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### RESEARCH ARTICLE

#### WORKING CONDITION OF UNORGANIZED WORKERS IN INDIA

**Dr. Preeti Singh**

Asst. Professor (Economics), Vasanta College for Women, Rajghat (Admitted to the Privileges of Banaras Hindu University).

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#### Abstract

The significance of unorganized sector is well recognized not only due to its contribution in the economy but also since it provides livelihood to a large fraction of population. Workers who do not have work security, employment security and social security are defined as unorganized workers. These workers are involved not only in the unorganized sector but also in the organized sector of our country and constitute about 93 per cent of total Indian workforce. Unorganized workers are often bound to live in poverty due to their low wages and that too not on regular basis. Most of the unorganized workers get work on casual basis. Desperate condition of these workers is not hidden anymore and calls for measures that need to be taken to improve their condition. High Economic growth experienced by our country in the last two decades has created a greater number of jobs in the unorganized sector than in the organized sector and thus aggravated the problems. Indian Government has made concerted efforts in previous decades to ensure minimum conditions of work for the unorganized workers and also to improve their well-being. However, effective implementation of these initiatives is still questionable. The present paper focuses on problems of unorganized workers in India. Initiatives taken by the Indian Government to improve unorganized workers' working conditions as well as improving their well-being has also been discussed in this paper. Some measures have also been suggested to overcome the problems which workers face in these organizations.

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#### Introduction:-

Two terms informal sector and unorganized sector which are used interchangeably connote same meaning. The concept of unorganized sector was given by the British Economist Keith Hart in 1971. In its simplest term, unorganized sector may be understood as the sector having characteristics different from organized sector. International Labour Organisation (ILO) used the term informal sector firstly in 1972 to denote a wide range of small and unregistered economic activities. 15<sup>th</sup> International Conference of Labour Statisticians (ICLS) under the aegis of ILO in 1993 provided the conceptual framework for informal sector and later on, informal sector was defined based on this framework. The informal sector may be broadly characterized as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned (15 ICLS, ILO, 1993). No distinction is made between labour and capital as factors of production in these units which operate at low level of organization as well as on small scale.

**Corresponding Author:-Dr. Preeti Singh**

Address:- Asst. Professor (Economics), Vasanta College for Women, Rajghat (Admitted to the Privileges of Banaras Hindu University).

The Government of India appointed the National Commission for Enterprises in the Unorganized Sector (NCEUS) in 2004 to review the status of unorganized/informal sector in India including the nature of enterprises, their size, spread and scope, and magnitude of employment. The Commission made distinction between unorganized sector and unorganized employment. According to commission "The unorganized sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers" (Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector, Academic Foundation, 1 Jan 2008, p.1774). As per definition of the Commission all agricultural activities undertaken on agricultural holdings, either individually or in partnership except plantation sector and other types of organized agriculture (e.g. corporate or co-operative farming) come in the unorganized sector [National Statistical Commission, Feb. 2012].

Further, Commission outlines "Unorganized workers consist of those working in the unorganized enterprises or households, excluding regular workers with social security benefits, and the workers in the formal sector without any employment/ social security benefits provided by the employers".

Unorganised Workers' Social Security Act, 2008, defines 'Unorganised Worker' as a home-based worker, self-employed worker or a wage worker in the unorganised sector and includes a worker in the organised sector who is not covered by any of the Acts mentioned in Schedule-II of Act. A major proportion of unorganized workers are home based.

Thus, unorganized workers consist of waged workers and self-employed in the unorganized sector, unprotected wage workers in the organized sector and regular unorganized workers. A large proportion of unorganized workers consist of those working in the unorganized sector.

Definitions mentioned above itself provide some basic characteristics of working conditions in unorganized sector like no employment security (no protection against arbitrary dismissal), no work security (i.e. no protection against accidents and illness at the work place) and no social security (maternity and health care benefits, pension, gratuity etc.). Some of the common works of informal employment in our country are carpet weaving, beedi making, construction, agriculture, garment making, welding, pottery, agarbatti making, vegetable and fruit vending, domestic employment, auto and rickshaw pulling, two-wheeler workshops, rag picking and manual scavenging etc.

