



Review of Literature on Working and living Conditions of workers in organized and unorganized sector

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Abstract

The present paper is an initiative to understand the various dynamics related to workers in organized and unorganized sector. The objectives of the papers are to know the various issues related to workers in unorganized and organized sectors and to undertake empirical study on this topic. Secondary data used for the present study. Some of the findings are poverty is more in unorganized sector, lack of technology and market orientation, no social security, poor health condition, substandard working conditions, harassment at work places, inadequate and unequal wage structure , long working hours, poor housing facilities, lack of safety measures, no proper education to children, low earning etc. in additions to others.

Key words- working and living conditions, organized sector, unorganized sector, social security

An Overview

Organized and unorganized sectors play a significant role towards the development of an economy. Country's growth mainly depends on these two sectors and out of these unorganized sector's contribution seems to be more in terms of participation of workforce. Like any other country, India has also witnessed the growth of these two sectors. These two sectors have its own rules and regulations and thus make it unique. These sectors have its advantages and disadvantages. Movement of the workforce also varies and it has a direct link with the skills that the workers acquire through various sources. Traditionally, unskilled workers are moving towards unorganized sectors and skilled workers are moving towards organized sectors. Various organizations in MSME category also become part of unorganized sectors to bypass the stringent rules and regulations that they have to comply with. On this background it is important to judge the conditions of the workers in both the sectors so that corrective measures may be taken if there is a need. The present paper is also focusing on the issue of the workers as, effective utilization of workforce and their socio economic aspect becomes an important issue for the economic growth of the country. Since, a mass workforce is working in these sectors, prior importance should be given so as to improve the conditions of the workforce. But before going into the details of the study it is important analyse the existing body of research that may have been conducted by various researchers in the same field. This introduces the review of literature concept.

Review of literature is an important part of any empirical research which highlights on the works that are already been conducted by various researchers in the same field. Review of literature has many purposes. The most important among them is to identify the gaps in the existing body of research. If the work is already covered the present research area, then it can be understood that that the new research may not add any significant value in the same filed. Most of the primary research covers a specific segment and specific part of the country. Unless and until it is a country wise analysis some amount of regional biasness may be witnessed. So, factors like sectors where the labour force are working, regional diversification, specific rules and regulations of the government, cost of living etc are some of the important factors which may affect the living and working conditions of the workers. Most of the existing body of researches is focusing on the unorganized sectors only. Thus, a rich literature may be available for this sector though this gives only one side of the story. It should not be assumed that the working and living conditions of the labours working in the organized sectors are in a better off position as compared to unorganized sectors. Thus, through this research an idea may be developed so as to get a clear picture about both the sectors. The gap has been witnessed in the existing body of research and the review has been conducted accordingly. The review has been conducted with the help of various research papers and articles published by other researchers in the same field.

Objectives of the study

- ✓ To understand the various dynamics of working and living conditions of organized and unorganized sector.
- ✓ To undertake a comparative study on working and living conditions of workers in organized and unorganized sector.

Methodology

The present paper is based on secondary source. For this purpose various libraries visited for collection of the reviews.

Datt (2007) the author made a comprehensive study of socio economic aspects of the workers working in both organized and unorganized sectors. The article analysed the NSS data to identify the specific socio economic aspect of the workers. Primarily among the total workforce, approximately 92% are working in the unorganized sector, while around 8% are working in the organized sector. The study is divided between agricultural sectors and non agricultural sectors. Both the sectors have organized and unorganized sectors where working conditions differ significantly. The author tried to understand the situation in terms of poverty as the criteria. It is observed that both in the agricultural as well as non agricultural sectors, incidence of **poverty is more among the workers belong to unorganized sectors**. In case of organized sector workers, incidence of poverty is more in the agricultural sector. **Lack of technology and market orientation** is the primary cause of this kind of phenomenon.

Kapur etal (2014) in this paper the researcher tries to make an effort to understand the working and living conditions of workers in the unorganized sector and tried to identify the gaps between organized and unorganized sector. Unorganized sectors are characterized by seasonal employment and contractual work situation. **There are no social security and welfare legislations**. In this sector people face problems **like poor health conditions, substandard working life, and harassment at work, inadequate and unequal wage structure, long working hours, poor housing facilities, lack of safety measures, and no proper education for children of the workers**. To improve the conditions of the workers in this sector Government should interfere and should take necessary action.

