



A STUDY ON ROLE OF GOVERNMENT IN FOSTERING UNORGANIZED WORKERS

Gangadhara. K¹, Dr. Meghavath Govind Naik²

¹Research Scholar in Commerce, Department of Development Studies, Kannada University, Vidyanaraya, Hampi.

²Research Guide, Department of Development Studies, Kannada University, Vidyanaraya, Hampi. and Associate Professor in Department of Commerce, Vijayanagara College, Hosapete.

ABSTRACT

The present study deals with analysis the role of government in fostering unorganized workers. The main objective of the study is to find out the problems faced by the unorganized labours in their working place and the central and state government schemes for the labours especially unorganised workers. The study is based on secondary data collected from the various websites, journals, articles newspapers etc..The Government played an important role in fostering unorganized workers.

KEY WORDS: Unorganised workers, Labour structure, working place, Govt. Schemes.

I. INTRODUCTION

Most of the industries in India are in the unorganized sector and the majority of the economy consists of the informal or unorganized sector. According to a survey conducted by the National Sample Survey Institute in 2009-10, out of a total of 46.5 crore jobs in the country, about 2.8 crore are in the organized sector, while the remaining 43.7 crore workers are in the unorganized sector. They are working in every sector of the economy, mostly under one employer, under contract, as self-employed or as home-based workers. Although the informal or unorganized sector is an economic activity it is not taxed by the government and the output of this sector is not included in the gross national product. Yet it contributes significantly to the country's net domestic product.

The nature of the labor force in developed countries differs from that of a developing country like India in several respects. In developed countries, it is highly organized and such workers enjoy all social security benefits 'from cradle to grave'. But the labor force in developing countries like India is highly unorganized, unskilled and insecure. As a result wages, terms of employment and other social benefits are largely unavailable to unorganized workers in India.

II. LABOR STRUCTURE IN INDIA

A large number of workers in India are in the unorganized sector, such as proprietorship shops, street vendors, and those working in unregistered industries. Most of India's total workers are in the unorganized sector. Organized sectors obtain licenses and pay Goods and Services Tax. It includes companies, registered firms, factories, hotels and large enterprises, banks, railways, insurance companies, government employees and so on. The unorganized sector is usually self-employed without a permit. They do not pay any kind of goods and services taxes. Includes handicraft workers, handloom workers, readymade garment industry workers, village traders, agricultural laborers etc.

According to the Ministry of Labour of India 2008 report, unorganized workers are divided into four groups namely

- a) **Occupation Group:** - Labours are on the occupation basis Stone Quarry Workers, Saw Mill Workers, Bricklayers Includes labourers, oil mill workers etc.
- b) **Nature of employment:** - Labours are on the nature of the work or employment basis. It includes agricultural labour, casual labour, contract labour, migrant labour, bonded or indentured labour.
- c) **Detached Class:** - labours are only on temporary social works includes threshers, porters, bullock cart drivers, jadamalis or scavengers, loaders and un loaders.
- d) **Service segment:-** Labours are on the service basis includes midwives, barbers, fruit and vegetable sellers, domestic workers, newspaper sellers, street vendors, handcart pullers.



III. OBJECTIVES OF THE STUDY

1. To understand the problems faced by the workers of readymade garment industry.
2. To know the social security programs undertaken by the governments for the welfare of workers.

IV. CHARACTERISTICS OF UNORGANIZED SECTOR WORKERS

- ✓ Workers in the unorganized sector do not have a specific job, location and a specific market for their output.
- ✓ Unorganized sector workers are socially and economically backward class.
- ✓ Unorganized sector workers go to work when they want and do not go to work when they don't want. Because they don't have a specific salary, there is no wage.
- ✓ In the unorganized sector there is no relationship between the workers and the employer. Their relationship is only till the employer pays them after the completion of their work.
- ✓ Daily wages, weekly wages and contract wages are high in the unorganized sector.
- ✓ Unorganized sector workers do not have any kind of training.

