

# PRIVATE SECURITY MARKET GROWTH IN INDIA

**Dr. Praveen K. Jadhav**

*Associate Professor (Economics), Nehru Institute of Social Sciences*

*Tilak Maharashtra Vidyapeeth*

*Email: praveenjadhav7@yahoo.co.in*

## **Abstract:**

The private security market growth in India has been contributing to the overall employment generation, especially unskilled and semi-skilled labour force. The expansion of private security market has attracted several national and international recruitment agencies in this. The economic expansion of this field has helped to grow Indian economy. This article explores the expansion of this market with respect to labour force.

**Keywords:** *private security industry, industrialization, urbanization, unskilled labour, labour discrimination, security guards*

## **1) Introduction:**

The private security service industry in India is growing in the recent years. The increasing urbanization and economic linearization has resulted into increasing demand for security services. According to the Central Associate of Private Security Industry (2012), “the private security service market has grown by Rs. 3.6 lakh crores in the year 2013-14. According to one estimate, this market cover total economic turnover of Rs. 15 million crores by the year 2022. Out of total workforce of private security guards, 41 per cent guards were employed in commercial sector and remaining 39 per cent were in residential sector. The private security service is growing by 20 per cent per annum. In the coming years, this sector is expected to grow at higher rate”<sup>[1]</sup>.

Private Security Agency Regulation Act-2005 has given the meaning private security with technical meaning. According to the Act, “the private security is a security given by non-public servant person”. It means the private security person can't be government servant. The private service can be made available with arms and without arms as per the requirement. The ‘private security agency’ is a agency, which is non-government and works in the business of providing private security services as per the need of the clients <sup>[2]</sup>:

## **2) Objectives of the Research**

- 2.1 To analyze the growth potential of private security industry in India.
- 2.2 To explore the economic reasons for the growth of the private security industry in India

## **3) Hypothesis of the Research**

- 3.1 The private security industry in India has been growing at significant rate of growth.
- 3.2 The commercialization and urbanization has helped to growth the private security industry in India.

#### 4) Review of Literature:

Sawant Shashikant (1978) <sup>[3]</sup> has studied the urban geography with reference to Pune city. The researcher has argued that, the city has gone through several phases of social, cultural and economic transformation. The urbanization and industrialization in the city has attracted the rural labour and thus the informal sector established gradually. The study has shown that, the industrialization has promoted the urbanization. Thorat Sukhdev (1996) <sup>[4]</sup> has argued that the large section of informal sector was belonging to the marginalized communities, especially the 'Scheduled Castes'. George Rigakos (1999) <sup>[5]</sup> has studied the private security in United States of America. The author has stated that the private security police have grown in neo-liberal states of America. The private security has grown along with the technical developments. The author called them as 'para-police'. The para-police services are digitally computerized with professionally established operators. Amanda Chisholm (2014) <sup>[6]</sup> has studied the 'Gurkha' community, which has been known as 'private security guards' from the colonial period. According to the author, the 'Gurkha' guards are professionally identified as the private security guards in many countries, especially 'Asian' countries. However, the working condition of 'Gurkha' during the colonial period was not satisfactory and even in present period, they are being paid less than other private security guards. Bhupinder Singh (2015) <sup>[7]</sup> has studied the private security in India and its challenges. According to the researcher, "the private security industry is one of the important sectors in the economy, since this sector has rapid growth. However, this private security industry has increasing challenges and responsibilities, which need to be addressed with professional arrangement"

#### 5) Conceptual Framework:

The discrimination concept in more constructive and effective was given by Gary Baker. This was known as the economic discrimination theory based on social and cultural characteristics. Becker Gary (1957) <sup>[8]</sup> explained the theory of discrimination with help of 'taste' variable. This analysis was based on the American society, where there was white and black labour force. According to him "the employer discriminate the labour force based on his taste towards the labour. The taste of the employer is influenced by social and cultural factors". This argument was correct in case of black American labour force, which were being offered with lower wage than white American labour. Kenneth Arrow (1971) <sup>[9]</sup> also has described the discrimination of workers in the labour market. According to him "the personal characters have greater influence in the valuation of workers in the labour market, which does not have any relation with their productivity". The author has given theoretical analysis to the discrimination in the labour market especially with reference to schooling and discrimination. Singer (2005) <sup>[10]</sup> has argued that, the process of globalization has resulted into privatization of security in most of the countries. Several other studies also have shown similar trend in almost all the developed and developing countries. Thorat Sukhdev (2007) has pointed out that, "the purity and impurity thoughts backed by the caste hierarchy leads to discrimination at the jobs". The 'Untouchables' in India (now are terms as 'Scheduled Castes') were being considered as 'polluting' category and therefore, the employers have been excluding them by denying the jobs. Amartya Sen (2000) has termed this discrimination as the 'Passive Social Exclusion'.

#### 6) Methodology:

The present research is based on the secondary data. The analysis has been given considering the published reports of the Ministry of Skill Development and Entrepreneurship (2017) under the Government of India. The researcher also has used the published reports of FICCI (2018). Besides this, the published books and articles also have been used for the analysis.

