Income Pattern & Economic Status of Unorganised Sectorl abour in District Meerut

Dr. Ravi Kumar Bansal

Associate Professor, Department of Commerce, R.K.(PG) College, Shamli (U.P.)

Dr. Charu Goel

Associate Professor, Department of Commerce, R.K.(PG) College, Shamli (U.P.)

Abstract

In India a large number of laboursis employed in the unorganized sector. The unorganized or informal employment consists of casual and contributing family workers; self-employed persons in unorganized sector and private households and other employed in organized and unorganized enterprises that are not eligible either for paid, sick or annual leave or for any social security benefits given by the employer. As these workers are not so educated or may be illiterate therefore, they mostly do physical work instead of mental work, i.e. they were engaged with farming, selling various products or goods, do painting and whitewashing, make furniture, engaged in constructing buildings, do small handicraft work and last but not the least engaged with all body exertion jobs. They provide the much needed workforce in agriculture, which is generally needed for a specific time period of the year. Even as we see, large proportion of these workers are recruited in retailing business in showrooms, franchisee stores, general merchants stores as salesman who do the most of the work required in those shops and stores.

Keywords : Demonetization, GDP, Indian Economy, Black Money, Corruption.

JEL Classification : J01, J81, J14, J31.

1. CONCEPT OF UNORGANIZED LABOUR

The workers who are severely below the poverty line are largely involved in subsistence type activities for which they get very poor returns despite suffering extreme physical hardship and undertaking grave risks so as to earn a meagre income. Since their earnings are below even the margins of existence, expenditure and survival needs exceed income, are termed as unorganized labour.

In India a major chunk of labours is employed in the unorganized sector. The unorganized or informal employment consists of casual and contributing family workers; self-employed persons in unorganized sector and private households and other employed in organized and unorganized enterprises that are not eligible either for paid, sick or annual leave or for any social security benefits given by the employer.

Unorganized labour can also be stated as a labour whose nature of work is uncertain and not specific. These kinds of workers do different kinds of work to earn their livelihood. In unorganized sector not only the work but their timing, wages and mobilization are also uncertain and unspecified. The timing, wages and mobilization of unorganized labour mainly depend upon the work. As the work demands,

the unorganized workers have to devote their time for earning their livelihood.

As these workers are not so educated or may be illiterate therefore, they mostly do physical work instead of mental work, i.e. they were engaged with farming, selling various products or goods, do painting and whitewashing, make furniture, engaged in constructing buildings, do small handicraft work and last but not the least engaged with all body exertion jobs.

The National Sample Survey Organization (NSSO), which has been conducting surveys of unorganized enterprises at periodical intervals, generally adopted the following criteria for the identification of unorganized sector:

In the case of manufacturing industries, the enterprises not covered under the Annual Survey of Industries (ASI) are taken to constitute the unorganized sector and in the case of service industries, all the enterprises, except those run by the government (central, state and local body) and in the public sector are regarded as unorganized.

The NSSO also conducted a separate informal sector survey in 1999-2000 and all non - agricultural enterprises, excluding those covered under the ASI with the type ofownership as eitherproprietary or partnership were treated as informal non–agricultural enterprises for the purpose of the survey.

In the compilation of national accounts , the term un-organized sector is used to represent the residual enterprises, which are not included in the 'organized sector', however, differed across different segments of the economy depending upon the regular data availability from various administrative sources.

2. MAIN FEATURES OF UNORGANIZED LABOUR

As we all know that unorganized labour still forms the major chunk of our country's workforce. Hence its working conditions and efficiency do create a prominent impact on the country's gross domestic product (GDP) and economy. Therefore, a discussion of the characteristics of unorganized labour becomes utmost important for its effective study and for welfare. Therefore, the following characteristics of unorganized labour are stated below:

a) **Mostly Seasonal in Nature:** A major part of unorganized workers get employed only for a particular season of the year due to nature of their job and face situation of unemployment for rest of the year e.g. workers in agriculture and construction industry.

b) **Lack of Stable Opportunities of Employment:** Majority of the rural workers do not have stable opportunities of employment, as these workers can't be sure whether the next day they will be get the same job or will be employed by the same employer.

c) **Scattered and Fragmented Workplace:** The workplace of these workers is scattered and fragmented. They do the same kind of jobs in different habitations and may not work and live together in compact geographical areas. Most of these workers come from rural areas of the different parts of the Block. It has also been observed that in some cases they come from other states too.

d) **Informal Relationship between Employer & Employees:** There is no formal employer-employee relationship between small and marginal farmers, share croppers and agricultural workers as they work collected in situations which may be marginally favorable to one category but may be broadly described as identical.

