



# MEASURING SOCIAL SECURITY AMONG THE WORKERS IN THE URBAN INFORMAL SECTOR OF ASSAM

**Dr. Ashima Majumdar**

Assistant Professor,

Department of Economics

North Gauhati College, Guwahati, India

**Abstract:** Social security is central to protecting the livelihoods and dignity of workers, especially in countries where a large share of employment lies in the informal sector. However, assessing social security is not straightforward, as it involves more than just income support or welfare schemes. Workers' well-being depends on multiple factors such as job stability, fair wages, access to healthcare, workplace safety, skill development, and retirement protection. To capture this broader perspective, the Composite Labour Security Index (CLSI) offers a useful way of measuring and comparing the overall level of labour security across sectors and regions. By combining different indicators into a single index, it provides a clearer picture of the strengths and gaps in existing protection systems. This approach makes it possible to identify which groups of workers remain most vulnerable and where policy attention is urgently needed. At the same time, the CLSI helps track changes in labour security over time, making it a valuable tool for evaluating the impact of social protection programs. In a rapidly changing economy shaped by globalization and technological shifts, measuring social security through such a composite index is essential for building inclusive policies and ensuring equitable growth.

## I. Introduction

The Unorganised Informal Manufacturing Sector is growing in the state of Assam and correspondingly the number of people depending on it is also showing an increasing trend (Saikia and Bora 2019). From the angle of productivity these workers are found to have major contribution to the value added of the UIMS (Majumdar and Borbora 2014). However, these are the segments of workers who are outside the social safety net and earn too little to accommodate the minimum living standard in an urban society (Majumdar and Borbora 2013). During the past decades, Government of India have been striving towards designing and implementing more effective measures to strengthen and expand the social protection to the unorganised sector workers. With this background it is essential to study the level of social protection enjoyed by the informal sector workers. The paper made an attempt to quantify the level of insecurities among the urban informal workers of the state through the construction of the Composite Labour Security Index (CLSI).

## II. Objective

The paper tries to quantify the level of social insecurities among workers of the unorganised sector of Assam.

## III. Methodology

The paper uses Composite Labour Security Index (CLSI) to measure quantitatively the extent of insecurities among the informal sector workers. This index was used by Standing (1999, 2004) to measure the labour security among the organised sector workers in the context of the developed countries. Sen and Dasgupta (2009) have adapted the index to deal with the labour security issues of the workers engaged in the organised sector. Here the technique is used to quantify the social insecurities among the informal workers of the UIMS of the state. The CLSI is constructed for a group of industries in the informal manufacturing sector of urban Assam. The industry group includes textiles, food and beverages, wood, metal, and furniture which makes around 90 % share in number of enterprises, number of workers, and gross value added in 2010-11 (Saikia and Barman 2017). As the study intends to discuss labour security for the urban informal workers, city of Guwahati is taken as the main area of sampling, which is the most urbanised area not only within Assam but also in the entire north eastern region and as such exposed to a number of informal activities practiced by the migrants to the city from all over the country. A total of 200 such workers are interviewed. CLSI is calculated as the arithmetic mean of 8 different security indices, by assigning equal weights to each of them. These indices are discussed below

1. **Income security:** The welfare of a worker is affected heavily by the income security, which not only implies the adequacy but also the regularity of income. It includes *The minimum wage, Periodicity of wage payment, Regularity of wage and Wage revision*,
  2. **Employment Security:** These aspects are taken into consideration while measuring employment security *Whether permanent worker, Any other economic engagement, Work experience and Chance of alternative employment*.
  3. **Financial security:** Financial security includes *Savings and Possession of bank account*:
  4. **Voice representation security:** It includes *Trade union membership, Presence of trade union in the unit and Necessity of a labour union*.
  5. **Family support security:** The following dimensions are considered important to measure the family support security *whether wife is working, whether children are working and any other earning member*
  6. **Work security:** It includes *Length of the working hours, Bonus for the extra work and Medical allowances*:
  7. **Job security:** it includes dimensions *Relationship of the employee with the employer, Chances of promotion in the current job*
  8. **Education and skill reproduction security:** The following information are used to evaluate it- Educational qualification, Special training and Whether the parent firm provides special training.
- Each of the security indices are calculated in the same way as the aggregate CLSI is calculated.