V. CLASSIFICATION OF WORKERS

Workers based on nature of employment

Based on the nature of employment is divided into two sectors organized and unorganized. According to the Economic Survey of India, it is clear that about 93 percent of the workforce works in the unorganized sector while 7 percent of the workforce works in the organized sector.

1. Organized Sector Workers:-

The organized sector consists of certain companies or workplaces in which the duration of employment is regular and the employees are guaranteed employment. They are authorized by the government and follow the laws and regulations laid down in various laws including the Minimum Wages Act, Factories Act, Payment of Gratuity Act, Shops and Establishments Act, etc. Government employees, government schools and colleges, registered industrial workers and banks are examples of organized sector.

2. Unorganized Sector Workers:-

The unorganized sector is generally an unregulated sector with rules and regulations laid down by the government relating to employment status. Construction companies, hotel management, farming and domestic work are various examples of unorganized sector. Individuals engaged in manufacturing, selling of products, self-employed, certain types of services and sectors with less than 10 employees are identified as unorganized workers or workers.

"Unorganized workers include those who work in the unorganized sector or households, other than workers in the formal sector with social security benefits provided by employers".

The term unorganized workers is defined as workers who are unable to organize themselves to pursue their common interests due to certain constraints such as casual nature of employment, ignorance and illiteracy, small and scattered organizations etc. It means home based worker, self employed or unorganized sector wage earner. According to the National Labor Commission, "It is very difficult to define unorganized workers. But persons unable to organize in pursuit of a common purpose include casual and irregular employment, ignorance and illiteracy, marginalization and small size establishment with low capital investment per employed person, widespread and dispersed nature of organizations and those acting singly or in combination".

"Unorganized workers include workers in the unorganized sector or households other than ordinary workers who enjoy social security benefits provided by employers". The difference between organized and unorganized sectors is mentioned in Table 3.1.

VI. CLASSIFICATION OF WORKERS IN INDUSTRY

Labor is divided based on many factors and many natures. The structure of working labor in India is made up of multiple layers. Classification of labor sector based on skill and area of operation The Ministry of Labour, Government of India has classified unorganized workers into three groups based on skill and area of operation.

a) Unskilled labour

Refers to workers who have no specific skills and no formal education. This type of work usually involves simple duties that are not required. In some cases, unskilled labor requires physical strength and endurance. Unfortunately, unskilled labor jobs are shrinking due to technological advances leaving fewer and fewer jobs for this type of worker. Eg: grocery clerks, maids, laborers, janitors and parking lot attendants etc.



(a) Semi-skilled labour

Unskilled labor refers to workers who have no specific skills and no formal education. Semi-skilled labor does not require advanced training or specialized skills, but it requires more skills than unskilled labor employment. People who perform semi-skilled labor usually have more than a high school diploma, but less than a college degree. The types of skills required for this are not complex but often include the ability to supervise and perform repetitive tasks. These types of skills are more likely to be transferable and useful in other jobs. Example: Drivers, Retailers, Waiters, Waiters and Security Guards etc.

e) Skilled labour

Skilled labor refers to workers with specialized training or skills. These workers are able to exercise judgment and have knowledge of the specific trade or industry in which they work. People who perform skilled labor often have a college degree. Some examples of these types of jobs are law enforcement officers, financial technicians, nurses, sales representatives and electricians etc.

VII. WORKERS OF UNORGANIZED SERVICE SECTORS

Workers such as nurses, domestic workers, barbers, fruit sellers, vegetable sellers, paper sellers etc. fall into this category.

Besides these categories, there are some other categories which can be grouped under the category of unorganized workers. For example (a) home based activities like masala making, food processing, poultry and sale of milk and milk products. (a) Home based producers using small skills such as handloom weavers, handicraft artisans, sericulture workers, carpenters and tailors. (e) Retail trade and butchers or butchers, cobblers and rickshaw pullers, auto drivers, second-hand clothes sellers, flax etc. service providers.

