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# UNIT 10 UNORGANISED LABOUR (RURAL AND URBAN)

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## 10.1 INTRODUCTION

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“The labourer has to realize that labour is also capital. As soon as labourers are properly educated and organised and they realize their strength, no amount of capital can subdue them. Organised and enlightened labour can dictate its own terms. It is no use vowing vengeance against a party because we are weak. We have to get strong. Strong hearts, enlightened minds and willing hands can brave all odds and remove all obstacles.”

**Mahatma Gandhi**

In India, unorganised labour refers to that vast segment of the labour force that has remained unprotected even after six decades of planned development. It includes agricultural labourers; low paid labour in small manufacturing and services in rural and urban areas; casual labour; handloom and power-loom workers; bidi and cigar workers; sweepers and scavengers; and others like rag-pickers, self-employed and small professionals like electricians, plumbers etc. If agricultural labour is taken out, the rest of the categories of unorganised labour could be classified together as ‘informal sector labour’, much of it is found in urban and semi-urban areas.

The nature of labour force in a developed country differs in several respects from that of a developing country like India. In developed countries, it is more organised and such labour enjoys all social security benefits ‘from cradle to grave’. The labour force is also highly educated and productive. But in developing countries like India the labour force is highly unorganised, unskilled and unprotected. As a result, the earnings, the terms and conditions of employment and other social benefits are not available to the vast majority of the labour force that is rightly termed as unorganised.

India's total labour force has been increasing continuously along with the population. Labour force includes the unemployed. The following table (Table 1) gives the growth of labour force over a period of time:

**Table 1: Labour Force in Million person Years (CDS basis)**

Year	1983	1993-94	1999-00	2004-05
Population	718.10	893.68	1005.05	1092.83
Labor Force	263.82	334.20	364.88	419.65
Employed	239.49	313.93	338.19	384.91
Unemployed	24.33	20.27	26.69	34.74

**Sources:** Economic Survey February, 08 : 2007-08. Table 10.9. CDS=Current Daily Status)

It should be noted that the figures for unemployed have shown a sharp increase in 2004-05 compared to those for earlier years.

In the Indian labour market, the unorganised labour constitutes an overwhelming majority of the labour force. For example, in the year 1999-2000 the total employment constituted 397 million persons. Out of this, only 28.11 million persons were employed in the organised sector which constitutes approximately only 7% of the total employment. Thus 93% of the employed are in the unorganised sector. Even within this organised sector, over two-third employment is in the public sector. Under the post-1991 globalisation policies, organised employment in the public sector has been falling as a result of government's gradual withdrawal from the business sector. During the period 1994-2005, the rate of growth of employment in public sector was negative (-0.70% per annum) which brought the total organised sector employment growth rate to a smaller negative rate of -0.31%, in spite of a positive growth rate of 0.58% in the private sector. In other words, a vast 93% of the workforce is the unorganised sector and therefore, there is an imperative need to concentrate all public attention on this unorganised sector.

The unorganised labour, whether urban or rural, has always remained at the bottom in getting the benefits of development. It is not a beneficiary from the high growth rate experienced by the economy since 1990s. As the empirical evidence shows, we have been having a 'jobless growth' both in terms of quantity and quality of employment. The unorganised labour constitutes child workers, poor women workers, bonded labour, contract labour etc., who have been facing exploitation in the labour market. The position of women in the unorganised sector has been very poor and vulnerable. The 'Shram Shakti' Report (Ila Bhatt Commission, 1988) has brought out comprehensively the nature of self-employment of women and their poor working and living conditions.

The fluctuating nature of employment in several sectors of unorganised labour is a major problem. In rural areas many occupations including agriculture are seasonal and highly dependent on the monsoon. The failure of the monsoon creates enormous problems for agricultural labour and small farmers who are all unorganized because of seasonal unemployment. Even in urban areas, when business and industry face a 'downturn' or recession, employment is adversely affected. The variations throw a section of organised labour into unorganised sector and during 'boom' times there are shifts of labour from unorganised to organised sector of the economy.

