CHAPTER I
UNORGANISED LABOUR - AN INTRODUCTION

The unorganised sector is the traditional subsistence sector, based on production for the purposes of domestic consumption, a restricted local market, production relations of an informal, face-to-face, multifaceted type, use of simple technology and man-tool relations of a direct nature.\(^1\) The process of socio-economic development of India though depends on organised sector quantitatively but its qualitative aspect of development depends largely on the unorganised sector. Informal sector cannot be identified by a definition but could be described as those who have not been able to organise in pursuit of a common goal because of constraints like;

a) Casual nature of employment

b) Ignorance and illiteracy

c) Small size of establishment with low capital and illiteracy

d) Scattered nature of establishments

e) Superior strength of the employers operating singly or in combination.\(^2\)

The unorganised sector also known as informal or unregulated or unprotected or sweated or traditional or household or enumerated sector.\(^3\)
This sector is further classified into two sub-sectors (a) an irregular sector (mostly unorganised within the informal sector), (b) the informal sector, proper consisting of small scale economic activities, commonly non-wage and carried on by daily members. Thus the second category includes those firms or establishments without formal structure or organisation and operation.

The Kenya Report on employment, incomes and equality of the International Labour Organisation described the characteristics of the informal sector as (a) ease of entry, (b) reliance on indigenous resources, (c) family ownership of enterprises, (d) small scale operation, (e) skills acquired outside the intensive and adopted technology, and (f) unregulated and competitive markets.

Though both the formal and informal sectors co-exist, the urban sector is dependent upon the formal sector for several considerations. The informal sector is the result of the under-development which is a necessary evil of capitalist sector and underdeveloped agricultural economy. The growing size of the employment sector is mostly due to the inability of the formal sector in generating and providing employment to the increasing human resources.
As per 1981 census 90.94 per cent of the total workforce (93.3 per cent as per 1961 census and more than 91 per cent as per 1971 census) engaged in various informal sector activities in India. Significant shifts were occurring in the employment pattern within the informal sector. The increased number of landless agricultural labourers/from 18 per cent as per 1961 census to 24 per cent as per 1971 census.

About 73 per cent of the national income was derived from the informal sector in 1960-61 but it decreased to 66 per cent in 1979-80.

According to 1981 census out of 220 million workers in India 147 million are engaged in agriculture and almost all of this portion constitutes unorganised sector. Roughly 50 million out of the remaining 75 million workers are engaged in non-agricultural unorganised sector. Thus 197 out of the total 220 million workers are engaged in the unorganised sector.

The All India Work Force in unorganised sector in 1981 is shown in the table 1.1.
Table 1.1

ALL INDIA WORK-FORCE IN UNORGANISED SECTOR IN 1981
(in millions)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Sector</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(in millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Agriculture</td>
<td>114.1</td>
<td>37.56</td>
<td>151.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(75.00)</td>
<td>(25.00)</td>
<td>(100)</td>
</tr>
<tr>
<td>2.</td>
<td>Manufacturing</td>
<td>16.8</td>
<td>4.3</td>
<td>21.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(81.00)</td>
<td>(19.00)</td>
<td>(100)</td>
</tr>
<tr>
<td>3.</td>
<td>Services</td>
<td>22.4</td>
<td>4.4</td>
<td>26.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(84.00)</td>
<td>(16.00)</td>
<td>(100)</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>153.4</td>
<td>46.2</td>
<td>199.6</td>
</tr>
</tbody>
</table>

NOTE: Figures in the parenthesis are percentages to total.

SOURCE: 1981 Census of India.

WOMEN IN UNORGANISED SECTOR

Women labour in unorganised sector constituted 96.33 per cent of total working women in India which results in exploitation and oppression of women. The absolute number in this sector was 46.24 millions. The ratio of women in unorganised sector has gone up during the decade 1971-'81 from 94 per cent to 96 per cent. According to census data
for main workers, women workers constituted 13.4 per cent and 16.5 per cent of the rural population in 1971 and 1981 respectively and 6.7 per cent and 7.6 per cent of the urban population in the decade span. Thus significant increase may be noticed in the case of female work participation rates. It implies that female work-force has increased more than the job opportunities for them in organised sector. This has thrown the higher proportion of women into secondary jobs. Thus work participation in unorganised sector has been an increasing phenomenon. The lot of women of this sector is one of drudgery, discrimination and denial of their basic rights and needs. They are also condemned by a society based on inequality of the sexes, despite what the constitution has to say and despite our great Gandhian heritage, to suffer in solitude while contributing their labour to the up keep and running of the household.

Not only was the informal sector heterogenous in the range of activities but also sexuually differenciated in that women were concentrated in the activities which had the lowest return or least potential for growth. Women's employment in urban informal sector has generally been divided into two or three categories. Jhabvala distinguishes between (a) those who are given raw material by another person (employer) who pays them on piece-rate basis on the amount of work they
produce and (b) those who buy all their raw material themselves and earn by selling their finished goods. According to Sundar there are three categories: (a) home based activities which are either an extension of their household activities like dairying, poultry keeping, food processing (papad making, masala making etc.) or which use traditional craft skills for market production (eg. embroidery work, zari work, lace making etc.), (2) home-based production using non-traditional and acquired skills, to meet the market demand generated as a result of ancillarisation of industry. Women are engaged only in a part of the production process which is farmed out by bigger production units eg., beedi rolling, match-stick making, manufacture of electronics or machinery parts etc., and (3) retail trading and services, eg., flower and vegetable selling, old garment selling, laundering, catering of meals, domestic servants etc. The unorganised sector gives to women only insecure and unprotected employment with long hours of work and little reward.

