1.1 Informal Economy

With onslaught of globalization, the informal sector has increased both vertically and horizontally unexpectedly all across the globe. It is clearly evident that, due to change in the world’s economic order, the transitional direction is not from informal to formal but it is from formal to informal. The casualization and informalization of labour force is visible in most of the countries of the world (Standing, 1999). The standard jobs are being turned into non standard jobs, the public enterprises are being downsized or closed and as a result the retrenched workers are forced to take up informal activities to sustain their livelihood compulsions, eventually leading to the informal arrangements getting expanded and emerged in new guises and at unexpected places. With process of globalization, majority of workers have been expelled from the formal work into the informal work resulting in reduction in employment opportunities in the formal sector and increasing the burden of employment on the informal economy. The competition due to globalization had eroded employment relations by encouraging formal firms to hire or outsource the workers at low wages and with some benefits or no benefits as the case may be with the sole motive of profit by the employer and earning wages by the employee or worker at the end of the day.

The vicious cycle of poverty and unemployment push people into the invisible labyrinth of informality, which is further governed by improper legal framework, unstable employment, bad working condition, lack of leisure time and benefits. It is beyond an iota of doubt that only the organized sector workers are benefited and protected under the majority of rules and regulations. Consequently, the workers in the informal economy are not recognized, regulated and protected by the existing legal and regulatory frameworks. They are denied shelter under aegis of social protection and the work conditions are far below the satisfactory level. The occupations in this sector are
marked by social and traditional obligations, poverty, illiteracy, helplessness, deprivation and so on. The majority of rural and urban poor working in the informal sector does not have any social security and are exploited and denied opportunities to lead a creative life and enjoy a decent standard of living, individual freedom, dignity and self respect. All these factors related to informal economy were analyzed chronologically and explained further by various experts in their related fields.

The informal sector refers to economic activities, where individuals and small groups of people and families are engaged in casual work largely unprotected by the welfare legislations. The informal economy, in general, constitutes all forms of 'informal employment' i.e. working without a secure contract. It also includes self employment in informal enterprises (small unregistered or unincorporated enterprises) and comprises of employers’ own account operators and unpaid family workers in informal enterprises or part time workers (Chen, 2002). The informal workers include casual workers in restaurants and hotels, janitors and security, guards, casual or day laborers in construction and agriculture, piece rates workers in sweatshops, temporary office helpers, and off side data processors and so on.

In India, the informal sector activities mainly constitute a major proportion of the working population namely the barbers, cobblers, waste recyclers and vegetables, fruit, meat, fish, snacks food vendor and a myriad of non-perishable items makers ranging from locks and keys, soaps and detergents to clothing, head waders, cart pullers, bicycle peddler’s rickshaw pullers, camel, bullock and horse cart drivers, auto rickshaw drivers and small kiosks or stalls owners. There are workers in small workshops that repair bicycles and motorcycles, recycle scrap metal, make furniture and metal parts, tan leather and stitch shoes, weave, dye and print cloth, diamond polishing and other gems, make and embroider garments, sort and sell goods from their homes, garment makers, embroiderers, incense skill rollers, cigarette rollers, paper bag makers, kite makers, hair band makers, food processors and other (Chen, 2002).

The informal sector activities continue to remain the backbone of any economy throughout the Globe. This sector contributes to the World economy significantly in
terms of employment, production of goods and services. With urban growth there is a marked increase in the population involved in this sector consisting of skilled, semi-skilled and unskilled persons representing the illiterate, oppressed, vulnerable, and economically poor and socially exploited segment of population migrating from rural areas to cities in search of comparatively better income opportunities and better living conditions. The craving for better tomorrow makes these people work for days and nights without any concern for rest and leisure time, without adequate holidays and proper working conditions.

1.2 Historical Perspective

During 1950s and 1960s, it was felt that with the help of right mix of economic policies and resources the traditional sector could be transformed into capitalist economy (Chen, 2002). After the Second World War, this line of thought was implemented successfully in rebuilding of Europe and Japan by increase in mass industrial production at large scale in Europe and North America during this period. But in middle of 1960s, the perspective of economic growth in developing countries was hindered by the persistent widespread unemployment (Chen, 2002). In 1970s, the International Labour Organization (ILO) while showing concern about the existing problems mounted a series of large number of multi disciplinary employment missions in various developing countries (www.wiego.org). The first mission on employment was introduced by ILO in Kenya in 1972 which was the erstwhile colony of British Empire. A year before this employment mission in 1971, the concept of informal sector was coined by Keith Hart (Hart, 1973). The concept received mixed response in developing countries and various views about the notion of the informal sector were elaborated. Some scholars were describing it as marginal and peripheral sector outside the formal arrangement or modern capitalist development while some opined that as the process of development will take place in the developing countries this will disappear after achieving the certain level of economic growth. Notwithstanding all these arguments, Hart and Kenya mission team was very optimistic about the informal sector due to its efficiency, creativity and resilience (www.wiego.org).
During the decade of 1980-90, the informal sector expanded due to various changes occurring in the advanced capitalist economies. During the period, the production was reorganized into small, decentralized and more flexible economic units. Mass production was giving way to ‘flexible specialization’ or, in some cases, reverting to the sweat shop production (Piore and Sabel, 1984). These new patterns of capitalist development are still associated with the informalization of employment relations. Today production is being contracted to small, informal units and industrial outworkers with hourly wages without any benefits. In this process, the informal economy becomes a permanent, albeit subordinate and dependent feature of the capitalistic development (Portes, Castell and Benton, 1989).

The economic crisis of Latin America (1980s) and decade later in Asian Countries (1990s) highlighted a significant feature of informal sector that during such an economic crisis employment in informal sector tends to grow (Tokman, 1992). Informal sector gave solace to millions of people who had lost their jobs from formal sector (Lee, 1998). Meanwhile, structural adjustment in Africa and economic transition in the former Soviet Union in Central and Eastern Europe was also associated with an expansion of employment in the informal economy (Chen, 2002).

With the onslaught of globalization in Nineties the workforce in many countries was informalized (Standing, 1999). The process of globalization generated new jobs, markets and global competitions which had eroded the employment relationships due to hiring of informal workers by formal firms at low wages with the help of contractors, home workers, wage worker and many more (Rodrik, 1997). Presently, it represents a significant, but largely overlooked, share of global economy and workforce, which needs to be protected by introducing various economic reforms to support these working poor and to reduce the poverty and inequalities. So in the light of historical importance of informal sector at the global level, various methods and means adopted for defining and measuring informal sector along with its contribution and significance as a means of providing livelihood to billions of poor people across the world has been under research and debate till date in India and all the other countries.
1.3 Varying Schools of Thought about Informal Economy

After the development of informal sector during the employment mission in Kenya the Dualist school of thought came into light which explains the features and characteristics of the informal sector. According to this school of thought the informal sector consists of marginal and peripheral activities which are away from the formal sector. These activities are income generating options to the poor due to easy entry, casual nature of employment, ownership of the enterprises resting with the families operating on small scale and largely dependent on indigenous resources. This is due to the gap between the growth of population and inability of industrial units providing employment to absorb the surplus labour. The scene becomes grim and there arises mismatch between the skills of the people and technology upgradation in the capitalistic development (Hart ILO, 1973, Sethuraman 1976, Tokman, 1978).

The Structuralistic School of thought as propounded by Caroline Moser and Alejandro Portes in mid 1970s and 1980s established the notion that informal economy consists of micro enterprises which cut the cost of labour, taxation and red tape emerges because of nature of capitalist growth and cutthroat competition between the formal firms. In this process the work is systemically outsourced to the informal sector in the form of sub contracting, of shore industries and flexible specialization.

Legalist School of Thought as popularized by Hernando de Soto in Eighties and Nineties due to lack of proper laws, firms remain in informal set up in order to avoid extra legal norms like registration, taxes, license. By doing so, these micro entrepreneurs are able to save themselves from the fines and penalties, as these units do not fall under the ambit of labour laws and more over they are not getting any benefits as of and from formal sector.

As per Voluntarist School of thought, informal sector is a voluntary sector in which the formal firms try to avoid taxation, commercial regulations, electricity and rental fees and other cost of operating formally. This happens when the micro entrepreneurs draws the comparison between the cost of benefits they will gain while
working in the informal sector then in the formal sector. According to this, working in informal sector is choice of the micro entrepreneurs to get more profit and to avoid labour regulations (Maloney, 2004). All the four school of thought tries to highlight the different aspects of informal sector by the way of its style of working, activities and workers.

1.4 Defining Informal Economy: Indian Scenario

The concept of informal sector was introduced by Keith Hart in 1971 in research study on employment missions in Ghana. Since, then this has been subject matter of research and debate among the scholars, researchers, policy makers at national and international level. Various attempts have been made to find its size, employment potentials and its relationship with the formal sector. Attempts to define the informal sector in clear and specific terminology were not successful as far as universally accepted definition is concerned. Many commissions, groups and agencies had tried to explain the concept of informal sector from time to time. The few of these definitions are as under:

The first National Commission on Labour, under the Chairmanship of Justice Gajendragadkar, defined the unorganized sector as that part of the workforce who have not been able to organize in pursuit of a common objective because of constraints such as:

a) Casual nature of employment,

b) Ignorance and illiteracy,

c) Small size of establishments with low capital investment per person employed,

d) Scattered nature of establishments and

e) Superior strength of the employer operating singly or in combination.

