CHAPTER III
CHAPTER III
THEORETICAL BACKGROUND OF UNORGANISED SECTOR

3.1 Introduction

Organized sector workers are distinguished by regular salaried jobs with well-defined terms and conditions of employment, clear-cut rights and obligations and fairly comprehensive social security. The unorganized sector, on the contrary, has no such clear-cut employer-employee relationship and is derived of most forms of social protection. With no fixed employer, these workers are casual, contractual, migrant, home based, own-account workers who attempt to earn a living from whatever meager assets and skills they possess. National Commission on Labour (1966-69) has defined unorganized labour as those who have not been able to organize themselves in pursuit of common objectives on account of constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments and position of power enjoyed by employers because of nature of industry. The unorganized sector is characterized by the presence of factors like long hours of work, wage discrimination of men and women, lack of job security, no minimum wages, lack of minimum facilities at work place, ill-treatment, heavy physical work and sexual exploitation and the like. The labouring women generally work in unorganized sector. They are outside the reach of Protective Labour Laws and Trade Union Organizations. They are not offered fair wages and decent terms of work. There is hardly any opportunity to improve their income because in this sector, females work generally as labourers in unskilled occupations, do traditional work as domestic servants. The process of globalization, export oriented industrialization and relocation of industries from the
developed to developing countries also lead to increase in women workers in unorganized sector. The nature of women’s work ranges from wage employment or self-employment, family labour and piece rated work. The prevalence of women workers in urban unorganized sector is significant in number. They are engaged in activities like domestic work, construction work, small trades like brick making, coir and basket weaving, household industries and so on. In rural unorganized sector women are engaged in agricultural activities, animal husbandry, dairy, fisheries and the like. This study attempts to examine the status of women domestic workers, construction workers and agriculture labourers through an empirical study.

Most of the domestic workers and construction workers are primarily women who have migrated from rural areas for economic gain. The influx of women workers to the cities for non-farm employment has saturated the existing sectors and is one of the main reasons for her extreme exploitation. Hardships of city life, absence of basic amenities and exploitation of these women by employers fill their cups of work. The condition of women agriculture labourers in rural areas is no better. Most of them do not have employment throughout the year. They suffer vital disadvantages compared to men in their search for employment opportunities, lower wages, increased uncertainties and irregularities of employment. Such working conditions are a hurdle in their overall development leading to under performance and not allowing them to raise their productive capacity in that very profession also.
Table 3.1  
Results of Employment and Unemployment Survey

<table>
<thead>
<tr>
<th>Year</th>
<th>Women’s Labour force participation in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
</tr>
<tr>
<td>2004-05</td>
<td>33.33</td>
</tr>
<tr>
<td>2009-10</td>
<td>26.5</td>
</tr>
</tbody>
</table>

Source: NSSO 2011

According to the International Labour Organization’s Global Employment Trends 2013 report, India is placed at 120th of 131 countries in women’s labour force participation.

3.2. History of Unorganized sector in India

In the mid-1950s, W. Arthur Lewis developed a theoretical model of economic development based on the assumption that there was an unlimited supply of labour in most developing countries and that this vast pool of surplus labour would be absorbed as the modern industrial sector in these countries grew. It was therefore assumed that the traditional sector comprised of petty traders, small producers and a range of casual jobs would eventually be absorbed into the formal economy and disappear. This argument became less convincing in the 1970s when case studies on informal sector in various parts of the world began to reveal the highly active existence of men, women and children crowding at the bottom of the urban economy in Third World countries. So many studies have revealed the vast number of workers, in the Third World, striving hard to survive on the fruits of their labours outside the formal sector of economy. The formal–informal dichotomy can be regarded as a new variation on the dualism theories of the past. In the colonial era a contrast was constructed between an
invasive western capitalist sector and an opposing eastern non-capitalist people’s economy. In post-colonial development theory the concept of dualism was applied to the dichotomy of traditional and modern. According to this view, the rural agricultural order was still predominantly capitalist while the urban-based industrial economy was described as capitalist. In the most recent phase of the dualism doctrine capitalism is the label of only the advanced segment of the urban milieu: the formal sector. The modes of production in the lower economic terrain, rather questionably labeled as non-capitalist, are characterized as the informal sector.

In operationalizing these variations on dualism, the contrasts are more significant than the specific characteristics of each segment. For instance, it is entirely normal to describe the informal sector by summing up the absence of elements found in the formal sector. In the absence of a more analytical definition, the landscape of the informal sector becomes synonymous with the kaleidoscope of unregulated, poorly skilled and low-paid workers. Highlighting this chaotic assortment Keith Hart coined the term ‘informal economy’ in 1971. There are different terminologies used so interchangeably to signify the unorganized sector like informal sector, informal economy, and even informal labour which often highlight the most affected part of the sector, namely, the labour. “Informal labour is a labour whose use is not governed either by state regulations or by collective agreements between workers and employers.”

Informal labour has, in different instances, been viewed as labour engaged in urban small scale enterprises, as self employment, as labour engaged in “traditional activities”, as wholly unskilled labour, and as labour whose use is not subject to any
rules or norms. But none of these has any sound conceptual or empirical foundation. Informality does not imply a particular mode or location of labour use; informal labour can be in self-employment, in casual wage employment, and in regular wage employment, just as it can be in urban as well as in rural areas. There is little reason to think that informal labour must be confined to ‘traditional’ and ‘modern’ activities. There is no need to assume that informal labour is unskilled; but it is to be recognized that its skills are acquired outside the formal education system. And all the more in the context of the neo-liberal economic policies of hire and fire where the organized sector itself is getting informalised through contractualisation, casualisation, and outsourcing of labour, there are workers who are equally or even more educated and skilled, work better and even longer in so many of the organized sectors; but for no labour rights, wage, job or social security protection and for very dismal wages. The casual and contract labourers are under the working and living conditions that prevailed in the nineteenth century Europe.

Since the introduction of the informal sector concept, opinion has been divided as to its socio-economic impact. There are authors who positively point out the accelerated shift in livelihood patterns away from agriculture and villages to cities and towns in the Third World since the mid-twentieth century. But even if the masses of migrants flooding into urban areas were fortunate enough to establish a foothold, the vast majority of them could gain no access to the formal sector. It was still too small to cope with the continuous influx of newcomers.

The more critical analysis of researchers, who have observed that the formal sector remained inaccessible for reasons other than the inferior quality of the new
urbanites’ labour, and their other defects, rejects such an optimistic view. The failure of the newcomers’ efforts to find stable, decently paid and dignified work is in this alternative perception due mainly to a development strategy that, in the face of excess supply, seeks to keep the price of labour as low as possible, allows no room for collective action to reduce these people’s vulnerability and refuses to provide this footloose workforce with public representation. In short, the lack of registration, organization and protection does not have its origin in the free play of social forces, but it’s the deliberate product of economic interests that benefit from the state of informality in which a wide range of activities in all branches of the economy are kept, systematically and on a large scale, through evasion of labour laws and taxation. Indeed, the informal sector is not a separate and closed circuit of work and labour. There is the interaction, between the formal and informal sectors, and dependence of the latter on the former and even its subordination to it. Now with the neo-liberal economic policies there is the widespread informalization of the formal sector through downsizing, casualisation and contractualisation. In short the capitalist leaches grow richer by sucking the life blood of the working force.

3.2.1 The Indian Scenario

The Indian Economy is characterized by the existence of a vast majority of informal or unorganized labour employment. As per the Economic Survey of 2007-08, 93% of India’s workforce include the self-employed and employed in unorganized sector. The Ministry of Labour, Government of India, has categorized the unorganized labour force under four groups in terms of Occupation, nature of employment, specially distressed categories and service categories.
In terms of occupation, Small and marginal farmers, landless agricultural labourers, share croppers, fishermen, those engaged in animal husbandry, beedi rolling, labeling and packing, building and construction workers, leather workers, weavers, artisans, salt workers, workers in brick kilns and stone quarries, workers in saw mills, oil mills and the like fall under this category.

In terms of nature of employment, Attached agricultural labourers, bonded labourers, migrant workers, contract and casual labourers come under this segment.

In terms of specially distressed categories, Toddy tappers, Scavengers, Carriers of head loads, Drivers of animal driven vehicles, Loaders and unloaders come under this category.

In terms of service categories, Midwives, Domestic workers, Fishermen and women, Barbers, Vegetable and fruit vendors, News paper vendors and the like belong to this category.