By providing enormous employment opportunities unorganized sector occupies an important place in Indian economy. It absorbs more than 90 per cent of workforce in our country and contributes approximately 50 per cent of our national product. Report of National Commission for Enterprises in the Unorganized sector (NCEUS) mentions that there was high growth in employment in the country during 1999-00 to 2004-05. But additional employment generated during this period was completely informal, whether in the unorganized or organized sector. It estimated that out of 458 million employed, 395 million people were engaged in the unorganized sector (253 million unorganized sector workers were employed in agriculture sector and rest of the 142 million are employed in the non-agriculture sector) in 2005.

Enormous growth of this sector in recent years has drawn attention of policy makers towards problems faced by workers of this sector. Since rules and regulations formulated and legislations passed by the Government cannot be imposed on unorganized sector, this creates problems for workers serving this sector. Workers are forced to work at wages below the minimum wages prescribed by the government. Moreover, they are deprived of Social Security benefits like Old age Pension, Provident fund etc. which are availed by the workers in the organized sector.

### **Objectives:-**

1. To examine challenges faced by unorganized workers in India.
2. To identify various initiatives taken by the Indian Government to improve working conditions as well as quality of life of unorganized workers.
3. To suggest some measures to overcome the problems with which unorganized workers are confronted with.

### **Size of Unorganized Sector in India**

Both the formal and informal employment can occur in both the formal and informal sectors. India had a huge informal workforce even prior to economic reforms initiated in the beginning of 90s. Economic reforms further accentuated informalization. Growth of unorganized sector and increase in informal employment in post-economic

reform period is owed to several reasons. First, Economic reforms pursued in early 1990s led to structural changes in the Indian economy and resulted in the expansion of services sector, which has a preponderance of casual and self-employment. Further, liberalisation and globalization has led to increased competition among enterprises. This enforces them to reduce labour costs which is easily possible in case of unorganized sectors as they are not bound to comply with labour laws, tax structure, provision of social security benefits etc. Disinvestment of Public sector units has also led to creation of informal employment particularly in the organized sector. Second, Unskilled and technologically backward workers cannot be engaged in the organized sector due to technological improvement in these sectors in recent years. Unorganised sector may be a good alternative for them. Third, A large number of laborers migrate from rural areas to urban areas in search of job. Limited employment opportunities in capital-intensive organized sectors pushes these workers in the unorganized sectors to sustain their livelihood. Fourth, enterprises did not make effort to increase their size to take advantages of subsidies and concessions provided by the Government to Small and Medium enterprises (SMEs). These SMEs could not create quality employment. Fifth, growth of MNCs increased international sub-contracting and outsourcing and created temporary employment.

Informal employment in the informal sector accounted for 99.9 per cent of total jobs in informal sector and formal employment in informal sector was merely 0.1 per cent of its total employment in 2004-05. Total informal employment was 95.5 per cent of total employment in this period. Out of this, share of each public and private corporate sector was 1.5 per cent, share of household excluding informal sector was 7.9 per cent and the rest of 84.6 per cent was in the informal sector. Out of total 25 million jobs in the public sector, 84 lakh jobs were informal jobs, reflecting that nearly one-third of jobs performed in public sector was of informal nature in 2004-05. There was an increase of informalisation of jobs in public sector as informal jobs in public sector increased from 29.5 per cent in 1999-2000 to 33.6 per cent in 2004-05. This increase in informal jobs in public sector was through outsourcing or contracting jobs. Though informal employment was more prevalent in private corporate sector with its 62.6 per cent of total jobs in this sector in 2004-05; yet there was decline in informal employment share in private corporate sector which was 69.4 per cent in 1999-00.

**Table 1.1:-** Percentage of Informal/Formal Sector Workers in 1999-2000 and 2004-05.

	2004-05		
Category of Workers	Informal Sector	Formal Sector	Total
Informal Workers	99.6	46.2	92.3
Formal Workers	0.4	53.8	7.7
Total	100.0	100.0	100.0
	1999-00		
Informal Workers	99.5	42	91.5
Formal Workers	0.5	58	8.5
Total	100.0	100.0	100.0

**Source:** Report of the Committee on Unorganised Sector Statistics, National Statistical Commission, Government of India, Feb. 2012.

The Annual Report of Periodic Labour Force Survey (2017-18) mentions that in India, 68.4 per cent of the workers in usual status in non-agriculture and AGEHC (Agriculture Sector Excluding Growing of Crops, plant propagation, combined production of crops and animals without a specialized production of crops or animals) sectors were engaged in informal sector. The share of informal sector among male workers was 71.1 per cent and among female workers was nearly 54.8 per cent in non-agriculture and AGEHC sectors. The Annual Report: PLFS 2017-18 shows that there has been decline in the share of employment in the informal sector by 5 per cent during 2004-05 to 2011-2012 and by 4 per cent during 2011-12 to 2017-18.