The Commission listed ‘illustrative’ categories of unorganized labour. These are as following:
(i) Contract labour including construction workers
(ii) Casual labour
(iii) Labour employed in small scale industry
(iv) Handloom/power-loom workers
(v) Beedi and cigar workers
(vi) Employees in shops and commercial establishments
(vii) Sweepers and scavengers
(viii) Workers in tanneries
(ix) Tribal labour
(x) Other unprotected labour

The Report (1987) characterizing the unorganized worker by Smt. Ela R. Bhatt, Chairperson of the National Commission on Self Employed Women has defined unorganized sector as:

“One in which women do arduous work as wage earners, piece rate workers, casual labourers and paid and unpaid factory labour. The unorganized sector is characterized by high incident of casual labour mostly doing intermittent jobs at low extremely low wages or doing their own account work at very uneconomical returns. There is total lack of job security and social security benefits. The areas of exploitation are high resulting in long working hours, unsatisfactorily work conditions and occupational health hazards”.

The National Council for Applied Economic Research (NCAER) and Self Employed Women’s Association (SEWA) had defined the informal sector in their joint workshop in 1997 as:

“The informal sector included all workers in informal enterprises, some workers in formal enterprises, self employed workers and those doing contract work for informal or formal sector enterprises and contractors (Kantor, 1997)”.

The Fifteenth International Conference of Labour Statisticians (ICLS), held in January 1993, eventually adopted a resolution concerning statistics of employment in the
informal sector that provides an international statistical standard definition of informal sector. The ICLS describes the informal sector as consisting of those production units which are:

"Typically operate at a low level of organization, with little or no division between labour and capital... and on a small scale.... Labour relations - where they exist - are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees" (ILO, 2003).

The ICLS also issued the guidelines based on a Statistical Definition of the Informal Employment and defined informal employment to include the following types of jobs:

a) Own-account workers employed in their own informal sector enterprises;
b) Employers employed in their own informal sector enterprises;
c) Contributing family workers, irrespective of whether they work in formal or informal sector enterprises;
d) Members of informal producers’ cooperatives;
e) Employees holding informal jobs, whether employed by formal sector enterprises,
f) Informal sector enterprises, or as domestic workers employed by households; and
g) Own-account workers engaged in the production of goods exclusively for own final use by their household (such as subsistence farming or do-it-yourself construction of own dwellings).

The report of Second National Commission on Labour (2002) has brought out the following general characteristics of enterprises or employment in the unorganized sector:

a) It is in general a low wage and low earning sector.
b) Women constitute an important section of the worker in this section.
c) Family labour is engaged in some occupations such as home-based ones.
d) Economic activities, which engage child labour, fall within this sector.
e) Migrant labour is involved in some sub-activities.
f) Piece-rate payment, home-based work and contractual work are increasing trends in this sector.
g) Direct recruitment is on the decline. Some employees are engaged through contractors.
h) If some kinds of employment are seasonal, some others are intermittent. As such, underemployment is a serious problem.
i) Most jobs are, for the greater part, on the casual basis.
j) Both employed and self-employed workers can be found in a number of occupations.
k) Workers are not often organized into trade unions. The self-employed are seldom organized into associations. There is no much recourse to collective bargaining.
l) There are many co-operatives of self-employed.
m) Very often, other supply raw materials, productive by self-employed workers, therefore, become dependent, or linked with enterprises or individuals in other sectors.
n) Debt bondage is very common among the employed as well as the self-employed workers in the unorganized sector.
o) The self-employed have less access to capital. Whatever capital they manage, is mostly from non-banking and usurious sources, especially from the trade-contractor.
p) Health hazards exist in a majority of occupations.

There are certain other factors specific to some of the sub-sector in the unorganized sector. Rickshaw pullers, hawkers and vendors face harassment from authorities such as police, traffic police and local self-government.
National Commission for Enterprises in the Unorganized Sector (NCEUS) has given their recommendation relating to the definition of the informal economy as following:

**Informal Sector:** “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”.

**Informal Worker/Employment:** “Unorganized workers consist of those working in the unorganized 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”.

It is clear from all the foregoing discussion that the workers in the informal economy are an unprotected lot, exploited and have a very low quality of living. Although there is no consensus on arriving at a single definition, however, one thing that is common for all these workers is their poverty and insecurity in their day to day life.

1.5 **The Constitutional Frame Work**

The Constitution of India is custodian of the rights of every citizen of the nation and provides a constitutional framework for their protection and providing livelihood options for each of them. The fundamental rights guaranteed by our constitution gives a mandate to safeguard the interests of each citizen without any discrimination on the basis of caste, colour, creed, sex, religion etc. Article 13 and 14 of the constitution prohibits any form of forced labour (beggary) and child labour in the hazardous occupations or in the factories and mines. Under Article 15 and 16 the constitution also ensures non discrimination by the state while providing equalities of opportunities in matter of public appointments. Under Article 19 of the Indian constitution gives the right to its citizen to form associations and unions for the purpose of their welfare and expression of interest. The Directive Principles of State Policy enshrined in the part four of the Constitution entrusted as,
“The State shall within the limits of its economic capacities and development, makes effective provisions for securing the right to work.”

It is worth the mention that right to work is not fundamental right according to the Indian Constitution. On the conditions of work, the Directive Principles of State Policy makes further arrangements as……. “The State shall Endeavour to secure by suitable legislations or economic organizations or by other way, to all workers, agricultures, industrial or otherwise work, a living wage and conditions of work insuring a decent standard of life”.

The issue related to condition of work enshrined in list III of Schedule 7 of the Indian Constitution. Labour is on the concurrent list of the Constitution so Centre and State can enact laws related to the labour in accordance with the size of enterprises, nature of employment, nature of work etc.

**Informal Sector Workers: Some Important Legislations**

There are various laws which were enacted by the Centre and State Government to protect the rights of workers. These laws can be universally and partially applied to the whole segment of formal and informal sector workers in India according to the type of employment, employment relationship, nature and size of the establishment, number of workers and area of work (NCEUS, 2007).

According to the NCEUS Report on the condition of work and promotion of livelihood in unorganized sector has distributed central laws into three groups as:

1. Laws which apply to all sections of unorganized sector labour force.

2. Laws which apply to some section of unorganized sector labour force:
   c) Dangerous Machines (Regulations) Act, 1983.
e) Inter-state Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
g) Sales Promotions Employees (Conditions of Services) Act, 1976.
h) Trade Unions Act, 1976.

3. Laws which can be extended to the unorganized sector labour force:
b) Payment of Wages Act, 1936.
c) The Building and other Construction Workers (Regulation of Employment and Conditions of Services) Act, 1976.
f) Workmen’s Compensation Act, 1923.
g) Weekly Holidays Act, 1942.

1.6 Government Initiatives for Informal Sector Workers

India, being the welfare state has a prime responsibility to provide its citizens with various forms of social assistance and social security benefits. The Directive Principles of the State Policy as enshrined in the Constitution of India provide the strength to the state to enact social security legislations. The Constitution of India has not yet recognized Social Security as one of its fundamental rights. The essence of the Constitution of India drives that

“the State should strive to promote the welfare of the people by securing and protecting, as effectively as it may, a social order in which justice social, economic and political shall inform all the institutions of national life”.

Article 41 of the Constitution requires that the State should within the limits of its economic capacity make effective provision for securing the right to work, to education and to public assistance in case of unemployment, old age, sickness and disablement.
Article 42 requires that the State should make provision for securing just and humane conditions of work and for maternity relief.

Article 47 requires that the State should raise the level of nutrition and the standard of living of its people and improvement of public health as among its primary duties.

The obligations shed on the State in the above Articles constitute Social Security. In India, out of an estimated work force of about 423 million in informal sector in 2004-2005, only about 0.4 percent of the informal / unorganized sector workers receives social security benefits’ like Provident Funds (NCEUS, 2007). Endeavors have been made in the history to address the diverse problems faced by the workers in the unorganized sector through lawmaking as well as programme leaning procedures. Even though these measures have not succeeded in fulfilling the preferred objectives partially with regard to unawareness, illiteracy and lack of bargaining power to protect their rights by the way of organization of workforce at one stage and the lack of resources with the State on the other side. There are few government programmes in the form of social security, social assistance and public initiatives which have raised the prospect and likelihood of the workers in the informal sector considerably. Among these initiatives the few are discussed below:

Aam Adami Bima Yojana (AABY)

This is a Centre/ State/ Union Territory sponsored scheme administered by the Life Corporation of India, LIC for rural landless households. Under this scheme the village panchayats are consulted for the purpose of identifying the beneficiaries’. The beneficiary should be aged between 18 to 59 year and he| she should be the head or earning member of the rural landless household. This scheme provides assured sum of Rs 30000/- to the nominee of deceased earning person of the family. There are provisions of accident benefits in the event of death by accident or in case of total/partial permanent disablement. Rs 75,000/-are given in case of death and the same amount is given in the case of permanent total disability. To be able to eligible for this scheme a premium of Rs 200/- shall be contributed out of which 50 percent shall be subsidized by the central government while 50 percent shall contributed by the state.
Swavalamban

The *swavalamban* means self-reliance scheme covering unorganized sector workers aged between 18 to 55 years for receiving pension at the age of 60 year. This scheme is a contributory scheme with a monthly contribution of Rs 100/- and maximum annual contribution of Rs 12000/-. This scheme defines unorganized sector workers as those who are not currently employed either by the Centre| State Government or by any other autonomous or public sector undertaking of Central Government and also those workers who are not currently covered by any existing social security schemes. This definition includes all categories of self-employed workers, rickshaw pullers and construction workers in unorganized sector.

Skill Development Initiative Scheme (SDIS)

Skill Development Initiative Scheme aims at expanding skills, training and educational attainment of the workers in the informal sector. The main objective of this SDIS scheme is to provide employable skills to the school dropouts, existing workers and ITI graduates. The priority is given to cover those who are above the age of 14 years and have been or withdrawn as child labour. The scheme emphasis on workers having primary but less than secondary level of education for whom very few formal training opportunities are available.