e) **Dependence on Landlords and Moneylenders:** Landless unorganized labour and even who belong to the schedule caste and schedule tribe communities are broadly dependent on landlords and moneylenders to fulfill their specific needs like family functions and social customs. The reason behind this phenomenon is their low earnings and poor financial conditions.

f) Trapped in Indebtedness and Bondage: Workers in the unorganized sector are usually surrounded by lot of fads, restrictions, and out-dated social customs like child marriage, expensive spending on ceremonial festivals etc. which lead them to indebtedness and bondage.

g) Lack of Awareness: Most of the unorganized workers are not aware of the laws and provisions made by the government for their welfare as the literacy rate among them is far lower than the average literacy rate of the country, due to which their employers unduly exploits them.

After looking at the above features of unorganized labour, it can be concluded that this sector of labour lacks some very basic requirements of an ideal form of employment such as stability and perennial source of income. Most of the unorganized workers have scattered and fragmented workplaces, which make useful interaction and unity among them a hard thing to come by. And these factors added to illiteracy and lack of awareness, which come as roadblocks in the path of their upliftment by the laws made for them.

3. ROLE OF UNORGANIZED LABOUR IN INDIAN ECONOMY

Unorganized labour can be said as a pool of labour that have not been able to organize themselves in pursuit of common objectives on account of constraints like casual nature of employment, ignorance, illiteracy, small and scattered size of establishments and position of power enjoyed by employers because of the nature of industry etc. Although a much deprived section of the country's workforce, the unorganized labour sector contributes largely to Indian economy. The fact which can be easily digested after lookingat the percentage ofunorganized labour in India's total workforce and their even larger contribution towards the oldest pillar of Indian economy i.e. Agriculture. The major areas where there is involvement of unorganized workers along with agriculture sector are-- retail trade, construction, land

transport, textiles etc. Employers in these sectors are not compelled to follow employment norms set for providing proper wages, holidays, working conditions and social benefits to the workers.

Unorganized workers are important as they provide the much needed workforce in agriculture, which is generally needed for a specific time period of the year. Even as we see, large proportion of these workers are recruited in retailing business in showrooms, franchisee stores, general merchants stores as salesman who do the most of the work required in those shops and stores.

The picture is similar also in construction work, as we see most of the workers working on the sites are unskilled and do migrate from one area to another for getting recruited now and then. They get a very meagre wages but still perform the most laborious and root level jobs in construction sites and also the easily outnumber the skilled workers or organized workersworking on the site. Also we come across many unskilled persons employed in homes in town and cities. These persons normally come for employment opportunities in urban areas to earn their livelihood.

These jobs not only constitute major employment source for unskilled persons and hence earning their livelihood, but also help in performing a substantial part of economic work for which one cannot find or employ persons from organized sector. In agriculture, a substantial percentage of unorganized workers come from farmers families and from villages, who get a seasonal employment. There is no official record about their employment. Similarly, the case in retailing business where number of young people get hired as part-timers for some limited hours of the day after having completed their school or college hours. It provides them opportunities to earn their pocket money and also helps in increasing the sales of the shopkeeper; which eventually strengthens the economy in the form of increase

in trade taxes.

The importance of unorganized workers can also be predicted from the fact that even a day's strike of those workers working in a factory costs the industrialist heavily and hence the Gross Domestic Product(GDP) of the country suffers a lot which is the prime measure of nation's growing economy.

Seeing that these workers lack formal education and are not awake of the basic rights as a citizen has in our country, the Government of India has set a number of much needed laws which are against their exploitation made by their employers.

4. CLASSIFICATION OF UNORGANIZED WORKERS IN DISTRICT MEERUT

Unorganized workersof district Meerut have been found engaged in different types of works. Although, it is difficult to classify unorganized labour on the basis of their jobs due to their tendency to switch-over from one job to another very frequently, but an effort has been made to trace out the various economic activities in which the unorganized workers of the area of study have been found engaged normally. These are Street-vendors/Hawkers, Rickshaw-pullers, Rag-pickers, Construction workers, Agricultural workers etc. To keep the study more compact here the classification of unorganized labour has been made on the basis of the nature of their work, their economic status and their monthly income.

•a) **Classification of Unorganized Labour on the Basis of Nature of Work :** Unorganized workers of District Meerut have been divided into the following four categories on the basis of the nature of jobs:

- Self-employed unorganized labour
- Agricultural labour
- Service class unorganized labour, and
- Daily wage earners

The self-employed unorganized workersconsist of all those workers who don't work under the direct control of an employer and earn their income on day to day basis. This labour group is associated with contractors, whole-sellers or other persons for the basic resource of their job but uses its own efforts and skills to earn the maximum possible wage of the day.