### **Challenges faced by Workers in the Unorganized Sector**

Despite constituting a major proportion of work force, workers in the unorganized sector lack job security, work security and social security. Working conditions which prevail in the unorganized sector often hurt self-respect and dignity of employees. It includes number of working hours in a day, health & hygiene conditions, payment of overtime, workload, holidays etc. To ensure minimum working conditions, Indian government has passed several legislations mentioning principles and procedures which enterprises need to follow while employing workers. However, most of these regulations cover only workers working in organized sector. Unorganized sectors are unable to afford compliance cost and face difficulties in implementation of these regulations.

Table 1.2 shows percentage of regular wage/salaried employees with different conditions of employment among regular wage/salaried employees in usual status in Non-Agriculture sector for 2004-05, 2009-10, 2011-12 and 2017-18. Among regular wage/salaried employees in the non-agriculture sector, 71.1 per cent had no written job contract, 54.2 per cent were not eligible for paid leave and 49.6 per cent were not eligible for any social security benefit in 2017-18. Written job contract implies whether the employees have any written contract or agreement with the employer regarding the duration of the job they were engaged in.

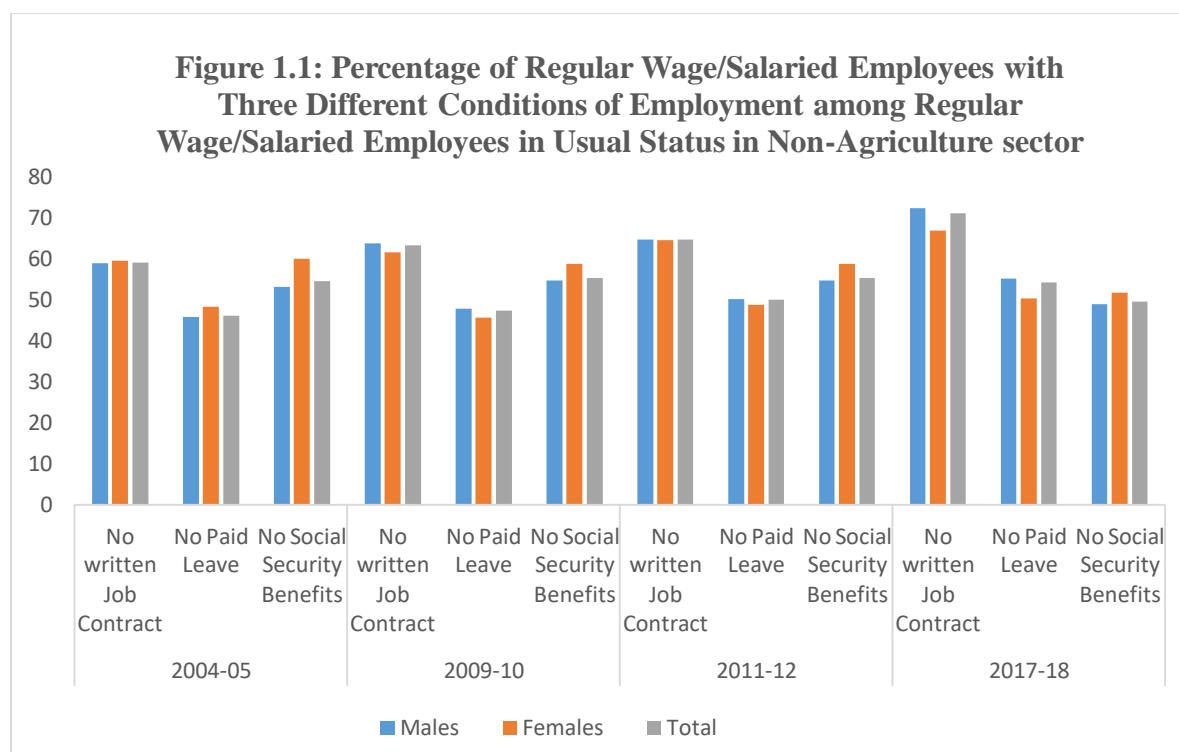
**Table 1.2:-** Percentage of Regular Wage/Salaried Employees with Three Different Conditions of Employment among Regular Wage/Salaried Employees in Usual Status in Non-Agriculture sector.