National Social Security Fund (NSSF)

The government has constituted and approved the National Social Security Fund for the unorganized sector workers. At the initial stage Rs 1,000 crore has been allocated to support various social security schemes for the various occupational groups in the informal/ unorganized sector like weavers, rickshaw pullers, beedi workers, domestic workers etc. as most of these working poor lacks social security cover in the form of life and disability insurance, health care and pension schemes. The Labour and Employment Ministry will be the nodal agency for the purpose of operating this fund.
The Unorganized Sector Workers’ Social Security Act, 2008

Most of the people in the country earn their livelihood by working in the informal sector out of the total work force, only the workers in the formal sector and 0.4 percent of informal sector workers are covered under existing provisions of social security as per NCEUS reports. In these circumstances, these workers do not enjoy the benefits of old age pension, provident funds, maternity benefits, accident claims, medical benefits and many other welfare and social security benefits related to the conditions of work and live. Accessing the gravity of the problem of the unorganized sector workers the government enacted the social security act in the year 2008. This act has provisions to redefine the workers including self-employed, home-based workers, casual, contract etc and also those who do not have fixed employer as unorganized sector workers. This act recommends the state government to identify the workers and give them unique identity number and devise a mechanism for their registration. This act provides with various social security benefits like health insurance, maternity benefit, pension schemes, disability cover and many more different benefits such as housing, child education, skill upgradation and other benefits for the informal sector workers. Under this act there is a provision to create social security boards for unorganized worker at both national and state level for creating a place for representation of these workers.

National Commission for Enterprises in the Unorganized Sector (NCEUS)

Under the Chairmanship of Professor Arjun Sengupta, the Government of India, apart from measures for the informal sector workers, constituted the National Commission for Enterprises in the Unorganized Sector (NCEUS) vide Ministry of Small Scale Industries on 20th September, 2004, as a watchdog and advisory body for the informal sector. Under the Terms of its reference, the Commission has to review the size, nature and scope of informal sector with regard to employment status. The commission has to find out the problems faced by the small scale enterprises in carrying out the trade, access to raw materials, finance, skills, entrepreneurship development, infrastructure, technology and markets. Along with this, the commission has to suggest
the measures to provide linkages to facilitate easy access and institutional support to overcome constraints. The commission will work in a line of promotion, growth, employment and export of informal sector by suggesting a legal and healthy environment. It will further explore the employment generation through the existing programme in the informal sector and give measures to improve the employment generation options through redesigning and restructuring. The commission will work for the overall growth of informal sector by inventing the legal and financial mechanism. It will further explore the reasons why the growth rate of employment in informal sector has stagnated since 1990 and also provide with an employment policy for informal sector. The commission will also review the existing Indian labour laws, rights of the workers and the steps required to improve the competitiveness and production in the informal sector. Apart from this, the commission will review the existing social security measures available to the workers in the informal sector and give its suggestions to improve its coverage among the workers in this sector. In the light of its terms of reference, the commission has worked to form a harmonious definition of the informal sector as earlier there was no uniform criteria to define the informal sector. Till date, the commission has recommended various steps to the Government about the welfare, social security, working and living conditions of the informal sector in the country. It has further identified the different segment of workers and occupational groups working in the informal sector through the surveys and also designed the policy and programmes for the upliftment of these working poor. The constitution of the National Commission for Enterprises in the Unorganized Sector (NCEUS) has raised the hopes and expectation of workers in the informal sector.

1.7 Categories of Workers in Informal Sector

According to the Report on Conditions of Work and Promotion of livelihoods in the Unorganized Sector by National Commission for Enterprises in the Unorganized Sector (NCEUS, 2007) has classified the categories of worker who comprises the informal sector employment as following:
1. **Wage Workers in the Unorganized Sector:** Wage workers are the persons who are employed for remuneration as unorganized workers directly by the employer or by the agencies or through the contractors. Among the wage workers there are casual or temporary workers, migrant workers or those who are employed in households including domestic workers. This segment of workers also includes regular workers in unorganized sector.

2. **Self-employed workers in the Unorganized Sector:** These are the persons who operate from their farm or non-farm enterprises and these workers are engaged in profession or trade. These activities are carried out either on their own accounts, individually or with partners. It can be also home-based workers. Own account workers include unpaid family workers also.

3. **Unprotected Wage Workers in the Organized Sector:** Unprotected workers in organized sector are particularly in the categories of regular, casual and contract workers. These workers remain unprotected during the course of employment because of non-compliance of existing legal provisions. This is the growing segment in organized sector.

4. **Regular Unorganized Workers:** Regular unorganized workers are those workers who are working for others and getting in return salary or wages on regular basis. These can be self-employed workers in unorganized sector, own account workers, home-based workers.

### 1.8 Magnitude of Workforce in Informal Economy

According to an estimate, the total workforce in the country is estimated up to 457.96 million in 2004-05. Among this, informal sector constitute about 423 million workers, almost 92.38 percent of the total workforce in India. The informal sector activities generate more than one third of the national income of the country, which is far more than any other sector related activities, including the formal sector. In contrast to the informal sector only 7.62 per cent of the workforce is engaged in formal settings. The figures of state of Punjab are similar in which informal sector accounts for 90.88 per cent of the total workforce in 2004-05 as given in table below.
### Table 1.1: Distribution of Informal and Formal Sector Workers by Sector and Sex between 1999-2000 and 2004-05 (in millions)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Sex</th>
<th>Informal sector</th>
<th>Formal sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1999-00 2004-05</td>
<td>1999-00 2004-05</td>
<td>1999-00 2004-05</td>
</tr>
<tr>
<td>Rural</td>
<td>Male</td>
<td>178.50 197.87</td>
<td>18.24 21.17</td>
<td>196.74 219.04</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>98.63 117.21</td>
<td>5.39 6.82</td>
<td>104.02 124.03</td>
</tr>
<tr>
<td></td>
<td>Persons</td>
<td>277.13 315.08</td>
<td>23.63 27.99</td>
<td>300.75 343.07</td>
</tr>
<tr>
<td>Urban</td>
<td>Male</td>
<td>51.62 61.94</td>
<td>25.42 28.46</td>
<td>77.05 90.4</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>13.89 17.88</td>
<td>5.07 6.12</td>
<td>18.96 24</td>
</tr>
<tr>
<td></td>
<td>Persons</td>
<td>65.51 79.82</td>
<td>30.50 34.58</td>
<td>96.01 114.4</td>
</tr>
<tr>
<td>Total</td>
<td>Male</td>
<td>230.12 259.81</td>
<td>43.66 49.63</td>
<td>273.78 309.44</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>112.51 135.09</td>
<td>10.46 12.94</td>
<td>122.98 148.03</td>
</tr>
<tr>
<td></td>
<td>Persons</td>
<td>342.64 394.9</td>
<td>54.12 62.57</td>
<td>396.76 457.46</td>
</tr>
</tbody>
</table>


The table No. 1 gives us the distribution of informal and formal sector workers by sector and sex between 1999-2000 and 2004-05. As mentioned above table the share of informal sector and formal sector workers has increased from 396.76 million in 1999-2000 to 457.46 million in 2004-2005. According to these estimates, the increase of more than 60 million people is recorded in the total workforce in India. Out of the total 60 million increased workforce, the informal sector accounts for more than 52 million people which accounts for overwhelming proportion of over 86 percent among the increased total labour segments.

### Table 1.2: Informal Employment in India (1983-2005)

<table>
<thead>
<tr>
<th>Details</th>
<th>1983</th>
<th>1993-94</th>
<th>2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informal Workers as % of All Workers</td>
<td>91.0</td>
<td>91.9</td>
<td>92.38</td>
</tr>
</tbody>
</table>

#### Percentage Distribution of Informal Workers by type of Employment

<table>
<thead>
<tr>
<th></th>
<th>1983</th>
<th>1993-94</th>
<th>2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employment</td>
<td>59.6</td>
<td>56.2</td>
<td>56.1</td>
</tr>
<tr>
<td>Casual wage employment</td>
<td>33.5</td>
<td>36.1</td>
<td>33.3</td>
</tr>
<tr>
<td>Regular wage employment</td>
<td>6.9</td>
<td>7.7</td>
<td>10.6</td>
</tr>
</tbody>
</table>

#### Percentage Distribution of Informal Workers by Sector of Employment

<table>
<thead>
<tr>
<th></th>
<th>1983</th>
<th>1993-94</th>
<th>2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>72.4</td>
<td>66.4</td>
<td>58.5</td>
</tr>
<tr>
<td>Industry</td>
<td>11.9</td>
<td>14.0</td>
<td>19.0</td>
</tr>
<tr>
<td>Service</td>
<td>15.7</td>
<td>19.6</td>
<td>22.5</td>
</tr>
</tbody>
</table>

*Source: Ghose, 2010*
Workers in the informal sector include the self employed, casual wage workers, regular wage workers and the informally employed in the formal sector. Of a total workforce of 457 million in 2004-05, 420 million or more than 92 percent works in the informal economy and out of this 6 percent works in the formal sector and 86 percent in the informal sector. As far as employment in the informal sector is concerned, a less than three-fifth (56.1 percent) of them were working as self employed while 33.3 percent were working as casual wage labourers. Apart from this, a little more than one-tenth (10.6 percent) were employed on regular wages in year 2004-2005.

An overwhelming proportion of the poor and vulnerable section of population depends upon the various activities of the informal economy to earn their livelihood. Among these sectors the foremost is agriculture followed by service and industrial sectors in generating employment for the millions of poor. A little less than three-fifth (58.5 percent) workers in the informal sector earn their livelihood from the agriculture and allied activities while 22.5 percent of the informal sector workers are engaged in service sector. These people provide various services to people at their door steps and are not governed by the legal and regulatory frame work. The hiring of workers on daily basis and out sourcing of the work is a common among the industries. This practice has sharply increased the rate of retrenchment of formal workers and growth of informal labour supply in the industries. This trend is clearly visible from the above table as the percentage of the informal workers working in industries has increased significantly from 11.9 percent in 1983 to 19 percent in 2004-2005.