Types of Wages

What a person receives in return for his services is called wages. Wages go by different names. For example salary to higher staff, wages to lower staff like clerks and typists, wages to laborers, fees to persons in independent profession like lawyers and doctors, commission to middlemen, brokers etc., and special work allowance or traveling allowance, tutti allowance etc. Payment of money or accommodation, travel allowance, entertainment allowance etc. in lieu of money to a person who renders services to the enterprise. These are temporary jobs. There are two types of concept of wages. They are as follows.

1. Nominal wages or money wages

An employer receiving services from an employee and paying for those services in the form of money is called wages. In other words, nominal or money wages are payments made by an employer to workers in the form of money without taking into account any other market conditions. The money given by a worker in exchange for services rendered to his enterprise is called nominal wages..

2. Actual salary :

Real wages are the amount of money or the amount of necessities of life, comforts and luxuries etc. that money can buy, etc., which the worker or laborer receives in return for his services. Actual salary also includes additional fringe benefits along with cash salary.

Nominal wages are paid in money amounts. But real wages are paid in terms of necessities of life. Hence money wages are expressed in money terms as real wages in terms of goods and services.

3. Minimum wage rate in India

There are basically two methods of fixation of minimum wages under Section 5 of the Minimum Wages Act, 1948. They are committee method and notification method. The revision of minimum wages should not exceed an interval of 5 years. Section 3 empowers the appropriate Government to fix minimum rates of wages in specified occupations.

4. Fixed duration of work

The working period for a day is nine hours including a one hour lunch break. There is one day off in a week. The last day of the week is paid by the employer. Employers pay workers a full day's wages if they work more than four hours and less than eight hours.

VIII. PROBLEMS OF UNORGANIZED SECTOR WORKERS

The workers or laborers working in the unorganized sector are deprived of many benefits as compared to those working in the unorganized sector. The reasons for that are that workers suffer from various types of problems in their work. They are as follows:

- 1. Job Insecurity:** Insecurity occurs in the workplace as a person pursues different jobs. They have more or less workload at work depending on the occasion, for example, readymade garments are in high demand during festivals, so the workers there have more work to do on festive days. When there is no work, they are fired.



2. **Absence of regular earnings:** They are employed seasonally and periodically. Because of this only in such case there is more work and more money is possible. In later days they get less money due to less work.
3. **Variety in tasks:** They do different types of work. If you go to work in the morning, then you go to work at home and so on. Thus his work is diverse.
4. **Lack of training:** As they are highly illiterate they are unfit to work in any kind of big jobs and are engaged in menial jobs. They have no training whatsoever. Therefore, there will be no prosperity in their earnings and employment.
5. **Low Income:** The sector of unorganized workers is small and takes up employment with minimal capital. So their income will be less. Sometimes there are fluctuations in their employment.
6. **Poverty and Indebtedness:** They are below the poverty line. As they are illiterate they are poor without knowing how to avail the facilities. As their wages are low and uncertain, they are deprived of their basic amenities. When the debt increases and they find a way to pay it off, more of them commit suicide.
7. **Gender Discrimination:** As India is a male dominated society, women are not given much priority in employment. So most of the workers in this sector are male.
8. **Caste Discrimination:** India is a secular state. Divided into upper caste and lower caste Employers of A first select workers from their own caste and then hire workers from other castes.
9. **Unorganized sector** workers have neither job security nor financial security like organized sector workers. Unorganized sector workers are often reluctant to avail any schemes due to lack of information about government facilities. Unorganized sector workers are still facing problems as those schemes do not go to the right person.

IX. SOCIAL SECURITY SCHEMES FOR UNORGANIZED WORKERS

1. Indira Gandhi National Old Age Pension Scheme (IGNO, APS)

The scheme was launched on August 15, 1995 as part of the National Social Assistance Programme. The scheme was renamed as Indira Gandhi National Old Age Pension Scheme on 19 November 2007. The scheme is a non-contributory pension scheme which provides a monthly pension of Rs.200/- for below poverty line age group of 60-79 years and Rs.500/- for those above 80 years of age.

