

SOCIAL SECURITY FOR THE UNORGANIZED SECTOR IN INDIA

By

Submitted by

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ABSTRACT:

According to the latest data collected and published by the government of India about 93% of the workers work in the unorganized sector. This sector is also known as the informal sector. During recent times the study of this sector has become important not only from the economic point of view but also in sociology and psychology. It is found through several studies undertaken by various scholars in India. Various research papers have concentrated on the discussion about the term 'informal economy' and the condition of unorganized workers and various steps taken by governments for the welfare of unorganized workers in recent times. However, it is found that only 7% of Indian workers are eligible for most social security benefits. The remaining unorganized workers are not adequately covered or, even if they are policies are not frequently implemented. It is found that there are many legal and other loopholes and difficulties in implementation. Due to all these counters' wait factors the overall aims of the policies are fully satisfied. International commitments and constitutional requirements require the government to give social security benefits to all residents. Social security can be protective or promoting. The former aims to protect against life's eventualities (such as illness and old age), which may impair an individual's earning ability; whereas the latter takes proactive action to raise the standard of living. In India, very few workers are eligible for the majority of the benefits of social security legislation, while the remainder of the unorganized sector is not adequately protected, and even when covered, the laws and plans are frequently poorly enforced. Furthermore, policy inconsistencies, legal weaknesses, and a lack of investment in social security programs exacerbate the situation. Unorganised laborers are forced to spend their meager earnings on all contingencies, leaving them powerless in old life. We must not see illness or hunger as a contingency but as a permanent fact of existence for which security must be provided. The purpose of this paper is to outline the current social security laws and plans accessible to India's unorganized workforce. An attempt was made to concentrate on the themes of social security and unorganized workers. In this paper, an attempt has been made to throw light on the life of the workers (Female construction workers) in the unorganized sector.

Keywords: Unorganised sector, informal economy, social security, female construction workers

Introduction

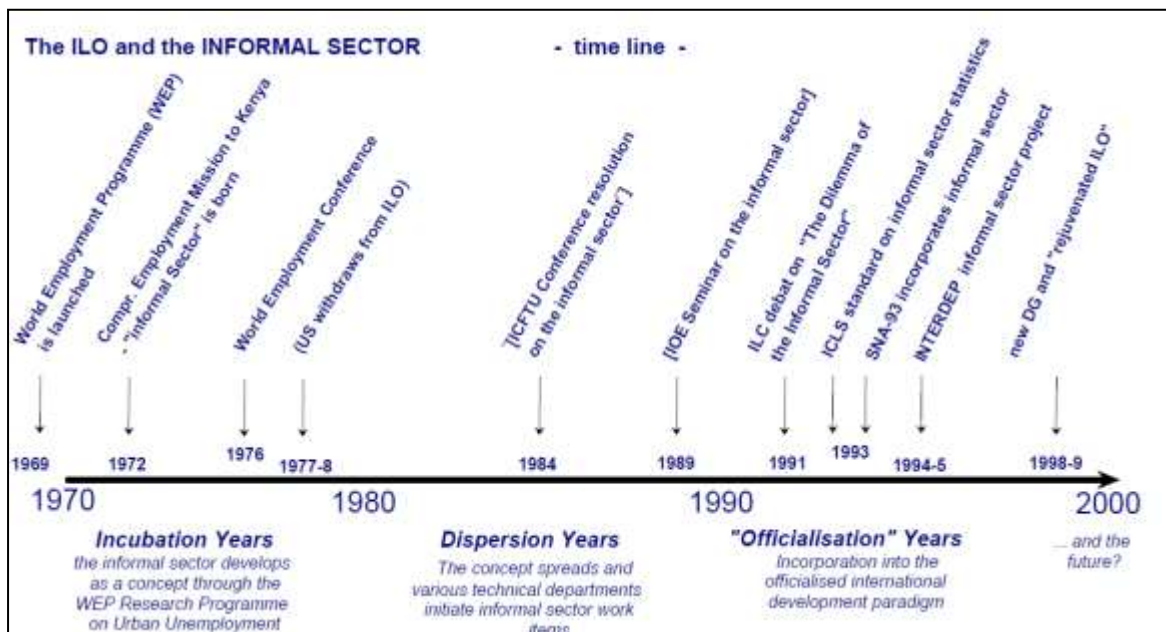
Workers in India's unorganized sector account for around 93% of the overall workforce. Unorganised sector workers in India face major issues ranging from job uncertainty to dangerous working conditions. The aims are to examine the 'informal economy', the status of workers in the unorganized sector, and government initiatives for worker welfare. This research is based on secondary data from the National Sample Survey Office and other relevant publications. The inductive technique was employed in this paper to achieve the aims. The observations show that the working conditions in the unorganized sector are deteriorating, despite attempts by governments to improve them. As a result, the unorganized sector plays an essential role in the Indian economy and must be given special attention. In this chapter, an attempt was made to analyze the difficulties and obstacles that workers in the unorganized sector confront to remove impediments to providing employees with at least a basic level of social security.