## Aims and Objectives

This Unit would enable you to:

- describe the nature and magnitude of the unorganised labour in the country.
- profile rural and urban unorganised sectors and the measures taken to benefit them.
- identify the tasks involved in developing the unorganised labour.

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## 10.2 PROFILE OF RURAL LABOUR

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India has often been referred to as a country of villages. At the time of independence in 1947, agriculture was the main occupation with over 70% of population depending on agriculture and more than half of India's GDP came from the primary sector. Majority of the workforce depends on this primary sector and the sector has not changed much as the following discussion would show.

### 10.2.1 Nature and Magnitude of Rural Labour

Rural labour includes agricultural labour; rural artisans, craftsmen, educated science graduates and technically qualified persons to deal with agricultural implants and technology; various agricultural and manual labour and 'own account establishments' with family labour. Agricultural labourers include small and marginal farmers constituting an overwhelming section of rural labour. As the economy has been developing over a period of time and more rapidly since 1991, the share of agricultural labour in the total employment has been falling but continues to be the majority of the total labour force.

**Table 2: Sectoral Employment shares (by CDS) (percentage)**

Industry	1983	1993-94	1999-00	2004-05
Agriculture	65.43	61.02	56.64	52.08
Mining+Quarrying..	0.66	0.78	0.67	0.63
Manufacturing	11.27	11.10	12.13	12.90
Electricity,water,gas	0.34	0.41	0.34	0.35
Construction	2.56	3.63	4.44	5.57
Trade/hotel/Restaurent.	6.98	8.26	11.20	12.62
Transport/Storage/communication.	2.88	3.22	4.06	4.61
Other services	9.88	11.58	10.52	11.24
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**Source:** Economic Survey February, 08 : 2007-08 Table 10.10

As seen from the above table, the agricultural labourers were 65.43% of the workforce in 1983 and have been reduced to 52.08% in 2004-05. The share of the agricultural labour keeps falling as the economy moves to a higher growth path. However in advanced economies this percentage is less than 5% which shows that India has a long way to go in reducing the dependence of labour on agriculture.

### 10.2.2 Socio-economic conditions

The socio-economic conditions of rural labour are still highly deplorable. Access to drinking water was not available to 10% of the households in 2001 for India as a whole and in case of rural areas it was much worse with about 27% of households, constituting

poor labour had no access to drinking water. Many of them do not have adequately built houses.

### 10.2.3 Type of Employment

In India the rural employment falls into three categories: self-employment, regular/salaried employment and casual employment. Obviously, regular and salaried employed enjoy relatively better life with access to social security like regular wages, provident fund, medical benefits etc.

**Table 3. Distribution of workers (Usual status) by category of employment in rural areas (Percentage)**

Year	Self-employment	Regular/salaried	Casual
1977-78	62.6	7.7	29.7
1983	61.0	7.5	31.5
1987-88	59.4	7.7	32.9
1993-94	58.0	6.4	35.6
1999-2000	56.0	6.7	37.3

**Source:** Various NSSO Rounds

Only a small section of 6-8% of the rural workforce gets regular salaried employment. Majority are self-employed as they opt for it as a last resort to livelihood. A large section is casual labour that has a little better job and income security.

### 10.2.4 Literacy

The level of literacy and skills are low among rural labour. The general literacy rate according to 2001 census was 65.4% and still lower in rural areas. It is reported that in 1999-2000, only 2% of rural workforce was ‘professional & technical and related workers’ and 1.4% constituted of ‘administrative, executive and marginal workers.’ The corresponding figures for urban areas are much higher.

### 10.2.5 Vulnerable Sections

The rural labour also includes bonded labour whose poverty and indebtedness has kept them under the clutches of rich farmers and landlords. It has been legally abolished, but the position of labour freed from bondage continues to be adverse compared to other labourers. Child labour exists inspite of several local, national and international measures taken to abolish it. The chief impediment is the poverty of the parents which is also attended to, but a solution appears to be a long-term one. There are also artisans, craftsmen and others who work in forestry, poultry, dairy and fishing. The rural labour constitutes a wide variety of workers but predominant are agricultural workers. The proportion of rural/agricultural workers in the total workforce has been coming down but still they constitute the largest and majority section of the workforce and therefore need full attention from the governmental authorities.

