

# PROBLEMS FACED BY THE INFORMAL WORKERS IN DIFFERENT SECTORS OF ASSAM

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**Abstract:** - Assam is one of the relatively backward states in India. In Assam, the labour force participation rate (LFPR) and work force participation rate (WFPR) shows a dark picture of the labour market of the state. As similar to National level, in this state also, the informal sector plays a dominant role in terms of employment generation in the informal labour market. The informal sector involves different types of activities and workers including agricultural workers, home-based workers, labour on construction sites, domestic worker, handicrafts, khadi and village industries, handloom weaving and sericulture, street vendor etc. Urbanization plays a very important role on the informal sector and vice-versa. The urbanization along with the informal sector attracts a large number of job seekers. Generally, majority of the informal sector workers of Assam are facing a lot of problems such as shortage of capital fund, lack of avenues of education, insecurity of job, low wage as well as long hours of work etc. Moreover, they 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 Assam.

**Key Words:** Urbanization, Types of Informal Workers, Problems of Informal Sector Workers.

- 1. INTRODUCTION:** - Informal employment has been widespread and continues to be an emerging phenomenon. Assam is one of the relatively backward states in India. In Assam, the labour force participation rate (LFPR) and work force participation rate (WFPR) shows a dark picture of the labour market of the state. As similar to national level, in Assam, the informal sector plays a dominant role in terms of employment generation in the informal labour market. An overwhelmingly, large proportion of workers about 92 per cent are engaged in Indian informal labour market as well as almost 85 to 90 percent labour are engaged in the informal market of Assam. According to ILO (1991), informal sector refers to an extensive range of economic activities such as street vendors, small scale manufacturing, small automobile, machine repairing shops, bicycle menders, rickshaw peddlers, domestic workers, fishermen. Fish mongers, navy, porters, boatmen, plumbers, Quacks, ragmen, scavengers, barbers, florists, green grocers, hinds, hodmen, tea shop and tea sweetmeat shop workers, share croppers, slaughterers, private tutors, masons, hawkers, carpenters, small artisans etc. Urbanisation plays a very important role on the informal sector and vice-versa. Informal sector attracts a large number of job seekers. These comprise of rural migrants to towns as well as urban educated unemployed who fail to get any job in the organized/formal sector. Again, the limited employment opportunities in the formal sector leads to growing labour force in urban areas, resulting in increased absorption of labour in micro- entrepreneurship ventures in the informal sector. Generally, majority of the informal sector workers of Assam are facing a lot of problems such as shortage of capital fund, lack of avenues of education, insecurity of job, low wage as well as long hours of work etc. Majority of the informal workers are deprived of any kind of financial help from banks and other types of financial intermediaries and resort to high-interest loans from money lenders. Moreover, they are living below the minimum accepted standards without adequate facilities and having very lower income that did not meet their daily needs of life. Evidence also reveals that with globalisation employment of women has increased, but mostly in informal sector and large segment of them is self-employed. They work under highly exploitative, low paid and low

social security conditions, owing to their low human capital capabilities, and hence are more exposed to economic upheavals.

## 2. REVIEW OF LITERATURE: -

The term 'Informal Sector' was first coined by Keith Hart in his study of urban Ghana in 1971. Hart described the informal sector as that part of the urban labour workforce which falls outside the extent of the formal/organized labour market. This concept of informal sector has been redefined by the International Labour of Organizations' (ILO) Kenya Mission Reports of 1972.

ILO (1991) defined Informality as a way of doing things characterised by- "(a) Ease of entry, (b) Reliance of indigenous resources (c) Family ownership (d) Small scale operations (e) Labour intensive and adaptive technology (f) Skills acquired outside of the formal sector (g) Unregulated and competitive market."

National Perspective: 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"

### 2.1 Classification of the Informal Workers: -

The Indian Economy is characterized by the existence of a vast majority of informal or unorganized labour employment. The Ministry of Labor Government of India, has categorised the informal sector labour under four groups depending on occupation, nature of employment, distressed categories and service categories

Informal Sector worker can be categorized broadly under the following four groups-

- 1) In terms of Occupation: Land less agricultural labourers, Small and marginal farmers, fisherman, leather worker, artisans, weavers, beedi rolling, labeling and packaging, those engaged in animal husbandry, building and constructions, oil mills, sawmills etc.
- 2) In terms of nature of employment: Agricultural labourers, migrant workers, bonded labourers; contract and casual labourers come under this category.
- 3) In terms of specially distressed categories: Scavengers, toddy tappers, carries of head loads, loaders and unloaders, drivers of animal driven vehicles belong to this category.
- 4) In terms of service categories: The service sector includes the various service categories, Beauticians, Barbers, Domestic workers, Vegetables and fruit vendors, newspaper vendors etc.