An unorganized sector is defined by the National Commission of Labour, as an undertaking owned by individuals or self-employed employees engaged in manufacturing or selling products or some form of service and employing less than 10 staff in the business.

The term unorganized worker has been defined under the Unorganized Workers' Social Security Act, 2008, as a home based worker, self-employed worker or a wage worker in the unorganized sector and includes a worker in the organized sector who is not covered by any of the Acts mentioned in Schedule-II of Act i.e. the Employee's Compensation Act, 1923 (3 of 1923), the Industrial Disputes Act, 1947 (14 of 1947), the Employees' State Insurance Act, 1948 (34 of 1948), the Employees Provident Funds and Miscellaneous Provision Act, 1952 (19 of 1952), the Maternity Benefit Act, 1961 (53 of 1961) and the Payment of Gratuity Act, 1972 (39 of 1972).

According to the Social Security Act 2008, the term unorganized sector is “an undertaking owned by individuals or self-employed employees engaged in manufacturing or selling products or some form of service and employing less than 10 staff in the business,” and unorganized workers

The organizational history of the informal sector over three decades is shown in the following diagram (timeline), which shows the changes in the concept and definition of the 'informal sector' in historical terms.



India is the most populous country in the world. An intriguing aspect of the Indian population's features is the presence of an unorganized sector, which is the majority and cannot be adequately catered to by the social security systems put in place for that purpose. According to the census 2011-12 the total employment in the country was 47 crores out of which about 8 crores were employed in the organized sector and the remaining 39 crores were working in the unorganized sector, which means that the workforce participation rate for females was 25.51% and the 53.26% for males. In the rural sector, this ratio was 30.02% females and 53.03% males.

Ministry of Labour has classified the unorganized labour force under four groups based on occupation, nature of employment, especially distressed categories, and service categories. Considering the situation regarding social security measures for the working population, it is found that India has been providing social security to all who are unemployed, children, aged, weaker sections, and vulnerable groups.

The second largest category of workers in the unorganized sector is that of construction workers. (About 5.57% of workers were engaged in construction works in 2004-05 (Economic Survey: 2007-08). Various activities like civil, mechanical, electrical, and public health areas are included in the construction industry. Part of these several thousand self-employed workers is engaged in actual construction work and related works like painting, plumbing, electrical & mechanical fixtures, etc.

The Ministry of Labour has classified the unorganized workforce into four divisions.

Sr. no.	Category of work	Type of work
1	Terms of occupation	Small and marginal farmers, landless agricultural laborers, sharecroppers, fishermen and 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 sawmills, oil mills, etc
2	Nature of employment	Agricultural laborers, bonded laborers, migrant workers, contract, and casual laborers
3	Distress categories	Toddy tappers, scavengers, carriers of head loads, drivers of animal-driven vehicles, loaders and unloaders
4	Service categories	Midwives, domestic workers, fishermen and women, barbers, vegetable and fruit vendors, newspaper vendors, etc.

What is Social Security? (In Indian condition)

Securities of various types shield society offers its working class against financial and social difficulties. It is found that most of the important security needs of the unorganized workers are food security, health security, housing, employment, income security, and lastly old age security. The strategies for providing social security include preventive, mitigating, and coping aspects.

According to Dr. Amartya Sen and Jean Dr. Eze "The simple idea of Social Security is to use Social manner to save you deprivation and vulnerability"

There have always been sick individuals who needed medical help and care, as well as disabled and elderly persons who were unable to work.¹ (1 Government of India, Report of Committee on Labour Welfare, 1969, p. 25) "There are five giants on the road of reconstruction". "These are want, disease, ignorance, squalor, and idleness."