It is worthy to mention that the rapid urbanization and industrialization, significantly has decreased the percentage of people working in the agriculture and allied activity. A little less than three-fourth (72.4 percent) of the informal sector workers were earning their bread and butter from agriculture sector till 1983 but over the years, i.e. in 2004-2005, the proportion of agriculture sector as declined to 58.5 percent. In agriculture, these workers include farmers and agricultural labourers. Among the farmer households, 84 percent are marginal and small farmers who operate not more than 2 hectares of land. Agricultural labourers are at the bottom layer of the
occupational structure, include a majority of workers from Scheduled Castes and Tribes, and they constitute around 89 million workers (NCEUS, 2007). From an occupational point of view this is also the poorest section in the Indian economy. According to the Report on Conditions of Work and Promotion of livelihoods in the Unorganized Sector by National Commission for Enterprises in the Unorganized Sector (NCEUS, 2007) agriculture as a whole contributes to around 19 percent of GDP while the marginal and small farmers contribute 50 percent of the agricultural output.

These informal workers include the self-employed in the informal sector (including those ranging from street vendors to those who operate micro enterprises with less than ten workers), casual workers and those regular workers in the formal sector who are without any employment or social security.

Table 1.3: Distribution of Workers by Type of Employment and Sector (Million)

<table>
<thead>
<tr>
<th>Details</th>
<th>Informal Workers</th>
<th>Formal Workers</th>
<th>Total Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999-00</td>
<td>2004-05</td>
<td>1999-00</td>
</tr>
<tr>
<td>Informal Sector Workers</td>
<td>341.28 (99.60)</td>
<td>393.47 (99.64)</td>
<td>1.36 (0.40)</td>
</tr>
<tr>
<td>Formal Sector Workers</td>
<td>20.46 (37.80)</td>
<td>29.14 (46.58)</td>
<td>33.67 (62.20)</td>
</tr>
<tr>
<td>Total Workers</td>
<td>361.74 (91.17)</td>
<td>422.61 (92.38)</td>
<td>35.02 (8.83)</td>
</tr>
</tbody>
</table>


Share of Unorganized Sector in Net Domestic Product

As per the Indian System of National Accounts, the contribution of unorganized sector in net Domestic Product in 2002-03 was 56.7 percent as compared to 43.3 percent of organized sector. Thus, the major portion of NDP is provided by the unorganized sector in the Indian economy.
1.9 Segment of Workers in Informal Sector

The main segment of workers in the informal sector consists of:

1.9.1 Women Workers
1.9.2 Migrant Workers
1.9.3 Bonded Labourers
1.9.4 Child Labourers

These workers are in the lower rung of the social and economic aspect of the society. These workers are vulnerable due to lack of assets, skills and knowledge. These factors push them into the cycle of informality. These workers have no option to choose work according to their wishes but to go for what is available. In these conditions the sole motive of survival is on the priority without any chances of bargaining, social security and good working conditions. The conditions of work for these segments of population are miserable and apathetic which results into high rate of vulnerability and exploitation for working in the informal sector.

1.9.1 Women

Gender is one of the most important factor which leads to differentiation of work in the Indian labor market. Women constitute half of the population but despite their size and number, they are the most marginalized strata of the society. The situation becomes more adverse in case of the women belonging to SCs/STs category in the

Source: NAS 2005
lower rung of the social stratification. As per NCEUS, female work is defined as ‘dual burden work’ which means both biological and material production. This work becomes more arduous for women working in informal sector as they have to work for more hours to get adequate wages. Different research studies have indicated that women while taking care of household and performing chores to support their families work for 17 percent more hours than men (NCEUS, 2007). Due to social values and norms, the movement of women is restricted due to household compulsion and barriers as a result majority of them prefer to work from their homes along with their domestic chores.

Lack of skills, sans education and presence cultural barriers has also accentuated sex work (sexual division of labour, NCEUS, 2007). Due to this, petty and feminine nature jobs are offered to women in informal sector. Most of them are involved in activities like cooking, cleaning, stitching, packing etc. while on the other hand the activities which needs some skills and generate more wages or income are offered to males. The condition of wage workers in informal sector especially of women is very bad as they are subjected to various forms of discrimination and exploitation at their workplace. They face discrimination in the form of less wages, gender based of labour and even some times physical and sexual assault from the hands of their colleagues, employer etc. According to NCEUS, 71 percent of women workers in India are illiterates or educated up to only primary level in comparison to 49 percent of the men. The proportion of rural and SC/ST women in this category is as high as 88 percent and 92 percent respectively. For such a dismal picture of women various factors like lower social position, lack of education and skills, lack of access of resources, limited assets etc. had contributed for such milieu of women. Despite their size and contribution with regard to social and economic output the condition of women workers in the informal sector is far below the satisfactory level so there is dire need to call for a special intervention, initiatives and emphasis to improve working conditions.

1.9.2 Migrant Workers

Migrant workers are very important composition of the informal sector. To search means of livelihood, people migrate to far places where the availability of
employment is more. The lack of skills, education and assets push such workers into informal sector. While migrating to rural areas, these workers tends to work as farm labourers and other allied activities whereas in urban areas these workers finds jobs as construction workers, street vendors, domestic servants, rickshaw pullers etc. Apart from urge for earning livelihood, other factors like marriage, education, business etc. can be one or another reason for migration.

The large proportion of migrant workers in unorganized sector move towards better off places due to improved infrastructure and connectivity which has facilitated in providing information regarding availability of employment opportunities at far of places, this is a welcome fact and leads to greater mobility of workers out of choice but only sheer economy compulsion is not sole reason for migration (NCEUS, 2007). According to census of 2001, the total migrant population was 314.5 Million in India. As reported by the NSSO and census of India that the rate of migration has increased. It was also pointed out that in unorganized sector, there is high rate of organized migration such as in construction industry where the workers are recruited through contractors who fix wages and also retain some part of their earnings (Srivastava and Sasi Kumar, 2005).

The living and working conditions of migrant workers in informal sector is very pitiable. The lack of proper facilities at working sites like drinking water, light etc. make them more vulnerable to occupational accidents. Majority of them lives in huts or temporary shelters at working sites or in slums which lack proper sanitation, ventilation and other basic facilities which leads to their poor physical and mental health and resulted into frequent illness and loss of working days and wages. These migrant workers work for extra hours without any legal protection and social security provisions by the employer or government authorities. These workers are often subjected to economic discrimination as they are paid less than the local labourers. Education of the children of these migrants suffer due to lack of permanent residence while the families of the migrants who stay back in their native place faces monetary problems, economic
social and emotional insecurities and the migrants are also left isolated and lonely in an alien environment (NCEUS, 2007). The studies reveal the dire need to protect the rights of these migrant workers in the form of proper living conditions, working conditions, adequate working hours, minimum wages and access to basic amenities, health and educational services.

1.9.3 Bonded Labourers

Bonded labour is an offence and illegal in India since the enactment of law against bonded labour i.e Bonded Labour System Abolition Act, 1976. Despite, enactment and legal enforcement the incidents of forced labour have been reported from various parts of the country. Practice of bonded labour in India is rampant in agriculture, silk farms and industries, rice mills, salt pans, fisheries, quarries and mines, forest work, match and firework industries, tea and cardamom farming, brick-kilns, shrimp farming, bidi (cigarette industry), domestic work, and textiles. Workers involved in power and handlooms, artificial gems work, shrimp farms, and weaving factories are particularly vulnerable to in bondage (Upadhyaya, 2008).

The Bonded Labour System Abolition Act, (1976) defines ‘bonded labour’ as a "Service rendered under the ‘bonded labour system’. This is a system of forced, or partly forced, labour under which the debtor enters into an agreement, oral or written, with the creditor. According to this agreement, in consideration of an ‘advance’ obtained by the debtor or by any of his lineal ascendants and in consideration of interest on such an advance or in pursuance of any customary obligation or by reason of his birth in any particular caste or community, the debtor agrees to render, by himself or through any member of his family, labour for the creditor for a specified or unspecified period of time either without wages or for nominal wages, or forfeit the freedom of employment or other means of livelihood, or forfeit the right to move freely throughout India, or forfeit the right to appropriate or sell at market value any of his property or the product of his own or any of his family members’ labour"
The dual nature of relationship persists in the bonded system of labour. Bonded labour, thus, refers to long term relationship between the employee and the employer, cemented through a loan, by custom or by force, which denies the employees various freedoms including choosing his or her employer, to enter into a fresh contract with the same employer or to negotiate the terms of his or her contract (Srivastava, 2005).

The incidence of bonded labour is perhaps the highest in the unorganized and informal sector in India. And among the unorganized sector, the incidence of bondage is probably the highest in quarries and open mines. These industries are mainly characterized by the predominance of manual processes, seasonality, remoteness and contract migrant labour. Brick kiln is another industry which reportedly continues to have a sizeable incidence of bonded labour. Among industries for which recent evidence has accumulated are power looms, handlooms, rice mills, sericulture and silk weaving, woolen carpets, fish processing, and construction. Bonded labour, including children, has been identified in a number of other sectors including the circus industry and domestic work (Srivastava, 2005). Relatively high rate of bonded labour incidents is found among migrants, child labourers and tribal populations (Gupta, 2003).

