

LABOUR IN UNORGANIZED AND INFORMAL SECTORS

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ABSTRACT

The unorganised and the informal sectors render an essential contribution in the Indian economy, it requires special consideration. Hence, an endeavour has been made in this research paper to observe the matters and the tasks that are experienced by the unorganised workers with a view to overcome the impediments in the unorganised sector to make provision of at least the elementary minimum social security to the workers. The unorganised and the informal sectors have developed by increases and bounds over the years. In India, the term 'unorganised sector' is used frequently in all official records and analyses. Transformations in trade and technology, supplemented by larger worldwide connections between nations that resulted in menace to the income of the workers and is particularly in the developing country as there is a rapid expansion of unorganised sector due to increase in employment of poor people who are living in deprived conditions. The difficulties in the unorganised sector are varied in nature. In the coverage of various features most of the determinations have been made to describe this enormous division to recognize a shared conditions for the documentation of unorganised sector enterprises. But the struggle begins in defining the sector itself to restrain them in a wide-ranging manner. The unorganized and the informal sectors have been that part of the workforce, who have not been able to get themselves organized in the pursuit of the common objective because of certain restraints upon their conditions. The informal and the unorganized sectors are not independent, they are dependent upon the organized sector as well as the rest of the economy through different connections.

Keywords: Labour, Unorganized, Informal Sectors, Workers, Employment, Income

INTRODUCTION

The Indian labour market is described by the prevalence of informal employment with more than 90 percent of India's informal workforce working as self-employed and casual workers. The displeasing inclination is the increasing rate of informal employment even in the organised sector. By highlighting some of the not so easily noticeable trends, the main focus has been put upon the problems and the challenges within the unorganized and the informal sectors. These are the multi-faceted sectors and that a particular device like labour reforms alone cannot address them entirely. The need of the hour is to produce an empowering environment that will develop the desire of formal culture within the labour market (Srija & Shirke, 2012).

The increasing competition associated with the increased market opportunities and limited resources have led to the development of an informal economy. The prevalence of the informal sector has led to a situation of the benefits of economic growth being focused among insufficient with an increasing percentage of the population living as working poor. Though the Government changed its policy strategy to that of inclusive and sustainable

growth in the last decade, the important matters leading to the growing informal sector are yet to be directed (Srija&Shirke, 2012).

RECOGNIZABLE ASPECTS OF UNORGANIZED AND INFORMAL SECTORS

In the informal and the unorganized sectors, one has to take under consideration the workers who are engaged into variety of occupations, or employments, ranging from those such as forest workers, tribal people trying to follow the traditional vocations within their traditional habitats, wood cutters who regularly make visits to the forests to obtain wood, they sell it to make a source of income as well as make use of it for their own personal use, fishermen, who obtain fish by venturing into the water bodies by their vulnerable canoes to those people who are working from their homes through technology and those who are assembling parts of an eminent product. The categories of workers that come under the unorganized and the informal sectors are the carpenters, electricians, plumbers, craftsmen, home-based workers, self-employed workers, workers in weaver's cooperatives and the workers in small scale industries. The workers in small scale industries are not in large numbers (Unorganized Sector, n.d.).

In the unorganized sectors, the workers are usually from a simple background, the casual nature of employment, ignorance and illiteracy, small size of establishments with low capital investment per person employed, diverse nature of establishments, and the superior strength of the employer individually or in amalgamation. The contract labour includes the construction workers, casual labour, labour employed in the small scale industries, handloom or power loom workers, beedi and cigar workers, employees in shops and commercial establishments, sweepers, workers in minority jobs, cleaners, domestic helpers, rag pickers, cleaners, tribal labour and other unprotected labour (Unorganized Sector, n.d.).

