



## ISSUES OF UNORGANISED LABOURERS IN INDIA

### KEYWORDS

**P.SATHYA**

Associate professor & Head Department of Economics Periyar EVR College  
Tiruchirappalli-620023..

**ABSTRACT** *The labour market of India has been undergoing tremendous transformations, including growth of informal sector activities, deterioration in the quality of employment (in terms of job security, terms and conditions at work), weakening of worker organizations and collective bargaining institutions, marked decline in social security etc. As per a survey carried out by the National Sample Survey Organisation (NSSO) in 2009-10, the total employment in the country was of 46.5 crore comprising around 2.8 crore in the organised and the remaining 43.7 crore workers in the unorganised sector. Out of these workers in the unorganised sector, there are 24.6 crore workers employed in agricultural sector, about 4.4 crore in construction work and remaining in manufacturing and service.*

### Introduction

"Unorganized workers consist of those working in the unorganized 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. As per the Economic Survey 2007-08, 93% of India's workforce include the self employed and employed in unorganized sector. 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.

In terms of Occupation, small and marginal farmers, landless agricultural laborers, share croppers, fishermen, those engaged in animal husbandry, beedi rolling, labeling 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.

In terms of Nature of Employment attached agricultural laborers, bonded laborers, migrant workers, contract and casual laborers come under this category.

In terms of Specially distressed categories, toddy tappers, Scavengers, Carriers of headloads, Drivers of animal driven vehicles, Loaders and unloaders come under this category.

### Statement of the problem:

In unorganized sectors, employee has less facilities than the employees of organized sector. The workplace is scattered and fragmented. There is no formal employer – employee relationship. In rural areas, the unorganized labour force is highly stratified on caste and community considerations. In urban areas while such considerations are much less, it cannot be said that it is altogether absent as the bulk of the unorganized workers in urban areas are basically migrant workers from rural areas. Workers in the unorganized sector are usually subject to indebtedness and bondage as their meager income cannot meet with their livelihood needs.

The unorganized workers are subject to exploitation significantly by the rest of the society. They receive poor working con-

ditions especially wages much below that in the formal sector, even for closely comparable jobs, i.e., where labour productivity are no different. The work status is of inferior quality of work and inferior terms of employment, both remuneration and employment. Primitive production technologies and feudal production relations are rampant in the unorganized sector, and they do not permit or encourage the workmen to imbibe and assimilate higher technologies and better production relations

### Objectives:

More specifically the study makes an earnest attempt by having the following as its objectives:

1. To bring out the problems of unorganised sector.
2. To study the Welfare and Social Security Provisions for Unorganised Sector Workers.
3. To analyse activity of central board for unorganised sector workers.
4. To suggest some measures to solve the problems of unorganised workers.

### Methodology:

This study has made use of secondary data to collect information with regard to total number of Unorganised Sector Workers, problems of unorganized sector, Social Security Schemes for Workers in Unorganized Sector and some activities of central board for unorganised workers etc.

### The major characteristics of the unorganized workers:

The unorganized labour is overwhelming in terms of its number range and therefore they are omnipresent throughout India.

- As the unorganized sector suffers from cycles of excessive seasonality of employment, majority of the unorganized workers does not have stable durable avenues of employment. Even those who appear to be visibly employed are not gainfully and substantially employed, indicating the existence of disguised unemployment.

- The workplace is scattered and fragmented.
- The unorganized workers are subject to exploitation significantly by the rest of the society. They receive poor working conditions especially wages much below that in the formal sector, even for closely comparable jobs, i.e., where labour productivity are no different. The work status is of inferior quality of work and inferior terms of employment, both remuneration and employment.

#### Share of Labour Input in unorganized Sector (%):

In the informal sector persons often undertake multiple jobs, pursuing of multiple jobs by a person may be taken as a sign of insecurity in jobs. A single job or even two may generate income barely enough for subsistence. It therefore necessitates knowing the size of the class of persons who are forced to take up multiple jobs just for a living to address the issue of how to mitigate these conditions of job-insecurity. In India, National Accounts Division (NAD) of CSO tries to get an idea of multiple jobs, both for formal and informal employment from EUS of NSSO. It may be mentioned here that NSSO (EUS) can give an estimate of number of jobs from the workforce engaged in Usual Principal Status (PS) and in Usual Subsidiary Status (SS) combined but it cannot give the estimate of jobs for the workforce engaged in more than one SS job, as EUS schedule has not been provisioned for capturing this particular aspect so far; nevertheless this is the only source from which at least some reasonable estimate of number of jobs can be had, presuming that the size of workforce performing more than one SS job is not large enough to bother about.

#### Problems of Unorganised Sector are:

**I.** Problems of the workforce- 90% of workforce in vast informal sector, little awareness of workplace hazards, living areas close to work areas, extended work hours, exploitation, no concept of occupational safety/services, lack of implementation of Health & Safety legislation, no concept of Trade/Labour Union.

