

SOCIO – ECONOMIC AND WORKING CONDITION OF WORKERS IN UNORGANIZED SECTOR IN INDIA

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ABSTRACT

The Indian economy is characterized by the existence of a vast majority of unorganized labour employment. As per a survey carried out by the National Sample Survey Organization (NSSO) in 2009–10, the total employment in the country was of 46.5 crore comprising around 2.8 crore in the organized and the remaining 43.7 crore workers in the unorganized sector. Out of these workers in the unorganized sector, there are 24.6 crore workers employed in agricultural sector, about 4.4 crore in construction work and remaining in manufacturing and service. Unorganized Sector refers to economic activities i.e. production and distribution of goods and services by the operating units of the households which essentially differ from the formal sector in terms of technology, economies of scale, use of labour intensive processes, and virtual absence of the well maintained accounts. It embraces a widely dispersed multitude of operating units with high rates of birth and death and substantial mobility. Hence, there is need to monitor the size and structure of this sector and its performance over time for framing appropriate policies. In this paper an attempt to know Industry wise distribution of NDP in organized and unorganized sector and also try to attempt status of registered and unregistered enterprise in the country.

KEYWORDS: Indian economy, Unorganized Employment, Informal Economy, Unorganized Sector,

INTRODUCTION

Unorganized or informal sector constitutes a pivotal part of the Indian economy. More than 90 per cent of workforce and about 50 per cent of the national product are accounted for by the informal economy. A high proportion of socially and economically underprivileged sections of society are concentrated in the informal economic activities.

The high levels of growth of the Indian economy during the past two decades are accompanied by increasing informalisation. There are indications of growing interlinages between informal and formal economic activities. There has been new dynamism of the informal economy in terms of output, employment and earnings. Faster and inclusive growth needs special attention to informal economy. Sustaining high levels of growth are also intertwined with improving domestic demand of those engaged in

informal economy, and addressing the needs of the sector in terms of credit, skills, technology, marketing and infrastructure.

The term unorganized worker has been defined under the Unorganized Workers Social Security Act, 2008, as a home based worker, self-employed worker or a wage worker in the unorganized sector and includes a worker in the organized sector who is not covered by any of the Acts mentioned i.e. The Employee's Compensation Act, 1923 , The Industrial Disputes Act, 1947 , The Employees State Insurance Act, 1948 , The Employees Provident Funds and Miscellaneous Provision Act, 1952 , The Maternity Benefit Act, 1961 and The Payment of Gratuity Act, 1972 .

The survey carried out by the National Sample Survey Organization in the year 2009- 10, the total employment in both organized and unorganized sector in the country was of the order of 46.5 crore. Out of this, about 2.8 crore were in the organized sector and the balance 43.7 crore in the unorganized sector. Out of 43.7 crore workers in the unorganized sector, 24.6 crore workers were employed in agriculture sector, 4.4 crore in construction, and remaining were in manufacturing activities, trade and transport, communication & services. A large number of unorganized workers are home based and are engaged in occupations such as *beedi rolling, agarbatti making, papad making, tailoring, and embroidery, tea stall, etc.* work.

OBJECTIVES OF THE STUDY

1. To know the Working condition of the worker in unorganized sector.
2. To know the economic condition of the worker in unorganized sector.
3. To identify the problem faced by the women's workers in unorganized sector.
4. To examine the social security measures for the unorganized workers.

RESEARCH METHODOLOGY

This study was based on the secondary data with the help of government data.

Secondary data: Secondary data is the second hand information, which is already collected by others, and that information is available in printed form. The sources of secondary data used are: Magazines, Journals, Books, Company records etc.

REVIEW OF LITERATURE

According to the definition of International Labour Organization (ILO, 2002), they comprise of the own-account workers in survival-type activities, e.g. vendors of vegetables, fruits, meat, fish, etc., and of non-perishable items like locks, clothes, vessels; garbage collectors, rag-and scrap pickers; head loaders, construction and agricultural workers, rickshaw- and cart-puller, etc.

According to Kulshreshtha and Singh (1998), In the Indian economy, several studies have focused their analysis on its impact on Indian economy. Examined the contribution of unorganized segment and also the share of its different sub-sectors to NDP from 1980- 81 to 1994-95. They found that though the contribution of the unorganized segment to the total NDP has been declining progressively over time, it accounts for a large share (over 60%) to the 3 consumer goods industries.

