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UNORGANISED LABOUR

8.1 The term 'unorganised labour' has been defined as those workers who have not been able to organise themselves in pursuit of their common interests due to certain constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments, etc.

8.2 As per the survey carried out by the National Sample Survey Organisation in the year 1999-2000, the total employment in both organized and unorganised sector in the country was of the order of 39.7 crore. Out of this, about 2.8 crore were in the organised sector and the balance 36.9 crore in the unorganised sector. Out of 36.9 crore workers in the unorganised sector 23.7 crore workers were employed in agriculture sector, 1.7 crore in construction, 4.1 in manufacturing activities and 3.7 crore each in trade and transport, communication & services. The workers in unorganised sector fall in various categories but a large number of them are home based workers which are engaged in occupations like beedi rolling, agarbati making, papad making, tailoring, jary and embroidery work.

8.3 The Unorganised Workers suffer from cycles of excessive seasonality of employment, no formal employer employee relationship and lack of social security protection. Several legislations like the Minimum Wages Act, 1948; the Workmens' Compensation Act, 1923 and the Maternity Benefit Act, 1961; the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 are directly or indirectly applicable to the workers in the unorganised sector also. The Government has constituted some welfare funds also to provide social security to workers in occupations like beedi rolling etc. There are some employment oriented schemes like Swarnjayanti Gram Swarojgar Yojana, Pradhanmantri Gram Sadak Yojana, Sampoorna Gramin Rojgar Yojana etc. The Government has also launched Group Insurance Schemes like Janshree Bima Yojana.

8.4 Despite above initiatives, the working and living conditions of the unorganised workers continue to be pathetic. A proposal to enact a comprehensive legislation for the agricultural workers who constitute more than 60% of the workforce in the unorganised sector had been under consideration of the Ministry of Labour since 1975. A draft Bill was also prepared but in the absence of consensus amongst the State Governments, the proposal could not be processed further.

8.5 The terms of reference of the Second National Labour Commission constituted in 1999 inter – alia included an umbrella legislation to provide protection to the workers in the unorganised sector. The Commission in its report recommended umbrella legislation for these workers and drafted an indicative Bill also. The proposal of enactment of a comprehensive legislation for the unorganised sector was discussed during 38th Session of Indian Labour Conference and other fora. Accordingly, the Unorganised Sector Workers Bill, 2003 has been drafted. The proposed legislation envisages to regulate the employment and conditions of service of the unorganised sector workers and to provide for their safety, social security, health and welfare. The Government considered the proposal of enactment of legislation for the unorganised sector workers and the formulation of Unorganised Sector Workers Social Security Scheme and approved the scheme to be launched on pilot basis in January 2004.

8.6 Accordingly, the Government has recently launched the 'Unorganised Sector Workers' Social Security Scheme, 2004' on pilot basis in 50 districts. The scheme envisages three benefits i.e. old age pension, medical insurance and personal accidental insurance. The details of the benefits are as under:

- (i) **Old-Age Pension Scheme:** A minimum pension @Rs.500/- per month at the age of 60 years or permanent /total disablement and family pension in case of the death of the worker;
- (ii) **Personal Accidental Insurance:** The accidental insurance cover of Rs. one lakh; and
- (iii) **Medical Insurance:** Coverage under the Universal Health Insurance Scheme (UHIS) for a family of five including member. The scheme provides for reimbursement of hospitalization expenses upto Rs. 30,000/- in a year and in case if worker (member) is hospitalized due to accident/illness, a compensation of Rs. 50/- per day upto a maximum of 15 days after initial period of three days and also coverage of death of the worker due to accident (Rs. 25,000/-).

8.7 The scheme is available for the unorganised workers including self-employed workers drawing pay/wages/income not more than Rs. 6500/- p.m. To avail benefits under all these schemes, there is a single contribution @Rs.50/- p.m. from the workers joining the scheme in the age group of 18-35 years and Rs.100/- p.m. from the workers in the age group of 36-50 years. The contribution from the employers wherever identifiable in both the categories is @ Rs. 100/- p.m. The self-employed

workers in the age group of 36-50 years will also contribute the employers' share in addition to his/her share. Government's contribution is @1.16% of the monthly wages of the workers (presently @ Rs. 250/- per annum per worker) based on the national minimum floor level wage as fixed by the central Government from time to time.