**II.** Problems of women workers and 'beedi' workers- Desperately poor low wages, fraudulent contractors, disease causing environments, child labour, and >50% women Deplorable social conditions

**III.** Problems faced by Govt. - Problem of definition and identification, workforce uneducated about the benefits of organized sector, scattered nature of sector, employers avoid any form of regulation, unorganized sectors contribute to almost 60% of GDP (apart from providing livelihood to population), same labour laws cannot be applied.

**IV.** Problems from the Organized Sector- Unfair competition (Walmart, Reliance), loss of employment Legal "bullying", buyer preference for the "cleaner" retail stores, financial aid not available to the unorganised sector easily to compete.

#### Social Security Schemes for Workers in Unorganized Sector:

The various social security schemes for the unorganised workers are

- Indira Gandhi National Old Age Pension Schemes
- National Family Benefit Scheme
- Janani Suraksha Yojana
- Handloom Weaver's Comprehensive Welfare Scheme
- Handicraft Artesian Comprehensive Welfare Scheme
- Pension to Master Craft persons
- Indian Labour Journal, January 2014 5 National Scheme for Welfare of Fishermen and Training and Extension.
- Janshree Bima Yojana
- Aam Admi Bima Yojana
- Rashtriya Swasthya Bima Yojana

#### Findings and solutions:

##### Findings

Of the working population of 317 million, over 290 million, i.e., over 92 per cent are in the unorganised sector. Unlike workers in the organized sector, these workers do not have steady employment, secure or sustainable incomes and are not covered by social security protection. The growth of formal employment in the country has always been less than that of total employment, indicating a faster growth of employment in the informal sector. Available data suggests that within the formal sector also the proportion of informal / unorganized workers are on the increase.

Workers in the organized sector, do not have steady employment, secure or sustainable incomes and are not covered by social security protection.

With the advent of globalization and resultant reorganization of production chains led to a situation where production systems are becoming increasingly a typical and non-standard, involving flexible workforce, engaged in temporary and part-time employment, which is seen largely as a measure adopted by the employers to reduce labour cost in the face of stiff competition. No doubt, it obviously indicates that these flexible workers in the new informal economy are highly vulnerable in terms of job security and social protection, as they are not deriving any of the social protection measures stipulated in the existing labour legislations. The insecurities and vulnerabilities of this modern informal sector labour are on the rise, as there is a visible absence of worker mobilization and organized collective bargaining in these segments owing to a multitude of reasons.

According to the Economic Survey 2007-08 agricultural workers constitute the largest segment of workers in the unorganized sector (i.e. 52% of the total workers). As per the National Sample Survey Organization (NSSO), 30 million workers in India are constantly on the move (migrant labour) and 25.94 million women workforce has been added in the labour market from the year 2000 onwards. It is widely acknowledged that the informal sector in India suffers from a low productivity syndrome, compared to the formal sector. The prominent features of the sector are lower real wages and poor working and living conditions. Further, the sector is characterized by excessive seasonality of employment (especially in the farm sector), preponderance of casual and contractual employment, atypical production organizations and work relations, absence of social security measures and welfare legislations, negation of social standards and worker rights, denial of minimum wages and so on. Poor human capital base (in terms of education, skill and training) as well as lower mobilization status of the work force further add to the vulnerability and weaken the bargaining strength of workers in the informal sector. Thus, the sector has become a competitive and low cost device to absorb labour, which cannot be absorbed elsewhere, whereas any attempt to regulate and bring it into more effective legal and institutional framework is perceived to be impairing the labour absorbing capacity of the sector. The alarming expansion of informal sector, in recent times, has adversely affected employment and income security for the larger majority of the workforce, along with a marked reduction in the scale of social welfare / security programme.

##### solutions

Benefits like maternity allowances, accident relief, natural death compensation, education support for children for higher studies, pension during rainy season should be provided to the unorganized sector workers.

Both the central and state governments should formulate certain specific schemes to support unorganized workers to meet their real needs and requirements.

Unorganised workers' contribution to GDP are nearly 50 percent. Yet, legislation backed welfare measures (social security measures) have been confined, by and large, to the organised workers. Only 6% of unorganised workers are covered by social security measures. Therefore the social security measures should cover all the unorganized workers to bring overall development in our country.

The government should motivate unorganised labourers to register their position. Voluntary registration of workers is another method to identify genuine beneficiaries.

The government should create awareness about the unorganised Workers Welfare Fund and the benefits that can be derived through the welfare schemes operated with the support of the government Fund.

### Conclusion:

The unorganised sector which include agricultural sector, construction, fisheries, street vendors, petty service providers, salt pans, domestic work, fireworks industries, beedi industries etc comprises the overwhelming majority of workers in the country. The unorganised workers work under extreme conditions without any proper benefits. Protection and support for the unorganized sector workers is very necessary for both economic and social development. The government laws protecting these workers should be strictly implemented and those who exploit these workers should be punished severely to bring real development.

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