In addition to these four categories, there exists a large section of unorganized labour force such as cobblers, Hamals, Handicraft artisans, Handloom weavers, Lady tailors, and Physically handicapped self-employed persons, Rickshaw pullers, Auto drivers, Sericulture workers, Carpenters, Tannery workers, Powerloom workers and Urban poor. Though the availability of statistical information on intensity and accuracy vary significantly, the extent of unorganized workers is significantly high among agricultural workers, building and other construction workers and among home based workers. According to the Economic Survey of 2007-08 agricultural workers constitute the largest segment of workers in the unorganized sector at 52% of the total
workers. As per the National Sample Survey Organization (NSSO), 30 million workers in India are constantly on the move (migrant labour) and 25.94 million women workforce has been added in the labour market from the year 2000 onwards. All the more every day 13000 Indians turn 60 years and they are expected to live another average of 17 years. Unfortunately only 10% of the Indians save for old age. The tragedy is that the existing social security legislations cover only 8% of the total workforce of 459 million in India.

The latest report of the NSSO uploaded by the close of May 2011 about the casual workers in India between 2004-05 and 2009-10 compared to that of the period between 1999 – 2000 and 2004-05 very clearly shows that there is a significant increase in the number of casual workers and decline in the number of regular workers. This report shows a substantial shift between 1999-00 and 2009-10 in the structure of the labour force which can be broadly divided into self-employed, regular, and casual workers. All daily wage employees and some categories of contract employees, casual workers are employees who do not enjoy the same benefits and security as tenured employees. All these NSSO reports are clear evidences to prove that the labour market of India has been undergoing tremendous transformation, including growth of informal sector activities, deterioration in the quality of employment in terms of job security, terms and conditions at work, weakening of worker organizations and collective bargaining institutions, marked decline in social security and so on. To a greater extent, such a transformation could be related to the ongoing globalization process and the resultant efforts on the part of employers to minimize the cost of production to the lowest levels. It is also evident
that most of these outcomes are highly correlated and mutually reinforcing. A closer analysis suggests that the growing informalisation of labour market has been central to most of these transformations, which inter alia highlights the utility of understanding the growth of unorganized sector in India and its implications. Many thought that India’s growth could do no wrong, and took the administrative versions and interpretations for granted. Now it comes to a point that none of these can be taken for granted. Growth is slow, inflation is structural and structure of employment is not enough to cater to the growing labour force.

**3.2.2 Growing prominence of unorganized sector in India**

Predominance of informal employment has been one of the central features of the labour market scenario in India. While the sector contributes around half of the GDP of the county, its dominance in the employment front is such that more than 90% of the total workforce has been engaged in the informal economy. As per the latest estimation of a sub-committee of the NCEUS, the contribution of unorganized sector to GDP is about 50%.

The growth of formal employment in the country has always been less than that of total employment, indicating a faster growth of employment in the informal sector. Available data suggest that within the formal sector also the proportion of informal / unorganized workers are on the increase. For instance, by providing a comparison of the NSSO Employment Data for 55th and 61st Rounds (for 1999-2000 and 2004-05 respectively) the NCEUS (2007) explains that the country is currently in a state of “informalisation of the formal sector”, where the entire increase in the employment in
the organized sector over this period has been informal in nature. It is widely acknowledged that the informal sector in India suffers from a low productivity syndrome, compared to the formal sector. The prominent features of the sector are lower real wages and poor working / living conditions. Further, the sector is characterized by excessive seasonality of employment especially in the farm sector, preponderance of casual and contractual employment, atypical production organizations and work relations, absence of social security measures and welfare legislations, negation of social standards and worker rights, denial of minimum wages and so on. Poor human capital base in terms of education, skill and training as well as lower mobilization status of the work force further add to the vulnerability and weaken the bargaining strength of workers in the informal sector. Thus, the sector has become a competitive and low cost device to absorb labour, which cannot be absorbed elsewhere, whereas any attempt to regulate and bring it into more effective legal and institutional framework is perceived to be impairing the labour absorbing capacity of the sector. The introduction of globalization and resultant reorganization of production chains led to a situation where production systems are becoming increasingly atypical and non-standard, involving flexible workforce, engaged in temporary and part-time employment, which is seen largely as a measure adopted by the employers to reduce labour cost in the face of stiff competition. No doubt, it obviously indicates that these flexible workers in the new informal economy are highly vulnerable in terms of job security and social protection, as they are not deriving any of the social protection measures stipulated in the existing labour legislations. The insecurities and vulnerabilities of these modern informal sector labour are on the rise, as there is a
visible absence of worker mobilization and organized collective bargaining in these segments owing to a multitude of reasons.

The alarming expansion of informal sector, in recent times, has adversely affected employment and income security for the larger majority of the workforce, along with a marked reduction in the scale of social welfare / security programme. In the “global” cities such as Bangalore, which are being show-cased as the new faces of an affluent and vibrant India, there are lakhs of people who rely on manual labour for their livelihood. The housemaids, security guards, construction workers, garment workers, cobblers, beedi workers, agarbati workers, drivers and many others have a very different story to tell. Their incomes have not grown at the staggering rate of their employers; indeed adjusted for inflation their incomes have often fallen over the last two and half decades, driving them into deeper poverty.

3.2.3 The major characteristics of the unorganized workers

- The unorganized labour is overwhelming in terms of its number range and therefore they are omnipresent throughout India.

- As the unorganized sector suffers from cycles of excessive seasonality of employment, majority of the unorganized workers do not have stable and durable avenues of employment. Even those who appear to be visibly employed are not gainfully and substantially employed, indicating the existence of disguised unemployment.

- The workplace is scattered and fragmented.

- There is no formal employer – employee relationship
In rural areas, the unorganized labour force is highly stratified on caste and community considerations. In urban areas while such considerations are much less, it cannot be said that it is altogether absent as the number of the unorganized workers in urban areas are basically migrant workers from rural areas.

Workers in the unorganized sector are usually subject to debt and bondage as they are not able to make both ends meet.

The unorganized workers are subject to exploitation significantly by the rest of the society. They receive poor working conditions especially wages much below that in the formal sector, even for closely comparable jobs, for example, where labour productivity are no different. The work status is of inferior quality of work and inferior terms of employment, both remuneration and employment.

Primitive production technologies and feudal production relations are rampant in the unorganized sector, and they do not permit or encourage the workmen to imbibe and assimilate higher technologies and better production relations. Large scale ignorance and illiteracy and limited exposure to the outside world are also responsible for such poor absorption.

The unorganized workers do not receive sufficient attention from the trade unions.

Inadequate and ineffective labour laws and standards relating to the unorganized sector.
3.2.4 The Unorganised Sector in the Indian Economy

The unorganised segment is labour intensive and in the Indian context it can be typically viewed as a proxy to the Household sector combined with NPISHs. Though the major component of the unorganised sector is the household enterprises there are sizeable number of establishments as well in the unorganised sector as all the manufacturing establishments which are not covered by the ASI and all the non-public sector and unincorporated enterprises/establishments in various non-manufacturing economic activities are very much there in the unorganised sector.

❖ Informal own-account enterprises

Informal own-account enterprises are household enterprises owned and operated by own-account workers, either alone or in partnership with members of the same or other households, which may employ contributing family workers and employees on an occasional basis, but do not employ employees on a continuous basis. For operational purposes, informal own-account enterprises may comprise, depending on national circumstances, either all own account enterprises or only those which are not registered under specific forms of national legislation. Own account workers, contributing family workers, employees and the employment of employees on a continuous basis are defined in accordance with the most recently adopted version of the International Classification of Status in Employment (ICSE).

❖ Enterprises of informal employers

Enterprises of informal employers are household enterprises owned and operated by employers, either alone or in partnership with members of the same or other households, which employ one or more employees on a continuous basis. For
operational purposes, enterprises of informal employers may be defined, depending on national circumstances, in terms of one or more of the following criteria:

(i) size of the unit below a specified level of employment,

(ii) non-registration of the enterprise or its employees,

(iii) the upper size limit in the definition of enterprises of informal employers may vary between countries and branches of economic activity.

It may be determined on the basis of minimum size requirements as embodied in relevant national legislation, where they exist, or in terms of empirically determined norms. The choice of the upper size limit may take account of the coverage of statistical inquiries of larger units in the corresponding branches of economic activity, where they exist, to avoid an overlap. In the case of enterprises, which carry out their activities in more than one establishment, the size criterion should, in principle, refer to each of the establishments separately rather than to the enterprise as a whole. Accordingly, enterprises may be considered to satisfy the size criterion if none of its establishments exceeds the specified upper size limit. For particular analytical purposes, more specific definitions of the informal sector may be developed at the national level by introducing further criteria on the basis of the data collected. Such definitions may vary according to the needs of different users of the statistics.

