

## **WOMEN IN UNORGANISED SECTOR OF INDIAN ECONOMY: CRITICAL REVIEW OF SOCIAL SECURITY MEASURES**

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*There has been paradigm shift from a welfare orientation to an empowerment approach. This has further led to the emerging concept of engendering development in order to ensure gender equity, gender mainstreaming and women-centric governance. Though, India is among the most complex democracy in the world, with a long history of commitments to women's welfare and empowerment through constitutional provisions, legislation, policies and plans even while deep levels of structural gender bias persists within families, societies and economies. There are formidable opportunities and challenges, including continued high rate of economic growth in the phase of declining sex ratio, decreasing energy and natural resources, increasing income inequality and an urban rural divide. Thus, gender equality has become a core prerequisite for sustainable and equitable economic growth. Women are major contributors to the India's economy and therefore empowerment of women is essential for distributive justice and national growth. Engendering growth model and development plans may create opportunities for women in their mainstreaming in development process and governance. The growth models and development planning requires the suitable mechanism which is able to address the gender concerns at all stages and policy commitments along with budgetary support for them. Women constitute significant share in Indian workforce, however, their share in unorganised sector of economy is found to be much higher. The unorganised sector of economy also lacks effective enforcement of Social security Act, 2008, thus, a large chunk of women workers are being deprived of the social and economic benefits in their job. Present paper attempts to review the social security measures in unorganised sector of economy in India.*

### **INTRODUCTION**

Women form an integral part of the Indian workforce. The total number of female workers in India is 149.8 million and female workers in rural and urban areas are 121.8 and 28.0 million respectively (Census, 2011). Out of total 149.8 million female workers, 35.9 million females are working as cultivators and another 61.5 million are agricultural labourers. Of the remaining female's workers, 8.5 million are in household Industry and 43.7 million are classified as other workers (Ministry of Labour and Employment, India, 2020-21). The status of female employment in India has been the subject of much debate of late in the national platform, due to its intrinsic relationship with female empowerment. The Economic Survey 2017-18 mentions an Organisation of Economic Cooperation and Development (OECD) analysis that indicates that the proportion of women who work has steadily reduced over time, from 36 percent to 24 percent in a decade, (when examined in 2015-16) signalling a decline of 33.3 percent in Female Labour Force Participation (FLFP) in ten years. It also showed that the gender gap in Labour Force Participation Rate (LFPR) is more than 50 percentage points in India. This

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gender gap is visible in the plot for Median Earnings as well. As the Survey Report notes, women workers often constitute the most vulnerable of the workforce as they are “employed in the least secure, informal, unskilled jobs, engaged in low- productivity and low-paying work”. Among peers, India performs the worst compared to Brazil, Mexico and Indonesia, according to both indicators analysed by OECD. This is also corroborated by the estimates released by the International Labour Organisation (ILO) and World Bank, as given below. They have defined FLFP as percentage of working female population in the 15 years and above demographic. Our economy will be treated as developed economy only and only when overall status of women will improve and that can be possible if each and every individual take an initiative to support women to learn and respect women. Government policies play a very vital role to enhance women empowerment. Skills development is a key to improving productivity, employability and income-earning opportunities, enhancing food security and promoting environmentally sustainable economic development and livelihoods for women. Skills development is not equated with formal technical, vocational and agricultural education and training alone, but is used more generally to refer also to the productive capacities acquired through all levels of education and training, occurring informal, non-formal and on-the-job settings, which enable individuals in all areas of the economy to become fully and productively engaged in livelihoods and to have the opportunity to adapt these capacities to meet the changing demands and opportunities of the economy and labour market. The acquisition of these capacities is dependent on many factors, including self-motivation, good quality education/training and the presence of a supportive environment, looking into the socio-economic condition of the geographical areas. To empower women, it is important to develop knowledge and skills and make women participate in paid employment and in higher-value work. This can be done firstly by increasing access to technical and vocational training, including in non-traditional, higher-value, and emerging sectors; secondly, it is important to build women’s life skills, and create links between education and training programs and employment opportunities to facilitate the transition from education to work. The primary objective of our study is to investigate the women participation indifferent sectors of economy on different parameters. To study the friendliness, we will consider few of the factors like social security, leaves, salaries, working conditions, health benefits, pension, maternity benefits, child care leaves, housing facilities etc

“The unorganized sector” consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers”. “Unorganized worker” means 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 Acts mentioned in Schedule II of the Unorganized Workers Social security Act 2008. Unorganized worker” means a self-employed worker or a wage worker in the unorganized sector and includes wage workers in the organized sector without any social security cover. Social Security Act Social security may be defined as any programme of social protection established by legislation, or any other mandatory

arrangement, that provides individuals with a degree of income security when faced with the contingencies of old age, survivorship, incapacity, disability, unemployment or rearing children. It may also offer access to curative or preventive medical care. As defined by the International Social Security Association (an international institution to promote dynamic social security), social security can include social insurance programmes, social assistance programmes, universal programmes, mutual benefit schemes, national provident funds, and other arrangements including market-oriented approaches that, in accordance with national law or practice, form part of a country's social security system.

