

## Schemes for Identification of Unorganised Sector

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### Abstract

The unorganized sector, covers most of the rural labor and a substantial part of urban labor. This includes activities carried out by small and family enterprises, partly or wholly with family labor. In this sector wage-paid labor is largely non-unionised due to casual and seasonal nature of employment and scattered location of enterprises. This sector is marked by low incomes, unstable and irregular employment, and lack of protection either from legislation or trade unions. The unorganized sector uses mainly labor intensive and indigenous technology. The workers in unorganized sector, are so scattered that the implementation of the Legislation is very inadequate and ineffective. There are hardly any unions in this sector to act as watch-dogs. But the contributions made by the unorganized sector to the national income, is very substantial as compared to that of the organized sector. It adds more than 60% to the national income while the contribution of the organized sector is almost half of that depending on the industry.

**Keywords:** Employment, Low income, Measures, Unorganized sector.

### Unorganised sector

"The unorganised sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and 10 services operated on a proprietary or partnership basis and with less than ten total workers".

### General meaning of Unorganised Sector

The unorganized sector refers to those enterprises whose activities or collection of data is not regulated under any legal provision or do not maintain any regular accounts. For instance, the units that are not registered under the Factories Act, 1948 form the unorganized composition of the manufacturing sector. Organized sector is the sector which comprises enterprises regarding which statistics are available from the budget documents or reports etc.

### Special contributions of Unorganized Sector

The analysis of trend and pattern of growth in employment shows that, over the years, formal employment growth has always been less than that of total employment, indicating a faster growth of informal

employment. Further a broad segment consisting of agriculture (both organized and unorganized) and organized non-farm sector, which currently absorbs nearly 70 per cent of total workforce, is showing the signs of negative growth rate and it is being predicted that these sectors will cease to absorb more and more labor force (Bhalla & Hazell, 2003). In this context, informal employment, especially its non farm segment, is being assigned a dominant role in official committees meant for future additional 11 employment generation. For instance the Special Group on —Targeting Ten Million Employment Opportunities per year over the Tenth Plan Period (2002-2007) set up by planning commission was of the view that – exclusively for generating the desirable high level of employment in the country, one has to target the unorganized sector, including small and medium enterprises (GOI, 2002).

Another contribution of the unorganised sector is its relationship with the organised sector. Some economists are of the view that there exists a downward linkage between the organised and unorganised sector implying that the latter lives or dies with the former (Stark, 1982). It is often considered that an exploitative relationship exists between the two sectors which is the basis of the existence of unorganised sector. This relationship enables the organised sector to procure cheap semi-finished goods and services from the unorganised sector and keep its own cost of production low. The unorganised sector provides cheap consumer products and services such as processed foods, readymade garments, handicrafts, transport, petty trading etc. to the urban population. This sector also plays an important role in recycling the waste materials and producing the goods and services which satisfy the needs of poor people having very low income.

Thus, in view of its tremendous importance there is a need to focus efforts and attention to develop a comprehensive understanding about the problems, needs, issues, and changes that are taking place in this sector. It has been recognised by all sections of researchers and writers that the working and the labour conditions in the unorganised sector are deplorable and in fact, the unorganised sector is at a disadvantageous position deserving supportive policy measures. The dominance is such that since early 80's and even before that more than 90 per cent of the total work force has been engaged in the unorganised sector to earn their income and livelihood.

### **Trends in professionalizing Unorganised sector**

Relocation, be it domestic or corporate, comes with its fair share of hassles. Logistics of movement, arrangement of transportation equipment, ensuring damage-free relocation, and intermediate storage in case of long distance relocation – all these factors need to be meticulously planned and charted out before relocation is commenced. In India, however, a different approach is generally followed. Being the world leaders when it comes to conservation of resources, we try to cut corners by hiring a local pickup truck and just piling stuff on until every square inch is occupied. We save a couple of hundred bucks and pat ourselves on our backs for a job well done – till we notice something missing, broken or damaged beyond repair. The mover does not

accept any liability, and you're left to curse the moment you decided to relocate. This is where major players in the relocation industry come into picture – to bring professionalism and organisation to a sector which remains largely unorganised in India.