❖ Share in Net Domestic Product

The contribution of unorganized sector in net Domestic Product is 56.7% in 2008-09. Thus, the major chunk of NDP is provided by the unorganized sector.
Main Industries of Informal Activities

Industry wise distribution of NDP in organized and unorganized sectors shows that in agriculture sector, the share of organized sector is only 4% whereas 96% share is contributed by the unorganized sector because of which, the informal activities are studied in the non-agricultural sectors only. In mining, manufacturing sector 60% share in NDP is of organized sector while 40% share is through the unorganized sector. In service sector contribution of organized sector is 53% while 47% of the share is through unorganized sector. The sector wise distribution of different industries is presented in Table 3.2.

### Table 3.2

<table>
<thead>
<tr>
<th>Industry</th>
<th>Organized sector (% of NDP)</th>
<th>Unorganized sector (% of NDP)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry, fishing</td>
<td>4.1</td>
<td>95.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Mining, manufacturing, electricity and construction</td>
<td>60.5</td>
<td>39.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Services</td>
<td>53.1</td>
<td>46.9</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43.3</strong></td>
<td><strong>56.7</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

*Source: NAS 2010*
If the unorganized sector is split into various industry groups, service and agriculture sector would be found to be the list of contributors to the NDP whereas manufacturing sector would be found to make a share of first 17% to NDP. The reason for such a disparity in the contribution by these sectors to NDP may be found in the procedural process for the start of these activities. The industry wise distribution of organized and unorganized activities is presented in Table 3.3.

Table 3.3

<table>
<thead>
<tr>
<th>Industry</th>
<th>Organized sector (% of NDP)</th>
<th>Unorganized sector (% of NDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry, fishing</td>
<td>2.2</td>
<td>40.0</td>
</tr>
<tr>
<td>Mining, manufacturing, electricity and</td>
<td>33.7</td>
<td>16.8</td>
</tr>
<tr>
<td>construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>64.1</td>
<td>43.2</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: NAS 2010

Composition of non-agricultural informal sector

Most of the non-agricultural enterprises in the informal sector pertain to the manufacturing and trade both in rural and urban areas. Together they account for over 71% of the total estimated enterprises. On grouping the enterprises under major industry groups 32% of enterprises belong to manufacturing while 68% to service sector. The comparison of non-agricultural enterprises in informal sector in India during 2008 – 2009 is presented in Table 3.4.
Table 3.4

Non-agricultural enterprises in informal sector in India, 2008-2009

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage share in total number of enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
</tr>
<tr>
<td>1. Manufacturing</td>
<td>38.4</td>
</tr>
<tr>
<td>2. Construction</td>
<td>4.7</td>
</tr>
<tr>
<td>3. Trading and repair service</td>
<td>34.2</td>
</tr>
<tr>
<td>4. Hotels and restaurants</td>
<td>3.4</td>
</tr>
<tr>
<td>5. Transport, storage and communications</td>
<td>8.0</td>
</tr>
<tr>
<td>6. Financial intermediation</td>
<td>0.2</td>
</tr>
<tr>
<td>7. Real estate, renting and business activities</td>
<td>0.8</td>
</tr>
<tr>
<td>8. Education</td>
<td>0.9</td>
</tr>
<tr>
<td>9. Health and social work</td>
<td>1.8</td>
</tr>
<tr>
<td>10. Other community, social and personal service activities (excluding domestic service)</td>
<td>7.6</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: NSS 67th round report on non-agricultural enterprises in informal sector in India, 2009-2010

Workforce distribution in non-agricultural informal sector

Most of the workers in rural areas are engaged in manufacturing whereas in urban areas most of them are engaged in trade. The other important activities where most of the workers are engaged are hotels and restaurants and transport. The
Distribution of workers in non-agricultural informal activities is presented in Table 3.5.

Table 3.5
Distribution of workers in non-agricultural informal activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage share in total number of workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
</tr>
<tr>
<td>1. Manufacturing</td>
<td>44.5</td>
</tr>
<tr>
<td>2. Construction</td>
<td>3.8</td>
</tr>
<tr>
<td>3. Trading and repair service</td>
<td>30.1</td>
</tr>
<tr>
<td>4. Hotels and restaurants</td>
<td>4.2</td>
</tr>
<tr>
<td>5. Transport, storage and communications</td>
<td>6.3</td>
</tr>
<tr>
<td>6. Financial intermediation</td>
<td>0.2</td>
</tr>
<tr>
<td>7. Real estate, renting and business activities</td>
<td>0.8</td>
</tr>
<tr>
<td>8. Education</td>
<td>1.5</td>
</tr>
<tr>
<td>9. Health and social work</td>
<td>1.3</td>
</tr>
<tr>
<td>10. Other community, social and personal service activities (excluding domestic service)</td>
<td>7.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Source: NSS 67th round report on non-agricultural enterprises in informal sector in India, 2009-2010*

❖ **Location of non-agricultural informal enterprises**

Non-agricultural informal activities are more in rural areas (56.4%) as compared to urban areas (43.6%). In rural areas most of the enterprises are within household premises whereas in urban areas they are outside household with permanent structures. Mobile markets and street vendors are common in both rural and urban areas.

❖ **Nature of Operation of non-agricultural informal activities**

The informal activities are of perennial in nature in both rural and urban areas. Together they account for more than 96% of the perennial activities.
**Status of non-agricultural informal enterprises**

Only 12% of the enterprises in the rural areas are registered with any registration agency whereas in urban areas this percentage is nearly threefold/treble at 31%.

**3.2.5 Problems faced by informal enterprises**

Besides the problems of capital and infrastructure facilities. Most of the informal enterprises encounter certain local problems like non availability of power, labour, raw material and competition with larger enterprises and larger units. The problems faced by non-agricultural informal enterprises is presented in Table 3.6.

**Table 3.6**

**Types of problems faced by non-agricultural informal enterprises**

<table>
<thead>
<tr>
<th>Problems</th>
<th>Percentage of enterprises by type of problem faced</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
</tr>
<tr>
<td>1. no specific problem</td>
<td>28.5</td>
</tr>
<tr>
<td>2. shortage of capital</td>
<td>42.6</td>
</tr>
<tr>
<td>3. lack of lighting facility</td>
<td>2.7</td>
</tr>
<tr>
<td>4. problem of power cut</td>
<td>1.7</td>
</tr>
<tr>
<td>5. lack of infrastructure facilities</td>
<td>18.3</td>
</tr>
<tr>
<td>6. local problem</td>
<td>19.8</td>
</tr>
<tr>
<td>7. competition from larger units</td>
<td>13.0</td>
</tr>
<tr>
<td>8. non-availability of labour</td>
<td>0.6</td>
</tr>
<tr>
<td>9. labour problems</td>
<td>0.6</td>
</tr>
<tr>
<td>10. non availability of raw material/fuel.</td>
<td>4.1</td>
</tr>
<tr>
<td>11. non-recovery of service charges</td>
<td>11.3</td>
</tr>
<tr>
<td>12. others</td>
<td>6.0</td>
</tr>
</tbody>
</table>

*Source: NSS 67th round report on non-agricultural enterprises in informal sector in India, 2009-2010*
3.2.6. Performance of Informal Sector

The information on the status of enterprises in the informal sector collected in the survey of NSSO in 1999-2000 presents the owner’s impression about the growth of his enterprise over the last three years. Over 20% of the entrepreneurs expressed that their business activities have expanded over the three years preceding the date of survey. About 10% entrepreneurs expressed a totally opposite view. About 63% of the entrepreneurs felt that their enterprises were stagnant while 7% of enterprises were started during the last three years only. The Status of the non-agricultural enterprises over last three years is presented in Table 3.7.