Ministry of Labour has estimated that between 1996 and 2006, there were about 2.86 lakh bonded labourers across different states and UTs in India and almost 2.66 lakhs were rehabilitated under various centrally sponsored schemes with the efforts of National Human Right Commission (NCEUS, 2007). The highest proportion of bonded labourers belonged to Scheduled Castes (61.5 percent) followed by Scheduled Tribes (25.1 percent). This shows that phenomena of bonded labour exist in backward and socially deprived sections of the society. These workers are always at the mercy of their employer and are even subjected to various forms physical abuses. The working and living conditions are very miserable. Absences of any form of welfare provisions and social security safeguards for these workers in unorganized sector makes there conditions more worse. The majority of the bonded labourers include children and women mainly working in informal activities assigned by their employer. These workers lacks voice and bargaining power to represent themselves and protect their rights as they are illiterates, backward and are from deprived section of the society.
1.9.4 Child Labourers

As per 2001 Census, children in the age group of 0-14 constituted about 360 million and accounted for 35.3 percent of total population. Children in the 5-14 age group constituted about 251 million and accounted for 24.6 percent of the population. Magnitude of Child Labour in India according to Census of India, 2001, there were 12.26 million working children in the age group of 5-14 years in comparison to 11.3 million in 1991 revealing a growing trend in absolute numbers though the work participation rate of children (5-14) has come down from 5.4 percent during 1991 to 5 percent during 2001. The recent round of the National Sample Survey (NSSO) estimates suggest that the child labour in the country is around 8.9 million in 2004/2005 with a workforce chipping in at the rate of 3.4 per cent (NSSO, 2004/05). Due to definitional problems, a considerable proportion of child labour still remained to be uncounted or unnoticed in governmental records.

Census data and National Sample Survey (NSSO) show that there is a decline in the absolute number of children principally engaged in work. The overall decline in the child workers is attributed to increasing awareness, greater participation in education by children from poorer households, efforts by the state, international organization such as UNICEF, ILO and national and international non-governmental organization towards elimination of child labour and the regulatory framework (NCEUS, 2007). According to National commission for the Enterprises in the Unorganized Sector that there were 14 percent of the out of school children in 2004-2005 who were not reported as child labour in the unorganized sector. Due to poor economic conditions may by one or other way helping their parents by taking care of younger siblings; older persons, helping parents in daily household activities etc. are potential pool of child labour and can slip into this section of labour segment.

In 2004-05 there were 8.6 million child laborers under 14 years of age in India. Among these there were 3.9 million girls and remaining were the boys, majority of which were working in the agriculture sector. Various researches have shown that child labourers are largely part and parcel of the informal sector home-based industries like
beedi making, carpet weaving, matchstick industry, lock making glass bangle making, fire and cracker making, hosiery etc. The main units outsource their work in the informal sector to cut the cost of production and earn profit which leads to creating hazardous working and operating conditions for these children. They faced callous and even dangerous working conditions (NCEUS, 2007). Scholars observed that child workers within the informal sector are the most affected. Not only have they lost their childhood and opportunities for education but they have to face working conditions at par with the adult workers and moreover these working conditions are worse. These children usually work for more than 8 hours in a day and among the school going children they on an average attend school for 6 hours in a day and then spend another 4-6 hours in working (Ghosh, 2004). The efforts should be made to design a comprehensive policy which aims at eliminating all forms of child labour and in improving conditions of work in agriculture and non-agricultural informal sector enterprises.

1.10 The Major Occupational Groups in Informal Sector

The informal economy covers a major proportion of the occupational groups e.g. barbers, cobblers, waste recyclers and vendors of vegetables, fruit, meat, fish, snack-foods and a myriad of non-perishable items ranging from locks and keys, soaps and detergents, to clothing. Head-loaders, cart pullers, bicycle peddlers, rickshaw pullers, camel, bullock and horse card drivers, auto rickshaw drives, and small kiosks or stalls owners. There are workers in small workshops that repair bicycles and motorcycles; recycle scrap metal; make furniture and metal parts; tan leather and stitch shoes; weave, dye, and print cloth; polish diamonds and other germs; make and embroider garments; sort and sell cloth, paper, and metal waste; and so on. There are people who produce or sell goods from their homes, garment makers, embroiderers, incense stick rollers, cigarette rollers, paper bag makers, kite makers, hair band makers, food processors, and others (Chen, 2002).

The occupational groups of the informal economy include agricultural labor, small farmers, including employers’ owned account workers and employees and the
informal employment outsides the informal enterprises including industrial and home workers, sub-contracted workers by the formal firms and the domestic workers engaged in household activities.

Majority of workforce in India as well as at global fora are literate and illiterates, poor, skilled and unskilled workers, vendors and street hawkers, drivers and rickshaw pullers, children and women, youth and old, agricultural and non-agricultural laborers and so on. Thus, it requires a lot of interest and in-depth exposure to learn about those people who play important role in the national and international facets of development.

With regards to proper legal protection, any extra benefits; social security etc, these occupational groups operating in the informal sector are not enjoying any of them, but it still helps in providing livelihood to the millions of poor. Among those groups which are operating informally some are enlisted below:

1.10.1 Street Vendors
1.10.2 Domestic Workers
1.10.3 Home based Workers
1.10.4 Waste Pickers
1.10.5 Construction Workers
1.10.6 Small Farmers and Agricultural Workers

**1.10.1 Street Vendors**

Street Vendors are the one of the most vital and visible component of urban informal sector. Street Vendors act as distributors of goods and services at affordable rates to the customers with an option to assess the product according to their economic and social conditions. Street Vending is an age old profession which exists in every urban and rural-settings of developed and developing nations. The word Street Vendor is used interchangeably with hawkers, street traders and peddler. Apart from this various local and regional names according to their concerned society, types of work and language are present in all around the world in context of this profession.
Street Vendors may refer to vendors with fixed stalls, such as Kiosks, Vendors who operate from semi fixed stalls like folding tables, crates, collapsible stands, wheeled push carts that are removed from the streets and stored overnight, vendors who sell from fixed locations without a tall structure, displaying merchandise on cloth or plastic sheets, or mobile vendors who walk or paddle their bicycles through the streets as they sell (ILO, 2002). Generally, Street Vendors are those who sell goods or services in and around public places like footpaths, sidewalks, road sides, medians and on the street.

The draft on national policy for street vendors has broadly defined: “street vendor as a person who offers goods for sale to the public without having permanent built up structure but with the temporary static structure or mobile stall (may be head load). Street Vendors may be stationery by occupying space on the payments or other public/private areas, or may be mobile in the sense that they move from place to place carrying their wares on push carts or in cycles or baskets on their heads, or may sell their wares in moving trains, busses etc. In this policy document, the term urban vendor includes of both traders and service providers, stationery as well as mobile vendors and incorporate all other local/regional specific terms used to describe to them, such as, hawkers, pheriwalas, rehri-patri wala, footpath dukandars, sidewalk traders etc” (Sekar, 2008).

The employment pattern among the street vendors varies across time and space. Daily vendors work for long hours to earn more on the routine basis while operating from the same place. Some of these vendors shift their sites of selling goods and services at two or more places according to availability of customers while some of them roam whole day on the streets to earn their livelihood. Besides this, many of these vendors work on part time basis according to the availability of particular type of clientele due to season or on weekly basis. Some of the workers in the informal sector opt vending as a secondary occupation to supplement their income. In majority of cases family members are solely dependent on the income generated from this profession/work. The maximum number of street vendors are self employed,
independent, having few employees or with no employees. The family members of these vendors in majority of cases provide their services in various types of activities ranging from helping, storing, processing raw material, packing etc. The level of income varies among street vendors. Despite the dynamics of providing various goods and services according to the needs and desires of poor people, the majority of street vendors do not have access to social, legal and economic protection and they are vulnerable to various types of risks involved in this informal sector employment.

Official statistics reveals that the share of street vendors in total employment in the non agriculture sector employment is between 2 to 9 percent (ILO, 2002). In India Street vendors constitute about 3 percent of the non agriculture employment which according to the official translation is 3.1 million in all over the country (Unni, 2011). According to Bhowmik (2010) in his study on street vendors has estimated the unofficial figure of person involved in street vending is around 10 millions in India.

It is highlighted that street vending is one of the major occupational group of informal economy and the main segment of these working poor are women. The physical characteristic of informal economy like easy entry, flexible working hours, low cost etc, provides a lucrative option for the poor women to join this work. Women in general earn much less than men while working as vendors (www.wiego.org).

This section of population working in urban informal sector tries to fulfill the needs of millions of people by providing range of services according to their demands. But are still without proper protection and treated as public nuisance and encroachers who feels the heat of administration in the form of confiscation and seizure of goods, fines and penalties, challans etc. The lack of legal awareness about their rights among these vendors makes the conditions more critical as they have to give hefty amounts in the form of bribes to release their goods and to carry on their livelihood. The street vending profession is very important visible occupational group of informal economy which provides livelihood options to millions of poor and also contributes towards the national prospective of development. Besides the significance, contribution and size, the condition of these people is very miserable and not up to the mark.
1.10.2 Domestic Workers

Domestic workers are very important occupational group in informal economy. These workers are illiterate poor and lack special skills required for the employment in other sectors. Domestic work consisting of wide range of activities from cleaning, washing, sweeping, cooking, taking care of children and elderly in urban areas, driving security guards, gardening etc. Domestic work is growing occupational group worldwide. These workers perform a wide range of activities and also provide a flexible chain for the operation of the labor market and smooth running of economy all over the developed and developing countries. These domestic workers help the other workers to go and work outside and in their absence they do the needed what is required for their household like washing clothes, cleaning utensils, sweeping floor, cooking food and range of other household activities on very low wages.

The gender based discrimination is clearly visible among this section of working poor in the informal economy as majority of the women are domestic workers and performs various works mainly the like cooking, cleaning, washing, sweeping etc, and on the contrary works like gardening, driving, security are done by the male workers. It is also evident that women are paid less as compared to men in the categories of domestic workers. Many of the workers to earn extra work on part time basis, involving different employers. Among the segment of domestic workers, the main proportion is of women workers including underage girls, children and migrants. Among the domestic workers women are over representing and this sector is growing worldwide. According the ILO estimates, domestic workers accounts for 4 to 10 percent of the total workforce in the developing countries and 1 to 1.5 percent of the total workforce in developed countries (ILO, 2010). A part form this 5.5 percent of the urban work force in Latin America are represented by domestic workers (Tokman, 2010).