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## 10.3 PROBLEMS OF RURAL LABOUR

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The rural labour in India faces varied problems including social, economic and political problems that are chronic and complex.

### **10.3.1 Social Problems**

Socially the unorganised rural labour suffers from a poor status as large sections belong to scheduled castes and tribes and other backward classes and also minorities. The poor status affects their mobility in other fields also. In spite of reservation and affirmative policies, there is no improvement owing to social stratification that affects them adversely. They work at traditional and hereditary jobs like scavenging, barbers and craftwork. Many other problems like lack of access to community facilities and lack of economic resources are, to some extent, due to the poor status suffered by the rural labour.

### **10.3.2 Economic Problems**

Economically rural labour has not been able to improve its position due to lower wages despite the Minimum Wages Act of 1948 because of its poor implementation. There is also large amount of reserve and surplus labour which keeps wages low. This one single measure, if implemented effectively, could be of great help to the unorganised labour. There is also employers' resistance in raising wages which is also facilitated by large supply of labour compared to its demand. According to the government surveys, the rural labour suffer from indebtedness often leading to bonded labour. A recent survey showed that 50% of Indian peasantry is indebted. Their earnings are further affected by the seasonal nature of agriculture. While during busy harvesting season they get better wages and more employment opportunities, during slack seasons their earning capacity and opportunity fall so low that many of them, especially males, are forced to migrate to nearby urban areas or better-off states like Punjab and Haryana. Hard working conditions, inadequate pucca houses, lack of infrastructural facilities and difficult financial access make their conditions worse. Conditions of rural artisans and craftsmen have deteriorated on account of decline of their traditional crafts due to competition from machine-made goods and substitutes like advanced technological services and plastic goods. Labour replacing devices also displace labour. There is an urgent need to address this from alternative ways of development.

### **10.3.3 Position of the Unemployed**

A major economic problem is the presence of open unemployment, under-employment and disguised unemployment. Lack of education and skills deter the employability of a person as high levels of illiteracy and limited skills become limiting factors. Open unemployment has been fluctuating as per the National Sample Survey Organisation (NSSO) surveys undertaken periodically. Though absolute poverty has been coming down, yet it is still insignificant. The rural poor workers are unable to invest in education and skills thus perpetuating a vicious circle of poverty and low standard of living.

### **10.3.4 Gender Discrimination and Child and Migrant Labour**

Gender discrimination affects adversely women workers who are paid much less than their male counterparts even though this is unconstitutional. This practice is prominent in unorganised sector. Along with this is the prevalence of child labour. A large numbers of rural workers in backward areas with no irrigation facilities are migrant workers who are always exploited by their employers who pay them less for their work.

The above facts portray the complex problems faced by rural labour in India. These problems are also multidimensional and chronic and require sustained and multifaceted efforts to deal effectively.

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## **10.4 MEASURES FOR RURAL UNORGANISED LABOUR**

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The central and state governments have been following a multifaceted approach to help this labour. These measures collectively attempt to deal with the major problems faced by the poor rural labour. An important general measure has been the passing of the 73<sup>rd</sup> Constitutional Amendment Act 1992 giving a constitutional status for the rural self-governments. This Act aims at 'planning from below and with people's participation'. The Act has given many powers, authority and duties to local bodies so that they can function independently, planning action suited to their local needs. But in the subjects given to these bodies, organising unorganised labour is not there. Though there is some welfare responsibility for weaker sections, it is difficult to plan measures for the benefit of all unorganised labour in rural areas. There is scope to improve the lot of rural unorganised labour under this Act.