Table 3.7

Status of the non-agricultural enterprises for 2008 - 2011

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Growth status of the enterprise</th>
<th>Status of enterprise for 2008-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Rural</td>
</tr>
<tr>
<td>1</td>
<td>Expanding</td>
<td>18.5</td>
</tr>
<tr>
<td>2</td>
<td>Stagnant</td>
<td>65.9</td>
</tr>
<tr>
<td>3</td>
<td>Contracting</td>
<td>9.2</td>
</tr>
<tr>
<td>4</td>
<td>Not applicable</td>
<td>6.3</td>
</tr>
<tr>
<td>5</td>
<td>Not reported</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Source: Ramesh Kolli and Sinharay’s Paper 2012

When we observe the trend of share in NDP of unorganized sector, it is observed that construction, trade and hotels, transport and storage and community service activities have shown an increase in the share in NDP whereas the manufacturing enterprises, mining and quarrying, electricity, gas and financial activities have shown stagnation. The share of agricultural activities in unorganised sector has declined considerably from 50% to 40%.
3.2.7. Current practices of incorporating unorganised sector data into the national accounts

Practices in use to compile domestic product from unorganised segments of various economic activities are described below.

3.2.7.1 Agriculture and Allied Activities

The agriculture and allied activities sector covers production of all agricultural crops, raising of livestock and poultry, livestock products and operation of irrigation system. Agricultural activities in the household sector exclude operation of government irrigation system and plantation crops of tea, coffee. To a large extent, agricultural activity is operated by own account workers with the help of unpaid family members and workers paid on a temporary basis. The agricultural and allied activities in India are by and large unorganised with the characteristics of the informal sector. The International Labour Organization draft resolution excludes the household enterprises engaged in agricultural activities from the scope of the informal sector and suggests to keep separately for practical reasons of data collection. It is worthy of making a mention of the backyard garden in the case of rural area and kitchen garden in the case of urban area where fruits and vegetables are produced primarily for self-consumption, but this production is not adequately covered. As this activity is very much in the production boundary as per the 1993 SNA, it has to be estimated. It is proposed to cover this activity by utilising the results of National Sample Survey Organization consumption expenditure surveys where the respondent answered the specific question as to how much of the eatables/vegetables he consumed are from his backyard/kitchen garden.
3.2.7.2 Forestry

The activities of forestry cover major products comprising industrial wood and fuel wood and minor products comprising a large number of heterogeneous items such as bamboo, fodder, lace, sandalwood, honey, resin, gum, tendu leaves and the like. The fuel wood and minor forest products are however mostly collected by the households as free collections or on payment of a licence fee for the collection. As these are performed by the households as own account enterprises they are in unorganized sector. Also, there is lot of unauthorised lifting of both major and minor products of forests which tantamount\ to an illegal activity. These activities are therefore not properly accounted for in the national accounts. In the NAS, the fuel wood production is covered through the consumption approach. The information from the consumer expenditure surveys conducted by the NSSO is utilised as a proxy for the production of fuel wood.

3.2.7.3 Fishing

The activities covered in the fishing sector are commercial fishing in ocean, coastal, offshore and inland waters; subsistence fishing; and gathering of sea weeds, sea shells, pearls and so on. The value added is estimated by production approach. The value added of unorganised sector of this activity is obtained as a residual. that is, taking the value added figure from the production approach and netting it for the components of the public sector and corporate sector estimated separately from the budget documents, annual reports and the results based on sample studies on private companies blown up for coverage on the basis of the ratio of global Paid Up Capital (PUC) and the PUC of sample companies.
3.2.7.4 Mining and Quarrying

The estimates of this activity are compiled separately for the major minerals and minor minerals. The unorganised segment of this activity is the minor minerals and quarrying. Data on minor minerals at present are collected by the State Geological Departments. The information on minor minerals and quarrying is through Follow-Up Surveys of the Economic Census.

3.2.7.5 Manufacturing

For the purpose of estimation of domestic product, the entire gamut of manufacturing activities is classified into two broad sectors, namely, organised and unorganized, of which the later also termed as ‘unregistered’ is covered by using the results of the follow-up surveys of Economic Census. The unregistered manufacturing sector is covered by two surveys namely Directory Manufacturing Establishments survey covering establishments not registered under the Factories’ Act and employing more than 5 workers and Non-Directory Manufacturing Establishments survey which covers those units employing 1 to 5 workers and Own Account Manufacturing Enterprises which may employ only unpaid family labourer or casual labourer. These two follow-up surveys are conducted simultaneously, and the results provide information on the value added per worker which is multiplied by the working force to get the value added of the unregistered sector in the base year. The estimate of working force of the unregistered sector is obtained as the difference between the global employment in manufacturing activity as available from the population census based results and the employment for the registered manufacturing sector available
from the ASI. The estimates of other years are obtained by moving the base year figure with appropriate physical indicators and price indices.

The unregistered manufacturing sector in the Indian NAS as mentioned above represents the unorganised component of the manufacturing activity in the economy but it is not the informal sector component of the household sector including unincorporated enterprises contribution. To obtain the contribution of informal sector appropriate netting of the corporate sector included in the unregistered manufacturing sector component has to be made, even though it may be minimal.

3.2.7.6 Construction

In India, as in many countries, the activity of construction is measured through an indirect approach. The household sector construction component known as the unorganised sector is derived as a residual, that is from the total value of construction by netting for the components of public sector and corporate sector.

It is very difficult to get reliable information on the construction activity through sample surveys as construction takes place at various sites and it is very difficult to have a frame of sites to facilitate a sample. Also there are other conceptual problems, for example, when government or a company spends money on the construction activity, construction work is done by a contractor who either makes sub-contracts or employs casual labour. Thus the figure relating to the construction activity of public sector or corporate sector does not necessarily mean that the activity of construction has been made by the organized or formal sector.
3.2.7.7 Electricity, Gas and Water Supply

The activity of electricity, gas and water supply is mostly in the hands of Government. A small component of informal sector which exists is in the case of water supply-the activities of carrying water by water fetchers whose sources of water are wells and manual water pumps and whose services are sold to clients on a fee. These activities, as per SNA, 1993, are included in the production boundary. Another activity which falls in unorganised segment is gobar (cow dung) gas. This activity is mostly carried out by the households for their own consumption but the possibility of selling a part of it, cannot be ruled out. The contribution of gobar gas is estimated on the basis of information received from the Khadi and Village Industries Commission on the number of gobar gas plants.

3.2.7.8 Trade, Hotels and Restaurants

The activities of the services of trade and hotels and restaurants are covered separately for the organised and unorganised segments. The estimate for the unorganised sector is derived as a product of the working force and per worker value added. The working force of the unorganised segments is obtained as the difference between the global sectoral employment as available from the population census based results and the employment in the organised (public) sector units engaged in these activities available from the Employment Market Information results. The per worker value added is taken from the results of the enterprise surveys. First the bench-mark estimates are prepared separately for rural and urban areas as a product of number of workers and per worker Gross Value Added (GVA). The bench-mark estimates of GVA are carried forward to other years through an index of Gross
Trading Income (GTI) prepared specifically for the purpose by taking into account the marketable surplus of agriculture commodities, domestic output of industrial goods and imports.

3.2.7.9 Transport, Storage and Communication

For transport and storage services the practices followed are the same as those of the trade and hotels and restaurants. The activity of railway transport in India is in the hands of the Indian Railways, a departmental commercial undertaking. For the transport by other means other than railways, the unorganised component is the hands of the private sector except shipping companies which come under organised corporate sector.

The activities of unorganized transport is covered separately for the various types of transport, namely mechanised road transport, non-mechanised road transport, sailing vessels other than private shipping companies, water transport supporting services and services incidental to transport. The practice followed is to estimate gross value added of the activity as the product of gross value added per worker and number of workers engaged in each activity. Information on per worker value added is obtained from the follow-up enterprise surveys of the Economic Census conducted by Central Statistical Organization (CSO). The estimates of number of workers for the activity are obtained from the Population Census based results on working force after due adjustments for the secondary and marginal workers and netting for the workers in the public sector in respect of activity concerned. In the case of services incidental to transport comprising packing, crating, operations of travel agency and the like the estimates are prepared on the basis of annual data of commission paid to
the booking agencies by shipping companies, air companies, railways and road transport.

Prior to liberalisation, much of the communication activity was with the public sector as post and telegraph, telephones and so on. It is a recent phenomenon that a large number of the communication activities such as cellular phone, faxes and transmission of information through satellite, e-mail and the like have come in the picture in a big way. Such activities at present are not covered adequately for want of development of standard methodologies to capture these activities.

3.2.7.10 Banking and Insurance

Though most of the activities of banking and insurance are in organized (public) sector there are informal financial transactions through household operations such as pawnshops, own account money lenders, informal chit-funds and so on. These services are only approximately accounted for in the national accounts taking it as one-third of the value added in the organized non-banking financial enterprises. NSSO, India conducted an enterprise survey during July 2006-June, 2007 on services sector including unorganized non-banking financial enterprises and own account money lenders.