Due to structural adjustment programmes, devastation in agriculture sector and effect of economic crises has increased rural poverty in many countries and as a result of this many women and girls are pushed into the domestic labour market (Human Rights Watch, 2006). Many people from rural areas migrate to urban areas in search of
jobs but due to non-availability of jobs in formal sector which in fact requires some sought of specialization and education left these poor, with only option to work in informal sector as of domestic workers. The domestic workers mainly work in the homes of their employers and that’s why they are dependent on the employers. The peoples who migrate from developing countries to developed countries especially women’s are earning their livelihood by working as domestic helps. It is commonly believed that working in others houses needs lesser skills as compared to other jobs that’s why the wage rate is less as compared to other jobs. Due to lack of social protection, proper working space and unregulated legal framework make these workers more vulnerable. As women and girls are more involved in various kinds of activities e.g. providing domestic services but they can be subjected to gender discrimination, sexual, verbal and physical abuse by the employer. Most of the activities falling under the regime of domestic work are thought as women’s work and thus valued as low in status. More over people from the low social economic background tend to find jobs in domestic work arena without any secure contracts, legal protection, unhealthy working conditions, long working hours and lack of many other benefits which are monopoly of formal sector workers. The rights of these workers are not regulated or protected under any specific laws.

The emphasis of ILO on providing various guidelines with regard to “decent work” and working conditions is useless as these are not followed in letter and spirit in developed or developing nations. As these workers are not organized and mainly work in others homes for long hours and lack power to bargain with employers about wages, terms and conditions of work. The condition of domestic workers is not decent and they need to be recognized, protected and regulated under legal framework so that the conditions of exploitation and vulnerability can be reduced to some degree.

1.10.3 Home Based Workers

The term “home based workers” is used to refer to the general category of workers who carry out remunerative work within their homes or in the surrounding areas. It does not refer to either unpaid house work or paid domestic work. Home based
work encompassed a vide diversity, ranging from traditional embroidery and weaving to tele work. Within the general category of home based workers, there are two basic workers: Firstly, those who work on their own, like self employed and secondly those who work for others mainly comprising industrial workers.

Since old times, home based work has always included skill artisan production and entrepreneurial activities. Recently, new forms of home based work has emerged often involving higher skills, information technology and higher wages. The various forms include manufacturing, artisan production, personal services, data processing, tax accounting, computer programming etc. According to Kathmandu declaration, in south Asia there are at least 50 Million home based workers in the Agarbatti and Bidi industries in India, the football industries in Pakistan and the coir industry in Sri Lanka (Carr and Chen, 2000). Home based work has emerged in many countries as vital component of informal sector. In India, in the year 1999-2000, the National Sample Survey Organization (NSSO) showed that nearly one quarter of all non agriculture informal workers are home based. Home based work has increased in many countries in recent decades. A research study conducted by Government of India, 2007,(GOI) revealed that there are 7.4 percent of informal non agriculture workers in India itself. While it was also found out that during the time span 1999-2000 to 2004-2005, there was an increase of 15 percent in female workers who were operating form their own dwellings.

A vast majority of home based workers in informal sector are women. Available evidence suggests the following common global pattern as women are more hired as compared to men while working manually in the homes and that to at very low wages. Despite a large number of home based workers there are very few studies that focus on the growing interest in their conditions of work and that to with limited objective estimates of home workers. This challenge is due to problems of enumerate work carried out in the homes, especially by women and also the place of work variable used to identify persons working at or near their homes is not included in many labour force and population surveys. In addition home based workers are not classified according to
appropriate employment status categories or by industry or sector. It is also difficult to determine whether a home based worker works under a contract or an agreement for a specific firm and if so whether he or she is self employed or home worker.

The contribution of home based workers to household income is 35 percent of household income in rural areas and 35.6 percent in urban areas. On average, other source of income in these household include wage work 54 percent 40 percent in rural and urban households respectively. Self employment outside the home is 6 percent in rural and 10 percent in urban household. (Sudarshan et al. 2007)

Presently, home based work is spreading its tentacles in the informal economy due to the factors which apparently increase their size and unorganized structure of operation from within their homes or adjoining surrounding. The first factor is the global competition which has increased pressure on the firms to cut their costs, secondly the information and technology, particularly computers which provided many options for clerical and technical work to be operated from one’s own homes and this has increased and motivated quite a lot to outsource these types of work in both small and big firms, third is like, the lack of employment opportunities in formal sector to absorb all the surplus labour.

Despite the considerable diversity, home based workers face a common set of needs and constraints. Consequently, these workers work at home and tend to remain isolated from each other. These workers are less organized and unable to bargain with their employer or public officials. Most of them do not have access to employment based benefits or protection and also receive low pay especially in case of home workers who are engaged in manual work. They have little or no legal and social protection. Due to low levels of technology used by home based workers their production is less and as a result to fulfill the demands or contracts of the employer these have to work for long hours without adequate facilities at their work place. The remuneration is irregular and many production and service activities in home based work yield low income. Many of these workers for making both ends meet work in poor
and cramp conditions with bad lighting and sitting arrangement which is very unhealthy for the individual and his family. Occupational health and safety is also one of the major issues as there is no policy which provides these workers with any sort of compensation or benefits for occupational hazards. Lack of skills and illiteracy are the factors which push the women into cycle of doing manual jobs in informal sector like packing, pasting etc. on low wages.

Home based workers need to manifest their existence by evolving a universally accepted definition of home based workers. They need to struggle for their wages and get recognition and get cover under social protection policies and schemes. Working conditions should need to be improved by providing appropriate infrastructure, trainings and skills up gradation for women workers, occupational health and safety measures for these workers. Despite challenges and odds faced by these workers, the number is growing very fast according to the demand and supply relationship of capitalist economies which tend to decrease their cost of production by flexible outsourcing of production in the informal sector. Thus, home based workers are very important component in operation of economy and also as one of the major source of employment for the informal economy workers across the world.

1.1.0.4 Waste Pickers

A very important group in the informal economy, waste pickers provides various forms of benefits to their communities, municipalities and the environment. The term waste pickers can be broadly defined as people who reclaim reusable and “recyclable materials from what others have cast aside as waste” (Samson, 2009). Waste pickers collect waste which includes household waste, industrial waste, commercial waste, waste from dumpsters, litter from streets and urban gateways and some of them live and work on municipal dumps (Medina, 2005). Most of the waste pickers in the informal sector constitute extremely poor people, migrants, women and especially children who are socially deprived. The working and living conditions of these working poor is deplorable.
Waste pickers have proper working hierarchy from bottom to top. At the lowest rung there are rag pickers or waste pickers, who look through garbage in search of needed material which can be further sold to the middlemen (scrap dealers) at very low price and these scrap dealers segregate the waste to sell it to the recycling production units and then these units recycle the waste into different commodities which are sold in the market at much higher rates.

Waste picking activities include collecting and sorting of waste material in recycling and processing units (Dias, 2010). Among the broad category of waste pickers are dump/landfill waste pickers, street waste pickers, doorstep waste pickers, on route/truck waste pickers, itinerant buyers, sorters, handlers/processors of organic waste etc. Although situations are relative across the countries and regions, some of the common aspects that are shared by waste pickers across the world are that these workers face social stigma, poor working conditions and often faced harassment. Waste picking is highly responsive to market driven conditions of recyclables products. It is a family enterprise offering flexible working hours especially to the women and amounts for high level of adaptability. Waste pickers include mostly migrant workers and marginalized groups who are rejected with onslaught of the global economic process. Waste picking activities appear to be a chaotic work but it is in fact very organized, number of waste pickers fluctuates due to economic conditions and urban process, they are mostly illiterates, socially invisible and are seldom reported in official information (www.wiego.org). As far as size and significance is concerned, The World Bank study of 1988 estimates that waste pickers comprised of 1-2 percent of the world population (Bartone, 1988). Chaturvedi (2010) in his recent study has estimated that there are 1.5 million people in India involved in the work of waste picking comprising women and marginalized groups of the society.

Waste picking has been recognized worldwide due to its benefits to the local economy, to public health and safety and also it helps in promoting environment sustainability. But despite their contribution and benefits these are not recognized and acknowledged by the policy makers and planners. Waste pickers contribute in
maintaining and improving public health and sanitation. In urban municipalities, these waste pickers help in reducing municipal expenses. The material collected by the waste pickers is recycled which helps in conservation of natural resources and helps in reducing air and water pollution. Waste picking offers livelihood and job opportunities to various poor people in form of collection of waste material and for some as employment in recycling units.

Waste pickers, while handling waste face various types of health hazards. The lack of proper protection or safety kits to these workers in informal sector and the daily exposure to contaminated and hazardous materials increase their level of occupational hazards. These risks include contact with feral metal, paper saturated by toxic materials, bottles and containers with chemical residues, contaminated needles and heavy metals and batteries (Cointreau, 2006). The risk of injuries is also very high among waste pickers as they work in those dumping sites which are often subjected to surface subsidence, slides, accidents and fires. Waste pickers generally face low back pain due to heavy lifting, static posture and repetition of work. Higher prevalence of minor psychiatric disorders amongst waste pickers due to stressful working conditions has been highlighted in some research studies (Da Silva et al, 2006). Waste pickers usually face disrespect, violence and harassment by public and authorities. These people in spite of their significance and benefits to community, environment and public health aspects are not recognized. These waste pickers still continuously face adverse working and living conditions. In addition to this they do not have any social protection and welfare provisions which can accelerate their overall development in the areas of better earnings, skill up gradation and measures to reduce occupational hazards.