$CLSI = 1/8 \sum I_i$ , where  $I_i$  represents the 8 component security indices.

A description of the variables used is given in the table 1 and 2

**Table 1: Variable used to discuss the personal profile of the workers engaged in the UIMS along with their description**

Variable	Description
Personal Profile	
Gender	=1 if male; 2 if female
Age	In years
Native Place (District, Town, Village, State)	
Marital Status	=1 if married; 2 if unmarried and 3 if spouse dead
Number of Children	In numbers
Family Size	In numbers
Status of Residence	=1 if owned; 0 if rented.
Type of Dwelling	=1 if pucca; 0 if kuccha
Number of rooms	
Electricity connection	= 1 if yes; 0 otherwise
Source of drinking water	

**Table 2: Variables and their description for the calculation of CLSI**

Income security	
Above minimum wage	=1 if above 100; 0 otherwise
Duration of wage/Salary payment	= 1, if received daily/weekly, 0 otherwise
Regularity of Payment	= 1 if wage is received regularly; 0 otherwise
Wage revision	= 1 if wage is revised regularly; 0 otherwise
Employment security	
Permanent worker	= 1 if yes; 0 otherwise
Any other economic engagement	= 1 if yes; 0 otherwise
Work experience	=1 if more than 5 years; 0 otherwise
Chances of alternative employment	=1 if yes; 0 otherwise
Job security	
Good relation with the supervisor	=1 if yes; 0 otherwise
Chances of promotion	=1 if yes; 0 otherwise
Education and Skill reproduction security	
Minimum educational Qualification	= 1 if 4 <sup>th</sup> standard and above, 0 otherwise.
Whether acquired Special training	=1 if yes; 0 otherwise
Whether the parent firm provide special training	=1 if yes; 0 otherwise
Work Security	
Length of the working hours	=1 if ≤ 8 hours; 0 otherwise
Bonus for extra work	=1 if yes; 0 otherwise
Medical allowances	=1 if yes; 0 otherwise

Voice Representation Security	
Union membership	=1 if yes; 0 otherwise
Labour union in the unit	=1 if yes; 0 otherwise
Is unions are necessary	=1 if yes; 0 otherwise
Financial Security	
Bank Account	=1 if yes; 0 otherwise
Savings	=1 if yes; 0 otherwise
Family Support Security	
Wife working	=1 if yes; 0 otherwise
Children working	=1 if yes; 0 otherwise
Any other working member in the family	=1 if yes; 0 otherwise

An attempt is made to look into the security status of the female respondents. The variables used along with the description are given in table 7.3. The questions are answerable in yes/ No format and are used to form a CLSI only for the female workers surveyed.

**Table 3: Variables and their description for the construction of CLSI for the women workers**

Variable	Description
Safety in working place	=1 if yes; 0 otherwise
Provision of toilet	=1 if yes; 0 otherwise
Provision for Crèches	=1 if yes; 0 otherwise
Provision for child bearing women	=1 if yes; 0 otherwise
Provision of maternity leave	=1 if yes; 0 otherwise
Equal remuneration with the male worker	=1 if yes; 0 otherwise
Domestic helper	=1 if yes; 0 otherwise

The CLSI range is defined as follows

1. 0.00-0.25: Worst
2. 0.25-0.50: Critical
3. 0.50-0.75: Just above the average
4. 0.75-1.00: very high

#### IV. Results from the field survey

**General Profile:** an analysis of the sex composition of the sample respondents shows that %age of female workers (25%) involved in different types of informal manufacturing activities are much lower than the male workers (75%) (Table 4). Heavy concentrations of female workers are found in textile industry where almost 70% of the workers engaged are female, followed by the wearing apparel industry (22.5%) and food industry (7.5%). In terms of the age composition small %ages of workers fall in the age group of below 18 (1.8%) and above 60 (2.5%). Almost 73% of the workers fall in the age group 25 to 45 years. The aged who were found to be working above 60 years are basically because of the poor financial support from the family members. The main reasons for the female working in the informal sector were found to be the death of the prime breadwinner of the family and the insufficient or inadequate income of the family as a whole.