### **10.4.1 Poverty Related Measures**

One set of measures deal with the acute and colossal poverty of the rural labour. Earlier it was presumed that as economy and society develop, such development percolates downwards to benefit the rural poor at the bottom level. But this has not happened, though there has been a reduction in poverty after the economic reforms were introduced in 1991. Percentage of people below poverty line in 1987-88 was 39.1% which in 2004-05 (NSSO 61<sup>st</sup> Round) came down to 21.8%. Though there are differences in the way poverty is estimated, yet it cannot be denied that during the period 1991-2005 poverty has come down significantly. But still the prevailing poverty rate is quite high.

Since the beginning of the planning period the government has attempted to reduce poverty through special measures to improve the agricultural labourers and marginal farmers, small farmers and rural poor affected by droughts. In 1978-79 a comprehensive programme called Integrated Rural Development Programme (IRDP) was started to help the poor by creating new assets for themselves so that their poverty can be eradicated over a period of time. Later it was restructured making it more employment-oriented and was termed as Swarnajayanthi Gram Swarojgar Yojana and some other programme contents were also added to it.

### **10.4.2 Minimum Wages**

The passing of the Minimum Wages Act 1948 is another important measure that ensures some sustained support to rural poor. Most state governments have fixed wages as per minimum wage legislation but the implementation of the minimum wage legislation has been very poor. This is due to several factors like excess labour supply; low productivity and poor skills of workers; lack of effective organisations of workers in rural areas; employers' inability to pay even minimum wages; and reluctance of the rich farmers to pay the prescribed minimum wages. This measure needs to be strengthened and effectively implemented.

### **10.4.3 Land Reforms**

Soon after independence the government attempted a series of reforms in agriculture in rural areas. The 'land reforms' consisted of schemes like providing surplus land to landless labour, regulation of rent for small cultivators, security of tenure for small and marginal farmers, consolidation of landholdings and cooperative farming. These aimed at

ensuring social justice to small and marginal farmers, and those who cultivated others' lands. These steps have been uneven and poorly implemented. The results have been uneven and did not improve the conditions of rural poor.

#### **10.4.4 Abolition of Bonded Labour**

In India's rural areas there is the practice of forcing the workers to work in lieu of their debts, often incurred by their forefathers. This unjust, cruel and exploitative practice was abolished in October 1975 when the country was under an internal emergency with an ordinance and was followed by the passing of the Bonded Labour System (Abolition) Act 1976. The workers were legally made free but the practice seems to be continuing in some rural areas. However such forced labour is found internationally in many countries, especially the developing ones. The International Labour Organization (ILO) in its recent report (Economic Times, 13-5-09) points out the growing number of unethical, fraudulent and criminal practices that can lead people into situations of 'forced' labour. The Director General of ILO states rightly that 'forced labour is the antithesis of decent work and causes untold human suffering. Such forced labour can be dealt with only through international efforts.' In his words "modern forced labour can be eradicated provided there is a sustained commitment by the international community, working together with governments, employers and the civil society". India must set a good example of successful eradication of such forced labour by effective implementation of the Bonded Labour System (Abolition) Act 1976.

#### **10.4.5 Employment Schemes**

Another set of measures were attempted to provide employment opportunities that will uplift the rural poor gradually but effectively. The measures were broadly started during the Fourth Five Year Plan (1969-74). These included the Rural Works Programme (RWP), Crash Scheme for Rural Employment (CSRE), Employment Guarantee Scheme (EGS) in Maharashtra and the Food for Work Programme (FWP). However these were not on a large-scale covering all rural areas of the country. Among these the EGS in Maharashtra deserves a special mention. Though there were criticisms of poor implementation, the programme has come in for high praise from international organisations. It encouraged the Union government to attempt a similar scheme all over the country as explained below.

A major change was visible from the Sixth Five Year Plan onwards. During this plan, the National Rural Employment Guarantee Programme (NREGP) was launched. A special programme for rural landless poor labour called 'the Rural Landless Employment Guarantee Programme (RLEGP)' was also launched fully funded by the central government. Later these programmes were merged into the Jawahar Rojgar Yojana (JRY). The JRY was also restructured and renamed as JGSY (Jawahar Gram Smridhhi Yojana). This programme gave employment to rural poor and also created durable assets necessary for development. To benefit rural poor residing in desert, drought prone, tribal, and hilly areas there is an Employment Assurance Scheme (EAS). A more comprehensive benefit programme was launched in 2001 called Sampoorna Gram Rojgar Yojana (SGRY) which not only gave wages to workers but also food security, at the same time creating durable assets for the community. In 2004 a National Food for Work Programme was launched. All these programmes are meant to provide employment, income and purchasing power to the rural poor and these definitely have improved the living conditions of rural poor.