Conditions of Employment	Total	Males	Females
<b>NSS 61<sup>st</sup> Round (2004-05)</b>			
No written Job Contract	59.1	58.9	59.6
No Paid Leave	46.2	45.8	48.3
No Social Security Benefits*	54.5	53.2	60.0
<b>NSS 66<sup>th</sup> Round (2009-10)</b>			
No written Job Contract	63.3	63.7	61.5
No Paid Leave	47.4	47.8	45.7
No Social Security Benefits	54.2	53.9	56.0
<b>NSS 68<sup>th</sup> Round (2011-12)</b>			
No written Job Contract	64.7	64.7	64.6
No Paid Leave	50.0	50.2	48.8
No Social Security Benefits	55.4	54.7	58.7
<b>PLFS (2017-18)</b>			
No written Job Contract	71.1	72.3	66.8
No Paid Leave	54.2	55.2	50.4
No Social Security Benefits	49.6	49.0	51.8

\*social security benefits considered were PF/ pension, gratuity, health care and maternity benefit.

Source: Annual Report, PLFS

2017-18, Government of India, Ministry of Statistics and Programme Implementation.



Some of the challenges faced by unorganized workers are as follows:

### **Lack of Job Security**

Unorganized workers are generally involved in casual works and often suffer from seasonality of employment resulting in prevalence of under-employment. They can be thrown out of job any time so there is no job security for unorganized workers. Job insecurity demotivates them for doing hard work and thus may adversely influence their productivity. Moreover, due to casual nature of their employment they do not get wages regularly hence often find it difficult to sustain their livelihood. Besides job insecurity, short durability of employment also adversely influences workers' productivity. Due to job insecurity, workers in the informal sector often undertake multiple jobs.

### **Long Working Hours**

Workers in unorganized sector are often exploited by long and intense hours of work. Usually they are forced to work for more than 8 hours in a day. This hampers their family as well as social life. Situation is worse in case of female employee as they do not get time to take care of their children. This issue cannot be neglected as women play a significant role in rearing their children in our country. Workers are not even paid for doing overtime. Long working hours may create health related problems. The impact of length of working day on worker's productivity is a debatable issue. But it is universally accepted that number of working hours beyond an 'optimum' number of hours reduces the per-hour productivity of the worker.

### **Health Hazards**

Poor working conditions in the unorganized sector adversely influences physical as well as mental health of their employees. Various kinds of uncertainty and insecurity (i.e. work insecurity, job insecurity etc.) impair their mental health. Besides, there are various kinds of works in the unorganized sector which involve health hazards to the workers. Workers engaged in beedi making, construction, welding, workshops, rag picking and manual scavenging etc. are prone to various diseases. These workers rarely use safety equipment and engulfed with respiratory problems, skin diseases, eyesight problem, hearing loss etc. It is the responsibility of employer to provide their workers adequate safety equipment while handling hazardous substances and equipment. Workers sometimes meet with accidents and/or succumb to severe injuries at workplace. In case any worker meets with an accident or an occupational hazard arising out of or in the course of employment, employer shall give compensation for it.

Unorganized workers often work in unhygienic conditions and become unhealthy. Poor health reduces their productivity and hence leads to less future earnings. Unlike organized workers they do not get medical benefits from the employer. In case of illness or injury, out-of-pocket expenditure on health further pushes them into poverty.

### **Low Wages and Delayed Payments**

Workers in the unorganized sector receive too low wages to meet both ends and suffer from poverty in absence of other sources of earning. Wages are often uncertain too. Moreover, delayed payments are not uncommon and employers often make deductions from wages under one pretext or the other. Workers cannot raise their voice against it otherwise they will be thrown out of jobs. Low and uncertain wages leave workers in poverty and indebtedness. One of the prominent reasons responsible for increasing number of suicides in agriculture sector in recent years is workers' indebtedness. NCEUS in its report supported the introduction of a National Minimum Wage which provides for minimum requirements of education, health and housing and thus reduces poverty. The Commission has also supported that the wages of workers shall be paid on time and in no case exceed one month otherwise the employer shall be liable to pay penal interest to the worker. The Commission recommends that no deductions to be made except in accordance with the rules made in this behalf by the state government.

Though many countries have adopted policy of minimum wages; yet many individuals opine that wages in the labor market should not be regulated particularly in the unorganized sector. They argue that determining a wage would result in lowering employment and hence growth. But many studies have shown that minimum wages have positive effect on wages due to their impact on productivity. Higher wages increase productivity of workers.