Every individual is exposed to some level of risk or hazard. According to the World Development Report (1997), social security should be considered as an investment in human development. According to the United Nations Development Programme (UNDP), most people's sense of insecurity stems from daily concerns such as food security and job loss, rather than fear of catastrophic global events. Social security now takes a rights-based approach rather than a charity-based one. The notion of social security has evolved from a charity-based to a rights-based one. Access to social security is a basic human right, as recognized by national constitutions⁵ and international instruments.

The Social Security system in India consists of several schemes and program-specific laws and regulations. However, it is to be noted that such a social security scheme applies to only a small part of the entire population. Moreover, in addition to an insurance payment of

premiums in the government funds, there is also a lump sum obligation on the part of employers.

Generally, the following types of social insurance are covered under India's Social Security schemes.

- Pension
- Health Insurance and medical benefit
- Disability benefit
- Maternity benefits and
- Gratuity etc.

Apart from this, there are separate pension funds for civil servants, workers employed in coal mines and tea plantations in the state of Assam, and seamen.

Condition of Informal Sector Workers in India

According to the 68th round of NSSO, the share of workers without job contracts decreased from 68.8% (2004-05 to 63% in 2011-12). At the same time, the percentage of workers without any social security benefits increased from 71% in 2004-05 to 72% in 2011-12. During the same period the percentage of 'Casual laborers involved in trade union activities' was 79 % to 87% in 2011-12. Similarly, the difference between average daily earnings of the informal sector reached 173 in 2011-12. In the same way, the average daily income of all workers increases from 194 to 394 in the same period.

Legal provisions about social security:

An act for the welfare of workers of the unorganized sector

For the welfare of unorganized sector workers, the Unorganised Workers Social Security Act was enacted by the Ministry of Labour and Employment, Government of India, which was implemented in 2009. The salient features of this law are as follows.

- 1) Under section 3(1) various schemes have been outlined by the central government for various categories of unorganized sector workers concerning the issues mentioned below:
 - (i) Life Disability Insurance
 - (ii) Health and maternity benefits
 - (iii) Post-retirement protection
 - (iv) Benefits prescribe by central government
- 2) Provided Fund (PF) formulated by various State Governments under section 3(\$), includes occupational injury protection benefits, housing schemes, educational schemes for children, skill development, funeral assistance, and old age schemes.

Provision for the construction sector

Welfare facilities in the construction sector depend on the laborers engaged at the construction site. Many countries have their standards and regulations for providing this facility. The International Labor Organisation prepared a guideline for welfare facilities provided to workers in the construction sector. This facility includes accommodation for the workers, food, protective clothing, sanitary facilities, recreational facilities, transportation, and leaves provided to the workers.

The mobility of the construction site affects the provision of workers' welfare, as the building construction site is fixed while in other construction sites like pipelines, roads, canals, railways, etc. the site conditions are temporary with the progress of work [Anand, S. (1986)].

The laws framed by the Ministry of Labor Welfare, Government of India for the protection of the interests of the workers are applicable to the workers of the organized as well as the unorganized sectors at the same time and equally. In addition, several laws have been enacted to ensure fair conditions of work for the unorganized sector workers and many of them apply to the construction sector workers as well. The laws listed below apply to construction workers.

- 1) Workmen's Compensation Act - 1923
- 2) Payment of Wages Act - 1936
- 3) Minimum Wages Act – 1948
- 4) Employees Provident Fund Act 1951
- 5) Maternity Benefit Act – 1961
- 6) Contractual Labor (Regulation and Abolition) Act – 1970
- 7) Gratuity Payments Act – 1972
- 8) Equal Remuneration Act – 1976
- 9) Bonded Labor Abolition Act - 1976
- 10) Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act 1979
- 11) Child Labor (Prohibition and Regulation) Act – 1986
- 12) Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act – 1996
- 13) Bonus Payment Act – 1965
- 14) Building and Other Construction Workers Welfare Cess Rules – 1998
- 15) National Rural Employment Guarantee Act – 2005

This paper has examined the social security measures for female workers in the construction sector in Surat and tried to relate to the various measures taken by the government for their decent lives. First of all, we know about construction activity in brief.