A historical step was taken in 2006 when the Government of India introduced the National Rural Employment Guarantee Programme (NREGP) in select districts which became the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA). This ambitious programme now covers all the districts in rural areas. The scheme provides 100 days of guaranteed unskilled wage employment to each rural household that seeks employment under the scheme. The scheme is on the pattern of EGC of Maharashtra introduced in 1972. The programme is to benefit the rural poor and has become the government of India's flagship programme. It has been expanding rapidly since its introduction in 2006. Till recently only manual work was available to those seeking employment. Recently some changes have been announced by the Ministry of Rural Development. It will now cover rural artisans like masons and carpenters. Emphasis is also laid on the creation of 'verifiable permanent assets', 'to root out corruption in the forged muster rolls by culprits to pocket money in the name of rural jobs.' Officials have been asked to prepare 'a scheme under which a register of assets created under NREGA will be maintained at the district headquarters.' The programme may be further extended to construct roads as also houses for the BPL (below the poverty line) families under the Indira Awas Yojana that is being expanded to build 20 crore dwelling units. This single programme (NREGP) has prospects of making a world of difference for the rural poor in India and therefore carefully needs to be planned and effectively implemented to benefit poor in all major aspects of life, like poverty reduction, employment promotion and rise in the standard of living.

#### **10.4.6 Measures for Rural Labour**

Rural labour in India is entirely unorganised with poor living conditions. Further, a major measure announced is the 'Unorganised Sector workers' Social Security Bill'. However India still has a long way to go in improving the lot of rural labour and it is hoped that with the passage of rapid economic development large sections of rural labour will be able to enjoy the fruits of development. For this purpose the economic growth and development must be inclusive.

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### **10.5 PROFILE OF URBAN UNORGANISED LABOUR**

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The unorganised labour in urban areas constitutes a highly heterogeneous labour. It includes self-employed, wage employed, casual labour in various sectors. It covers hawkers selling various goods like garments, plastic items, fruits, vegetables, and numerous food items. Another section consists of construction workers; home-based domestic workers; casual workers working in factories and micro establishments. The urban labor also works in household industries like food processing, bidis, cigar etc. There are also ragpickers, rikshaw pullers, electricians, and many self-employed. All these workers face a large number of problems. The government has taken a number of measures, but these do not seem to have much difference to the lot of these urban unorganised workers.

As stated in the beginning, if agricultural labour is taken out, the rest of the categories of unorganised labour found in urban and semi-urban areas include a) those employed on wages, b) those who are self-employed like hawkers, and rikshaw and taxi drivers, and c) micro-entrepreneurs manufacturing small and simple products and components/spare parts, for sale to larger industries as well as to direct customers. All these activities and workers constitute the informal sector, mainly the urban informal sector.

The ILO sources define such informal sector to mean an unorganised and decentralised



sector in which economic activities take place outside the framework corporate public and private sector establishments. Such activities include small scale of operations; ease of entry; reliance on family labour and local resources; labour-intensive technology; low capital endowments; a high degree of competition; unregulated market; unskilled workforce; and acquisition of skills outside the formal education system.

The informal sector is more visible in India and in almost all sectors of the economy i.e. in agriculture, industry, household sector and the services sector. It has been in existence for a long time but it is only since the 1970s that it has drawn the attention of the policy makers and researchers, notably from the point of view of opportunities for participation and reaping the benefits of development. In India, the formal sector which received large resources has failed to provide employment for the growing labour force resulting in the problem of labour force explosion. Under the circumstances, the surplus labour force has been forced to generate its own means of income and employment. This working class is engaged in a variety of economic activities in the informal sector.