Unorganized sectors are blamed for gender-based pay disparity. Female workers are paid less than their male counterparts with same skills and level of education. The Equal Remuneration Act ensures that men and women receive equal remuneration for equal work. But the problem is that men and women are often involved in different kind of activities and activities in which women dominate are undervalued.

### **Weak Bargaining Power**

Unorganized workers lack formal employer-employee relationship. Generally, there is no close bonding between employer and casual or contractual workers in the unorganized sector. Workers in the unorganized sector do not have sufficient bargaining power vis a vis the employers due to non-availability of regular jobs. They have weak bargaining power due to lack of skill and low level of education. They do not form trade unions and thus have weak collective bargaining power. Unorganized workers refrain from making unions in fear of loss of job. Different categories of informal workers have diverse problems and find it difficult to unionize on a common issue. Even unionists fail in their attempt to unionize unorganized workers. It is difficult for them to collect home-based workers who are generally scattered.

### **Sexual Harassment**

Unskilled and less educated workers are exploited in unorganized sector. Women workers are generally illiterate or less educated and unskilled hence exploited in many ways like less wages, long working hours etc. Moreover, women workers are vulnerable to sexual harassment. It is the responsibility of employers that women workers are treated with dignity and are not sexually harassed. The Commission has recommended formation of a Complaints Committee at the district and sub-district levels to deal with complaints regarding sexual harassment of women at the workplace.

### **Lack of Social Security Benefits**

Inadequate social security for unorganized workers is an area of great concern. Social security system is not available to majority of workforce in India. Social security benefits include promotional and protective measures. Promotional measures include financing and provision of education, health, nutrition, employment, etc.; whereas provision of pension, provident fund, sickness allowance, maternity benefits, employees' state insurance, etc., comes under protective measures. Pension and Provident fund are important social security instruments in India as it enables employees to maintain a decent standard of living even after retirement. Report of NCEUS states that merely 0.4 per cent of the unorganized sector workers were receiving social security benefits like Provident Fund, and there has been no increase in this proportion since 1999-2000.

### **Steps taken by the Government**

The nature of employment in India has been changed as a consequence of liberalisation, privatisation and globalization policy adopted by the Government since 1990-91. It has also resulted in greater occurrence of outsourcing, contracting, sub-contracting and casualisation of labour services and hence created challenge for the Government to protect interest of labours involved therein. Various laws and regulations enable workers in the organized sector to fight for their rights and safeguard their own interest. However, unorganized sectors' workers are at disadvantaged due to non-compliance of Labour laws and Regulations by this sector. Therefore, Government of India has taken various steps to protect the interest of unorganized workers.

### **The Minimum Wages Act, 1948**

The minimum rates of wages are fixed both by Central and State Governments in the scheduled employments falling within their respective jurisdictions under the provisions of the Minimum Wages Act, 1948. This Act binds the employers to pay the workers the minimum wages so fixed from time to time. The minimum rates of wages include variable dearness allowance attached to Consumer Price Index. The Government ensures the implementation of minimum wages act. However, the Act has not been effectively implemented in most parts of the country. The Economic Survey (2018-19) says the law does not cover all wage workers and that "one in every three wage workers in India has fallen through the crack".

### **The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996**

Building and other construction workers are one of the most vulnerable segments of the unorganized labour in India. These workers are casual in nature and there is always inherent peril of loss of limb and life of the workers. Working hours are uncertain and the relationship between employer and employee is temporary in nature. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 was enacted to regulate the employment conditions of service of building and other construction workers and to provide for their safety, health and welfare measure and for other matter connected therewith or incidental thereto.

### **The Unorganised Workers' Social Security Act, 2008**

It is an act to provide for social security and welfare of unorganized workers. Section 2(m) of the Act defines "unorganised worker" as a home-based worker, self-employed worker or a wage worker in the unorganised sector and includes a worker in the organised sector who is not covered by any of the Acts mentioned in Schedule II to this Act. The Acts under Schedule II are: (1) The Workmen's Compensation Act, 1923 (2) The Industrial Disputes Act, 1947 (3) The Employees' State Insurance Act, 1948 (4) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (5) The Maternity Benefit Act, 1961 (6) The Payment of Gratuity Act, 1972