Agricultural workers play a vital role in India, but they are still extremely miserable in the country. Their appalling condition is well known to all of us. They lack sustained employment, frequently suffer from social handicaps, and are a source of serious weakness and even of instability in the present agrarian system. ShriJagjivan Ram gave a pathetic picture of these unfortunate agricultural workers in his article 'The Unfortunate Millions', these workers still live mostly on a semi-starvation level which hardly permits them even a hand to mouth existence, leave alone a few small comforts and decencies.

The service class unorganized labour refers to those labour class people who are employed by an individual or a business unit on salary basis. They are not much educated and earn their livelihood by doing work under them. Here only those workers are included who have been paid with the salary on monthly basis.

The working class daily wage earners refer to those labour class people who are employed by an individual or a business unit on daily wage basis. We also included those workers in the same category, who are either remunerated weekly or monthly but are paid on the basis of their actual working days.
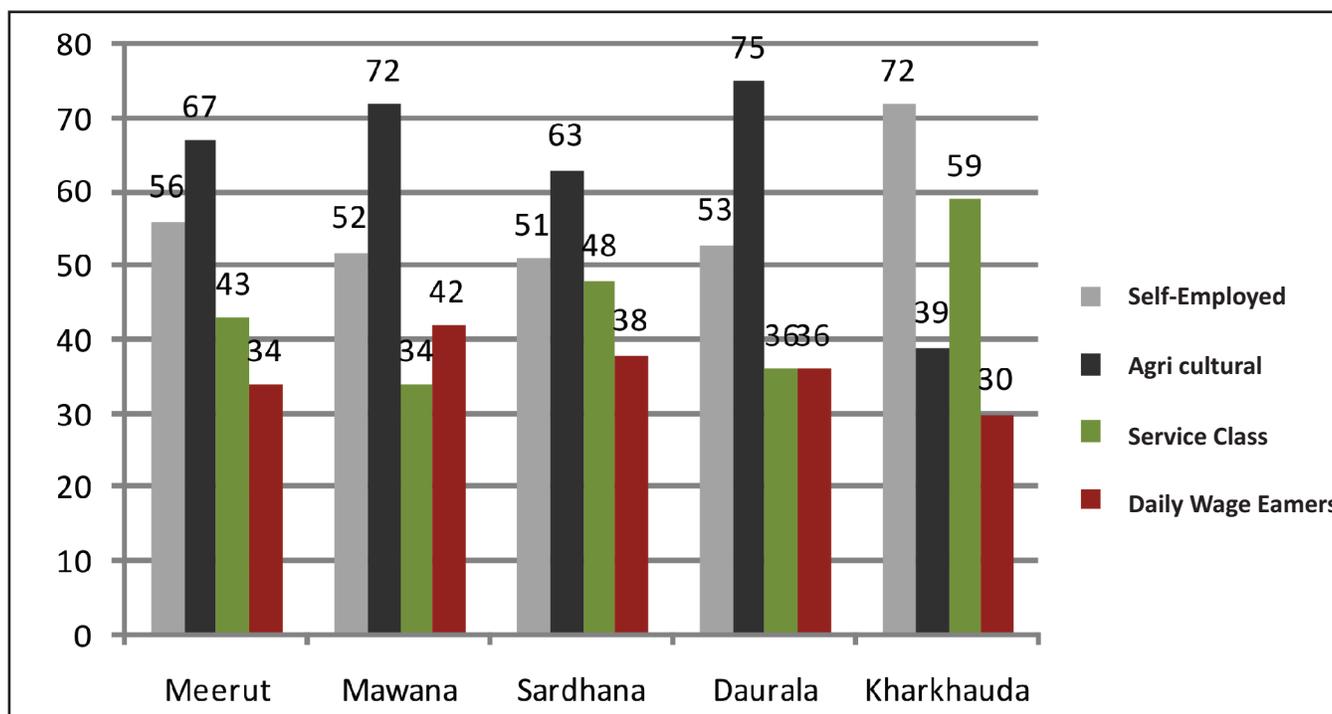
The following table is showing the classification of unorganized labour on the basis of nature of work in District Meerut.

