</sup> “ the private security service industry is expanding industry and is generating large scale of employment in India. The registered security agencies are growing with good economic turnover. This sector has greater potential for women; however there has been significantly lower share of women in total workforce of private security guards. The demand for women security guards is increasing in the recent years. The retail outlets, diamond workshops, airport and commercial malls are the places where women security guards are demanded. There is need of special education and training for women security guards”.

## 8) Discussion:

- i) The rise in informal sector in India has contributed to the national economy; however the private security industry has been important part of this sector in the recent period.
- ii) The privatization and urbanization process has promoted the growth of the private security industry; however it also has created several technical and labour challenges before the industry.
- iii) The private security industry has been lacking private security measures at considerable rate.
- iv) The growth of the private security manpower in India increasing over the year.
- v) There is a larger growth potential in the private security manpower in India in coming years.
- vi) In spite of the larger growth potential, the manpower in private security industry has been facing several challenges, which can block the further growth.
- vii) The quality of the manpower in private security industry has been lower.
- viii) The technical knowledge of the private security labour force has been negligible
- ix) The negligence of the regulatory norms by the employee towards the labour force has been common.
- x) The wages have been either lower or unrevised. This could be big threat to the growth of this market.



- xi) The participation of women in private security industry has been increasing slowly, however this must be considered as a challenge before the growth.

## 9) Conclusion:

The challenges before the private security industry have been several. Some of them are technical and some of them are manual. However, these challenges must be considered as an increasing threat towards the growth this industry. Therefore, the special training and research must be conducted in this regards. The private security market has a greater potential to grow in the future, hence the hurdles existed in its path must be removed at the earliest. The special committee must be appointed to standardize its procedure and working condition at national level.

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