**Table 4: Frequencies and the descriptive statistics of the workers engaged in UIMS of Assam**

Variable		Frequency	%age	Mean	S.D
Gender	Male	120	75		
	Female	40	25		
Age	Below 18	3	1.87	36.46	10.551
	18-24	15	9.37		
	25-45	118	73.75		
	46-60	20	12.5		
	Above 60	4	2.5		
Literacy	12 <sup>th</sup> standard and above	4	2.5		
	Up to 10 <sup>th</sup> standard	32	20		
	Primary	90	56.2		
	Illiterate	34	21		
Marital status	Married	107	66.9		
	Unmarried	45	28.1		
	Spouse dead	8	5		
Number of children	0	47	29.4	1.04	.827
	1	63	39.4		
	2	46	28.8		



	3	4	2.5		
Size of the family	2	17	10.6	3.33	.732
	3	82	51.3		
	4	53	33.1		
	5	8	5		
Status of residence	Rented	114	71.3		
	Owned	46	28.8		
Type of residence	Kuchha	8	5		
	Pucca	152	95		
Number of rooms	2	147	91.9	2.08	.274
	3	13	8.1		
Electricity connection	Yes	154	96.3		
	No	6	3.8		

Source: SPSS results of the field survey

The workers are found to have maintained sound literacy level as 78 % of the workers are literate; of which 56 % have studied up to primary level, 20% up to 10<sup>th</sup> standard and 2% have studied up to 12<sup>th</sup> standard. It is encouraging to note that a very high %age (68%) of the respondents reported to follow the small family norm of having 1 to 2 children. An analysis of the living condition of the workers reveals that almost 72% of the workers lives in the rented houses, 95% resides in *pucca* houses. 92% of the workers live in a 2 room house. Electricity connection was found to be available in 97 % of the houses.

#### **Results of the composite labour security indices and the component indices**

**Income security:** The fixation of the minimum wages is one of the fundamental premises of decent work. In India, the Minimum Wages Act, 1948 provides for fixation and enforcement of minimum wages. The act aims to prevent sweating or exploitation of labour, especially those in the unorganised sector, who are vulnerable to such risks in view of poor skill and low bargaining power. The national floor level of minimum wage has been fixed at Rs. 174 per day w.e.f. 2023 . A very high %age (81.2%) of the workers reported to have received wages equal to or above the minimum wages. In 77% of the cases payments were made on daily/ weekly basis, which is an indication of income security, as most of the workers in the informal sector are poor and cannot wait for long to receive the wages as they have to meet their daily expenses from their daily income. 94% of the workers reported to have maintained regularity of income. However, only 3% of the workers enjoy wage revision. The income security index calculated by incorporating all these dimensions was worked out to be 0.72.

**Employment security:** Employment security has been a crucial challenge in the rapidly changing labour market in the context of a globalised economy. While carrying out the field trip, 67% of the sample workers were found to be permanent in nature. Permanency in employment increases the employment security as a very small proportion of workers (29%) were indulged in other economic activities. 61% of the workers are experienced workers (having work experience of more than 5 years). When they were asked whether they have got any chances of alternative employment 67 % of them answered affirmatively<sup>7</sup>. Employment security index calculated from these dimensions of security was worked out to be 0.45.

**Job Security:** an analysis of the various aspects of the job security reveals that a very high proportion (90%) of the sampled workers maintained good relation with the supervisor. A very small proportion of the workers (16%) had the chances of promotion within the same job. The job security index scored ay 0.53.

**Education and skill reproduction Security:** The index calculated under this worked out as 0.35, which is very low. The component indices are formed by considering the level and access to education and skill. Primary school level education is considered as the minimum educational qualification for the construction of the security index. Almost 78% of the workers were found to meet this criterion; of which 6% were found to be diploma or degree holder and 18% were found to complete their higher secondary level exams. Majority of the workers (86%) were found to be working without undergoing any special training. The workers have found to learn the working skill on the working spot itself. The master craftsman or the master trainer was reported as the source of training for those workers. The situation is even more distressing when it was found that the firms do not show any interest in imparting skills to their workers. Only in 4% of the units the workers were provided with special training by making them to attend workshops related to their industry and this is seen in the textile industry.