Construction Activity:

The contribution of construction activities to the rapid growth of the economy is very important. The construction sector is the second largest employment-generating sector after agriculture in a developing country like India.

Meaning of Construction Activity

Various activities in the construction sector like the construction of hospitals, schools, offices, new residences or the improvement or addition of old buildings, land levelling, construction of footpaths, roads, ports, railways, airports, and irrigation systems. Factories, parking lots, sewerage, laying of petroleum and gas pipelines, construction of canals, etc.

Construction activity is the activity of erecting a building or structure. There are two types, general and special. Common activities include erecting large buildings, concrete work, pottery, masonry, roofing, interior decoration, etc. While special activities include

waterproofing, heat insulation, sanitary and engineering work, electrical arrangement work, etc.

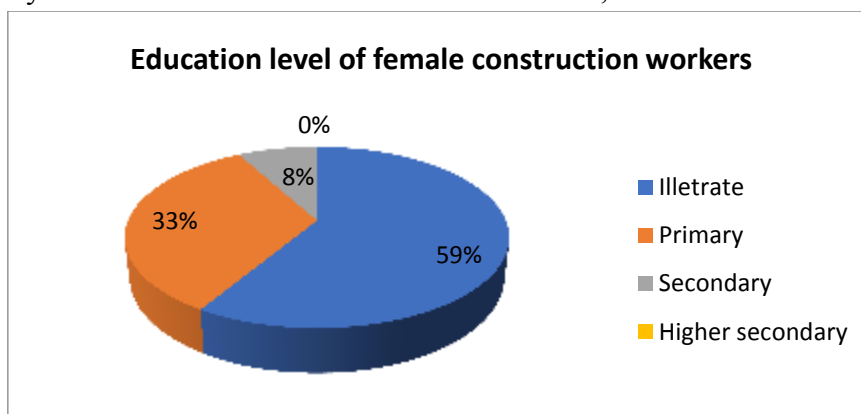
Construction, extension, establishment, execution, repair, maintenance, renovation, conversion, alteration, and demolition of very old buildings, structures, roads, railways, canals, airports, electrification, water, and gas in the construction sector as per Singapore's Construction Development Board Act-1984, telecommunications, bridges, sewers, ponds, pipelines, underground roads can all be included (George Ofori, 1990).

According to an ILO report, the construction sector in most countries consists entirely of male workers. However, women workers also work in South Asian countries. These female workers are engaged in unskilled work for low wages. E.g. 30% of construction workers in India are female workers. who are unskilled laborers and do heavy lifting of goods.

A small survey was undertaken to examine whether the above-mentioned laws are properly implemented and how they have affected the workers, especially the female workers. For this purpose, a sample of 150 female workers working in the construction sector were chosen from Surat city which is one of the fastest growing cities in the world and a lot of construction activity is going on in the city. For this purpose, a sample was selected using the convince sampling method. The required information was collected from the female workers and was also tasted after making necessary changes the questionnaire was used for further classification and analysis using SPSS.

Based on the statistical information collected during the survey the following conclusions arrived at using various statistical methods.

- 1) Education plays an important role in a person's life, providing basic knowledge and skills for survival so that a person can develop himself. The importance of education has been increasing in the present era, so education has become the best means of livelihood, besides raising social status. Some education is required to understand and use various provisions of the Labour Act. An attempt was made to determine the educational level of the selected women workers. In this connection, it was found that as many as 58.7% of women workers were illiterate, 33.3% were literate.



In terms of educational attainment, it is seen that the illiteracy rate is higher among female workers because construction is a traditional profession, children often go to work with their parents and join them after a certain age, so their level of education is low.

- 2) Around 84% of female workers despise their present jobs because they are not comfortable working outside their native, and 65% of the females feel insecure about working in cities.
- 3) Females get 280 Rs a day, but males earn 400 Rs. Wages differed significantly between male and female workers.
- 4) Females were not given the same safety precautions as males, except for two places where they were given 'gloves', and many women do not wear shoes or Chapple at the workplace.
- 5) As far as the income level of selected women workers is concerned 12.7% had lower monthly income levels of Rs.1500 to 3000 and 22.7% of them earned more than 7500 Rs. /Month.