1.10.5 Construction Workers

Construction activity takes place in every human settlement. The amount that a country spends on construction is closely related to its income. In developing countries, where labour is cheap, the majority of tasks are still undertaken by the manual methods with minimum use of machinery and equipment. There are numerous occupations within the informal construction industry, ranging from unskilled labourers to highly
skilled craft workers. Informality is now the norm, rather than the exception, in the construction industry throughout the developing world. In India, the share of casual labour in the construction workforce increased by 10 percent between 1983 and 1993. In 1993, 64 percent of men and 96 percent of women in urban construction were working on a casual basis. If all self employed workers were also included, 89 percent of men and 97 percent of women in construction in 1993 could be considered as “Informal Labour”. There is strong evidence that the number of informal workers as proportion of all construction workers is growing. According to the ILO, construction jobs in most countries are undertaken almost exclusively by men. Discrimination in pay is widespread. A survey of 26000 construction workers in five cities found open inequality in wages with women earning 10-20 percent less than men for similar work. Workers are employed on project basis, with no protection against periods of successive unemployment or sickness, security of employment and lack of social protection. Earnings are both low and irregular. Earnings of the majority of construction workers are only around the level of the minimum wages or sometimes below. Many are forced to work long hours, while other choose to do so, either because the rates of pay are so low or simply because they want to earn as much as possible, while work is available. There is evidence that industrial health and safety conditions for informal construction workers are extremely bad. Lack of formal training is a factor in the poor safety record of the industry. Contractors provide housing on site for informal construction workers, particularly when they are migrants from the country side or from overseas. Living conditions deteriorate as sub contractors offer worse conditions than anticipated by principal employees. In India, the onsite accommodation provided for workers is also undeveloped, comprising, simple shacks with no running water or sanitation and poor ventilation. Women face worse conditions with no separate facilities, even though these are required by law. Rapid mechanization and the introduction of new technologies into the construction sector are reducing the employment opportunities for unskilled or low skilled workers, particularly women. Migrant Labourers from different states and regions live on the construction sites, working at very low wages which in turn affects the livelihood of local construction workers. In many countries, employers do not
contribute into social security funds on behalf of construction workers working on temporary contracts. Hence the workers who are most in need receive no social security benefits no health care, no holiday and no protection against lack of earning in period when they are unable to work due to unemployment, ill health, accidents or old age.

1.10.6 Small Farmers and Agricultural Workers

In many countries, informal sector workers are considered to be mainly operating in the urban areas as self employed and casual labourers. Indian economy is mainly agricultural and the agricultural workers are as vulnerable as other urban informal sector workers. As per the different reports, rural economy is dominated by the self –employment as compared to urban areas. The nature of agricultural occupations includes a wide range of activities from crop cultivation, forestry, hunting, fishing, livestock rearing etc. The NSSO Situation Assessment Survey of Farmers 2003 gives a more precise definition of a farmer as

“....... a person who possessed some land and was engaged in agricultural activities on any part of that land during the last 365 days. Agricultural activity was taken to include cultivation of field and horticultural crops, growing of trees and plantations such as rubber, cashew, coconut, pepper, coffee, tea, etc; animal husbandry, poultry, fishery, piggery, beekeeping, vermiculture, sericulture, etc. By cultivator it was meant a farmer who had been engaged in activities related to production of crops by tillage and ancillary jobs”. A Farmer household was defined as one that had at least one member as a farmer.

According to the Smallholder Guidelines (2005) issued by Ethical Trading Initiative (ETI), the common characteristics of smallholders who either or not control the land, on which they produce the commodities and work are as under.

Their production is relatively small on small plots of land. They may produce an export commodity as a main livelihood activity or as part of a portfolio of livelihood activities. They are generally less well- resourced than the commercial farmers. They are usually considered to be part of the informal economy (i.e. may not be registered, tend
to be excluded from aspects of labour legislation, lack social protection and have limited records). They may be men or women who depend on family labour and may hire workers during the season. They are often most vulnerable in the supply chain.

The data on the working population in the agriculture sector suggests that half of the world’s population works in the agriculture and allied activities. Of this total agricultural workforce, approximately 440 million (40 percent) are waged employed while remaining 60 percent are self-employed as mainly small farmers (Fyfe, 2002). As per NSSO, the total numbers of agricultural workers in India estimated in the year 2004-2005 to be 259 million. They form 57 percent of the total workforce in the country and 73 percent of the total rural workforce of 343 million workers (NCEUS, 2007). Due to major diversification in the rural employment to non-agricultural activities, the proportion of workforce in agriculture sector has declined in the last two decades (Ghose, 2007). Dominance of agriculture sector in providing employment to the millions of poor and vulnerable sections still exists while its contribution in national output has declined. Among the farming households, 84 percent are marginal and small farmers operating not more than 2 hectares of land. Agricultural labourers are on the lower rung of the occupational structure, including a majority of workers from Scheduled Castes and Tribes, and constitute around 89 million (NCEUS, 2007). From an occupational point of view this is also the poorest section in the Indian economy and the incidence of poverty among agricultural labourers are very high. According to the Report on Conditions of Work and Promotion of livelihoods in the Unorganized Sector by National Commission for Enterprises in the Unorganized Sector (NCEUS, 2007) agriculture as a whole, contributes to around 19 percent of GDP while the marginal and small farmers contribute 50 percent of the agricultural output. The condition of farmers is very deplorable as they have to spend heavily on the new farm tools, pesticides, high yielding seeds etc. and majority of them are not in the position to purchase these things. For this, they have to depend on credit or borrowings from money lenders. Thus the trap of indebtedness starts and consequently, the income is reduced and the expenditure is increased. The phenomena of farmer suicides due to indebtedness have been reported in various parts of India (Gill & Singh, 2006). The condition of farm waged labour is also
very grim as they have to work for long hours in inclement conditions, without rest hours and other benefits. The sole benefit they earn is only in the form of wages. The position of small and marginal farmers is deplorable and to supplement their income they tend to work as wage labourers. The majority of the labour force in the informal sector is absorbed by agriculture sector in rural areas as they lack physical and human capital assets and preferred to work manually. In the context of national development there is a need to organize the small farmers and agriculture labourers. Strong policy implication is required to protect the rights and interests of this segment of population working in the agricultural sector.

1.11 Rickshaw Pulling: Important Occupation of Informal Sector

Cycle Rickshaw pulling activity is an important occupation of the informal sector, where a million of poor not only serve the transportation needs of the society but also try to meet out their own economic and employment needs. Rickshaws or rickshaws are a mode of human powered transport; a puller draws a two wheeled cart which seats one or two persons. The word Rickshaw comes from Asia where this was used as a means of transported for the social elite. Now, a day’s man pulled rickshaws have been replaced by bicycle rickshaws.

In India, Rickshaws was used in 1880 for the first time in Shimla and then 20 years later in Calcutta (now Kolkata). Rickshaw since then has been a mode of transportation and cheapest source of transport activities. Rickshaw is a substitute for limited privately owned vehicle for short distance transportation like carrying people for medical purpose, children for schools, and small loads of fright in congested areas (Unnayan and Thomas, 1981). It is very common in big and small cities, towns and even in villages of India. We find Rickshaws in every urban setting throughout India and the conditions of rickshaw pullers are almost similar throughout the country.

According to Ravi, Rajinder (2004), Rickshaw is a self occupied- employed mode of transport, where a poor, illiterate, unaware from urban compulsions and even a migrant, without depending upon the public or private capital can live respectful and
independent life. Rickshaw can emerge as antidote in dangerous exploitation of regional energy sources. If the rickshaw is ensured its respectful place in life, it will save the planet from devastation caused due to the exhaustion of energy sources. The income level in this occupation is almost fixed and it saves person from unemployment, hunger, crime, and frustration. Despite the economic importance of this industry to the low-income families and eco-friendly benefits of this occupation, the public attitude towards the cycle rickshaws in India, by and large, is negative and their use is being phased out in many Indian cities. In all urban areas of the country, the socio-economic conditions of rickshaw pullers are miserable. No government plans have considered their contribution in terms of service and economy. There are no job security and welfare provisions for them. They are bound to work even late at night and at odd hours and in inclement weather conditions without any protection or safety. There are virtually no medical facilities or rest shelters for them. They are subjected to social ignorance, apathy and injustice. All these people are being treated as outcaste and unwanted burden on the society.

1.12 Cycle Rickshaw in State of Punjab: Rules and Regulations

Punjab is the first state to introduce the system of registration and regulation of rickshaws in the country. Through Punjab was the pioneer state to introduce “The Punjab Cycle Rickshaw Act” in 1976 and is now also the first state to Introduce Ecocabs in the year 2008. Punjab Rickshaw Act is being followed in most of the Indian States and UTs with little amendments (Navdeep, www.ecocabs.org). Cycle Rickshaw is governed as per the guidelines provided in “The Punjab Rickshaws (Regulation of License) Act, 1976. As per the Act “cycle- rickshaw” means a three-wheeled cycle-rickshaw driven by a manual labour and includes all its components and accessories. There are no city wise permits issued and there is no restriction on the number of cycle rickshaw at a particular time and no city permit is required. Only License is required. Permit has been defined as the license on which the photograph of the Cycle rickshaw Puller is pasted according to the Municipal Corporation and the possessor of the license can freely ply rickshaw in the area of that municipal limits. In Patiala, as anywhere in
Punjab every year, a token number and a license/permit with the photograph of the cycle rickshaw puller is issued to the Cycle rickshaw puller as no other city permit is needed in Punjab and there is no restriction on the number of cycle rickshaw at a particular time and no other city permit is required.

**Procedure for Licensing**

Rickshaw puller has to apply on printed Performa available at the Municipal Corporation office free of cost. After filling the Performa along with two photographs the rickshaw puller is required to get attested, the above filled information about self from the Councilor/M.L.A/gazetted officer along with the signature of the witness. Apart from this, rickshaw puller required a medical fitness certificate from an M.B.B.S. doctor. The doctor will certify that he is a fit person and can pull passengers without any ill effects on his own health. It is worthy to mention here that “The Punjab Rickshaws (Regulation of license) Act, 1976 has limited the upper age for the puller to 45 years to be legally eligible for registration with Municipal Corporation. No person above 45 years of age can ply rickshaw according to existing provisions of law in the state of Punjab.