2. National Family Benefit Scheme

It is a part of the National Social Assistance Programme. Under this scheme, the family below the poverty line is given a grant of Rs.20,000/- in case of death due to natural or accidental causes, in the age group of 18 to 60 years, including the woman who is the sole income earner of the family.

3. Janani Suraksha Yojana

This Yojana was launched in 2005 by Prime Minister Dr. Manmohan Singh. The scheme is sponsored by the Central Government. This scheme is implemented by all states and Union Territories of India. The scheme has been implemented with special focus on low performing states. Later it was renamed as National Maternity Benefit Scheme as it was also a part of the National Social Assistance Programme. Ante-natal and post-natal care for first two live births for below poverty line women aged 19 years and above Rs. 500/- providing financial assistance. Janani Suraksha Yojana is an intervention for pregnant women and new mothers.

4. Health Insurance Scheme

It provides health insurance to handloom weavers. This unit follows the National Health Insurance scheme model. This scheme is now available as Ayushman Bharat scheme. Prime Minister Narendra Modi launched this scheme. This scheme will benefit those below the poverty line. It is available to any unorganized workers and registered members of welfare boards only.

5. New projects

In addition to these social security measures, the Government of India implemented some new schemes and legislation to strengthen the social security of unorganized workers in India. What are they?

X. FIVE MAJOR WELFARE SCHEMES OF KARNATAKA LABOR WELFARE BOARD

The Karnataka Labor Welfare Fund was established in 1965 to finance and conduct activities. Its main objective is to promote workers and work for their prosperity. 1965 under the Karnataka Workers Welfare Act as the name suggests was established for the welfare of workers. During the year 2018-19, the Karnataka Labor Welfare Board implemented five major welfare schemes. They are as follows.

1. Educational assistance to children of labourers.

Scholarships are provided under this scheme for the education of children of workers. 3000/- for student/youth studying 8th to 10th standard of Fraudashishan, undergraduate education, diploma, 4000/-



for student/youth, graduate 5000/-, post graduate 6000/- and technical, . 10,000/- for those pursuing medical education for general candidates with 50% marks and scholarship for Scheduled Caste and Scheduled Tribe students/students. About 21,127 students in Karnataka have been given assistance worth Rs.8.57 crores.

2. **Medical assistance**

Minimum Rs. 1000/- to a maximum of Rs. 10,000/- and For medical check-up Rs. 200/- to Rs. 600/- for medical assistance

3. **Accident assistance**

This plan covers a minimum of Rs 1000 to a maximum of Rs 3000. This scheme is envisaged when workers are subject to accidents at their work places or other places.

4. **Funeral expenses**

5000/- as funeral expenses are paid to the family members when the workers die. 16, 27,500/- has been given to about 326 families under this scheme.

5. **Annual sports activity**

50,000 as financial assistance under this scheme for district level annual sports activities conducted once a year by registered trade unions. 700 beneficiaries received Rs.50000/- from one union in 2018-19. porters, domestic workers, rag pickers, tailors, mechanics, washer men, barbers, goldsmiths, iron workers, potters and Steps have been taken to register and distribute smart cards under one title and one logo to 11 categories of unorganized workers including kiln workers.

XI. CONCLUSION

It is widely accepted that unorganized workers are the most vulnerable and insecure section of the society despite their immense contribution to the Indian economy. Unorganized workers have increased at an alarming rate but their basic problems are still unsolved. Government of India has taken many social security schemes to improve the condition of unorganized workers. Due to illiteracy, most of the unorganized workers are not aware of their rights and welfare schemes of the government. In some cases, even though they are aware of the government schemes, the unorganized workers do not know where to contact and how to contact them. Therefore, the National Social Security Council, a part of the government, and the NGOs (Non-Governmental Organizations) should come forward to provide information to the unorganized workers to avail the benefits of these schemes.

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