SIGNIFICANCE OF THE INFORMAL SECTOR

The informal sector plays a fundamental part in economic development of all the countries. Particularly, developing countries constitute one third of the national income that comes from this informal sector only. The informal sector decreases the unemployment problems. The capitalists are in this segment for their occupation, and not for the purpose of making more profit. Some informal capitalists are earning more than the formal employees in the country, just as vegetable vendors, agents, brokers, foot-path traders and so forth. Majority of the entrepreneurs are community based in this sector. In India, each community has their own industry and business; there are more of rural, urban and city side public based entrepreneurs, for example, foot wears, grocery shop owners, tea stalls, beauty parlours and so forth. The informal sector progresses within the Indian economy unnoticeably. Most of the rural and urban people are working on their family business, because of lack of employment opportunities. In India, most of the family businesses are in the informal sector. The earned income from this sector has been made use of for the purpose of their children's education,

family commitments, personal savings, and so forth. So the government should take the essential steps to adapt this sector into the formal economy (Kalyani, 2016).

About 370 million workers constituting 92% of the total workforce within the country were employed in the unorganized sector as per the NSS Survey of 1999-2000. It renders a fundamental contribution in terms of making provision of employment opportunities to a considerable segment of the working population in the country and adds to the national product in a significant manner. The contribution of the unorganised sector to the net domestic product (NDP) and its share in the total NDP at the existing prices has been over 60%. In the matter of savings, the share of household sector in the total gross domestic saving primarily the unorganised sector is about three fourth. The informal sector establishes the largest portion of the economy in terms of value addition, savings, investments and so forth. The share of formal sector is around 12-14 percent in the national income while that of informal sector is more than 30 percent (Kalyani, 2016).

In the informal sector, in terms of occupation, the workers constitute primarily small and marginal farmers, landless farmed and agricultural labourers, 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, mines etc. On the other hand, in terms of the nature of employment, the workers constitute agricultural labourers, bonded labourers, migrant workers and contract and casual labourers. In terms of the especially distressed categories, the workers constitute toddy tappers, searchers, carriers of head loads, drivers of animal driven vehicles, loaders and unloaders. There are service categories that come under this sector, midwives, domestic workers, fishermen, barbers, vegetable and fruit vendors, newspaper vendors come under this category. In addition to these categories, there has been existence of unorganized labour force such as cobblers, handicraft artisans, handloom weavers, women working as tailors, rickshaw pullers, auto-drivers, physically handicapped self-employed individuals, sericulture workers, carpenters, plumbers, electricians, painters, individuals involved in jobs such as mechanics, car repair, mobile repair, etc., tannery workers and the poor people residing in urban areas (Kalyani, 2016).

STUDY OF THE UNORGANIZED SECTOR

Small, and informal enterprises contribute an imperative role in determining the growth of a developing economy, and experiencing a procedure of organizational transformations. The informal sector as defined in the resolution of the 15th International Conference of Labour Statisticians (ICLS), January 1993, involves the unincorporated household enterprises which change from formal enterprises in terms of technology, economies of scale, use of labour intensive processes, and lack of well-maintained accounts. Although the informal sector has been illustrated as above, no unambiguous operational definition of informal sector is obtainable for the purpose of data collection. In India and in other developing countries in Asia and the Pacific, however, the unorganized segment of the economy meticulously estimates the ICLS perception of the informal sector. The unorganized segment is labour intensive and offers employment to a

substantial portion of the population. This point highlights the problems of measuring the unorganized sector and explains the approach taken by the Indian Central Statistical Office. The size of the informal sector is examined in terms of the employment that it generates and its contribution to value added expansion (Kulshreshtha, 2011).

Informal own account enterprises are possessed and functioned by own account workers. They may employ contributing workers that are a part of one family and they may also have paid employees but only on a random basis. Depending on national circumstances, either all own account enterprises may be defined as informal or only those which are not registered with the tax authorities, the statistical agency or other government body. Enterprises of informal employers employ one or more employees on a continuous basis and depending on national circumstances, they are defined as informal, in accordance with one or both of the criteria, the number of employees and the non-registration of the enterprise or its employees (Kulshreshtha, 2011).