Under this act, National Social Security Board and State Social Security Board for Unorganized Workers has been set up. National Social Security Board recommends to the Central Government suitable schemes for different sections of unorganised workers and monitors such social welfare schemes administered by the Central Government. Similarly, State Social Security Board recommends to the State Government suitable schemes for different sections of unorganised workers and monitors such social welfare schemes administered by the State Government. Every unorganised worker shall be registered and issued an identity card by the District Administration to be eligible to avail social security schemes introduced by State Government as well as Central Government. Three basic social security schemes of the Central Government are (i) life and disability cover, (ii) health and maternity benefits, and (iii) old age protection. The Central Government is making continuous effort to extend coverage of the social security schemes to all the unorganised workers as per their eligibility. Social Security Schemes for the unorganized workers are as follows:

(1) Indira Gandhi National Old Age Pension Scheme (2) National Family Benefit Scheme (3) Janani Suraksha Yojana (4) Handloom Weavers' Comprehensive Welfare Scheme (5) Handicraft Artisans' Comprehensive Welfare Scheme (6) Pension to Master craft persons (7) National Scheme for Welfare of Fishermen and Training and Extension (8) Janshree Bima Yojana (9) Aam Admi Bima Yojana (10) Rashtriya Swasthya Bima Yojana

As per the recommendations of Second National Commission on Labour, the Ministry of Labour and Employment has moved forward for framing four Labour Codes on (i) Wages; (ii) Industrial Relations; (iii) Social Security & Welfare; and (iv) Occupational Safety, Health and Working Conditions by amalgamating, simplifying, and rationalizing the relevant provisions of the existing Central Labour Laws. To ensure and realize job security, wage security and social security to the labour force of the country, The Ministry of Labour and Employment has taken initiatives for creating institutional mechanism. It has developed a unified web portal "Shram Suvidha" to bring transparency and accountability in enforcement of labour laws and ease complexity of compliance.

### **Welfare Programmes**

More than three-fifths of the unorganized workers in India are self-employed. Therefore, there is need to evolve strategies which promote self-employment and income growth of the self-employed. Agricultural labour are generally employed in agricultural activities for only three-four months and remain unemployed for rest of the year. The problem of disguised employment is also prevalent in agricultural sector. To overcome the problem of unemployment, Government of India launched many employment programmes like Prime Minister's Rojgar Yojana (PMRY), Swarnajayanti Gram Swarozgar Yojana (SGSY) and Swarnajayanti Shahari Swarozgar Yojana (SSSY) during 1990s. To provide income security to the workers in rural areas, the Government of India introduced National Rural Employment Guarantee Act, 2005 which aims to provide at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The Government is now disbursing full employer's contribution (EPF and EPS both) under Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) with effect from 1<sup>st</sup> April, 2018.

As mentioned earlier, employment pattern has been changed in the country and short-term engagement in form of contract and temping has replaced earlier long-term employment. The ESI Corporation has launched "Atal Bimit Vyakti Kalyan Yojana" for insured persons covered under the Employees' State Insurance Act, 1948. In this scheme, cash is directly paid in workers' bank account in case of unemployment and while they search for new engagement.

The National Career Service (NCS) Portal has been started to bring employers, trainers and unemployed on single platform. It is mandatory to post all government vacancies on the NCS Portal. Besides, the NCS offers various employment related services like career counselling, job matching, information on skill development courses, apprenticeship, internships etc. It also facilitates organization of job fairs.

To protect and safeguard the interests of contract workers, the Contract Labour (Regulation and Abolition) Act, 1970 was enacted. This act is applicable to every establishment/contractor in which 20 or more workmen are employed. It protects interests of contract workers in terms of wages, hours of work, welfare, health and social security.

The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 was passed to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. The act protects the rights and safeguard the interests of migrant workers. It is applicable to every establishment, and the contractor, who employ five or more inter-state migrant workmen. Under this act, every inter-state migrant workman is issued a passbook with full details. In this act, there is provision of payment of displacement allowance, payment of journey allowance as well as payment of wage during the period of journey, residential accommodations, medical facilities and protective clothing, payment of wages, equal pay for equal work etc. to inter-state migrant workmen. An office of Ministry of Labour and Employment which is known as Central Industrial Relations Machinery (CIRM) has been delegated with the task of maintaining harmonious industrial relations and enforcement of labour laws.