### 2.2. Literature Review on Low wage & long hours of work:-

Low wages accompanied by long hours of work is a characteristic of the informal sectors in most of the developing countries like India. Generally, the long working hours is a severe problem on the social and family life of labourers, especially for women labourers in particular. They do not find any time to take part in cultural or social activities as well as to take proper child care. Mohapatra, (2012) explained the problem of female workers employed in informal sector. They found that women workers are facing the problems of exploitation, low wages, and long working hours. They were struggling with many problems fraud, menacing, assault and sexual exploitation in informal sector. Majumder (1975) in his research paper on working condition of women workers in Maharashtra identify the temporary nature of job, long working hours, absence of leave facilities, lack of opportunity for promotion, low wages and deprivation from minimum wage and gender discrimination as unique features of the sector.

### 2.3 Poverty and Indebtness

Studies from developing countries enumerate various factors which push the informal sector workers below poverty line such as low wages and salaries Ibrahim, (2016). Saheb, (2011) focused on the poverty of unregistered male and informal sector workers. He found disparate proportion of workers which were below poverty line i.e., in Puri 37%, in Agra 51% and in Kanpur 47% were below poverty line. Most of the workers in these cities belonged to below poverty line because of their fathers' indebtedness. Further, death of the main earner involved additional expenses for which the families spent their savings, sold assets, and finally borrowed money from landlords at high rate of interest, thus getting trapped in vicious circles of poverty. K.P.Kanon, (2012) found that Workers in the informal sector, in New Delhi, had a much higher

incidence of poverty than their counterparts in the organised sector. Due to low level of income and uncertain employment in the unorganised sector, the workers are unable to meet their basic necessities and other social and other cultural responsibilities.

#### **2.4 Problem of street vendor and market vendor: -**

Street vendors are an essential part of urban economies around the world. They sell fresh vegetables to prepared foods, from building materials to garments and crafts, from consumer electronics to auto repairs to haircut ILO, (2002). Researchers have found that the street vendors have faced dozen of problems. The bulk of street vendors are bearing all types of harassment by the police and authorities due to absence of licenses A.Muthusamy & M.S.Ibrahim (2016). They also found that the street vendors are a vulnerable population, because they are neither protected by the government, labour unions, and NGOs, nor by any labour law. They always suffer from labour union laws He also observed that the street vendor are exploited by the local police daily and they are forced to pay 15 to 20 percent of their daily income as bribes. The municipal authorities, Police as well as local muscleman all contribute to paving devastation in their lives by taking away their earnings. Not only do the vendors pay bribe but occasionally a police- jeep would draw up and the police would pick up their products such as fruits, vegetables from them free of cost.

Jaishankar & Sujatha,(2016) found their survey in Tiruchirappallity about hygienic practices among food vendors. Generally the food vendors were quite aware of hygienic conditions. But the majority of the street vendors were not executing their knowledge into practice. They become aware that their products were little risk to the customers. It focuses attention on the need for further health education of street food vendor.

#### **2.5 Insecurity of job:**

Ahmed & Ahmed, (2017) their study of Maharashtra city found that workers in the informal sector enterprises, irrespective of which state they belong to, do not secure any documented job-contact, paid leaves and other social security benefits. She observed that illiteracy and the lack of training increase the risk of getting insecure jobs. This job insecurity implies income insecurity. With respect to the latter, the condition of the informal workers in Maharashtra is worsened and they have low collective strength which further accentuates work-related insecurities. Srivasta, (2010) found his study of Chennai that the informal sector workers often undertake multiple jobs, and call this a sign of job insecurity. These workers in the informal economy are exposed to various forms of risk that could be structural or random shocks.

#### **3. OBJECTIVES: -**

1. To study the problems faced by the informal labours in different sectors of Assam.
2. To offer valuable suggestions for the improvement of informal workers in Assam.