CHARACTERISTICS OF THE UNORGANIZED SECTOR

The characteristics of the unorganized sector have been stated as follows: (Unorganized Sector, n.d.).

1. The organization of these sectors have been low scale, when the individuals are employed in these sectors, then the operation of the labour relations has been on the basis of family and kinship relations, for instance, when the workers are engaged in the construction of houses or buildings, the family as a whole gets involved. Therefore, employment of family and kinship relations are one of the characteristics of unorganized sector.
2. These jobs are considered to be low pay jobs, low wages and it is a low earning sector. In this sector, the individuals are mostly engaged in manual jobs, they work in different occupations which require immense strength and abilities. In spite of the hard work that they put in, the income is meagre which is sometimes not even enough to sustain the living of the families.
3. When the workers are unable to find work outside, they are usually employed into their own family business, such as making of handicrafts, agricultural activities, making of textiles and so forth. In a family business, normally all the members of the family are involved, mainly the men, as women are in a marginalized position and do not have much power and authority vested in their hands.
4. The economic activities, which engaged children working as labourers also come under this category. Children within the country are engaged into numerous kinds of jobs. When they drop-out of school or discontinue their education, they get involved into a variety of minority jobs such as working as cleaners, sweepers at the restaurants or tea stalls, working as domestic helpers, and so forth.
5. In the unorganized sectors, one of the main characteristics is depletion of or decreasing resources such as forests and fisheries. Individuals residing in rural, hilly and mountainous areas put a heavy pressure upon the forests in order to sustain their livelihoods, therefore, there has been depletion of these resources.

There have been initiation of programs and policies in order to reduce the pressure on the natural resources and to make these individuals self-sufficient.

PROBLEMS EXPERIENCED BY UNORGANIZED WORKERS

The various kinds of problems that are experienced by the workers in the unorganized sectors have been stated as follows: (Unorganized Workers in India: Issues and Concerns, n.d.).

Insecurity of Job – The workers employed in unorganized sectors always have insecurity of jobs. In the agricultural sector, the labour is always irregular and unassured, the reason being that work is available to them only for three months and the remaining nine months, they are unemployed and suffer from various problems due to lack of work. The workers are always under this insecurity that their work is only for a temporary time period and after that they will be unemployed.

Irregularities and Inabilities to secure even Minimum Wages –The daily wages of the workers are considered to be below the minimum rate of wages. The reach of the effectiveness of the Minimum Wages Act is limited. The workers in this sector do not have any kind of protection regarding their jobs and have the lowest level of earnings. Due to earning very less through these jobs, the workers tend to be insecure regarding their jobs.

Long Hours of Work – The long working hours have a severe consequence on the social and family life of the labourers in general and of women in particular. They do not find time in getting involved in any of the social and cultural activities and to look after the elderly members of the household or their young children. Due to long working hours, the implementation of household chores also become a problem for them.

Poverty and Indebtedness –These individuals are residing within the conditions of poverty and indebtedness. Due to low level of income and uncertain employment in the unorganized sector, the workers are unable to meet their basic requirements and their social and cultural responsibilities. In the agricultural sector, when the workers are faced with increased indebtedness, they do commit suicide, due to low wage levels, there has been immense increase in the conditions of poverty and indebtedness.

Occupational Hazards and Health Issues –The working environmental conditions in the unorganized sector is the major causes to affect the health conditions of the workers. There is low nutritional intake due to low income and residing within the conditions of poverty, another cause is long working hours, when a person who is working for long hours and has low nutritional intake, then his health does get affected, and these individuals lack the resources, which are required for their maintenance of good health.

Lack of Proper Physical Environment at the Place of Work –Lack of sanitation facilities has an impact upon the health of the workers. There is lack of restrooms and clean drinking water, due to these people experience problems in the implementation of their job

duties. The physical conditions such as lightening, ventilation and space are also in deprived states.