3.2.7.11 Real Estate and Ownership of Dwellings

Ownership of dwelling is a service which is produced and consumed by the households and therefore will not be considered as falling in the informal sector in the strict sense. In Indian NAS the contribution of this activity is however taken under the unorganized segment. Real estate activity in the unorganized sector is covered by the Enterprise surveys, the follow-up surveys of the Economic Census.
3.2.7.12 Other Services

The other services include educational services, research and scientific services, medical and health services, sanitary services, religious and other community services, legal services, recreation and entertainment services, personal services such as domestic laundry, dry-cleaning, barbers, beauty shops and service which are not classified. The practices followed for covering the services in the unorganised sector is the working force of a particular activity multiplied by the value added per worker. The per worker value added is estimated from the Enterprise survey results.

3.3 Social security measures

Only incorporation a number of directives /a principles or the policies of the state governments related to social security, the provisions for social security were rightly and specially included in the list III to the schedule VII and placed it in the concurrent list which explicitly makes in the joint responsibility of both the state and central governments to implement those provisions. The initiatives in the form of Acts such as the Workmen’s Compensation Act (1923), the Industrial Disputes Act (1947), the Employees State Insurance Act (1948), the Minimum Wages Act (1948), the Coal Mines Provident Funds and Miscellaneous Provisions Act (1948), The Employees Provident Fund and Miscellaneous Provisions Act (1952), the Maternity Benefit Act (1961), the Seamen’s Provident Fund Act (1966), the Contract Labour Act (1970), the Payment of Gratuity Act (1972), the Building and Construction Workers Act (1996) throw high on the attention paid to the organized workers to enjoy different kinds of social security and welfare benefits. Though the above Acts are directly and indirectly
believed to be applicable to the workers in the unorganized sector also, their contribution is very negligible to the unorganized workers. Though the fact not much has been done in providing social security to the rural poor and the unorganized labour force, the governments both at the central and the states have at least made a beginning in that direction by formulating governments have certain specific schemes to support unorganized workers which however, once again fail to address their real needs and requirements. This becomes clear with the drastic failure of the highly proclaimed National Rural Employment Guarantee Act -2005 (NREGA), in introducing common wage policy in different states and by restricting itself only to hundred day’s work for those registered under that Act. The major favor of this act are its failure to guarantee work for the whole year and worse is that the scheme which protects the rural poor for at least one third of the year leaves their urban counter parts lurch. The Act keeps much on the burning issues of appropriate and adequate social security for the vast mass of unorganized workers and their dependents, and a criteria, if any, ought to be prescribed and on the nature and magnitude of benefits that the workers and their families are entitled to receive and under what conditions, and on funding arrangements that must be put in position to meet the cost of social security and so on. Even after six decades of independence the unorganized workers of the sub-continent are deprived of minimum standards of social security and labour rights, on the scale and spread adumbrated in the relevant International Labour Organization convention drawn up more than 50 years ago. Therefore, this law which does not deal with the issue of unemployment, its regulation, wages, and conditions of work and so on is not merely incomplete but dysfunctional if it proceeds to deal with social

security on a standalone basis. The Act, actually, suffers from a serious lack of legislative policy and intent. Hence there is justification in condemning this Act as an eye wash which has neither the capacity to address nor the inbuilt provision to provide solutions to the needs of the unorganized sector. Even the provisions and procedure of the Minimum Wages Act (1948) are so vague and futile that different states of India have fixed abysmally meager wages and that too with so much of variations from state to state. In fact a comprehensive Act, catering to the security needs of the unorganized sector such as Food, Nutrition, Health, Housing, Employment, Income, Life and accident, and old age remains a dream in India. Still the cries of the unorganized sector goes unattended to with the governments laying red carpets for the corporate and so called investors at the expense and sacrifice of the working class.

3.3.1 The Unorganized Workers Social Security Act, 2008

This Act was passed in 2008 to provide for the social security and welfare of unorganized workers. According to this Act the Central Government shall formulate suitable welfare schemes for unorganized workers on matters relating to life and disability cover, health and maternity benefits, old age protection and the State Government. may formulate schemes relating to provident fund, employment injury benefit, housing, educational schemes for children, skill up gradation of workers, funeral assistance and old age homes for unorganized workers. These schemes may be wholly funded by the Central Government. or State Government. or party through contribution collected from the beneficiaries of the scheme or the employers. The Central Government shall constitute a National Social Security Board and every State Government shall constitute a State Social Security Board to recommend suitable
schemes and to monitor and review the expenditure under various schemes. Under this Act every unorganized worker, above the age of fourteen years, will be registered and issued an identity card and will be eligible for social security benefits under the scheme. A number of schemes have been covered under this Act to provide social security to the unorganized workers like National Family Benefit Scheme, Janani Suraksha Yojna, Indira Gandhi National Old Age Pension Scheme, Aam Admi Bima Yojna.

3.4 Women workers in unorganized sector

A woman is identified as a daughter, sister, mother, wife, and daughter-in-law but never as an independent person. To be born as a woman means to live from cradle to grave depending on the male member of the family like father, husband, son. Almost 423 million people\(^1\) (more than 85\% of the working population in India) work in unorganized sector and of these about 120 million are women. According to an estimate, by the National Commission on Self-Employed Women (1988a), of the total number of women workers in India, about 94\% are in the informal or unorganized sector whereas just 6\% are in the organized or formal sector. Thus there is no exaggeration in saying that the unorganized sector in India is the women’s sector.\(^3\) Though women are entering the work force, they are least recognised as workers many a times. A large number of women work without pay. A significant proportion of women are self-employed which means they are engaged in informal work. They have poor working conditions and they lack social security. There is inequality within this informal work. Women are disproportionately represented and they occupy lower quality jobs within the self-employment. In the case of highly but
the gender pay gap still persists due to the inequality and the lack of anti-discrimination laws. Indian society played a significant role in the increasing number of women workers in the informal economy. A Majority of women work in unorganized sectors for low wages because of low level of skills, illiteracy, ignorance and surplus labour and thus face high level of exploitation. This hampers their bargaining power for higher wages and/or any opportunities for further development. Women enter the market as wage earners but occupy secondary position in the labour workforce. Their significance is considered marginal. They enter the labour market only when the economic compulsions force them to supplement the family earnings. This perception of women’s work as a supplementing or balancing force in the family and the nation’s work force has made them susceptible to all sorts of discriminatory treatment and exploitation (physically, economically and socially) in the field of employment (Gaur and Rana, 2002). The women’s contribution to the economy by and large remains unrecognized, yet their services are valuable. The World Bank in its annual report of 1989 observed that 35 per cent of Indian households below the poverty line were headed by women and in most cases, were dependent exclusively on female income. The report observed that women’s contribution is significant in families with low economic status. The poorest families thus depend on women’s economic productivity.

3.4.1 Condition of Women Working In the Unorganised Sector

When Amartya Sen had taken up the issue of women’s welfare, he was accused in India of voicing “foreign concern”. He was told, Indian women don’t think like that about equality. But he argued saying that if they don’t think like that they should be
given an opportunity to think like that. in this the schemes to echo the voice of
Jawaharlal Nehru, whose strongly believed that conditions of the country is molded
shaped by status of women. The International Labour Organisation says that women
represent:

Women’s economic participation can be mentioned in the field of production
of goods and services as accounted in the national income statistics. Female work
participation however has always been low at 26% compared to 52% of men. The
problem is that women have always been at work; only the definition of work and
work plan have never been defined or realistic to include their contribution to the
economy and the society. Hence we may define a few terms to get a clearer picture.
Work Force Participation Rate is the proportion of “working” population to total
population. Labour force excludes children below the age of 15 and old people above
the age of 60. Worker is one gainfully employed or one working for a livelihood-
excluding unpaid family workers.

3.4.2 Need to Work

Women work mainly for economic independence, for economic necessity, as
some women are qualified enough to work, for a sense of achievement and to provide
service to the society. Most Indian women by and large undertake “productive work”
only under economic compulsion. This is the reason for high female participation
rates in economically under privileged communities. Usually upper class women are
limited to homes. Work participation rate is found to be higher among rural women
(27%) than the urban women (10%). It is found that women usually go in for
temporary and standby jobs because of the prevalent hesitancy to employ women in
regular jobs and providing them with good working conditions. The main workers are those who “work” for the major part of the year. Whereas female main workers constitute 14.65% of the population and men- 50.54% in the case of marginal works women in number men as the constitute 6.26% of the population and less than 1%. Most of the women are found to be employed in agricultural activities and in the unorganized sector. The employment of women is high in the unorganized sector such as part time helpers in households, construction center, tanneries (setting, parting and drying), match and beedi industries. An estimate by the World Bank shows that 90% of the women working in the informal sector are not included in the official statistics and their work is undocumented and considered as disguised wage work, unskilled, low paying and do not provide benefits to the workers. Statistics show that vast majority of Indians work in Agriculture where 55% of the population is female agricultural workers and 30% of the men are labourers and non-cultivators.

