

Informal workers in India

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General Reality of the Informal workers in India

Facts and Figures In a survey conducted by the National Sample Survey Organization (NSSO) in 1999-2000 the result showed that 369 million workers are in the informal economy and 28 million workers in the formal or organized sector. 92% of the workforce is in the informal economy. The contribution of the informal economy is 60% of the National Domestic Product.

65% of the workers in the informal economy are in Agriculture and in handloom (traditional waving of textiles). The second largest part of Informal work force is construction and third largest part is in fishing activities. There are many diverse types of informal work like handicrafts, home based work, small shops and establishments, hawking in the streets etc.

Most of the workers in the agriculture sector depend on employers who own the land. They work for generations as workers doing different work activities in agriculture for different employers. Employers have no legal obligation except the wage for that particular period of work. In most of the cases the minimum wage is not respected. There is no form of social protection from employers, state etc.

Child workers and young workers constitute the major part of the informal economy. Women have the major participation in this economy in home based work like waving, making match box, embroidery, handicrafts, construction and agriculture. National Sample Survey 2000 states that 79.71 million workers are in non-agricultural work. Among these non-agricultural workers 39.74 million workers are in rural areas and 39.97 million are in the urban areas. There are around 44.35 million enterprises. Among these workers

Situation of workers in the informal economy

Workers in the informal economy are not recognized and protected through labour legislation. They do not have fixed hours of work, fixed income or salary, work agreements, compensation etc. They do not have respect in the society and they face harassment in their work place. They do not have the place to represent their views. Neither the social security schemes cover these workers nor do they have access to finance resources through credits from banks and financial institutions. Street vendors face harassment from police and government authority.

Most of the informal workers who are in rural areas live in small thatched huts. Most of these houses have no rooms (only a shed), no proper kitchen (cook out side), no toilets, and no electricity. The villages (areas) do not have proper roads to reach semi urban areas near by, no public transport, no protected drinking water (they drink water from the well or ponds), no drainage and sewage and no entertainment facilities. There is not even a primary health centre in these areas.

Government of India recognized the role of trade unions in the informal economy. Hence trade unions have the right to represent the workers in the informal economy in identifying the worker and the work activities. Major trade unions like Centre of Indian Trade Unions (CITU), All India Trade Union Congress (AITUC), and Indian National Trade Union Congress (INTUC) organize the workers in the form of trade unions. Construction Workers Federation of India (CWFI) is the prominent trade union for the construction workers in India representing the political demands of these workers. Not all the trade unions are recognized to organize the workers from the informal economy.

Some NGOs mobilize the workers in the informal economy. The self-employed women in Gujarat, India have organized themselves in the association Self Employed Women's Association (SEWA). They play a major role in representing the

workers, providing social insurance and finance schemes. In recent years there is an increasing awareness among the workers and they get organized in the form of associations, trade unions, NGOs etc.

Social protection for informal economy workers

In some regions, government has formed “welfare boards” per work activity. It aims to enable a social security system for the workers on the areas of health, education, death, retirement, compensation for occupational death, pension and insurance. In Tamil Nadu, there are 13 such welfare boards formed by the government. These welfare boards are managed by the government authorities in the form of corpus funds to provide social security. This model is also present in Kerala, Delhi, West Bengal and other states are in the process of implementation.

Workers in the informal economy have to join the trade union to identify themselves as workers in that particular field of work. Through the Trade Union they get the membership in the state welfare boards. Each worker has to make a monthly contribution to the corpus of the welfare fund.

The federal government has enacted a central legislation for the welfare funds for construction workers. Around 20 million construction workers in the country are expected to benefit from this. A small tax is collected from the cost of construction project that goes to the corpus of the welfare fund for the construction workers. The fund is managed through the welfare board formed by the government.

Main limitation of this social security system is that most of the workers are unaware of the existence of such. Lack of publicity and campaign from the government and labour ministry on the social security scheme makes the program non reachable to many. Labour department itself is facing lack of human power to implement, promote and monitor. The amount proposed for the social security for different situations like death, retirement, education, health care etc. are not reasonable to fulfil the needs. Workers have to renew their membership each year. Agriculture workers who are registered under this scheme do not get any compensation or support.