The Government has generated funds to provide various kinds of welfare activities to some specific categories of workers in the unorganised sector (like beedi workers, cine workers and certain non-coal mine workers). These funds are used to provide housing, health care and education assistance for children to these workers.

#### **Promotional Policies for Non-agricultural Unorganized Sector**

To improve the working conditions in the non-agricultural unorganized sector, there is need to focus on the problems faced by this sector. Non availability of institutional credit, difficulty in procurement of raw material, low level of technology, lack of skills and marketing of their products are major problems confronting this sector. Government of India has always supported Small scale and tiny industries and many schemes like 'Priority Sector' lending was introduced to facilitate the flow of credit to this sector. However, there has been dilution in this scheme after introduction of economic reforms in 1991. Currently, multi-agency approach is being followed to provide credit support to the small enterprises. They are facilitated through direct lending, indirect lending in the form of micro credit through intermediaries, credit and enterprise development support through schemes, and schemes such as Credit Guarantee to commercial banks to encourage lending to the small enterprises (NCEUS 2007).

Government of India has set up National Small Industries Development Corporations (and similar agencies) for the procurement and distribution of raw materials to the small-scale industries and launched a number of schemes to support marketing linkages for the small enterprises. Recognizing the need of an exclusive agency to take care of the integrated needs of the entire unorganized, NCEUS recommended the formation of the National Fund for the Unorganized Sector (NAFUS).

#### **Programmes for Agricultural Workers**

The condition of marginal and small farmers and agricultural labourers is highly influenced by growth in agricultural sector. Decline in agricultural growth adversely influences agricultural wages and makes the situation more unfavorable for the agricultural labourers. Rising indebtedness among marginal and small farmers and reason thereof for committing suicide is a cause for serious concern. Marginal and small farmers are often hit by the high input costs and uncertainty in output markets. Agricultural policies have been formulated by the Indian government time to time to tackle these issues but still there is high scope of improvement. Since agricultural sector has limited capacity to absorb the increasing labour force, there is a need of rural diversification and expansion & development of off-farm and non-farm activities.

#### **Suggestions:-**

##### **To Improve Condition of Unorganized Workers**

Correct statistics on size, distribution and contribution of unorganised sector in Indian economy is not yet available. Therefore, there is need to collect adequate data on various aspects of this sector so that policies can be formulated accordingly. To improve working conditions for workers in the unorganized sector, Labour laws should be implemented effectively and Government should take strict action against the employers who do not comply with labour laws. Special attention should be given to female workers in this sector. Government should ensure that female workers are not discriminated and harassed in any way. They should get equal remuneration for equal work. Despite passing Equal Remuneration Act in 1974, wage gap between men and women is still a harsh reality. There



has been increase in number of sexual harassment cases at work place and/or during commuting. Employer should make provision for safety of female workers at workplace and during commuting.

It has been evidenced that many times females leave their job to take care of their children. Enterprises should provide creche facility at the work place for the children of female employees. Effective schemes should be implemented for educating and upskilling unorganized workers. Different training programmes should be run by the Government for this purpose so that skilled labour force can get better wages and working conditions. Pradhan Mantri Kaushal Vikas Yojana is a good move towards it. Government should focus on the growth of agricultural sector to improve the condition of agricultural workers. To reduce the dependence on the agricultural sector, there is need to diversify this sector. Non-farm activities should be promoted. Workers involved in hazardous work should be provided protective measures by the employer and should be compensated in case of contingency, if any. Unorganized workers are often exploited as they are not aware about their rights so legal awareness should be created among them. Government should continue with its efforts to provide social security benefits to all workers of organized as well as unorganised sector.

### **Conclusion:-**

By providing livelihoods to a large section of population, unorganized sector helps in raising their well-being. Moreover, there has been spectacular increase in number of job opportunities in the unorganized sector in recent years. Therefore, this sector plays an important role in Indian economy both in terms of employment as well as in terms of output and hence cannot be ignored. Further, it is expected that in the present era of privatization, liberalization and globalization unorganized sector would bear more burden of employment creation in coming years. Transforming the informal sector and reducing the gap between the formal and informal is a big challenge. Public policies are needed to bridge this gap. Objective of inclusive growth will not be possible if 93 per cent of labor force is working in deplorable condition. Keeping these issues in mind this sector should be strengthened and both male and female workers in the unorganized sector should be ensured minimum working conditions. To improve conditions of employment for unorganized workers and enable them to live a dignified life, Government should expand coverage of provisions of basic services like health, education and sanitation.

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