**4. DATA SOURCE AND METHODOLOGY: -** The study is based on the secondary data source collected from the various sources like National Sample Survey Organisation (NSSO), Directorate General of Employment and Training (DGE&T), various journal, magazines, Seminar Papers, Some published / unpublished research papers (Ph.D. theses), articles, etc.

#### **5. ANALYSIS AND INTERPRETATION:**

**5.1 Agricultural Labour: -** Agriculture plays a dominant role to provide employment opportunities in the economy of Assam. Its contribution towards Gross Domestic Product (GDP) one fifth and it provides employment almost 54 percent of Assamese 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 state.

## 5.2 Problems of Agricultural labours : -

**5.2.1 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 Dhuburi, Hailakandi, Dima Hasao from Rs.100 to130 per day per man compared to the wage range between Rs. 300 to Rs. 500 in majority district of Assam. In some of the district of Assam, there is exploitation by landowners low wages generate the vicious cycle of district poverty.

**5.2.2 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.

**5.2.3 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 benefitted but large section of the rural population are unemployed.

## 5.3 Street and Market Vendor: -

A street vendor is broadly defined as a person who offers goods for sale to the public without having a permanent built-up structure from which to sell. In Assam mainly in Guwahati, about 3 per cent of the populations of a metropolis are engaged in this service and moreover the other districts like Nagaon, Barpeta, Dibrugarh, Tinsukia, Sivsagar, almost 5 percent of the Urban area population are engaged in this occupation. Street vendors may be stationary in the sense that they occupy space on the pavements or other public/private spaces or, they may be mobile in the sense they move from place to place by carrying their wares on push carts or in baskets on their heads. They sell items of daily uses such as fresh fruits, vegetables, fishes, cooked food pan-bidi, cold drinks, horticultural produce like seeds and plants, etc.

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. 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.

## 5.4 Problems of Street and Market Vendor: -

**5.4.1 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.

**5.4.2 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.

**5.4.3 Problems of Shortage of capital** - Due to low level of income as well as uncertain employment opportunities in this sector, their savings is very low. As a result, most of the vendors have borrowed from moneylenders who charged high rates of interest. For running up a new business or enterprise, they don't have a proper access to institutional sources of finance. The commercial bank as well as regional rural bank hesitates to give money to the informal sector workers of Dhemaji district. Almost 46 percentages of the informal workers are facing the problems of shortage of capital. That's why, this group of the people, have

to take loan from private institution with a higher amount of interest which lead to compel the informal sector worker towards below poverty line.

**5.4.4 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.

### 5.5 Home-Based Workers

“Home-based workers” refers to the general category of workers, within the informal economy or 'informal 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 (bre from coconut husks) goods making, spice making, leaf plate making, metal work, carpentry, bangle making, shoe making, Agarbatti (incense stick) rolling, paper goods making, packing, labeling and assembling micro-electronics, etc.

### 5.6 Problems of the Home-based workers

**5.6.1 Unprotected by labour law:** - No policy or Law for home workers exists in India as well as Assam. 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.

**5.6.2 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.

**5.6.3 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.

## 6. FINDINGS OF THE STUDY: -

Informal sector accounts for a sizeable number of workers in Assam across different industry groups as well as in urban areas. 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 denition of informal sector. The growth rate of urban informal sector is higher in Assam 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 state 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. 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.

## 7. SUGGESTATION: -

Based on above problems the following suggestions are presented below-

1. Normally women informal sector 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.
2. Shortage of capital is another chief problem of informal sector workers. The commercial bank as well as regional rural bank seems to reluctant give money to the informal sector workers. So Central Govt. as well as State Govt. should formulate proper policy to abolish these types of problems.

3. 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
4. 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.
5. In order to eliminate the 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.
6. The street vendors are the most degraded and disorganized among the three groups of workers in this study. Therefore, policies at the national level should be formulated and implemented for their improvement.
7. 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.

**CONCLUSION:** - From the above discussion it is evident that 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 or informal 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. Apart from this, government should take necessary actions to facilitate easy credit facility, encourage small and micro enterprises create steps for ensuring some sort of job security for this sector. Informal sector employment should be handled as a part of the solution to not only growing unemployment but also as a means of mitigating poverty.

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