3.4.3 Unorganized Employment

Employees are considered to be in unorganized employment when their employment relationship, in law or practice, is not subject to

- National labour legislation
- Income taxation
- Social protection or
- Entitlement to certain employment benefits like paid annual leave, sick leave, and the like.
Table-3.8
Estimates of Employment in India

<table>
<thead>
<tr>
<th>Industrial Category</th>
<th>No. of persons (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Formal Sector</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1.39</td>
</tr>
<tr>
<td>Non-Agriculture</td>
<td>26.68</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>1.01</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>6.71</td>
</tr>
<tr>
<td>Electricity, Gas And Water</td>
<td>1</td>
</tr>
<tr>
<td>Construction</td>
<td>1.17</td>
</tr>
<tr>
<td>Trade, Hotels And Restaurants</td>
<td>0.49</td>
</tr>
<tr>
<td>Transport, Storage and Comm.</td>
<td>3.15</td>
</tr>
<tr>
<td>Financial Services</td>
<td>1.65</td>
</tr>
<tr>
<td>Community Services</td>
<td>11.49</td>
</tr>
<tr>
<td><strong>All Sectors</strong></td>
<td><strong>28.07</strong></td>
</tr>
</tbody>
</table>

Source: Census India 2011

3.4.4. Womens’ Working Conditions

3.4.4.1 Women are overworked

Women work roughly double the time as men. Women’s contribution to agriculture — whether it be subsistence farming or commercial agriculture — when measured in terms of the number of tasks performed and time spent, is greater than men. "The extent of women’s contribution is aptly highlighted by a micro study conducted in the Indian Himalayas which found that on a one-hectare farm, a pair of bullocks’ works for 1,064 hours, a man for 1,212 hours but a woman for 3,485 hours in a year." In Andhra Pradesh, Mies (1986) found that the work day of a woman agricultural labourer during the season lasts for 15 hours, from 4 am to 8 pm, with an hour’s rest in between while her male counterpart works for seven to eight hours, from
5 am to 10 am or 11 am and from 3 pm to 5 pm. Another study on time and energy spent by men and women on agricultural work Batliwala (1982) found that 53 percent of the total human hours per household are contributed by women as compared to 31 percent by men. The remaining contribution comes from children. The anxiety of man to monopolize his skill in plough culture is reflected in the taboo that is observed almost all over India, against the women’s handling the plough. In many societies, she is not even allowed to touch it.

Mies further observed that whereas operations performed by men were those that entailed the use of machinery and draught animals, thereby using animal, hydraulic, mechanical or electrical energy, women almost always relied on manual labour, using only their own energy. Rice transplantations, the most arduous and labour intensive task in rice cultivation, is carried out entirely by women without the help of any tools. "Not only do women perform more tasks, their work is also more arduous than that undertaken by men. Both transplantation and weeding require women to spend the whole day and work in muddy soil with their hands. Moreover, they work the entire day under the intensely hot sun while men’s work, such as ploughing and watering the fields, is invariably carried out early in the morning before the sun gets too hot. Mies argues that because women’s work, unlike men’s, does not involve implements and is based largely on human energy, it is considered unskilled and hence less productive. On this basis, women are invariably paid lower wages, despite the fact that they work harder and for longer hours than men do."
3.4.4.2 Impact of working conditions on Women

The tasks performed by women usually force them to be in the same position without moving other limits, which can adversely affect their reproductive health. A study in a rice-growing belt of coastal Maharashtra found that 40 percent of all infant deaths occurred in the months of July to October and that a majority of births were either premature or stillbirths. Chiefly because of the squatting position that had to be assumed during July and August, the rice transplanting months.

3.4.4.3 The invisibility and Unrecognition of women’s work:

Many maintain that women’s economic dependence on men impacts their power within the family. Increased participation of women in income-generating activities ensures not only more income for the family, but also elimination of gender inequality. This issue is particularly salient in India because studies show a very low level of female participation in the labour force. This under-reporting is attributed to the frequently held view that women’s work is not economically productive. If all activities — including maintenance of kitchen gardens and poultry, grinding food grains, collecting water and firewood, — are taken into account, then 88 percent of rural housewives and 66 percent of urban housewives can be considered as economically productive. Women’s employment in family farms or businesses is rarely recognized as economically productive, both by men and women. Moreover any income generated through this work is generally controlled by men. Such work is unlikely to increase women’s participation in allocating family finances. In a 1992 study of family-based textile workers, male children who helped in a home-based handloom mill were given pocket money, which was decided to but the adult women
and girls. The shift from subsistence to a market economy has a dramatic negative impact on women. Where technology has been introduced in areas where women worked, women labourers have often been displaced by men. Threshing of grain was almost exclusively a female task, and with the introduction of automatic grain threshers — which are operated by men only — women have lost an important source of income.

3.4.4.4 Ill-treatment of women

Violence against women and girls is the most pervasive human rights violation in the world today. The problems at home forces women to work for meager wages and without social security. The working conditions of women in this sector however, are improving. Women face a lot of sexual harassment in the course of employment. Their inability to work for long hours hinders their chances of employment in sensitive or crucial positions. Women in gold mines handle mercury and cyanide with their bare hands. Women have to work beyond working hours, even in advanced stages of pregnancy, and there is no leave facility. In some quarries in Orissa, women have to work at night and are sexually abused. HIV AIDS, other sexually transmitted diseases, respiratory problems, silicosis, tuberculosis, leukemia, arthritis and reproductive problems are prevalent among women working in mines. In 2005, for the first time, agriculture was no longer the main sector of employment for women and this trend continued in 2006. The service sector now provides most jobs for women. Of the total number of employed women in 2006, 40.4 per cent work in agriculture and 42.4 per cent in services.
3.5 Problems and Government action

The most serious hazard faced by the working class in the era of globalization is the increasing threat to job security. The informal sector is fast expanding, while the organized sector is shrinking. Contract, casual, temporary, part-time, piece-rated jobs and home based work are increasingly replacing permanent jobs. To circumvent resistance to amendments to labour laws and to give the employers the freedom to ‘hire and fire’ workers, the governments of the day are resorting to various back door measures. The NDA government had introduced ‘fixed term’ employment through an administrative order, which continues under the present UPA regime. Special Economic Zones, which are areas deemed to be outside our territory, are being opened in large numbers throughout the country. While there is no explicit provision that labour laws would not be applied in these zones, in practice, even labour commissioners are not allowed inside these zones and the workers are practically at the mercy of the employers. Neither the central nor the state governments intervene to protect the interests of the workers. The workers in the informal sector, a large number of who are women, have no job security. Work is often unskilled or low skilled and low paid. Availability of work is irregular; when work is available, they have to work for long hours. However the governments concerned choose to ignore this open flouting of the labour laws.

The Factories Act, The Mines Act, The Dock Workers’ Act are some of the laws, which contain provisions for safeguarding the health of the workers in an establishment. The Employees’ State Insurance Act and the Workmen’s Compensation Act provide health benefits and compensation to the workers in cases
of ill-health and injuries. But in the unorganized sector where of women workers are
centrated, no occupational safety and health safeguards are in place. Even in the
organized sector, where these are applicable, safeguards are rarely provided for the
workers, irrespective of gender. Usually the safety devises are designed keeping the
male workers in view and hence become unsuitable for women workers. Besides, the
social aspects of work are not considered risk factors. As a result, more emphasis is
given to work related accidents than to illnesses.