## 7) Analysis of Data:

The government of India report (2017)<sup>[11]</sup> pointed out that, “ the private industry in India is emerging as an important industry. It has been large sector of employment generation at multiple level of the society”. The private industry in India is growing due to several reasons. The summarized reasons given by the above report are as below-

- a) The increasing rate of urbanization has resulted into several crimes in the cities. This situation has made a demand for security guards.
- b) The economic liberalization in India has made segregation of the society into several classes. This has made social imbalance in the society which has resulted into increasing crimes. This situation has made increasing demand for security guards in India.
- c) The economic growth in India has expanded its activities into several forms. The ‘Malls’, ‘Business Parks’, ‘Industrial Area’, ‘Special Economic Zones’, ‘Entertainment Centres’, ‘Hotels’ and ‘Commercial Complex’ are increasing and hence the demand for security guards is also increasing over the years.

The private sector service has created vast employment opportunities for the poor people. According to the report of the Ministry of Ministry of Skill Development and Entrepreneurship (2017)<sup>[12]</sup>, around 85 per cent of the employed security guards are living below poverty line. This shows that, this sector has greater potential in providing employment to the unskilled and low educated. Majority of the workforce of private security industry belongs to two regions i.e. ‘Bihar’, ‘Uttar Pradesh’. The large majority of the workforce has migrated to cities from rural area in search of job. The job of private security guards is treated as the last opportunity of job.

In the present world, the private security industry has valid significance. The private security is being provided for the safety and security in the society. In the world of liberalization, the society structure has changed to a considerable level in all parts of the world. Indian society also has moved towards urbanized and western structure. The property accumulation, celebration of events, commercial events, commercial complex and many activities are happening in the society. Every private and public event is demanding private security service<sup>[13]</sup>. Therefore, the private security services have got significant place in all levels i.e. from the commercial to residential level.

The security guards in India are classified under several heads. Some of the heads are<sup>[14]</sup> – ‘Bouncer Security Guards’, ‘Armed Security Guards’, ‘Unarmed Security Guards’, ‘Physical Security Guards’, ‘Women Security Guards’, ‘Patrolling Security Guards’, ‘Shopping Mall Security Guards’, ‘Residential Security Guards’, ‘Escorts Security Guard’, ‘Office Security Guards’ and many others. These types of security guards have been classified as per the nature of their work. Some of the type of security guards required special features of personnel. The security industry in India is expanding in the recent years. The growth of industrial and service sector have contributed towards the growth of security industry. In order to regulate the private security guards and their service conditions, the government of Maharashtra has passed an act. The act is known as the “Maharashtra Private Security Guards (Regulation of Employment and Welfare) Act, 1981”.

There is also a provision of establishment of 'Security Guards Board', which is administering authority over the functioning of security guards agency. The Board prepares annual report over the security guards and submits to the state government. The boards has power to control over the security agency, wages of the security guards, provident fund for security guards, medical benefits for security guards and other necessary things.

The private security market is growing with increasing turnover. (See Table No. 1.1) The market size of private security service in India was recorded as Rs. 3.6 Lakh Crores in the year 2013-14, which increased to Rs. 4.32 Lakh Crores in the year 2014-15. This increase in the market size attracted more security agencies in these Industries. The increasing demand for private security services also has expanded the market size. In the year 2016-17, the market size reached to Rs. 6.22 Lakh Crores and finally in the year 2018-19, it reached to Rs. 8.58 Lakh Crores. The continuous rise in market size has increased the players in the industry. The size of the market has expanded to more than double in five years. There is greater potential of expansion market in future.

Table No. 1.1

Private Security Market Growth in India

Year	Market Size (in Rs. Lakh Crores)
2013-14	3.6
2014-15	4.32
2015-16	5.18
2016-17	6.22
2017-18	7.46
2018-19*	8.58
Source: Source: Report of the Ministry of Skill Development (2016-17) * (Expected Increase)	

**8) Discussion:**

- i) The modern society, especially in urban society is demanding the private security labour force.

- ii) The liberalization and urbanization process has expanded the demand for security labour forces, since the same process also has pushed down the safety and peace of the society.
- iii) The urban events, especially commercially important events, always needed the security guards.
- iv) The demand for security guards for commercial and residential purpose has been increasing in the recent years.
- v) The supply of security guards towards the events also has been increasing over the years.
- vi) The private security industry has been expanding with technological up-gradation.
- vii) The increasing demand for security labour force has promoted the growth of this market.
- viii) The supply and demand side in private security industry has been expanding at significant rate.
- ix) There is greater potential to growth in the future for both, employer and employee.

#### 9) Conclusion:

The private security services in India are growing along with the growth of urbanization and globalization. The rise in crimes and terrorism has raised a question of safety and security. The private security market has shows increasing trend. The security agencies in India must be addressed in technical approach. This sector is helping to rural people since it is providing employment opportunities for large people. The private security services must be promoted by government through flexible policies.

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