India Labour and Employment Report (2014), showed the labour market and employment condition in India. It has provided the analyses of the changes in the labour market and employment since the inception of economic reform. It has explored the dynamics of these changes, by looking at labour-market institutions, different types of employment, and labour market policies. A devastatingly large percentage of workers (about 92 per cent) are engaged in **informal employment and a large majority of them have low earnings with limited or zero social protection**. This is true for a considerable proportion of workers

in the organized sector as well. **Levels of education and professional and vocational skills are extremely low.** There is considerable regional differentiation in access to good quality of employment. An initial Employment Situation Index (ESI) has been prepared for this report which shows that generally workers in the southern and western states of India have much better access to good quality of employment than central and eastern region. It has been stated in the report that regulatory interventions in informal enterprises should ensure that a minimum quality of employment is maintained and basic rights of workers are respected. Suitable policies and measures to address the issue of education and skills acquisition need to be urgently put in place.

CII Report (2014) has identified the worrying trend that the rate of informal employment is also increasing even in the organized sector. It has been stated in this report that the National Commission for Enterprises in the Unorganized Sector (NCEUS) has defined the informal or unorganized sector as all independent 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 workers. The present article uses the NCEUS definition to identify the spread of formal and informal employment across organized and unorganized sectors.

Bora (2014) in this article author has examined the activities of the secondary and tertiary sectors which are concentrated mostly in large towns and cities, and attract internal migration. The data has been collected from slum households in three states, i.e. the National Capital Territory (NCT) of Delhi, and in two towns of the National Capital Region (NCR) of Haryana and Uttar Pradesh states in India. This paper tries to evaluate whether growth has improved workers' employment conditions or not. It can be found that the workers **are far behind in cases of safety, medical provisions, and social security for self and dependents.** Author has suggested that policy should create consciousness among officials that resolving these issues would complement to poverty alleviation and, therefore, resources should be made available. It will improve the conditions of migrant informal workers. Policies and programme which reduce movement towards big cities are expected to improve the process of development in the backward regions as well as in the smaller towns.

Kalyani (2015) in this article author has analyzed the condition of the unorganized workers who generally considered as the core strength of Indian labour force. According to a survey carried out by the National Sample Survey Organization (NSSO) in 2009–10, the total employment in the country was of 46.5 crore comprising around 2.8 crore in the organized and the remaining 43.7 crore workers in the unorganized sector. It has been identified that majority of informal employment has been one of the central features of the labour market scenario in India now a days. While the sector contributes around half of the GDP of the country, its supremacy in the employment front is such that more than 90% of the total workforce has been engaged in the informal economy. It is widely acknowledged that the informal sector in India suffers from

a low productivity disorder, compared to the formal sector. Author has suggested by improving the **security needs of the unorganized sector like Food, Nutrition, Health, Housing, Employment, Income, Life and accident, and old age**. Still the exclamation of the unorganized sector drives unattended with the governments.

Bharati etal (2014) this paper has discussed the condition of child labour in construction workers, agriculture laborers and domestic helpers working in the unorganized sector in the India. An attempt has been made in this paper to understand the socioeconomic condition of the child laborers families. This sector is characterized by seasonal employment (in agricultural sector), contractual work, no social security and welfare legislations, **no rights and minimum wages. They face problems like poor health conditions, substandard working life, and harassment at work, inadequate and unequal wage structure, long working hours, poor housing facilities, lack of safety measures, and no proper education for children of workers**. Child labour is subsequently increasing at time to time in unorganized sector in India. The demand for child labour, related to technological change in today's developing economies, has not received much attention. The present study was done to measure the effects of technological change and industry restructuring on the existence of child labour.

Patnaik etal (2014) The authors discussed the various socio economic issues faced by the people staying in slums. In this quantitative study, three slums are taken into consideration to study the impact. Most of the people are engaged in informal sector and have little earnings. **Low level of earning is creating havoc impact on their socio economic status. Lack of income generating opportunities is a problem which restricts them to access quality education and healthcare facilities**. The study concluded that these are the main problems areas in most of the slums. Adequate arrangements should be made so as to deal with these challenges.

National Statistical Commission Report (2012) recognized the case of organised and unorganised manufacturing (as conducted during NSS 62nd round) is one of the examples in India of complementary surveys covering both organised and unorganised enterprises in the same industrial category. There are a number of gaps in the statistics on enterprises and employment in informal sector in India. The Committee noted that the data gaps originate from the divergence of the existing data collection mechanism relating to concepts, definitions and coverage required for an effective data system compatible to the ILO frame work. The Committee considered the unorganized sector in a holistic viewpoint, in terms of their characteristics, their linkages and inter-relationship with organized sector as well as connections with institutions and processes such as credit, marketing, trade and risk management.