Unorganised worker means a home-based worker, self-employed worker or a wage worker in the unorganised sector. The most probably agricultural labourers, bonded labourers, migrant workers, contract and casual labourers, toddy tappers, scavengers, carriers of head loads, drivers of animal driven vehicles, loaders and unloaders, midwives, domestic workers, fishermen and women, barbers, vegetable and fruit vendors, news paper vendors, cobblers, hamals, handicraft artisans, handloom weavers, lady tailors, physically handicapped self employed persons, rickshaw pullers, auto drivers, sericulture workers, carpenters, tannery workers, power loom workers and urban poor, small and marginal farmers, landless agricultural labourers, share croppers, fishermen, those engaged in animal husbandry, beedi rolling, labelling 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, etc. can be covered under this category. Social Security Act for unorganized Workers was enacted in 2008 in order to provide social security measures and implementation of welfare schemes for the workers engaged in unorganized sector of economy. The Unorganised Workers' Social Security Act, 2008 (UWSSA) defines an unorganized worker as a home based worker, self-employed worker or a wageworker in unorganized sector including unprotected workers in organized labour sector. Unorganized workers constitute nearly 94% of India's total workforce. While successive governments have failed to enact a comprehensive legislation for the welfare of unorganized workers, various schemes of social security for such workers were initiated in the past. These social welfare schemes range from old age pension to death and disability insurances for poor and vulnerable labourers. The Unorganized Workers' Social Security Act, 2008 enacted by erstwhile UPA government was an initiative to streamline such schemes and ensure their effective implementation. The Act provided for effective implementation and expansion of existing social security schemes in order to cover the large population of unorganized workers.

#### **WOMEN IN UNORGANIZED SECTOR:**

Globally, informal employment is a greater source of employment for men (63.0 per cent) than for women (58.1 per cent). This is true for both the averages for emerging and developing countries and developed countries and for agricultural and non-agricultural informal employment. Out of the 2 billion workers in informal employment worldwide, just more than 740 million are women. This global picture hides important disparities

and results from the influence of major countries such as China or the Russian Federation. By contrast, in low and lower-middle income countries, a higher proportion of women are in informal employment than men. In Africa, 89.7 percent of employed women are in informal employment in contrast to 82.7 per cent of men. However, even though globally there are fewer women than men in informal employment, women in the informal economy are more often found in the most vulnerable situations, for instance as domestic workers, home-based workers or contributing family workers, than their male counterparts. Moreover, the lower the participation rate of women in the labour market, the lower the share of informal employment in total women's employment. This is particularly observed in North Africa and the Arab States.

The Indian labour market has been, and continues to be, predominantly informal. In the year 2018-19, the nature of employment for around 90 per cent workers in India's labour market was informal. These workers are either inadequately covered or not at all covered under the existing labour legislations, social protection schemes, and other employment benefits. Due to lack of governmental oversight, a large proportion of these workers work in exploitative and precarious conditions. According to the International Trade Union Confederation, India is amongst the 10 worst countries in the world in terms of worker rights in 2020 (ITUC, 2020) Social Security is a package of protection provided to workers to protect workers against contingencies of life. These contingencies are Old Age, Disability, Occupational Hazards, Sickness Maternity and unemployment. Social security may be defined as any system of social protection established by law, or any other mandatory arrangement, that provides individuals with a degree of income security when faced with the contingencies of old age, survivorship, incapacity, disability, unemployment or rearing children. There are two methods of providing social security throughout the world. One is social assistance and the other is social insurance. In case of social assistance all sorts of benefits are provided to workers by the government free of cost whereas in case of social insurance benefits are provided only when workers are contributing in a pooled fund. The fund is contributed by workers as well as government agencies. So far as social insurance is concerned it is very much difficult to apply or administer on unorganized workers. Firstly their income is not fixed, job is also not fixed, income remains very low. It is also very difficult to find out their employer since they are always changing. But still there is some possibility to insure unorganized workers with the help of local administration and employer. Social Assistance is relatively easier to implement and administer since no contribution on the part of employer or employee is required. But the problem of traceability of workers is a hard task. Workers change job, place and sometimes even state. Normally in developed countries Social insurance is more popular and in underdeveloped countries social assistance seems to be a better choice depending upon the state of the economy of the particular country. So far as Indian situation is concerned unorganised workers have been hardly covered under any of such benefits through legislation. The Central government for the first time in the year 2008 passed an act named "Unorganised Workers Social Security Act 2008" to protect the workers against contingencies of life. This act is applicable throughout India and applicable to

Building Construction Workers also.