As seen above since the workers do not get sufficient income sometimes in case of emergency, they must borrow money from various other sources (mostly the employer). This implies that they are paid higher wages or some system through which they can get extra pay from government agencies, which will solve their major problems.

- 6) As mentioned earlier construction sector is one of the largest sectors providing employment too. The large number of individuals in this sector various types of non-monetary benefits are provided to the workers which indicates social security provided to them as shown in the following table.

Non-monetary benefits to construction women workers

Sr. no.	Non-monetary benefits	Number of females	percentage
1	Insurance	33	75.0%
2	Sickness benefits	6	13.6%
3	Children Education	18	40.9%
4	Income-related	00	0.00
5	Protection against accidents	24	54.5%
6	Safety equipment	14	31.8%

The above table gives a clear picture of various non-monetary benefits received by the workers. As per this table 75%, 54.5%, and 40.9% were non-monetary benefits in terms of insurance, protection against accidents and children's education, protection against accident, and safety tools.

- 7) Moreover, it was found that only 6% of female workers were compensated for their work on holiday, whereas 74% did not get such compensation.

- 8) If a female worker makes any type of mistake/damage than 41.0% of them must compensate for that.
- 9) Among the negative effects of work, 84.1% of women reported feeling more tired, fatigued, and weak. 56.1% of female workers suffer from back pain due to work, and 60.7% about hand and foot pain. 29.9% of women suffer from respiratory problems and 5.6% of women workers suffer from skin diseases. The negative impact on the health of women workers due to work can be considered a serious matter.
- 10) Among the abused women included in the study, the proportion of women who were victims of mental abuse was 3.6%, the proportion of women who were victims of verbal abuse was 21.4%, the proportion of women who were overworked and underpaid was 62.5%, the proportion of women who were victims of physical abuse was 8.9% and frequent dismissal. 14.3% of women were victims of threats.
- 11) The percentage of female workers having a bank account is (46.7%), while in terms of voting cards and ration card, this ratio was (63.3%) and (76.7%). The percentage of women having an Aadhaar card was (83.3%).
- 12) Asking the female workers whether this work is suitable for the future generation, it was found that 111 (74.0%) of the women working in the construction sector said that this work is not suitable for their future generation. Every female worker provides her child with a higher education and a bright career.
- 13) 6% of working ladies misuse chewing tobacco regularly, some have bidi smoke daily."
- 14) Observations revealed that workers were living in self-made tent-like structures wrapped in plastic sheets near or within construction sites.
- 15) 8 out of 10 locations lack bathing and washing facilities, with only one site offering separate 'Katcha' restrooms with insufficient sanitary standards. Workers used to practice open defecation on the site. During the study, it was observed that construction women mainly live temporarily where the work is going on and hence they have to face more such problems there.
- 16) The living conditions were enough for female seclusion. Several of the females were experiencing complications during menstruation.
- 17) Possibility of advancement in one's business among women working in the construction sector, 141 (94.0%) women gave negative feedback about this. Thus, all

the female workers in the demonstration are quite pessimistic about their future progress.

18) Other results:

- (i) Female construction workers are economically, socially, psychologically, and physically exploited more than male workers.
- (ii) Due to many changes and instabilities during their tenure, they and their children do not have access to health, water, education, and sanitary facilities.
- (iii) There is also inequality in the wage rates of male and female workers, and female workers are paid less than male workers for the same type of work.
- (iv) Women workers do not have any opportunity for promotion, as they do not have proper skills in the construction sector and have to move frequently, and thus, have to perform many social duties including their family, as a result of which they suffer from mental stress.

Conclusion:

It is found that unorganized workers play a very important role in the development and progress of the economy, they do not get the share of benefits that they deserve. Therefore, the policy must be changed so that these large numbers of workers get maximum benefits, while making any policy for these workers the policy maker must consider the hardship and challenges faced by a large number of workers in the important informal sector. Moreover, awareness and implementation of the acts or rights of workers in rural areas should be given top priority. For this security should be expanded to remote areas so that they come under the administrative center. This is how the dignity and level of income of hard-working unorganized workers are safeguarded. Female construction workers, a transitory and floating group, require special care. Individuals who lack social security and familial support are more likely to experience addiction and violence. Early identification of alternative healthcare options is crucial for these women. The living conditions should be adequate and sanitary for these women.

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