3.5.1 Social Security Schemes for Workers in Unorganized Sector

According to the survey conducted by National Sample Survey Organization
(NSSO) in 2004-05, 433 million workers were in the unorganized sector which
constituted about 94% of the total labour force. Recognizing the need of providing
social security to unorganized workers, irrespective of their informal or formal
capacity, the Government has enacted the Unorganized Workers’ Social Security Act
2008. The Act provides for constitution of Nation Social Security Board to
recommend social security schemes, life and disability cover, health maternity
benefits, old age protection and any other benefit as may be determined by the
Government for unorganized workers. The Government launched the Rashtriya
Swasthya Bima Yojana for BPL families a unit of five in unorganized sector on
01.10.2007. The scheme providing for smart card based cashless health insurance
cover of Rs. 30,000/- per family per annum on a family floater basis, became
perational form 01.04.2008. More than 2.51 crore families have been covered under
the scheme as on 31.10.2011. To provide death and disability cover to rural landless
households in the age group of the 18 to 59 years, the Government launched the ‘Aam
Admi Bima Yojana’ on 02.10.2007 more than 1.78 crore lives have been covered under the scheme as on 31.07.2011. Indira Gandhi National Old Age Pension Scheme provides for old age pension of Rs.200 per month to persons above 60 years. For the persons above 80 years the amount of pension has been raised to Rs.500 per month. The Government is implementing various other employment generation/social security schemes for workers in the unorganised sector, such as Swarnjayanti Gram Swarojgar Yojana, Swarn Jayanti Shahari Rojgar Yogana, Prime Minister’s Employment Generation Programme, Mahatma Gandhi National Rural Employment Guarantee Act, 2005, Handloom Weavers’ comprehensive Welfare Schemes, Handicraft Artisans’ comprehensive Welfare Schemes, Pension to Master craft persons, National Scheme for Welfare of Fishermen and Training and Extension, Janani Surkasha Yojana, National Family Benefits Scheme, Janshree Bima Yojana New Pension Schemes (Swavalamban scheme) through various Ministries/departments.

The Government has constituted Welfare Fund to provide welfare measures to the beedi workers and their family members. These include health care, housing assistance, education to children and group insurance. Then Union Labour and Employment Minister Shri Mallikarjun Kharge gave this information in a written reply in Rajya Sabha.\footnote{5}

3.6 Gender Discrimination

Discrimination on the lines of gender is not always overt. It appears in very subtle forms such as in the nature of work performed, the skills required to perform the work and the valuation of these skills and the technology used by men and women.
Sexual Division of Labour, to different studies on the garment industry in Tiruppur (Vijayabaskar 2002) and Delhi (Singh and Sapra 2007) find the same result that there was a rise in the relative importance of daily wage and home-based work in the garment industry with large proportion being women workers. In Tiruppur the entry of migrant workers into the knitwear industry was noted in three phases and the last phase in the late 1980s and early 1990s saw a large influx of women wage workers. A growing feminization of the workforce was observed in the Tiruppur knitwear industry with women constituting 21 per cent of the workforce in 1985, which increased to 34 per cent in 1998. The incidence of child labour was noted in the industry where about 90 per cent of the children were girls. Women workers in Tiruppur were concentrated in the lowest paid category of workers receiving substantially lower wages than men. Women were concentrated in embroidery, cleaning, finishing, tagging and packaging. Women are entering into stitching in large numbers. There is a clear sexual division of labour and with the introduction of machines this has further been augmented and facilitated. The fashion masters are the most skilled and this category is exclusively reserved for male workers. Machine attendants carry out the actual process of knitting, control, adjust and monitor the process with the assistance of helpers. Female workers are mostly helpers in these units and their chance of moving from helpers to attendants is nil, while the male workers are able to make this vertical movement. This very clear sexual division of labour has implications for the wages earned, permanency in the job and the possibilities for upward mobility in the industry. Obviously, the women receive lower wages and have limited job mobility in the hierarchy of the knitwear industry (Neetha
2002). The Commission's visit to the garment factories in Tiruppur confirmed these features of the industry.

**3.7 Women workers in various unorganized sectors:**

**3.7.1 Domestic workers**

Female and children domestic workers constitute a large portion of today's migrant worker population. Sadly, they also join the category of migrant workers, most being at the risk of exploitation and human rights abuse. Working in the unregulated domain of a private home, mostly without the protection of national labour legislation, allows for female domestic workers to be maltreated by their employers with impunity. Women are often subjected to long working hours and excessively arduous tasks. They may be strictly confined to their places of work. They are frequently the victims of sexual harassment and, in the very worst cases, rape and torture. Thus, women as well as children working as domestic servants are often forced to work in inhuman conditions with no job security, no benefits and no dignity. A study estimated that 78 per cent of the domestic helpers in 12 cities were females. The increasing demand for domestic workers in all big cities and towns of the country plays a major role in the migration of women from rural or tribal areas. Most of them are from poor families and are illiterates. Lack of education and skill make them easy victims of exploitation. The biggest problem faced by the domestic workers across the country is their non-recognition as workers. The domestic workforce is excluded from labour laws that look after important employment-related issues such as conditions of work, wages, social security, provident funds, old age pension, and maternity leave. Though Ministry of Labour of Goa has adopted legislative measures for social
security and welfare of unorganized workers, these, if at all effected, are typically applicable to those employed in agriculture, construction, trade, transport, and communication; domestic workers are left out. They do not come under labour laws – they have no right to workers' compensation, weekly holidays and minimum wages. Even the Child Labour (Prohibition and Regulation) Act, 1986, does not include domestic workers. But attempts were made to introduce legislation to improve the lot of the domestic workers but the Domestic Workers Bill was stalled in 1990 and again in 1996. There are estimated 4 million women domestic workers in India. Of them, 92 per cent are women, girls and children, 20 per cent are under 14 years of age and 25 per cent are in the age group of 15 to 20. In Mumbai alone, there are an estimated six lakh domestic workers of whom 80,000 work full-time. Good example of struggle for the rights of domestic workers is The Human Rights Law Network (HRLN), which strives for their status as regular workers and consolidation of the existing laws in their favour. Other organizations such as the Pune Shahar Molkarin Sanghatana (Pune City Domestic Workers Association), started in 1980, prepared a charter of rights, trained a group of women to become spokespersons, and initiated action. After repeated and lengthy protests by this organization in Pune and other parts of Maharashtra, on August 10, 2000, they managed to issue a Maharashtra Government Resolution to regulate the domestic workers. Although there has been no noticeable progress, the pay structure and the leave arrangement has now been formalized. A survey done in June 2005 by the Stree Jagruti Samiti of Bangalore illustrates how government-fixed minimum wages are inadequate even then. The study points out that neither the minimum wages fixed by the government nor paid by employers is
enough to cover food, leave, housing, medical expenses and educational needs. The statistical data on monthly expenditure of even clearly shows that whereas the monthly requirement is Rs.5189 (Rs.173 per day), the minimum wage Rs.1600 (Rs.53 per day) which can’t meet even the food needs of the average family, leave alone other needs. Some areas for immediate policy intervention include Granting status of worker and dignified working conditions, developing a suitable legislative mechanism and mobilisation to form unions.

Figure 3.2

Domestic Workers

3.7.2 Construction workers

In India women workers constitute a major portion in the work force of the construction industry. Sad to say they remain not only unorganized but also unskilled as compared to male construction workers, who by virtue of their gender preference have progressed ahead in their career form an unskilled worker to a skilled one, specifically as a mason, carpenter, welder and electrician. On the contrary, women
constructions workers start as unskilled helpers and remain unskilled throughout their life and as a result are victims of gender discrimination. Tradition, culture and customs along with the attitude of society towards women have placed women workers at a great disadvantage. In addition to this, they are also unorganized and dependent on their husbands without any empowerment socially and economically. Unfortunately, in this system, women workers do not have an opportunity to receive any type of skills training which has left them stagnant without any chance of promotion any sort in their job. Most of the time, based on the mistaken notion that women are incapable of doing heavy or rough work, women workers lose out miserably. This type of attitude has left the women workers at the bottom of the rung of skills in the industry with no avenues of promotion or higher wages for them. Construction workers in general have no access to formal training in the construction industry and they upgrade their skills thorough practice or by observing and working under skilled masons or carpenters. As a result of women being only engaged in soft skills, the gap between the skilled male workers and unskilled women workers has placed them in a position of less empowerment economically and socially. This has worked against the advancement and empowerment of women workers. Only 11% of the construction workers in India are formally skilled with a huge mass of unskilled workers.