Chitra (2015) in this paper author tried to identify the problems of women workers in construction industry at Tiruchirappalli. It was aimed to find out the social-economic conditions of the women

constructions workers. It also tried to find out the association between the social-economic, occupational, personal and family aspects of women constructions workers. **Organized sector workers are eminent by regular salaried jobs with well-defined terms and conditions of employment, clear-cut rights and obligations and fairly comprehensive social security protection where the unorganized sector, on the other hand, has no such clear-cut employer-employee relationships and lacks most forms of social protection.** This paper has analyzed the characteristics of the women construction workers, mainly migrant workers and the intervention strategies adopted to facilitate the reach out services to these women workers along with awareness of their rights and utilization. Migrated construction workers faced some major problems like poor health condition, difficult working life, harassment, inadequate and unequal wage structure, long working hours, poor housing facilities, lack of safety measures and proper education for children of construction workers. It has been suggested that Government and the NGO's has to motivate the rural population on eco-friendly toilets and that usage. Because most of rural form rural is do not have toilet in their home. The unorganized welfare association must to organized general health camp twice in the year as the women construction workers are in work 24X7.

Ministry of Labour & Employment, Govt of India report (2008), aims to study the working and living Conditions of Un-organized workers engaged in Leather Industry including Footwear and other Art Works in India. This survey aimed at studying the working and living conditions of workers engaged in the manufacture of Footwear and other Art workers in the unorganized sector. The workers in leather industry are disposed to various health hazards and risks in case precautionary steps are not taken at their work place. It has been notified that in unorganized sector, majority of workers are employed on temporary or on casual basis. **Pay period, Wage rate all are dissatisfactory in nature.** The condition of work environment is also same. There are certain factors which can determine the working conditions of a unit. The information on such characteristics of the unit, like cleanliness, ventilation, and lighting arrangement etc. is also measured in the survey. Living condition is also very poor in nature.

Beevi (2014) The authors conducted a study on women workers in the textile sectors. Traditionally women workers are habituated to work in an unorganized working environment and most of the time they are underpaid. Being in the productive income generation field for a long period of time, they are **denied their rights to earn more** and right to engage in skilled workforce of the organization. The situation is not different in the textile sector as well. Though the sector is organized but it employs unorganized women workers mostly in sales job. This is more relevant in the industry as they do not possess much skill to work in a factory neither the employers are willing to invest in manpower training. Cost is also an important factor. As most of the unorganized workers are underpaid, that is added upto the profit of the organization. The study reveals that the women unorganized workers are apparently happy with their job though they are underpaid. This is because of the facilities that the organization is providing other than the regular wages.

Continuous work pressure and seasonal demand for the job is also another area of concern faced by the women workers.

Report of National Commission for Enterprises in the Unorganized Sector (2009) The report identified two group of unorganized workforces who are mainly working in the industry, viz. wage labourers and self employed. They have different perspective altogether. The main problem of wage labourers is to get themselves employable throughout the year so that they can have a steady source of income to maintain the livelihood. Along with the **existing jobs, which is temporary in nature**, some support initiatives may be undertaken so that they do not face any kind of financial shortages. Lack of income sometimes forced them to move from one place to other in search of better employment opportunities. This flow can be restricted provided enough opportunities are created in their own place and this needs government intervention. On the other hand, there is another group who comes under the category of self employed. The self employed people are most crucial but they also need government support and intervention at the beginning of their career. Any business can't run successfully without the adequate finance, successful implementation of technology enabled services and skilled labour force. So, the report suggests that both the groups are equally get the weightage so as to get the best result.

Report of Ministry of Labour & Employment (2014) The report is a study on socio economic conditions of women workers in industry. Traditionally, the participation of women workers is more in the unorganized sector and there exists gender biasness in terms of wages. The increasing participation of women workers in the industry is a good sign and it leads to improve the standard of living to a great extent. But typical working conditions of the industry is not up to the mark and most of the time they are not being paid if they are taking weekly off. **The daily wage concept is a problem and this problem exists irrespective of the gender.** The report also reveals that the women workers who working in the match industry are paid much lower wages compared to the other workers working in other units of the same production house. This kind of disparity is a problem and sometimes affects the socio economic upliftment of the women members of the organization. Adequate social security measures should be taken into consideration which may bring equal weightage to all the segments of the workers.

John (2004) The author prepared the report about craftsman of Kerala who depends on the traditional way of production techniques. The division of workforce between organized and unorganized sectors have affected the craftsman who are long been upgraded their productive activities. As the nature of the work has changed the need arises to upgrade production related matters. Since, lack of work affected the socio economic pattern of these sections of the people; the government come forward and created Welfare Fund Board. The main objective is to invest in technology enabled productive activities which can improve the socio economic obligations of the people belong to the category.