According to Arjun Sengupta under the chairmanship of The commission submitted its first Report on Social Security for unorganized workers on 16th May 2006 recommending the creation of an entitlement of national minimum social security for all the eligible unorganized workers. On 7th July 2007 the Commission again submitted a concise Report with two draft bills– one for unorganized workers in

agriculture and another one for those who are outside agriculture – recommending legislation for a set of minimum conditions of work as well as national minimum social security. The report focuses on the conditions of work of informal or unorganized workers, in both the unorganized and organized sectors.

According to Fathima Adeela Beevi TKS (2014) It is clear from the study that the 75% of the workers were highly dissatisfied on the seasonal workload. Some of the employers ensure the fulfillment of basic needs of their employees like staying facility, sanitation etc. for their wellbeing and security, more employees also show positive responses towards it i.e. 41%.

CATEGORIES OF UNORGANISED LABOUR

The Ministry of Labour, Government of India, has categorized the unorganised labour force under four groups depending on occupation, nature of employment, specially distressed categories and service categories.

A. Under Terms of Occupation

Small and marginal farmers, landless agricultural labourers, share croppers, _shermen, 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.

B. Under Terms of Nature of Employment

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

C. Under Terms of Specially Distressed Category

Toddy tappers, scavengers, carriers of head loads, drivers of animal driven vehicles, loaders and unloaders come under this category.

D. Under Terms of Service Category

Midwives, domestic workers, fishermen and women, barbers, vegetable and fruit vendors, newspaper vendors, etc., belong to this category.

PROJECTED EMPLOYMENT IN AGRICULTURE, INDUSTRY, AND SERVICES

Year	GDP Growth Rate	Projected Employment (In Millions)			
		Agriculture	Industry	Service	Total
2011 – 2012	9 %	229.2	105.0	153.5	487.7
	7 %	225.4	102.0	149.0	476.4
	5 %	221.5	99.1	144.6	465.2
2016 – 2017	9 %	240.2	126.2	189.5	555.9
	7 %	232.0	116.8	174.8	523.5
	5 %	224.0	108.1	161.2	493.3

Source: The Challenges of unemployment of India: An Informal Economy Perspective. April, 2017

PROBLEMS FACED BY THE WORKERS IN UNORGANIZED SECTOR

- I. There is no sustainability of employment of workers in unorganized sector
- II. They are not getting proper training in unorganized sector.
- III. Workers belonging to lower caste and communities face more disparity in social terms.
- IV. In women workers they don't get right to raise their voice and interrupt in financial decision in their own family.
- V. Exploitation and Harassment at work place is the main problem of female workers in unorganized sector.
- VI. In unorganized sector women are exempted from maternity benefit and child care facilities.
- VII. Women workers frequently face discrimination due to gender inequality
- VIII. Women workers do not have benefit of minimum wage act or factories Act, benefits like organized sector.
- IX. Insufficient Labour law in unorganized workers and absence to know about the Social security.
- X. Unorganised Workers are vulnerable to diseases because lack of awareness.

ECONOMIC CONDITION OF THE WORKER IN UNORGANIZED SECTOR

The employment in the organized sector requires certain minimum qualifications and most of these educated women workers are drawn from middle classes and richer sections, a very few women from lower class would get chance in these jobs. The National Commission on Labour describes some characteristics and constraints of unorganized sector, namely: (a) casual nature of employment; (b) ignorance and illiteracy; (c) small size of establishment with low capital investment per person employed; (d) scattered nature of establishments; and (e) superior strength of the employers operating singly and in combination.

In the opposite view most of the men and women worker in the unorganized sector unskilled and semi literate worker belongs to rural area. Their economic condition is very poor and they have limited resources for the livelihoods. That is play a crucial role for growth of become low level of living condition of workers.

Almost 400 million people (more than 85% of the working population in India) work in unorganized sector and of these about 120 million are women. According to an estimate, by the National Commission on Self-Employed Women (1988a), of the total number of women workers in India, about 94 percent are in the informal or unorganized sector whereas just 6 percent are in the organized or formal sector. Thus there is no exaggeration in saying that the unorganized sector in India is the women's sector. However, the plight of women in this sector is miserable as they work for extremely low wages, with a total lack of job security and social security benefits, working hours are long and working conditions are unsatisfactory.