Insecurity arising out of Illness –It has been found that workers employed in unorganized and informal sectors do experience health problems due to low nutritional intake, long working hours, lack of proper facilities in the working areas and so forth. Due to lack of resources, they are unable to pay for their treatment, when these people experience health problems, they feel insecure at the workplace, as they will be unable to put in energy and hard work.

Loss of Income arising out of Accident –An accident during the course of work or otherwise is the major crisis situation for the informal workers due to loss of income. It further leads to additional income expenditure of medicines, hospitalization and so forth. If the accident leads to permanent or partial disability, the loss is much greater. The death of the sole breadwinner, enables the family to borrow money or spend all savings and sell their assets.

THE NEED FOR ENSURING MINIMUM CONDITIONS OF WORK

In the unorganized and informal sectors, one important area is to make sure that minimum conditions of work are available. The acknowledgement of the requirement to make sure the publically acceptable conditions of work are grounded on the elementary standards of moral philosophy and human dignity and rights. These have also been approved as international covenants by bodies such as the International Labour Organisation and others concerned with human rights and development. In preparation, they have been followed at varying points in different countries verbalized by, among other things, social norms and the subsequent national ethos governing development and human dignity. In India, the basic principles governing state policy as preserved in the Constitution, directly or implicitly, inquire for making sure the availability of these conditions for all workers. Some of them apply to all workers, but most of them cover only the workers in larger enterprises (Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector, 2007).

In view of the fact that the conditions of work prevalent in the unorganised sectors are found to intersect some of the basic principles of human self-possession, these assumptions need to be seriously examined for their validity and for explaining ways of ensuring the minimum standards at workplace for all the workers (Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector, 2007). When the working environmental conditions are worthwhile and suitable, the workers take pleasure in working. Even though, they are from underprivileged, marginalized communities, they are residing in the conditions of poverty, possess either low literacy skills, or no literacy skills at all; in spite of their socio-economic backgrounds, they perform their job duties well, when they experience appropriate working conditions. Proper working conditions include, proper lightening, ventilation, heating facilities during winter seasons and cooling facilities during

summer seasons, provision of restrooms, clean drinking water, furniture, machinery and equipment.

CONCLUSION

The labour that is employed in unorganized and informal sectors are not entitled to the similar kinds of benefits, pay and working conditions as compared to the individuals who are employed in the organized sectors. There are various categories of workers that are employed in the unorganized and informal sectors such as, craftsmen, artisans, weavers, plumbers, carpenters, electricians, fruit vendors, vegetable vendors, cleaners, forest workers, agricultural workers, tailors, auto-drivers, rickshaw pullers, fishermen and so forth. There are various kinds of problems and difficulties that these people experience, such as insecurities of jobs, irregularities and inability to secure even minimum wages, long hours of work, poverty and indebtedness, occupational hazards and health issues, lack of proper physical environment at the place of work, insecurity arising out of illness and loss of income arising out of accident. Besides, these problems, there are number of other problems that people experience while working in unorganized and informal sectors, such as, lack of old age security, migrant workers, lack of bargaining power, lack of the relationship between the employer and the employee, insecurity arising out of the occurrence of natural disasters and vulnerability within the mind-sets of these labour groups.

Migrant labourers, bonded labourers and child labourers constitute the most vulnerable labour groups who are exploited. The informal and unorganized sectors have been low scale sectors, the main problem within these sectors is that pay is very less. When workers are unable to find jobs outside, they make an effort to establish their own family business of handicrafts, food preparation, weaving and so forth. Some of these sectors even employ children in jobs and in order to sustain their livelihoods, the depletion of natural resources such as forests takes place to a large extent. More than 90% of the workforce and about 50% of the national product are accounted by the informal economy. A large proportion of socially and economically underprivileged sections of the society are concentrated in the informal economic activities. Programs and policies are required to get formulated regarding the well-being of the workers in these sectors.

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