However, there are a few things that these relocation service providers in India must take into consideration to boost their credibility and gain acceptance. First point on the agenda of any relocation service provider must be to develop a strong work ethic and a professional approach. This can only be done by cultivating accountability and professionalism from the grassroots level. Punctuality and timely performance delivery must be encouraged and adhered to, be it in reporting to the office on time or resolving all client queries within an acceptable time frame. Every individual associated must be carefully vetted and meticulously trained to develop requisite skills and professional expertise. The ground staff must be trained to develop their customer interaction skills; whereas the executive level should similarly be well acquainted with all aspects of decision making and strategic planning to ensure that the organisations are well-equipped to deal with all exigencies in the longer run.

Another factor which must be taken care of is logistics. Any organisation looking to provide relocation facilities to the customers must already have a robust infrastructure in place. From trucks, special cranes and lift vans for shorter relocations to warehouses and shipping containers for long-haul relocation efforts, the resources at disposal of the service provider plays a major role in their ability to deliver timely and satisfactorily. Moreover, like any team effort, coordination is the key to the relocation business. All departments, from packing to pricing to coordination, must be completely in sync through wireless, internet and GPS connectivity to provide a real-time situational analysis and avoid any and all mismanagement. Extra measures such as a pre-move survey and inventory cataloguing could help in identifying the most suitable equipment and mode of transport for all items. Additional back-up planning and disaster management plan to watch over moves could help relocation service providers with on-time delivery, cutting down on the risk of liability and damages.

One factor which is extremely desired yet somehow frequently overlooked is ensuring high quality of service. A quality team could be set in place to audit employees on a regular basis, thus maintaining a high quality of service. Certifications from International Quality benchmarks such as ISO 9001-2008, PAIMA, IAM, FIDI, ERC, EURA, We Connect etc. come in handy to inform and assure potential customers about the quality of service.

Focus must also be placed on creating brand value through customer satisfaction. Employees must be well-groomed with good communication skills, and trained to understand and identify customer needs. A bit of personalisation could also help boost the overall customer satisfaction; freebies such as welcome mats can be used to gain goodwill, whereas going the extra mile with additional assistance such as help in settling into the new locale, finding home etc. will win additional brownie points. The local packers and movers certainly won't pay as much attention to the customer satisfaction, which could help the bigger businesses in securing

vital demographic advantage. Easy client interfacing, 24X7 support and up-to-date online delivery status accessible to customers also go a long way in strengthening a service provider's credibility.

There is an urgent need to bring in efficiency, transparency, and safety in the relocation business. To achieve this, there has to be a shift in the mode of operation. While the leading service providers have already started to implement these measures, there is still a long way to go before the relocation industry in India can be regularised. It is time for the others to follow suit and help shape up a vibrant industry.

### **Legal Services Authorities can come to the help of the workers in the unorganised sector in the following manner**

1) Identifying the unorganised workers within the jurisdiction of each legal services institution by conducting surveys.

State Legal Services Authorities may take steps for conducting surveys for identifying unorganised workers and all other categories of workers included in Central Act 33 of 2008. Services of law students, NGOs and para-legal volunteers also can be availed of for conducting such surveys. Surveys can be conducted in a phased manner, gradually covering entire area within the jurisdiction of the legal services institutions concerned. The beneficiaries may be categorised into groups depending on the different welfare schemes of the State Government implemented through the Boards and Corporations (i.e. Construction Workers Welfare Board, Bidi Workers Welfare Board, Artisans Welfare Corporation etc). The survey should indicate whether the workers belonging to each category have made efforts to avail of the benefits of the scheme or scheme / legislation / programme of the government. The next step shall be to liaise with the Boards / Corporations concerned to make available the benefits of the schemes / programmes. Every effort shall be made to ensure that all deserving unorganised workers are brought to avail of the benefits.

2) Conducting legal awareness programmes for the identified groups of unorganised workers.

After identification of the unorganised labourers in each category, legal awareness programmes may be organised for creating awareness amongst them about the different welfare schemes and social security measures available. For this purpose, awareness programmes may be organised, as far as possible, at the place of work itself (e.g construction work sites, market places in the case of street-vendors etc). Legal awareness classes can be conducted in other places like community halls also. Care shall be taken that the timing of the awareness programmes does not conflict with the work of workers. Lunch intervals and holidays can be utilised for the awareness campaigns.

3) Persuading and assisting the workers in the unorganised sector to avail of the benefits under the different social welfare legislations, administrative programmes and schemes put in place by the State Governments.