Percentage of Unorganized Workers by gender across the States 2013-2014

S. No.	Name of the States	Male	Female	Total
1	Andhra Pradesh	92.5	96.1	94.0
2	Arunachal Pradesh	83.9	94.4	88.9
3	Assam	89.8	91.4	90.2
4	Bihar	97.1	99.2	97.5
5	Chhattisgarh	92.7	98.6	95.2
6	Delhi	94.6	98.8	95.8
7	Goa	71.9	75.0	72.8
8	Gujarat	88.6	97.6	91.6

9	Haryana	87.4	96.6	90.2
10	Himachal Pradesh	85.5	95.8	90.2
11	Jammu & Kashmir	85.7	96.3	88.5
12	Karnataka	90.0	95.3	91.9
13	Kerala	82.0	79.6	81.3
14	Madhya Pradesh	93.1	98.2	94.8
15	Maharashtra	86.6	95.0	89.6
16	Manipur	84.8	95.5	88.8
17	Meghalaya	88.4	91.1	89.6
18	Mizoram	81.0	92.9	83.9
19	Nagaland	76.0	94.7	83.9
20	Odisha	92.9	97.7	94.5
21	Punjab	89.5	94.3	90.9
22	Rajasthan	93.0	98.5	95.2
23	Sikkim	82.2	90.5	84.8
24	Tamil Nadu	87.2	94.3	89.9
25	Tripura	89.5	88.5	89.4
26	Uttar Pradesh	94.6	98.8	95.8
27	Uttaranchal	87.0	97.1	91.0
28	West Bengal	90.5	93.8	91.2
	All India	90.7	95.9	92.4

Source: Based on NSSO Employment & Unemployment Survey Reports. 2013-14

IMPACT OF ECONOMIC SLOWDOWN AND MGNREGA

Although magnitude of job loss in the organized sector was small to the extent of 0.3%, wage loss in the organized sector was significant. In unorganized sector, the job cuts were compensated with increased working hours of the retained workers and hence wages were increased, particularly, in textiles and handicraft sectors. Although the study is export sector specific and the results cannot be generalized for the entire Indian economy, the assessment for the country as a whole based on secondary data indicated that approximately 7 to 8 million potential jobs could not be created because of economic slowdown and resultant slowdown in the India's economic growth from 9% in 2007-08 to 6.7% in 2008-09. By any standard, the impact of economic slowdown on Indian labour market cannot be undermined as the same has potential to negatively impact the employment growth in future.

The Indian economy is back on the road to recovery as reflected by rising manufacturing and overall economic growth. At this stage, it is likely that most of the „stimulus packages“ announced during the slowdown period may be gradually phased out. However, what is important at this stage is to meticulously calibrate the process of phasing out. Unorganized sector enterprises may need some of the stimulus packages such as interest subvention, reduction in excise duty and other related taxes, soft credit, etc. to be continued until the economy achieves the growth rate of at least 8% and the economy is pushed back to a higher growth trajectory. In addition, special programmes for re-skilling and redeployment of retrenched workers during the slowdown period are highly desirable.

It is not that there are no statutory provisions to ensure fair working conditions for women in India. In fact, the Constitution of India provides equal rights and opportunities to both the genders. In addition, there are specific provisions for protection and welfare of working women in many of the labour laws. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a major step in the direction of providing security of employment to rural workers. One of the successes of MGNREGA is that, on average

the participation of women in the programme is higher than the stipulated minimum requirement of 30%. Women constitute 46% of the beneficiaries in 2007-08. Although the Government is seized of the situation, yet it continues to remain a problem area due to non-availability of reliable statistical data and other information pertaining to working, living and socio-economic conditions of women workers. The first enquiry for studying socio-economic conditions of women worker was undertaken by Labour Bureau in the year 1953 and a report titled "The Economic and Social Status of Women Workers in India" was brought out.

CONCLUSION

Unorganized workers (UW) in India have increased many folds post independence. Around 52% of UW's are engaged in agriculture & allied sector and they constitute more than 90% of the labour work force. UW also contributes 50% to GDP (according to National Commission for Enterprises in the Unorganized Sector i.e. NCEUS). So it is of utmost importance to look into the plight of this poverty-stricken and downtrodden class of India.

On this current situation in the unorganized sector workers (man / women), lot of remedied follow by government but it is not sufficient of them. Lot of changes but situation is still uncontrolled. Hence, there is need to monitor the size and structure of this sector and its performance over time for framing appropriate policies. In this paper an attempt to know Industry wise distribution of NDP in organized and unorganized sector and also try to attempt status of registered and unregistered enterprise in the country.

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