### **10.5.1 Nature and Magnitude of Urban Unorganised**

The urban unorganised labour is highly heterogeneous and is involved in a wide variety of occupations and establishments manufacturing a vast variety of goods and offering a number of services. A significant section of unskilled manual workers work in both organised (mostly as contract workers) and unorganised sectors in urban areas with unwarranted wage differentials between them. According to the 2001 census there were 402.5 million workers in the country. Of these 91.8 million were in urban areas. An overwhelming proportion of urban workers are unorganised. The work participation rate in urban areas was 32.2%. It was 50.85% for males and for females it was 11.5%. Women's work is thus increasingly informalized, flexible and thus prone to exploitation. Thus urban labour market is a phenomenon of clear male domination.

### **10.5.2 Type of Workforce**

The urban workers too can be divided into self-employed, regular salaried and casual labour. According to NSSO surveys, in 1999-2000, 42.1% of the employment was self employment; 40.1% regular/salaried; and 17.8% were casual labour. This proportion has not changed much over a period of time. A much larger section of urban workers are salaried compared to rural areas where only 7% are in this category. In the urban labour market, about 60% of workers were unorganised having poor conditions of employment.

### **10.5.3 Literacy**

India's literacy rate has wide variations. In urban areas literacy levels are higher but employability depends on acquisitions of skills and training. Here 90% of the workforce is unskilled or less skilled. Thus while urban labour may be more educated than the rural ones, such education is not associated with higher skills.

### **10.5.4 Vulnerable Sections**

Like the unorganised in rural areas, in urban areas there is urban informal sector which is nothing but urban unorganised labour consisting of workers working in small establishments or self-employed. Those working are doing so in unhygienic working conditions including longer working hours. Lack of education, skills and training has made urban unorganised very vulnerable. With a large supply of unskilled labour, competition among urban poor for livelihood opportunities has driven the wage rates of the unskilled to very low levels.

Minimum wages exist in law, but the excess supply of labour keeps the wages at a low level. There is also a significant section of child labour in urban areas that is highly vulnerable to all sorts of abuses. Poor urban women workers, who mostly live in slums, face discrimination, exploitation and abuse. Unhygienic living conditions in the slums and prevalence of social vices make them victims of AIDS/HIV. Majority of urban unorganised do not enjoy the benefits of social security system though such laws are supposed to apply to them. The cumulative result of all these factors is poor health of workers, malnutrition, low skills and high levels of vulnerability.

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## **10.6 PROBLEMS OF URBAN UNORGANISED LABOUR**

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The urban unorganised labour is highly heterogeneous working in different occupations and industries and services. Most of organised sector workers are found in big industrial cities and towns. So a significant part of urban unorganised labour are in residual employment wherein workers do not get employment in organised sector; they are pushed to the unorganised sector, mostly consisting of very small establishments, or self-employed offering a variety of services.

### **10.6.1 Nature of Work**

An important feature of the urban unorganised labour market is that a significant section of the work force consists of migrants from nearby areas. Growth rate of urban workers has been much faster than that of rural workers. For example, the growth rate of urban workers during 1991-2001 was 3.64 % compared to that of rural workers of 2.54%. India has the largest urban population next only to that of China. Metropolitan cities like Mumbai and Delhi attract unskilled workers from all over the country. Several urbanisation experts like Joshi & Joshi (1971); L.K.Deshpande (1979); Bose (1978), Papola (1971); and Mazumdar (1971) have studied unorganised workers in the urban informal sector in cities and towns. These studies have found the unorganised workers including a large section of self-employed varied from 50% to 75% of the total employment in the cities. All these workers were working in small scattered units which have made the mobilisation and organisation of these workers an extremely challenging task.

### **10.6.2 Conditions of Employment**

The urban workers work in varying conditions of work. For example construction workers work at building sites while small technicians work in small repair shops. Most of the workers are employed in low technology, low productivity and low earning occupations. Therefore, standardisation of their work is a difficult task. There is also absence of clear employer-employee relationship in case of certain categories of workers like domestic servants working in several houses. In such cases, workers are left to themselves resulting in adverse and sometimes hazardous working conditions.