Agarwala (2009) The author illustrates how an economic sociology of work affected the nature of the informal economy and the social and political lives of its people under globalized working environment. It is true that every country is favouring the free movement of the product and services. In particular, the premises of economic sociology offer a comprehensive definition of the informal economy that is termed as, “relational.” In contrast to definitions based on modernization and neoliberal assumptions of isolated economies, relational definitions of the informal economy expose the structures, networks, and political institutions that intertwine informal workers with the formal economy, society, and the state. Operationalizing the relational definition in labor surveys ensures the inclusion of previously invisible informal workers, especially those who operate at the intersection of the informal and formal economy.

Devi et al (2015) The authors tried to judge the working conditions of the people working in various organizations. Under present globalized working environment it is important to make the employees The present study is a critical examination of the selected cases exist in the literature on the musculoskeletal disorders among the workers performing similar types of works in different industry, and answer the question whether types and level of musculoskeletal disorders among the workers engaged in these industries are same or not.

Mohanraj (2013) The author gave a detailed analysis of Indian unorganized sector with the help of a primary study. The study reveals that around 85% of the workforce is in unorganized sector and most of them are engaged in agricultural sector. This sector has seen the continuous addition of both daily wage labourers as well as household workers. Most of the workers who are comes under the category of daily wage labourers as well as the household workers are coming from women segment. Like agricultural sector, these workforces are working in other sectors as well. A typical unorganized sector neither offers any kind of security benefits **nor provides any kind of proper working environment.** Moreover, the **wage differences are also huge between organized and unorganized sector.** The policy intervention is needed to identify the gaps. Along with the government the industry body should also take the responsibility to bring necessary changes in the situation.

Dolas (2010) The author conducted a study on the socio economic conditions of Bidi workers in Solapur district. Socio economic upliftment may be achieved if the people have adequate income in their hand after meeting the necessary expenditure for survival. Sometimes, due seasonal nature of the works and agricultural uncertainty it becomes **difficult for most of the workers to earn substantially.** Lack of availability of work in the present area is also another detrimental factor and this often **forces the labourers to move out of the place.** A worker working in any specific industry should get the basic facilities along with certain basic minimum wage. Though, the government has passed the Minimum Wage Act, still it has been implemented in very few areas. This type of trend can also be seen in bidi industry throughout the country. As it can be seen that most of the workers are women in nature so chances of

deprivation becomes more. There is a need to transform the sector into an organized sector with the help of government agencies. Sometimes, even if there is a chance to transform, promoters are not willing to do so because of tax liability and others. So, these problems should be addressed at the earliest to resolve it.

Report of Srijana (2015) The Indian economy has witnessed a combination of organized as well as unorganized sectors and engages a substantial amount of workforce. This study aims to focus on artisans living in and around Lucknow. Most of the literatures identified that the socio economic conditions of the artisans are not good hence need improvement. In the surrounding area of Lucknow, the capital of Uttar Pradesh has a copious number of artisans working in un-organized sector. The study recommended that the women workers should get **adequate training on skill enhancement**. A proper certification procedure may help in this regard. Along with the training certification course may become useful. The funding agencies and the government should be careful while implementing any kind of training programmes meant for the artisans. **The technology adaptation is another major area which may boost the socio economic conditions** of the artisans. Though it is a study conducted in and around Lucknow, but generalization of the findings may be done as the nature of the problem remains common.

Report of Ministry of Labour & Employment (2010) The report focuses on the rising pattern of contractual labourers in the petroleum industry. Since, liberalization period, a significant improvement is witnessed in both permanent as well as the contractual workers. The area of concern is that the increase is witnessed more in the **contractual category**. Organizations are also depending on them as the amount of liability is less. But, in return these workers are not adequate facilities as compared to their permanent counterparts. Though they are doing a substantial work but they are **not being compensated adequately**. This trend is not only witnessed in the petroleum industry but in other industries as well.

Concluding Note

Through this initiative the various attributes identified in unorganized sectors are education level very low, professional and vocational skills are very low, lack of medical provisions, lack of security for old age, no clear cut employee and employer relationship, dissatisfactory wage rate and pay period, denial of right to earn more, poverty is more in unorganized sector, lack of technology and market orientation, no social security, poor health condition, substandard working conditions, harassment at work places, inadequate and unequal wage structure , long working hours, poor housing facilities, lack of safety measures, no proper education to children, low earning, continuous work pressure, temporary job, daily wage concept exist irrespective of gender, improper working environment and wage difference in organized and unorganized sector.

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