FEATURES OF UNORGANISED LABOUR

Preliminary report on the census of small industries development committees held that it is important to know the features of unorganised labour as to economy is itself characterised by unorganised sector.
It is well known fact that the Informal sector labourer has been characterised by low economic and social status. This is to a great extent is due to low economic and status of the employer himself. Even in the case of self-employed persons they don't have regular and sound source of income and their occupation does not possess high social status. In addition a large number of unorganised labour have been drawn from weaker and down trodden sections of the community like Scheduled Castes, Scheduled Tribes and Backward Classes. Thus a significant feature of unorganised sector is the coincidence of caste and class. Low earnings in the unorganised sector may be due to (a) Low productivity due to lack of skills and proper tools, (b) No protection from minimum wage legislation, (c) Exploitation by middle men/contractors. Large number of child labour is an index of social and economic deprivation of the family which is highest in India.

Other features of unorganised labour is high incidence of involuntary turnover and migration, concentration of uneducated young workers and women workers in the sector. Most of the unorganised labour paid lumpsum wages without any additional allowances, incentives, fringe benefits or short-term security measures has been provided to the organised workers. Generally children and women are preferred to men workers in view of low cost of staff and the convenience
of hire and fire of discretion of the employer. Enforcement of social security measures is a difficult task in the sector, owing to high labour turnover and seasonal employment. Further wide spread-location, too small size of the industry create the problem of enforcement of various labour legislations. This sector is characterised by jobs of local nature which involves the local people around. Other features are high incidence of grievances, heavy work load, absence of assignment of specific duties, unhygienic working conditions, weak promotional opportunities, absence of organised trade union movement, illiteracy, acquisition of skills through experience, harassment and exploitation by middlemen, lack of credit facilities, dearth and non-availability of raw material, problem of storage, problems of transport and marketing of products, etc. This situation is not entirely due to the employers market but also due to the weak financial position of the employer.

REVIEW OF LITERATURE

The credit goes to the Bureau of Applied Economics and Statistics in conducting the first study on unorganised labour in India covering the industrial units employing one to four persons and later all the units uncovered by the Factories Act, 1948. Another study was carried out by A.N. Bose on informal sector in calcutta metropolitan economy,
covering the functioning of the industrial units in Calcutta slum areas. Different aspects of unorganised labour in urban economy like socio-economic characteristics, migration, employment, earnings etc., have been studied by Papola. Sinha and Ranade studied employment, wages, welfare facilities, working conditions and the life of women construction workers in Delhi and Bihar. Mathew studied income employment, wage levels, working conditions etc., of women workers in the Coir Industry in Kerala. Dhesi and Wadhwa studied the productivity, earning and employment potential of informal sector with reference to Nagal. The characteristics of the employees in informal sector was analysed by Venkata Ratnam and Satya Raju and they also outlined the role of employees, employers and Government to improve the lot of these urban poor. Among the several case studies on socio-economic conditions of unorganised labour, mention may be made of the study of the Leather Workers in Agra by Monga, Brick Kiln Workers in Delhi, Ghaziabad and Faridabad by Navin Chandra.

Labour Bureau of the Government of India launched a series of studies on unorganised sector basing on the recommendations of National Council of Labour. Working and living conditions of workers in building construction industry in Delhi was covered in the first report. The other
studies include the one on Jari Industry at Surat, Matches and Fire Works Industry in and around Sivakasi, Metal-ware Industry in Moradabad, Agarbathi Industry in Karnataka and Graphite Crucible Industry in Andhra Pradesh. Another study was taken up covering the employment, manpower requirements etc., with reference to Vizag. Leela Gulati narrated the story of middle aged, untouchable, unorganised women brick-workers. The structural aspects of labour market in Ahmedabad was analysed by Papola.

The picture of social life of Madras slums was presented by Paul, D. Wiebe. Another study on the urban poor referred to those living in the spontaneous settlements in Delhi. Health, Education and productivity of organised and unorganised industrial workers in Amritsar city was studied by Dhesi and Dhariwal.

K.D. Gangrade, Gadgel, Anjali Deshpande, Sudha Kumari, etc., have also studied different aspects of unorganised labour.

There are not many studies on Domestic Servants and their relations with their employers, in India. As far as Researchers knowledge is concerned, very few works like
those of K. Murali Manohar, A.E. Watson, J. Elisabeth Croll, Dr. Jessie Tellis Nayak, Rajalakshmi Rama Rao, B. Mehta Aban, Tellis Nayak, etc., have thrown light on the Domestic Servants and their relations with their employers.

The Domestic Servants form an important element in the social life of a community, contributing to its general health and welfare. They are the most exploited, neglected and unexplored section of even the unorganised sector of the economy and society. Domestic service is one of the low ranking occupations mostly belong to the poorest of poor classes of the society and is suffering under a stigma of special degradation. There is dare necessity to have a basic knowledge about their socio-economic, living and working conditions.
References


12. **Sixth Five Year Plan, 1980-'85, Chapters 11-24.**