From the above table and graphical presentation, it is observed that unorganized workers have been divided into four groups as – self-employed workers, agricultural workers, service class and daily wage earnerson the basis of nature of their work in District Meerut. For this purpose 1000 workers i.e. 200 each were

Table-1
Classification of Unorganized Labour on the Basis of Nature of Work (During the Year 2017-18)

District Meerut (Book)	Nature of Work										
	Self-Employed		Agricultureal		Service Class		Daily Wage Earner		Total	
	No	%	No	%	No	%	No	%	No	%
Meerut	56	28.00	67	33.50	43	21.50	34	17.00	200	100
Mawana	52	26.00	72	36.00	34	17.00	42	21.00	200	100
Sardhana	51	25.50	63	31.50	48	24.00	38	19.00	200	100
Daurala	53	26.50	75	37.50	36	18.00	36	18.00	200	100
Kharkhauda	72	36.00	39	19.50	59	29.50	30	15.00	200	100
Total	**284**	**28.40**	**316**	**31.60**	**220**	**22.00**	**180**	**18.00**	**1000**	**100**

Fig-1
Block-Wise Classification of Nature of Work of Unorganized Workers in District Meerut

selected on random basis from above mentioned development blocks of District Meerut.

On analyzing the data, it was found that the total number of workers under self-employed, agricultural, service class and daily wage earner category were284 (28.40%), 316 (31.60%), 220 (22.00%) and 180 (18.00%) respectively out of total 1000 selected workers

from unorganized sector in this district. On analyzing the figures Block wise, it was observed that in Block Meerut total number of self-employed, agricultural, service class and daily wage earner were 56(28.00%), 67(33.50%), 43(21.50%), and 34(17.00%) respectively, in BlockMawana they were 52(26.00%), 72(36.00%), 34(17.00%), and 42(21.00%) respectively. Likewise these numbers were

found in Block Sardhana51(25.50%), 63(31.50%), 48(24.00%) and 38(19.00%), in BlockDaurala53(26.50%), 75(37.50%), 36(18.00%) and 36(18.00%), and in Block Kharkhauda72(36.00%), 39(19.50%), 59(29.50%) and 30(15.00%) respectively.

It was also observed that in district Meerut largest share i.e. 31.60% of unorganized workers are employed in agricultural activities and least number i.e. 18.00% occurs for daily wage earners. Service sector claims 22.00% of unorganized workers and 28.40% are self-employed in this district. In Block Meerut, highest percentage of workers were found in agricultural and lowest in daily earners, in Mawana the percentage was highest in agriculture and lowest in service class, in Sardhanahighest percentage of workers engaged in agriculture and least in daily wage earner. Likewise in Daurala the highest percentage was also related to agriculture workers and least percentage to service class and daily wage earners i.e. 18.00% each. While in Kharkhauda the highest percentage was related to self-employed workers and lowest to daily wage earners.

b) Classification Of Unorganized Labour On The Basis Of Economic Status: Table no. 2 portrays the figures related to the classification of unorganized labour in district Meerut on the basis of their economic status.

The above table no. 2and the related diagram reflect the block-wise distribution of workers in District Meerut on the basis of their economic status considering their asset value:

Here, total 1000 unorganized workers were categorized under four categories i.e. workers possessing the total assets value up to Rs. 35,000, workers possessing the total assets value up to Rs. 70,000, workers possessing the total assets value up to Rs. 1,00,000 and workers possessing the total assets value more than Rs. 1,00,000.

The number of workers having the household assets uptoRs. 35,000 was found 323 which are 32.30% of total selected workers, in which highest percentage exists inBlockKharkhauda and lowest in BlockSardhana i.e. 34.50% and 28.00% respectively.

The number of workers having the household assets uptoRs. 70,000 was found 331 which are 33.10% of total unorganized workers selected for the purpose, in which highest percentage exists inBlock Meerut and lowest in BlockDaurala i.e. 36.50% and 29.50% respectively.

The number of workers having the household assets uptoRs. 1,00,000 was found 234 which are 23.40% of total selected unorganized workers, in which highest percentage exists in Block Mawanai.e. 27.50% and lowest in Block Meerut andBlockKharkhauda i.e. 21.00% in each block.

The number of workers having the household assets more than Rs. 1,00,000 was found 112 which is 11.20% of total unorganized workers selected for this purpose, in which highest percentage exists in BlockSardhana and lowest in BlockMawana i.e. 16.50% and 6.00% respectively.

I. CLASSIFICATION OF UNORGANIZED LABOUR ON THE BASIS OF MONTHLY INCOME

Table no. 3and the related bar diagram reflect the figures related to the classification of unorganized workers on the basis of their monthly income in district Meerut.

From the above table it was found that in district Meerut out of total 1000 selected workers from unorganized sector 273 (27.30%), 470 (47.00%), 206 (20.60%) and 51 (5.10%) were found under the earnings of uptoRs. 4,000; uptoRs. 8,000; uptoRs. 12,000 and above Rs. 12,000 per month respectively.

