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India's Labour Legislation and its Employment Relation for the Next Decade



PROBLEMS FACED BY INFORMAL WORKERS IN DIFFERENT SECTORS IN INDIA

KEYWORDS
Informal Workers, Informal Labour Market, Unorganized Workers' Social Security Act, Issues and Challenges.

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ABSTRACT *Major part of the workforce in the developing countries especially in India is arrived from unorganized sector. The informal labour market is a very important sector of the Indian Economy. Unorganised workers including agricultural workers, home-based works likes rolling beedis, self-employment programs likes selling vegetables, employment in household enterprises and small units, labour on construction sites, domestic work, handicrafts, khadi and village industries, handloom weaving and sericulture etc. Even though the Unorganized Workers' Social Security Act,2008 enacted to provide the social security and welfare, The unorganized workers are living below the minimum accepted standards without adequate facilities and having very lower income that did not meet their daily needs of life. In this study an attempt is made to analyze the issues and challenges faced by the informal workers in different sectors in India.*

INTRODUCTION

Informal labour has, in different instances, been viewed as labour engaged in urban small scale enterprises, as self employment, as labour engaged in "traditional activities", as wholly unskilled labour, and as labour whose use is not subject to any rules or norms. But none of this has any sound conceptual or empirical foundation. Informality does not imply a particular mode or location of labour use; informal labour can be in self-employment, in casual wage employment, and in regular wage employment, just as it can be in urban as well as in rural areas. There is little reason to think that informal labour must be confined to 'traditional' and 'modern' activities.

Definition: According to the National Commission for Enterprises in the Unorganized Sector (NCEUS) "Informal workers consists of those working in the informal sector or households, excluding regular workers with social security benefits provided by the employers and the workers in the formal sector without any employment and social security benefits provided by the employers"

The Indian Scenario

The Indian Economy is characterized by the existence of a vast majority of informal or unorganized labour employment. The Ministry of Labour, Government of India, has categorized the unorganized labour force under four groups in terms of Occupation, nature of employment, specially distressed categories and service categories.

1. In terms of Occupation:

Small and marginal farmers, landless agricultural laborers, share croppers, fishermen, those engaged in animal husbandry, beedi rolling, labelling and packing, building and construction workers, leather workers, weavers, artisans, salt workers, workers in brick kilns and stone quarries, workers in saw mills, oil mills etc. come under this category.

2. In terms of Nature of Employment:

Attached agricultural labourers, bonded labourers, migrant workers, contract and casual labourers come under this.

3. In terms of Specially distressed categories:

Toddy tappers, scavenger, Carriers of head loads, Drivers of animal driven vehicles, Loaders and unloaders come under this category.

4. In terms of Service categories:

Midwives, Domestic workers, Fishermen and women, Barbers, Vegetable and fruit vendors, News paper vendors etc. belong to this category.

In addition to these four categories, there exists a large section of unorganized labour force such as cobblers, Hamals, Handicraft artisans, Handloom weavers, Lady Tailors, Physically handicapped self employed persons, Rickshaw pullers, Auto drivers, Sericulture workers, Carpenters, Tannery workers, Power loom workers and Urban poor.

Objectives of the Study

1. To study the informal sector employment in different sectors of economy.

2. To study the problems faced by the informal labours in different sectors.

3. To offer valuable suggestions for the improvement of informal workers in India.

AGRICULTURAL LABOURS

Agriculture plays a dominant role to provide employment opportunities in Indian economy. It contribution towards Gross Domestic Product (GDP) one fifth and it provides employment to 57 percent of Indian workforce. The growth of some commercial crops has significant potential for promoting exports of agricultural commodities and bringing about faster development of agro-based industries. Thus agriculture not only contributes to overall growth of the economy but also reduces poverty by providing employment and food security to the majority of the population in the country and thus it is the most inclusive growth sectors of the Indian economy.

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Problems of the Agricultural Labours
Seasonal employment: The agricultural labourers do not have continuous work due to rainfall and climatic conditions. On an average a farm labourer finds employment for about 197 days in a year and for the rest of the year they are unemployed. Agricultural labourers cannot get continuous work throughout the year.