The BWI foresaw a threat to their existence and livelihood as a result of globalization and felt an urgent need to provide women workers the necessary skills to enable them to sustain their jobs and face competition and found it necessary to address this issue. A series of skills training programmes were initiated for the women
construction workers in Tamil Nadu. It is a 10 day programme where the last two days are dedicated to gender awareness and concepts of gender mainstreaming. The BWI established a working arrangement with the Builders Association of India (BAI) through TCWF (TamilNadu Construction Workers Federation) a merger of 7 affiliates of Tamil Nadu who came forward and agreed to provide skills training to construction women workers in Tamil Nadu. Accordingly BWI initiated a skill training package exclusively for women. This training started with painting houses and focused on mixing of colours, brush strokes and proper techniques of painting. There is also a positive move to go further by introducing training in other skills such as plumbing, electric wiring, masonry, carpentry and welding to enable women to creep into what is known as areas for men only which are infact reserved for only men and thereby upgrade the status of women or put at par with men. This training initiatives will not only boost the confidence in women construction workers but also assist them to promote and uplift themselves in their jobs. Till date, BWI has implemented four training sessions on house painting. Though the first session met with initial resistance, the impact of the training motivated the women workers to such an extent that in the third training the number of women volunteers increased beyond expectation.

The situation of India is ridden with paradoxes. Women form the poorest of the poor and yet women have run empires and states on the subcontinent. Women are socially deprived of status and yet have been venerated as Goddesses. Women are the harder race with a higher life expectancy and yet have an unfavourable sex ratio. These should be treated as paradoxes and not as indicators and averages. India has 406
million women out of the population of 844 million and 61.0 per cent of Indian
women are illiterates. According to the findings of a 31 country study, women work
longer hours than men. On an average, women put in 13.0 per cent more times than
men in developing countries and 6.0 per cent more than men in developed countries.
Another finding was that of the total burden of the work, women carry, 53.0 per cent
and men carry 47.0 per cent in developing countries and the figures are 51.0 per cent
and 49.0 per cent for developed economies. The discriminatory approach towards
women was still deep rooted in our society, even though our constitution guarantees
them an equal rights and status. We have failed to recognize the extensive
contribution of women to household and national economy as active workers, and
producers of goods and services. Gender difference is linked with unequal
distribution of resources towards rights and responsibilities.

Figure 3.3

Construction Workers
3.7.3 Hotel Workers

Women in India hold more professional positions today than ever before. Yet these positions are not of power and often come under patriarchal stereotypes. Most women are employed in the service industries such as insurance, banking, travel, telecommunication and hotels. Particularly in hotels, women constitute roles which are mostly in positions supportive of men who comprise majority of the managerial role. Women are mostly taken up under job roles which related to typical female attributes of being patient, tolerant, having a strong will power and empathy. But gender gap is seen to be larger in this sector due to low female employment at higher levels.

In hotels, the women normally work between 12 and 14 hours a day. They engaged in different type of work from early morning to late night. The number of hours of work depends upon a number of factors such as: (1) type of hotel (2) the situation of the hotel (3) the availability of women workers (4) the commands and orders of owners, masters and supervisors and the nature of work. The factory act 1948, and the catering establishment act 1958 stipulates eight hours of work a day for adult workers. The hotel owners compel the women to work for longer hours, which is legally an offence. The want to retain the women on the premises so that they could extract the maximum amount of work from them. They prefer employing rural women. A majority of the women in street side hotels work 14 hours a day. These hotels are busy most of the day. As the employers want to cater to the customers to the maximum extent possible, they extract more work from the women by assigning them various types of work for between 12 and 14 hours a day. When the women take jobs
in hotel, the employers assign them one type of work either table cleaning or vessel cleaning or water supplying or room service or kitchen assistance. But after a week or a month, depending upon the type of hotel and their location, the women are assigned more types of work. In hotels, the owners, managers, supervisors and masters assign type of work to the women in the beginning and later they assign more work to them.

A woman in hotel job in Madurai district describes her pathetic condition saying that even before the start of the assigned work, they start cleaning the floor with liquid or mop and arrange the tables neatly. In hotels the women have to attend to the personal jobs of the owners, managers, supervisors, masters and other senior co-workers failing which they may lose their job. The hotel owner has the power to recruit any new person or terminate his services. He provides the employees with food thrice a day and a monthly income.

Figure 3.4

Hotel Workers
3.8 Legislative Protection for Women Workers in the Unorganized Sector

Unorganized sector Workers number 37 crores 89% of the Indian Workers of which substantial numbers are women. Women workers constitute a sizable segment of the workforce in the unorganized sector. The lack of visibility and documentation of women’s work in the unorganized sector is well known. According to the Census and NSS Round in 2004, in the unorganized sector even though only 30% are women, according to the study by CWDS, Ms. Neetha, in the unpaid family labour data recorded by the NSS and the Census, women outnumber men.

As the unorganized sector is neglected and unprotected bonded labour, child labour, exploitation of women labour, poverty and deprivation are widely prevalent. Also the processes of globalization, liberalization and mechanization have led to invisible retrenchments, under employment, poverty and mal nutrition levels. Hence there is an urgent need for regulation of employment, conditions of service, social security and welfare of this vast unorganized sector in our country.

Unlike the organized sector, there is no fixed employment relationship in the unorganized sector. The peculiar nature of the unorganized sector is the changing employer - employee relationships and existence of hierarchy of relationships. The employment is contractual, most often on a sub contract basis and is unregulated and thus the workers are unprotected. Thus, to ensure security of employment and protection of workers, it is imperative to regulate employment in the unorganized sector. A sizable section of workers are women, hence gender discrimination must be prevented and maternity entitlements, childcare ensured apart from preventing sexual harassment at workplaces. Also, there are a large number of self-employed workers,
at the mercy of traders and authorities, and being further marginalized facing starvation due to globalization.

Though social security laws such as the ESI Act, EPF Act, Payment of Gratuity Act have been sought to be extended to the unorganized sector, constraints in their application have been experienced for want of continuity of employment, the changing employer - employee relationship and the total lack of records pertaining to details of employment. Thus the major contributing cause to this state of affairs is the total inapplicability of the normal type of labour laws to the situation obtaining in the unorganized sector. The beneficiaries of the labour of unorganized workers have thus a collective obligation to meet the human needs of those, the fruits of whose labour benefit the people at large. If the benefits of labour legislation are to reach this large mass of workers, it is then necessary that the law should take note of the unique features of the unorganized sector and should provide not merely for welfare of the workers, but also for the regulation of employment itself in the unorganized sector. Such regulation could not be left to be taken care of by the employers or by the administrative hierarchy, but must be entrusted to an autonomous body statutorily set up and consisting of representatives of the workers, especially women workers, government and the employers.

The proposed Law drafted by National Campaign Committee for Unorganized Sector Workers intends to incorporate the following features based on the above stated nature of employment in the unorganized sector.

1. Right to livelihood including right over common property and resources.
2. Minimum Labour Standards to achieve Decent Conditions of Work.

3. Right of workers in formulation and implementation of schemes through Sectoral Tripartite Boards for groupings of employments at various levels with workers and proportionate representation for women workers having decisive voice.

4. Compulsory registration of the employers and of the workers, identified by registered trade unions in all the scheduled groupings of employments.

5. Restriction on employment in the sector to only those workers who are registered under the law.

6. Prohibition of employment in unorganized sector by employers, without registration under the law.

7. Equitable sharing of the available employment, category-wise, on the basis of rotational booking of workers.

8. Employment guarantee for a minimum number of days in a month.

9. Vesting of the responsibility for determining wages including piece rates to be not less than the time rated wage for 8 hours and their disbursement in the autonomous body; and equal wages for equal work.

10. Provision of safety measures and for various other entitlements including social security, pension, group insurance, relief for accident and natural death and a minimum guarantee of earnings by the autonomous body.

11. Provision of Employees State Insurance, including occupational health facilities PF, gratuity, maternity entitlement, housing crèches etc.
12. Special measure for prevention of sexual harassment on women workers in workplaces.


14. Restriction of mechanization and labour displacement strategies and promotion of labour intensive methods in the unorganized sector.

15. Inbuilt tripartite dispute resolution mechanism and appellate authority.

16. Special protection of migrant workers and their families

17. Elimination of bonded labour and child labour and ensuring compulsory education of children in the unorganized sector.

3.9 Conclusion

The female labour force constitutes one third of rural workers in India, women workers face serious problems and constraints related to work such as lack of continuity, insecurity, wage discrimination, unhealthy job relationship, absence of medical and accident care. The exploitation of female labourers in rural regions happens both horizontally and vertically. It is time to address the issues and discuss the kind of policy reforms and institutional changes required for the emancipation and empowerment of rural female labour force. Empowerment should aim at changing the nature and direction of the power structures which marginalize the women labourers.
Foot Notes