Workers in the unorganised sector may be temperamentally not inclined to undergo the hassles for availing of the benefits of the schemes, programmes etc. Most of them being poor, illiterate and belonging to the lower strata of the society may not have the mental capacity to demand for their entitlements. Migrant workers being eager to go back to their villages after the work are unlikely to have support from the local people where they work. They are worst sufferers and victims of exploitation. Any such situation demanding individual will have to taken care of attention and, if necessary, legal aid can be given.

4) Reaching out to the unorganised labourers and facilitating their bargaining capacity with the employers and the institutional mechanisms for their welfare.

Unorganised workers seldom have bargaining capacity for securing their rightful entitlements. This leads to exploitation by the employers. Temporary nature of their work also disables them from using the collective bargaining techniques. Support by the legal services institutions to the unorganised workers will empower them in demanding their legal rights and entitlements. It shall be ensured that the workers are able to approach the Legal Services Authorities with confidence to avail of the benefits under the Central Act 33 of 2008.

5) Providing legal assistance in appropriate cases.

If any particular case requires legal action the legal services institution shall provide necessary legal assistance. For cases of court based legal services the eligibility criteria prescribed under Section 12 of the Legal Services Authorities Act, 1987 shall be kept in mind. The provisions of the Contract Labour (Regulation and Abolition) Act, 1970; The Bonded Labour System (Abolition) Act, 1976; The Inter-State Migrant Workmen Act, 1979; The Child Labour (Prohibition and Regulation) Act, 1986 and other major labour legislations also may be made use of in appropriate cases.

### **Problems in identification of unorganized sector**

One of the two main tasks entrusted to our Commission is to propose an umbrella legislation for workers in the unorganised sector. We have also been asked to see that the legislation, and the system that will be built around it, will assure at least a minimum protection and welfare to workers in the unorganised sector. We are deeply conscious of the urgency and importance of this task.

1. We are aware that though other Commissions before us have also looked at the unorganised sector, it is for the first time that the Government has specifically asked a Commission to propose umbrella legislation to ensure the protection and welfare of the workers in this sector.

2. We have to begin with a brief reference to the variety of occupations, levels of organisation etc. in the sector, of which, we will have more to say in later paragraphs. But we wish to preface our observations by saying that the variety, complexity, and dimensions of the sector, and the paucity of information about conditions of work are such that we would have liked to undertake a comprehensive, if not an exhaustive, study of the different kinds of employments, and the conditions and needs of workers in this sector.

3. It has often been pointed out, and perhaps universally accepted, that there are areas in the unorganised sector where it is difficult to identify an 'employer', and hence, an employer - employee relationship, which the law can attempt to channelise or influence by defining rights and responsibilities, and building up a system of social security on a contributory basis.
4. To begin with, it must be pointed out that it has almost become the universally accepted practice to treat the words 'unorganised sector' and 'informal sector' as denoting the same area. They are, therefore, regarded as interchangeable terms. We too will follow the practice and treat the words as interchangeable for the purpose of our report.
5. In India, however, the term informal sector is of recent origin, and has been in use only during the last two decades. A number of studies have been conducted to assess the size and employment structure of the sector in different urban localities by agencies like The Institute of Applied Manpower Research (IAMR) etc. During the late eighties and early nineties.

### **Welfare measures of the unorganised sector**

The Ministry of Labour and Employment in order to ensure the welfare of workers in the unorganised sector which, inter-alia, includes weavers, handloom workers, fishermen and fisherwomen, toddy tappers, leather workers, plantation labourers, beedi workers, has enacted the Unorganized Workers' Social Security Act, 2008. The Act provides for a constitution of the National Social Security Board which shall recommend the formulation of social security schemes, viz. life and disability cover, health and maternity benefits, old age protection and any other benefits as may be determined by the Government for the unorganised workers. Accordingly, the Ministry has constituted a National Social Security Board.

### **Conclusion**

Since, unorganised sector plays a vital role in every economy. It has been focussed very much for the development and benefits of people in country. There is another Financial Assistance Scheme for the welfare and development activities of agricultural labourers and rural workers. Although, a number of schemes are being implemented by both the central and state governments, their total coverage is estimated to be about 21 million workers. In other words, only about 6 per cent of the unorganised workers in the country are covered under any of the social security measures. It is further estimated that small and large NGOs in the country provide some social security cover to about 2 per cent of the workforce in the unorganised sector (NCEUS, 2006). The most common form of security cover provided by the NGOs is in the area of health security. This is achieved mainly through the provision of a health insurance cover in any of the two ways. First, the NGO acts as an intermediary between the provider of insurance and the community. The second method is more common wherein the NGO itself provides the insurance cover.