Besides, large sections of workers have little education and poor skills making the problem of raising their skills, efficiency, and productivity an extremely challenging task. They also have little access to educational and training institutions. Further different categories of workers have different problems. Many workers, especially women and child workers are exploited in several ways. These problems are similar in both rural and urban areas. Many urban workers are forced to live in slums where the living conditions are extremely unhealthy.

Self-employed workers find it difficult to get access to credit from institutional sources

because of their inability to produce adequate security. They are also not well versed in the procedural formalities. They find it difficult to procure better quality of productive assets and resultantly, many of such workers depend on their kinship, caste and religious ties for livelihood and survival. Since the workers are not organised they lack adequate political and social power to influence government policies and programmes. And since they do not fit into any clear occupational classification development of a uniform legislation has become a major problem. Most of the workers do not enjoy social security.

Another problem faced by the urban unorganised workers is that of unemployment which is open, involuntary and chronic. According to the NSSO survey in 61<sup>st</sup> Round, unemployment rate under current daily status basis was 7.5% for males and 11.6% for females in 2004-05. Many of them are less educated and unskilled and are migrants from rural areas. A large section of the educated unemployed suffers on account of lack of employability because of inadequate education and training.

The above problems highlight the need for organising and regulating this sector. Though the economy and industries develop, the benefits have not percolated down to these workers because of being an organised force. Many of them are affected by the prevailing globalisation policies and need social help to enable them to face hardships. They should therefore be entitled to basic social security facilities like provident fund, medical care, pension benefits etc. The goals of poverty eradication demand that these workers are given some benefits of social intervention.

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## **10.7 MEASURES FOR URBAN UNORGANISED LABOUR**

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The measures to improve the unorganised sector should aim at removing impediments like illiteracy and low productivity; and lack of access to credit and other facilities. This can help in providing the labour good livelihood opportunities.

### **10.7.1 Government's Coordinated Measures**

It should be noted that measures are needed not only in the area of employment and livelihood opportunities but also in areas like infrastructural services including housing, water supply, sanitation, education and training, health and medical care. As pointed out by the central government, though cities are engines of growth and contribute nearly 55% to India's GDP, policies of economic growth have not led to improvement in the lives of urban poor.

It is necessary to evolve a plan of action for integrated development of urban areas in a sustainable, equitable, humane and inclusive manner. Right policies, programmes and projects can effectively meet the challenges of deprivation. "In urban context, however, the dimensions of poverty undergo transformation and priorities seem to change with the size of urban settlements. Security of tenure for shelter as well as for employment that is primarily informal, access to basic infrastructure and social services at affordable costs, availability of subsidized credit and social and political space emerge and factors which hugely impact poverty and quality of life of the urban poor (Kumari Selja, Minister of State, Ministry of Urban Development and Poverty Alleviation, Govt. of India, 10-2-06). The government has claimed that measures are thus more coordinated and balanced to ensure not only work but also welfare of the urban poor.

The government measures that help the urban unorganised are connected with the removal of urban poverty and unemployment. Earlier programmes included the Nehru Rojgar Yojana (NRY) of 1989; Planning Commission's Integrated Urban Poverty Eradication Programme (IUPEP); and Urban Basic Services Programme. These were replaced by Swarna Jayanti Shahari Rojgar Yojana (SJSRY) which includes two schemes that were added in 1997 viz. the Urban Self Employment Programme (USEP) and the Urban Wage Employment Programme (UWEP). The USEP programme aims at helping urban poor for setting up gainful self-employment ventures; helping urban poor women in setting up of similar ventures; and programmes for upgradation and acquisition of vocational and entrepreneurial skills by the beneficiaries and potential beneficiaries. The UWEP aims at helping urban poor living below poverty line within the jurisdiction of urban local bodies by utilising their labour for construction of socially and economically useful public assets. Officially notified minimum wages are to be paid to the beneficiaries of this programme.