The conditions for getting the license for a rickshaw puller are:

a) He must be a healthy person not more than 45 years of age.
b) There must be a bell on the rickshaw
c) There must be a roof for the rickshaw
d) There must be a mudguard on the rare tyre of the cycle rickshaw
e) There must be a reflector at the back of the cycle rickshaw which should shine at the night.

**Documents Required**

a) Application form with two photographs attested by the Councilor/M.L.A/gazetted officer
b) Medical fitness certificate from the M.B.B.S. doctor
License Fees

The annual fee for the cycle rickshaw license is Rs.50 and it has to be paid in the Municipal Corporation office.

License Duration

The validity of license is one year from 1st April to 31st March.

License Renewal

The validity of license is for one year from 1st April to 31st March. The same documents are required for the purpose of getting new license issued and at the time of renewal after expiry of the period of license that is one year. The procedure for the renewal of license is also the same as that of getting or issuing the new one. The period required for the renewal of license is same as that of the new one.

Penalty

There is no such restriction regarding the number of license to be issued in a fiscal year. Regarding the penalty for the cycle rickshaw pullers, if a cycle rickshaw is caught without a valid license then the rickshaw will be confiscated and put in the store room. The release of the vehicle is only possible legally after getting the clearance from the municipal corporation department by depositing the fine as per the settlement. In case the rickshaw puller fails to release his vehicle it lays confiscated till it decays and thereafter it is destroyed. As per the provisions of the Act, the person found operating illegally can be punished with imprisonment which can be extended up to three months. The same legal provisions also apply in the case of a rickshaw of institution which is not painted in yellow.

Conditions

a) There is no such restriction regarding the number of licenses to be issued in one fiscal year.

b) As per the Act, cycle rickshaw has to be plied by the owner himself. No licenses can be granted or renewed in contradiction to this. But it can be
granted to a widow or disabled person if this is the only source of his/her livelihood.

c) Municipal Corporation can grant or renew license to an institution to be plied through any person. But such a rickshaw cannot be used for hire. Rather it should be used only for its own conveyance and transportation requirements. In that case the body of the cycle rickshaw must be painted yellow.

d) The rickshaw puller can carry only two major passengers at a time along with small children and not more than twenty kilograms of weight.

e) As per the amendment of the cycle rickshaws act in 1978, the licenses to widows, disabled and institution can be based on their needs. But the number of such licenses in one case, shall not exceed than five rickshaws.

1.13 Rickshaw Pullers in Punjab: Some Impediments

Rickshaw pullers are very important segment among other working groups in different occupations of the urban informal sector. Like other workers in informal sector, rickshaw pullers also face common set of requirements and constraints in their day to day working like harassment, low wages, lack of economic security; lack of legal and social protection, basic health and safety measure; social exclusion, and hardly any opportunities to work their way out of poverty. As majority of them are from poorer section of the society, these workers do not have proper working conditions and basic amenities like rest shelters, drinking water, first aid, rickshaw stands etc at their working sites. While the living condition of these pullers is not up to the mark as majority of them live in very unhygienic catchments in the suburbs probably lacking proper clean drinking water, suitable place for disposal of waste, lacks proper ventilation and provisions of light. Apart from this, the nature of work does not allow them to get organized into trade unions and lack voice and bargaining power. The present existing legal structure “Punjab Rickshaws (Regulation of License) Act, 1976” and other applicable Municipal Acts, too are not very favorable and there is need to revise the concept of rickshaw operation in the state. There are various flaws and shortcomings in the current Rickshaw act and needs to be modified in the areas like
ownership status, registration and other areas of operation. Due to legal implication of this act, these issues in one or another form create hindrances in smooth operation of the rickshaw in the city.

Replacing and Redefining Old jargon “Rickshaw Puller”

According to the present act “cycle- rickshaw” means a three- wheeled cycle- rickshaw driven by a manual labourer and includes all its components and accessories. This is an old parlance which was applicable for the manual rickshaws where a puller used to pull the passengers in the same way as animal are use to pull the cart. The hand pulled rickshaws were replaced by the peddle version of rickshaws having three wheels and human traction power is used to move the rickshaws. Apart from this, the new modified version of rickshaw can also run at the speed of upto 20 kilometer per hour which is much faster than the hand pulled rickshaws. The new version provides proper seat, brakes and handle to facilitate the control on rickshaw by the driver as available in other motorized vehicles. The technology transformation has moved a step ahead in introducing the lighter and eco friendly rickshaws in the state of Punjab. In the light of above argument, there is need to redefine “Rickshaw Puller” as rickshaw drivers, traction men or ecocab drivers in the act.

Upper Age Limit for Rickshaw Operations

As per the present legal provisions, the upper age limit for the puller to ply rickshaw on the Municipal limits is 45 years. Beyond this age the rickshaw puller is legally barred from the registration process. After attaining the age of 45years, the puller automatically become the illegal operator on the city roads. Thus various new forms of problems are emerging e.g. illegal plying of rickshaw, fear of seizure and confiscation, harassment by the hands of police, municipal corporation employees and to avoid all these the incidents of bribes and corruption occurs. So there is need to remove the barricade of upper age limit on the operation of rickshaw pulling and it should be fixed as required for the other vehicles and subject to the medical fitness of the puller.
Ownership and Rental Operation

The present act doesn’t allow any one from holding more than one rickshaw. According to the rule owner himself has to ply his own rickshaw and he cannot rent out his vehicle. Renting out the vehicle is illegal and subject to various fine, penalties and punishment. The Punjab Rickshaws (Regulation of license) Act, 1976 has laid down some special provisions based on the needs and necessities of disable, widows and institutions for having maximum up to five rickshaws at a time. The institution cannot rent it out but has to use the vehicle for fulfilling the needs of the institution. Like in other vehicles one according to his capacity and needs can own any number of vehicles. Despite, problems of pollution, accidents, and traffic congestions, no law debars a person from owning more than one when it comes to other vehicles. Moreover, the owner of vehicle can rent it out to support their earnings. Ironically, this act doesn’t allow the rental operation of rickshaws. As a result when the rickshaw puller wants to suspend work due to availability of other remunerative work in occupational seasons, has to sell the rickshaw on low price in compulsion due to the legal barriers. The present provision related to non rental and fleet operation of the rickshaws by the owner should be amended and needs flexible approach towards poor people. The existing provisions of the present Punjab Rickshaw Act violates the fundamental rights guaranteed by Articles 14 and 16 of the Constitution. Further the present act itself is an unconstitutional violation of the fundamental right under sub.cl. (g) of cl. (l) of Article 19 of the Constitution to carry on occupation or business (Navdeep, www.ecocabs.org, 2011).

Granting and Renewal of License

The present procedure adopted by the Municipal Corporation to issue and renew the license of the rickshaw puller on annual bases from 1April to 31March. It is very tiring and exploitative in nature as majority of rickshaw pullers are migrants and illiterates. To fulfill all the requirements of getting attestations from councilor or MLA or gazetted officer and procuring fitness certificate from an MBBS doctor forces these poor people to spend money in the form of bribe or have to offer one or another service.
without wages to get the formalities completed. Instead of this, simple registration of rickshaws should be introduced as in case of other motor vehicles.

**Confiscation and Destruction of Rickshaws**

As per the act, there is provision which bars the puller from plying rickshaw if he is not the owner of the rickshaw. In these circumstances, the municipal authorities can confiscate and destroy the rickshaws and to escape this pullers have to pay heavy fines or bribes. According to Manushi Sangathan, New Delhi, in their survey it has been found that in Delhi alone rickshaw-owners and pullers leads to loss of Income through (bribes and confiscation) of rickshaws is estimated to be worth Rs 200 crores per year for the process of getting license, save raids, release of vehicles from police, municipal staff.

**Issues Related to Working Conditions**

In the present act, there is no provision which provide for mandatory infrastructure to be laid by the every Municipal Corporation for smooth working of the rickshaws. The foremost important issues which need to be addressed are that there are no facilities of rickshaw stand for these pullers, due to this, when not plying rickshaw pullers park their rickshaw on the sides of roads and lanes worsening the already severe traffic problem in the city. These pullers do not have any rest shelter at their work place. Apart from this, there is no provision of first aid kits available in the rickshaws for any emergency or medical conditions.

**Issues related to providing Financial Mechanism**

The state government should lay simple procedure for taking loans from nationalized banks and the paper work formalities shall be reduced. The banks should provide loan scheme with subsidies, like in case of small scale industries. The rate of interest should be also less on remaining amount and it should be given on easy installments. The single window system should be introduced in every municipal corporation office to deal with all short of works ranging from registration, fitness certificate and to get and inquire about loan facilities.

There are number of social security and welfare provisions which directly or indirectly govern the informal sector workers. Despite the fact, there is no special provisions laid down by the Central and State government to protect the rickshaw pullers in the state of distress. As these pullers are always on the move in city road amid other vehicles are not provided with accident cover for the pullers and also lacks insurance facilities for vehicle in course of any damage and loss occurred to the rickshaws. These pullers don’t enjoy any type of health and medical benefits in course of illness and occupational injuries. Apart from this, many of these pullers do not get the benefit of various government welfare facilities like Public Distribution System (PDS), Girl Child Allowance, Provision of Free Education etc. due to the fact that either they are not aware about these welfare provisions or lacks proper documentation to claim the benefits.

Conclusion

In nutshell, the socio-economic condition of the workers in informal economy particularly the rickshaw pullers are very miserable. There is no job security and welfare provisions for them. No government plans have considered their contribution in terms of service and economy. They are bound to work even late at night and at odd hours and in inclement weather conditions without any protection or safety. The existing acts dealing with the rickshaw operation are also not very worker-friendly and flexible which is why need amendments as per the prevailing working conditions and demands of the advocacy groups fighting for the rights of rickshaw pullers in the country.