Lowest wages: Wage is the main problem of Agricultural sector. Through agricultural wages have been revised upward several times since independence the legislations are poorly implemented. For instance wages in U.P, Bihar, Odessa and Madhya Pradesh from Rs.20. to 30 per day per man compared to the wage range between Rs. 7.50 and Rs. 9.50 in Punjab and Haryana there is exploitation by landowners low wages generate the vicious cycle of poverty.

Huge number of Family members: The numbers of members increased in the families are other problems of landless agricultural labours. Their income earning available sources only in the field of agriculture land.

Social Status: The incomes of agricultural labourers are very limited. So their standard of living is not improved the social status of the labourers, compare with other income group of people.

Unemployment due to Technology: The introduction of machines in farm lands had its own impact on the landless agricultural labour with the difficulties of unemployment or underemployment. As a result of all the modernization programmes and technological transformation only the rich farmers are benefited but large section of the rural population are unemployed.

HOME-BASED WORKERS
"Home-based workers" refers to the general category of workers, within the informal economy or 'unorganized sector', who carry out remunerative work within their homes. However, the term "home-based work" encompasses a diverse selection of occupations - from agricultural produce processing, fish processing, seed preserving, sorting and processing of minor forest produce, livestock rearing, coir (fibre from coconut husks) goods making, spice making, leaf plate making, metal work, carpentry, bangle making, shoe making, papad (papadum) making, Agarbatti (incense stick) rolling, paper goods making, packing, labeling and assembling micro-electronics, etc.

Problems of the Home-based workers
Unprotected by labour law: No policy or Law for home workers exists in India. Most of the labour laws are designed for the protection of wages and working conditions of workers in the organized (formal) sector. When the work place is in the home, such laws cannot offer protection to the workers.

Poor remunerative policies: Home-based workers are paid on a piece-rate, not on a time-basis (unlike many other workers in the informal sector). A minimum wage is usually applicable mainly to workers paid on a time basis for an eight-hour working day. The home based workers got poor wages only.

Lack of bargaining power and social protection: The employer has own-account worker, they are no direct access to the best markets and limited bargaining power or home based workers are economically and socially weak and have little or no bargaining power, it is very difficult for them to sustain.

STREET, MARKET VENDORS
Street vendors are those with low skills and who have migrated to the larger cities from rural areas or small towns in search of employment. These people take to street vending when they do not find other means of livelihood. Though the income in this profession is low, the investment too is low and the people do not require special skills or training. Hence for these people, men and women, street vending is the easiest form for earning their livelihood.

Problems of the Street, Market Vendors
Fear of harassment by authorities: Most of the Street vendors are subjected to all forms of harassment by the police and the municipal authorities because they do not possess licenses. The harassment vendors faced at work are mainly related to their illegal status. Municipal authorities and police raid their places and confiscated their goods. They had to pay fines to release their goods. This causes loss, as they cannot ply their trade during that period.

Fear of Bribe: Hard work, meagre income and high rates of interest are not the only problems faced by street vendors. They have to pay bribes almost every day. The police, the municipal authorities and local musclemen all contribute to playing havoc with their lives and their earnings. These vendors had to not only pay the bribe, but occasionally a police jeep would pull up and the policemen would pick up fruits and vegetables from them free of cost. If they made any sign of protest they would be beaten.

Income, Working Conditions and Employment: The incomes of the vendors are quite low. Because most of the vendors have borrowed from moneylenders who charged high rates of interest. The working conditions of the vendors are tough. These people however have to leave their homes in their villages at around 5 a.m. every day in order to reach the markets on time and start work on the pavements they occupy. They commute by bus from their villages and return home at around 10 p.m. after settling their accounts.

WASTE PICKERS AND RECYCLERS
Waste pickers are the people who actually go through the garbage bins to pick out the things we discard as waste. These waste pickers - women, children and men, are from the lowest rung in the society, are a common sight in most cities and towns around the country. Waste picking is considered the most menial of all activities and it is people who have no other alternative that are generally driven to it. They contribute a great deal to waste management as they scavenge the recyclable matter thereby saving the municipality the cost and time of collecting and transporting this to the dumps.