**Work Security:** the work security index was found to be as low as 0.32. If a worker remain absent from his work for a few days, he is either driven away or wages for those days were cut, which is really pathetic; especially when a worker gets ill. Further the provision of any kind of medical allowances among the sample respondents was also found to be absent. 66% of the workers were reported to work (in normal circumstances) for more than 8 hours a day. They also confirmed that the length of the working hours vary directly to the amount of workload. In 65% of the cases the extra work performed by them is well paid in the form of bonus wages.

**Voice Representation Security:** Voice representation is essential to stop the exploitation that the informal workers are to face because of the casual nature of the work. The voice representation security among the sampled respondents was found to be very poor (0.02). None of the workers interviewed have union membership but a majority (63%) of them feel the necessity to have such a union in the unit.

**Financial Security:** In terms of the financial security the informal workers were found to be well secured. A very high %ages of workers reported to have bank account (83%) and maintain saving (72%) for the period of contingency. The calculated security index is 0.70.

**Family Support Security:** Family and family networks have particularly important for that segment of the workers whose income is either irregular or not sufficient enough to provide the needs and wants of the family members. In 23% of the cases the wives of the male workers were found to be economically engaged and in 16% of the cases the children of the workers were found to have supported the family incomes. 45% of the respondents reported to have been enjoying the income the other family members. When asked the type of the work performed by the family members it was found that most of them were also involved in the informal sector itself. The calculated family support security index was 0.28.

Incorporating all the above indices to form a composite Labour Security index as described earlier results in an index of 0.45, which implies the workers in the urban informal sector of the state are in a critical situation. The informal sector workers need urgent attention in view of the widespread insecurities.

**Table 5: CLSI and its component Indices.**

Security Indices		Values	
Income Security	Income greater than `100	0.71	0.81
	Daily/ Weekly Income		0.77
	Regular Salary		0.94
	Wage Revision		0.33
Employment Security	Permanent worker	0.45	0.67
	Other economic engagement		0.29
	Work experience of more than 5 years		0.61
	Chances of alternative employment		0.67
Job Security	Good relation with the supervisor	0.53	0.9
	Chances of promotion		0.16
Education and Skill Reproduction Security	Educational qualification	0.35	0.78
	Special training		0.24
	Accessibility to special training		0.04
Work Security	Length of working hours	0.32	0.33
	Bonus for extra work		0.65
	Medical allowances		0
Voice Representation security	Union membership	0.02	0
	Presence of the labour union in the unit		0.056
	Necessity for a union in the unit		0.631
Financial Security	Bank Account	0.78	0.83
	Maintain saving		0.72
Family Support Security	Whether working wife	0.28	0.23
	Whether working children		0.16
	Any other working member in the family		0.45
CLSI		0.43	

Source: Author's calculation based on field survey

## V.Conclusion

Thus it is found that various state governments are making different types of efforts in providing social security to the informal workers of their respective provinces. Especially the welfare fund model of Kerala and the pension scheme of west Bengal can really be considered as the role models for the other Indian states. However the informal workers of Assam are found to face apathy of the state government in getting the desired social security benefits. Not very special initiative could be seen on the part of the state government in providing social security to its informal workers. A number of welfare schemes are, however operational in the state which cater to the welfare needs of the deprived sections of the society including the unemployed, women, children etc. An analysis of the general profile of the workers shows that more males than females are engaged in the UIMS of the state. More than 70 per cent of the workers belong to the age of 25 to 45years. The workers aged over 60 years are found to be working due to the lack of the financial support from the family. Insufficient family income and the death of the prime breadwinner of the family are the main

reasons for the females to get involved in the UIMS. The social security status of the informal workers of the state is found to be in a critical state as indicated by the low CLSI (0.43). However the income and financial security of these workers are found to be well protected as indicated by the corresponding indices of 0.71 and 0.70 respectively. The CLSI for the female workers of the state UIMS works out to be 0.44, which is marginally higher than the total workers (including male and the female) and thus found to have marginally better protection. The safety index for the female workers is found to be 0.5. Female workers in the UIMS of Assam get equal remuneration with the male counterpart and they feel safe at the work place. However inadequate provisions are seen in the stage of child bearing and rearing.

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