8.8 The scheme is being implemented through the Employees Provident Fund Organisation (EPFO) having offices in the country and which will provide single window service to the workers for all the three components of the scheme. EPFO will issue a unique National Social Security Number (NSSN) and identity cards to the workers. To enable these workers to deposit their contribution and receive benefits in any part of the country. The infrastructure of the Employees State Insurance Corporation (ESIC) and the private hospitals will be utilized to provide benefits under UHIS. The field offices of the Ministry of Labour have been designated as Workers Facilitation Centres (WFCs). The major functions of WFCs inter-alia include awareness generation amongst the workers and facilitate the delivery of benefits to the workers.

Building & Other Construction Workers

8.9 Construction workers constitute one of the largest categories of workers in the unorganised sector. According to the Sample survey conducted by NSSO in 1999-2000, about 1.76 crore workers are employed in the construction activities. The Government have enacted the following legislations for the construction workers:

- 1) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
- 2) The Building and Other Construction Workers' Welfare Cess Act, 1996; and

8.10 Further, the Building and Other Construction Workers (RECS) Central Rules, 1998 have been notified on November 19, 1998

8.11 The Act is applicable to every establishment, which employs 10 or more workers in any building or other construction work, and to the projects cost of which is more than Rs.10 lakh. There is also provision of constitution of Central and the State Advisory Committees to advise the appropriate Governments on matters arising out of administration of the law besides constitution of Welfare Boards by the State Governments and registration of beneficiaries under the Fund and provision for their identity cards etc. These legislations provide for regulating the employment and conditions of service, safety and health and welfare measures for the construction workers by setting up a Welfare Fund at the State level to be financed by contribution made by beneficiaries, levy

of cess on all construction works at rates between 1 to 2 % of the construction cost incurred by an employer and non-mandatory grants/loans by the State/Central Governments. The Fund is to be used for giving financial assistance to the families of beneficiaries in case of accident, old age pension, housing loans, payment of insurance premia, children's education, medical and maternity benefits, etc.

8.12 So far, the Governments of Kerala, Delhi, Madhya Pradesh and Pondicherry have started implementing the Act. The Government of Tamil Nadu has been implementing its own Act. Most of the States are still in the process of adoption and implementation of these Acts.

Migrant Workers

8.13 Migration is defined as a process of movement of an individual from the place of birth/origin or normal residence to a new place of residence. Labour migration is an important factor affecting the course of socio-economic development in India. Accelerated movement of people mainly from the rural and backward areas in search of employment has been one of the most important feature of the labour market scenario in India during the post independence period. According to the 1991 Census 226 million persons have changed their place of residence within the country and out of this, 17.3 million or 8.8% have left their State for work.

Inter-State Migrant Workmen Act, 1979

8.14 Although number of labour legislations as mentioned earlier are applicable to all workers irrespective of their status as migrant or local workers subject to coverage of establishment in which they are employed. These laws have not been adequate to protect the interests of these workers. Therefore, Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 (Act No. XXX of 1979) was enacted. The rules under this Act came into force from 2nd October, 1980.

8.15 The Act is intended to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. It applies to every establishment in which five or more inter-state migrant workmen are employed or were employed on any day of the preceding twelve months and to every contractor who employs or who employed five or more inter-state migrant workmen (whether or not in addition to other workmen) on any day of the preceding twelve months. The Act has also provision for issue of Pass-Book to every inter-state migrant workmen with full details, payment of displacement allowance equivalent to 50% of monthly wages or Rs.75/- whichever is higher, payment of journey

allowance including payment of wages during the period of journey, suitable residential accommodation, medical facilities and protective clothing, payment of wages, equal pay for equal work irrespective of sex, etc.

8.16 The responsibility for enforcement of the provisions of the Act in establishments where the Central Govt. is the appropriate govt. lies with the office of the Chief Labour Commissioner (Central) and the responsibility for the establishments located under the State sphere lies with the respective State Govts. in which they are working and from where they have been recruited.

8.17 The problem of migration is sought to be checked through a multi dimensional course of action through rural development, provision of improved infrasturctural facilities, equitable dispersal of resource to remove regional disparities, employment generation, land reforms, increased literacy, financial assistance etc. in this direction Government implements various schemes and programme such as Sampooran Gramin Rozgar Yojana (SGRY), Swarn Jayanti Gram Swarojgar Yojna (SGSY), Employment Assurance Scheme (EAS) etc.