Problems of Waste pickers and Recyclers
Health Injuries: physical injuries like cuts and pricks are common among them. This is poor segregation at source and the non usage of protective gloves. Back pain due to manual work and pushing of trolleys is a problem faced by some collectors. A waste pickers health is affected by a variety of factors like living conditions, eating habits, personal hygiene, etc.

Child Labour: Children often engage in waste picking, to contribute to the family income or to survive on their own. Waste picking, particularly at open dumps, is among the worst forms of child labour. It can damage children's health and stunt their development.

Lack of land ownership: is an important problem for waste pickers in all countries. Many families working in waste recovery live on road side or platform or near landfills and are always at risk of being evicted. In India, various informal recycling settlements have been completely dismantled many times.

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FINDINGS OF THE STUDY

Informal sector accounts for a sizeable number of workers in India across different industry groups and states. The concept of informal sector and informal workers proposed by NCEUS is more appropriate in the context of Indian statistical system and it better compatible with international definition of informal sector. The growth rate of urban informal sector is higher than formal sector workers. The proportion of informal sector workers in the agriculture sector is high over the other sectors. With the rising unemployment in the country and the apparent failure of the formal economy to generate employment for the ever increasing urban and youth population many have been left with little choice but to look for innovative ways of making ends meet. Rough as it may be, for most people, informal trade has become a way of surviving the vicissitudes of capitalist economy. Most importantly, governments across the world have are beginning to recognize the informal sector as more than just a survival sector but a potential engine of growth and have taken steps to nurture the sector.

SUGGESTIONS

Based on above problems the following suggestions are presented below,

- Social security schemes for the unorganized workers should be implemented as per the unorganised workers' Social Security Act, 2008.
- Credit facilities to be made available to make initial investment and for further expansion for the informal workers.
- The government should evolve a mechanism to listen the grievances and the grievances should be redressed periodically to the informal labours.
- Since agricultural labourers are unaware of various social welfare legislations and provisions available to various social divisions, the voluntary agencies in collaboration with Governments must give wide publicity through community organization. Particularly the Minimum Wages Act (1948) should be effectively implemented.
- More importance must be given to the female in family also to improve the status of female agricultural labours.
- Normally women agricultural labourers receive lower wage than the men even in doing identical jobs, although there is constitutional backing in the form of equal wage for equal work. The Government must effectively enforce the concerned Act.
- Co-operation of agricultural labourers in the local self governing institution must be extended in order to provide representations to this section.
- The Government should take necessary Legislative measures were taken to confer occupation rights of house sites and agricultural land for the rehabilitations of landless labourers, the newly reclaimed lands were distributed to the landless labourer.
- In the National Commission on rural labour, representation to agricultural labourer must be provided, so that their economics interest is protected.
- In order to eliminate these socio-economic and cultural barriers, female children and women should be educated through formal and non-formal channels. The voluntary agencies have also got a significant role to play in this regard.
- Severe Act should be enacted and implemented to protect women informal labours from sexual harassment.
- Recently the concepts of SHG,(SELF HELP GROUP) is pronounced more. But it mainly concentrates on women alone. The focus on men is also necessary at this moment.
- Photo identity card can be issued to all street vendors. These I- D cards can mention activity type and location of vending space, besides bio- data. It can also stop increase in number of vendors in near future.
- Vending rights on space to the vendors ultimately increases his/ her accountability on space and its surrounding environment. By this means they would maintain health and hygiene.
- License to the vendors (space and time specific) against payment of charges is expected to enhance the revenue of Local Authorities. A part of this revenue could be used for provision of drinking water, toilets and waste collection and temporary or permanent structure for vendors.
- Children often engage in waste picking, to contribute to the family income or to survive on their own. Waste picking, particularly at open dumps, is among the worst forms of child labour. It can damage children's health and stunt their development.
- A conditional cash transfer program should be implemented, that gives parents a monthly stipend as long as they send their children to school, get them vaccinated, and obtain prenatal care. The stipend compensates families for the loss of income from child labour.

CONCLUSION

Both the central and state governments have formulated certain specific schemes to support unorganized workers but which fail in meeting the real needs and requirements of the unorganized labour force. The government should make efforts to improve their working conditions in terms of occupational safety, working hours, payment of adequate wages to them so that the informal workers engaged in unorganized sector of employment may have mandatory decent and dignified work .

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