Between 2011-12 and 2018-19, there has been only slight improvement in access to social security benefits by informal workers from 23 per cent to 26 per cent. Similarly, there has been negligible change in the share of workers eligible for paid leave or having a written job contract. In fact, in urban areas, there was a decline of 4 percentage points in the proportion of workers having a written job contract between 2011-12 and 2018-19. This indicates that the labour market policies haven't been implemented with a focus on transitioning towards ensuring formal employer-employee relationships over these seven years. If we consider only the regular salaried workers, around half of them (53 per cent) did not receive any social security benefits from the employer in 2018-19. This indicates high prevalence of informal jobs even among those who have regular salaried jobs. Thus, the condition of casual labourers and self-employed own-account workers is extremely vulnerable in terms of access to social security. At the national level, a considerable share of the informal workers in 2018-19 was self-employed (58 per cent), followed by one-fourth (26 per cent) being casual labourers, and 16 per cent regular salaried earners. Those who are self-employed can be subdivided into own account workers, employers, and unpaid family workers. Majority of the self-employed were own-account workers in household enterprises (41 per cent of total). Again, 15 per cent of the total informal workers contributed to family-based enterprises without getting formally paid (refer Figure 1). If we consider urban areas only, almost half of the informal workers were self-employed, followed by 35 per cent being regular salaried workers.

As per the survey carried out by the National Sample Survey Organization in the year 2009-2010, the total employment in both organized and unorganized sector in the country was of the order of 46.5 crore. Out of this, about 2.8 crore were in the organized sector and the balance 43.7 crore in the unorganized sector. Out of 43.7 crore workers in the unorganized sector, 24.6 crore workers were employed in agricultural sector, 4.4 crore in construction, and the remaining were in manufacturing activities, trade and transport, communication and services. A large number of unorganized workers are home based workers and are engaged in occupations such as beedi rolling, agarbatti making, pappad making, tailoring, and embroidery work. More than 90% of workforce and about 50 percent of the national product are accounted by the informal economy. A high proportion of socially and economically underprivileged sections of society are concentrated in the informal economic activities. As mentioned earlier, a large number of women are working in the informal sector. They face a number of problems also.

Indian economy has preponderance of informal and unorganized sector both in terms of number of workers and enterprises. This segment of economy has inbuilt vulnerabilities, and the study of unorganized sector based on reliable data is important for informed decision making and addressing the problems faced. The biggest problem with the informal sector in India is that here is no precise information about the total number of workers what to say of women engaged in this sector and also their respective ratios in various diversified occupations. The Report of the National Commission for Enterprises in the Unorganized Sector highlights the existence and qualification of

unorganized or informal workers, defined as those who do not have employment security, work security and social security. This universe of informal workers now constitutes 92 per cent of the total workforce. Informal wage employment is comprised of employees of informal enterprises as well as various types of informal wage workers who work for formal enterprises, households, or who have no fixed employer. The women workers in the informal sector work as piece rate workers, self-employed workers, paid workers in informal enterprises, unpaid workers in family business, casual workers without fixed employers, sub-contract workers limited to formal enterprises. Home-based workers and street vendors are two of the largest sub-groups of the informal workforce: home-based workers are numerous but street vendors are more visible of the two. Taken together they represent an estimated 10-25 per cent of the non-agricultural workforce in developing countries and over 5 per cent of the total workforce in developed countries (World Bank, 2000). Kannan and Srivastava (2006) overviewed a comprehensive social security scheme for the unorganized sector which had been proposed for the first time in India. The proposal by the National Commission for Enterprises in the Unorganized Sector (NCEUS) sought to develop a healthy workforce that in turn would have a positive impact on national income and economic growth. The scheme was aimed to cover sickness, maternity, old age and death and proposed a participatory system with some contribution from the workers. Sakthivel and Joddar (2006) analyzed that the coverage of social security schemes had been largely against economically and socially vulnerable sections while regular workers were largely covered by the provident fund regime. J.Y. Suchitra and D. Rajasekhar (2006) found the difference in the extent of employment security faced by different occupational groups within the unorganised sector and the factors influencing the same.

## **CONCLUSION**

Workers play an important role in the industrial production of the country. Hence, organizations have to secure the cooperation of workers in order to increase the production and to earn higher profits. The cooperation of workers is possible only when they are fully satisfied with their employer and the working conditions on the job. In the past, industrialists and the employers believed that their only duty towards their workers was to pay them satisfactory wages and salaries. In course of time, they realized that workers require something more important. In addition to providing monetary benefits, human treatment given to workers plays a very important role in seeking their sectors. The sectors having realised the importance of welfare and social security measures introduced several welfare schemes for its workers and the families. For instance, the company provides statutory welfare facilities like drinking water, conservancy, medical appliances, canteen, rest shelters, crèches and the like. It also provides various non-statutory welfare facilities such as medical, education, recreation, housing/ quarters and so on. Further, it provides social security measures like provident fund, gratuity, pension, dependent employment etc. In short, due to the welfare and social security measures provided by the company, its workers have been working with involvement and commitment. Consequently, the performance of the company is quite commendable.

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