

# An Analytical Study of Income and Employment of the Working Labour Force in Unorganized Sector



## T.R Ratre

Assistant Professor,  
Deptt. of Economics,  
Guru Ghasidas University,  
Bilaspur

### Abstract

Socio-economic conditions is very poor of labour force in unorganized sector in our country. Almost 94 percent labour force Including in various sector in economy. Low income, saving and investment, low purchasing power of labour force. They are unable to fulfill the minimum basic requirement of life. The socio economic condition of labour force informal sector in India, have not been improved. So it should be expansion of growth and development program organization in rural and urban sector and made a strong real wages policy and improvement in education, house and medical facilities of the labour force in organized sector creation by the central, state and local bodies government.

The subject is very challenging in our society and country.

**Keywords:** Unorganized Sector, Working Labour.

### Introduction

A 2007 Report by the state run National commission for Enterprises in the Unorganized sector (NCEUS) found that 20% of Indian or 236 Million people lived on Less than 20 rupees per day with most working in informal labour sector with no job or social Security living in abject poverty.

In August 2005, the Indian parliament passed the Rural Employment Guarantee Bill the Largest programme of this type, in terms of cost and coverage and current time which is following 100 days of Minimum wage employment to every Rural household of India's 600 districts.

Unorganized or informal sector constitutes a Pivotal part of the Indian economy. Almost 94 per cent of work force and about 50 per cent of the National product are accounted for by the informal Economy. There has been New dynamism of the informal economy in terms of output, Employment and earnings. Faster and inclusive Growth Needs special attention to informal Economy.

### Size of the Unorganized Sector

NCEUS prepared estimates of employment in the Unorganized sector. As of January 2005, the total employment in the Indian economy was 45.8 crore, of which the Unorganized sector accounted for 39.5 crores, i.e 86 percent of the total workers in 2004-2005.

After Independence in India's Establishment of the Five year plan, Decentralization of Economic-socio, Rural Development program, Agriculture and Industrial Development, Under the New Economic Policy-Liberalization, privatization, and Globalization, Female Empowerment, Panchayati Raj System, Municipal Administration system, the size of the unorganised sector has increased.

However, the socio-economic conditions of the Labour Force in Unorganized or Informal Sector in India, have not been improved. This subject is very challenging in our society and country.

### Definition of the Unorganized or Informal Sector

The CSO defines Unorganized or informal sector consisting of enterprise who producing for the Market do not have more than 20 employees (without power) or 10 employees (with power).

The workers of these enterprises are not registered Under any Legal stipulation like the Industrial Disputes Act of 1948, etc. and can therefore, be included in the household sector.

Unorganized workers refer to workers who are employed whether in the organized or Unorganized sector but are not covered for social security Benefit.

### Significance

The Role of informal sector in Indian scenario is quite significant as its share has not been declining to a greater extent even after the measures taken by the Govt. to promote formal sector employment during the last three and half decades.

In accordance with 1971 census a little over 91% of the total work Force as against 92.3% as per 1961 census was engaged in various informal sector Activities.

Within the informal sector some significant shift were occurring in the employment pattern. The Number of Landless Agricultural workers increased by about 19 million during the decade 1961-71 and the share of Landless workers in the total informal sector, work force increased from 18% to 24%.

This fact would reflect overall tendencies which should cause concern namely, to growing population pressure in the rural area.

Lack of opportunities for non-agriculture work and negative thinking of small farmers, artisans and women workers as a result of eviction or technological displacement.

Since the landless agricultural labour population would bear the largest incidence of rural poverty and unemployment an increase in its size would reflect the correlated increase in poverty and unemployment.

### Objectives of the Research study

To study the Socio-Economic status of the working Labour Force in Unorganized sector.

To study of Income, employment and propensity to consume of the working Labour force in Unorganized sector.

To study the satisfaction of the nature of working of the working Labour Force in Unorganized sector.

To render suggestion for Improvement in Living standard of working Labour Force in organized sector.

### Hypothesis

There is no change in the socio-economic status of the working labour force in the unorganized sector.

There is no significant change in the income, expenditure and employment status of the working labour force in the organized sector.

There is no improvement in the satisfaction level of the labour force with regard to the nature of work.

### Methodology

#### Secondary Data

The secondary data will be collected from published and unpublished records, reports and papers of various institution and individuals.

#### Primary Data

There are various types of activities witnessed in the unorganized sectors. However for the convenience sake the researcher would like to categorise all the activities into three segments –

1. Trade Sector
2. Service Sector

### Review of Literature

**Indira Hirway and Neha Shah, (May 28, 2011), Labour and Employment under Globalisation: The Case of Gujarat.**

On examining the dynamics of the processes of change in the status of labour and employment in the rapidly globalising state of Gujarat in India, this study shows that the rapid growth in the state has not been shared by labour.

**S. Mohanakumar and Surjit Singh, (May 28, 2011), Impact of the Economic Crisis on Workers in the Unorganized Sector in Rajasthan.**

This article analyses the impact of the 2008-09 global economic meltdown on workers in the unorganized sector of the gem polishing and construction industries in Rajasthan

**Patrick Belser and Uma Rani, (May 28, 2011), Extending the Coverage of Minimum Wages in India: Simulations from Household Data**

There is a debate in India about the possible extension of minimum wages to all wage-earners.

**KalyanSanyal and Rajesh Bhattacharyya, (May 30, 2009), Beyond the Factory: Globalisation, Informalisation of Production and the New Locations of Labour.**

This essay foregrounds the phenomenon of informalised self-employment and explores its implications for potentially new forms of labour activism.

### References

1. RehmanSobhan, 2010, challenging the injustice of poverty, agendas for inclusive development in south asia, sage publication, New Delhi.
2. Gupta, K. Rai, 2009 "Economics of development and planning" Atlantic publication, New Delhi.
3. RuddarDatt (2008), Growth, Poverty, and Equity story of Indians economic development deep and deep publication New Delhi.
4. Kannan, K.P., Papola, T.S. (2007) "Workers in the informal sector, initiatives by Indias national commission for enterprises sector in the Indian economics.
5. Natarajan, S.S. &Rakesh, R. (2007)" Technical efficiency in the informal manufacturing enterprises, farm level evidence from the Indian state.
6. Rajesh, R.S. & Duraisamy N.M. (2007) "Economic reforms efficeincy change and productivity growth; An interstate analysis of Indian organization manufacturing shop.
7. Narayan, M. R. (2006)" formal and informal enterprises: concept; Definition &measurement issues in India.
8. Raveendran, G., Murthy, SRV, &Naik, A.K. (2006)"Redefining of unorganized sector in India" paper no. 2, paper presented at Delhi group meeting New Delhi.