The SJSRY schemes 'seek to provide gainful employment to the urban unemployed or underemployed poor by encouraging self-employment ventures and provision of wage employment wherever possible.' The creation of suitable community structures and delivery of inputs will be through the medium of urban local bodies and community structures. For example, to ensure professional training to those who are dealing with SJSRY schemes in the area of skill upgradation and entrepreneurship development, special programmes in association with Entrepreneurship Institute of India (Ahmedabad) and National Institute of Entrepreneurship and Small Business Development (New Delhi) are arranged.

The government also attends to specific categories of unorganised labour in urban areas. For example, special programmes are arranged to help street vendors wherein all stakeholders and experts are brought together to ensure benefits to the vendors as indicated in the National Policy of Urban Street Vendors. Similarly there is the scheme of Urban Low Cost Sanitation for the Liberation of Scavengers.

### **10.7.2 Constitutional Measures**

Measures to promote better governance of urban areas and more effective empowerment of urban local bodies is reiterated via the passing of the 74<sup>th</sup> Constitutional Amendment Act which came into force from June 1993. The act devolves a Constitutional status on the urban local self-governments who will no longer be found as merely as arms of the State. Under the Act, Article 243 confers wide powers, authority and responsibilities on urban local bodies and the Twelfth Schedule gives the subjects that come under Article 243W. Unfortunately they do not include measures to help urban unorganised. Item 9 under the Twelfth Schedule deals with 'Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded' gives some scope to plan and implement measures for a section of unorganised labour but is inadequate to cover the whole lot of unorganised labour. Still, there is scope to take advantage of this provision to bring benefits to unorganised labour, which must be fully explored. There are also programmes in the area of housing for urban poor like the Valmiki Ambedkar Awas Yojana (VAMBAY) providing shelter or upgrading it, and Nirmal Bharat Abhiyan dealing with community sanitation project

### **10.7.3 Other Measures**

There are also several schemes involving partnership with NGOs providing micro finance facilities or helping the unorganised to get loans on concessional institutional finance from

the banks for the urban poor. It may be concluded that schemes for the urban unorganised poor labour are large in number helping a variety of categories of labour and offering a wide range of services. If these programmes are expanded and implemented effectively, the urban unorganised may benefit tremendously.

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## 10.8 SUMMARY

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Unorganised labour constitutes well over 90% of the Indian labour force. This vast section of over about 400 million presently, is distributed in rural and urban areas; among men and women (and children also); and among different categories of work and workers, - wage employed and self-employed, in occupations and in micro enterprises. Analysis under major heads of 'rural' and 'urban' shows that when it comes to mobilisation, training and giving them income generation opportunities, there is immediate urgency and need for doing so. Governments, at central and state levels are no doubt grappling with the problems and welfare of unorganised workers. Government measures of employment guarantee schemes, family pension schemes, social security measures and welfare payments for the aged and handicapped, many of these for the benefit of unorganised labour are commendable, though these can be made more effective and broad based. But success can be achieved only with all round participation of all sections of unorganised labour. A major initiative taken by the Government of India was the setting up of the Second National Commission on Labour in January 1999 to examine, among other things, the labour legislation and suggest umbrella legislation for the benefit of unorganised labour. The Commission submitted its report in June 2002. The Report brought out the poor conditions of work and security for labour in the unorganised sector in the country and suggested job access, job security and protection against exploitation and provision of welfare measures. The unorganised labour must be mobilised and sensitised so that they can be empowered to raise their wages, standard of living, efficiency and productivity benefiting not only themselves but also the economy and society. Cooperatives may be involved to train small producers like artisans and small garment makers, associations for training self-employed like the bakers and hawkers. This is the Gandhian approach of promoting unity and harmony among all the unorganised labour and empowering them.

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## 10.9 TERMINAL QUESTIONS

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1. Explain the various features of the rural unorganised labour, commenting on its magnitude.
2. Attempt a profile of unorganised labour in urban areas, giving illustrations of some prominent categories.
3. Comments on the measures taken for the benefit of rural unorganised labour.
4. Discuss the measures available for the urban unorganised labour. Suggest some measures that can improve the lot of this labour.

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## SUGGESTED READINGS

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