It was observed that in each Block of district Meerut i.e. Meerut, Mawana, Sardhana, Daurala and Kharkhauda the ratio of each category of labour earnings were
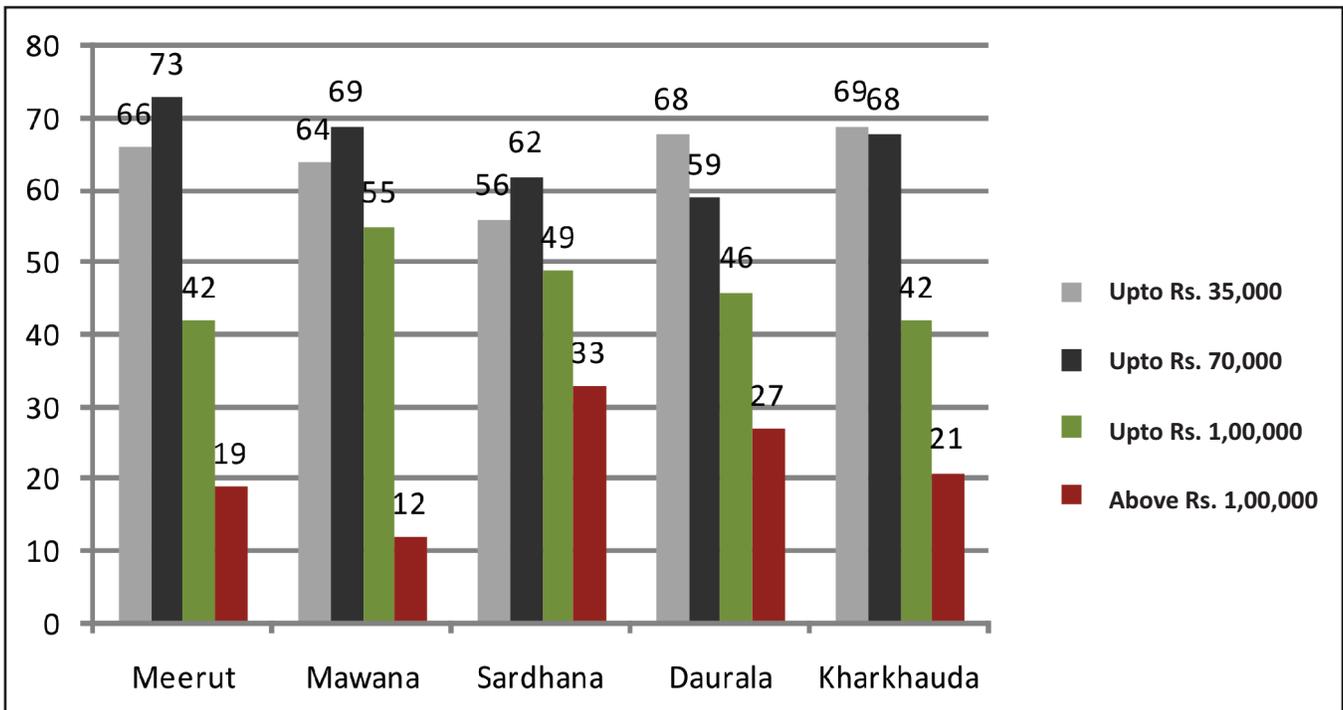
Table-2
Classification of Unorganized Labour on the Basis of Economic Status (During the Year 2017-18)

District Meerut (Book)	Nature of Work										
	Upto Rs. 35,000		Upto Rs. 70,000		Upto Rs. 1,00,000		Upto Rs. 1,00,000		Total	
	No	%	No	%	No	%	No	%	No	%
Meerut	66	33.00	73	36.50	42	21.00	19	9.50	200	100
Mawana	64	32.00	69	34.50	55	27.50	12	6.00	200	100
Sardhana	56	28.00	62	31.00	49	24.50	33	16.50	200	100
Daurala	68	34.00	59	29.50	46	23.00	27	13.50	200	100
Kharkhauda	69	34.50	68	34.00	42	21.00	21	10.50	200	100
Total	323	32.30	331	33.10	234	23.40	112	11.20	1000	100

Fig-2
Assess Value of Unorganized Workers in District Meerut

26.50:54.00:14.00:5.50, 24.00:42.50:29.50:4.00, 23.50:47.00:23.00:6.50, 30.50:43.50:20.50:5.50, and 32.00:48.00:16.00:4.00 respectively.
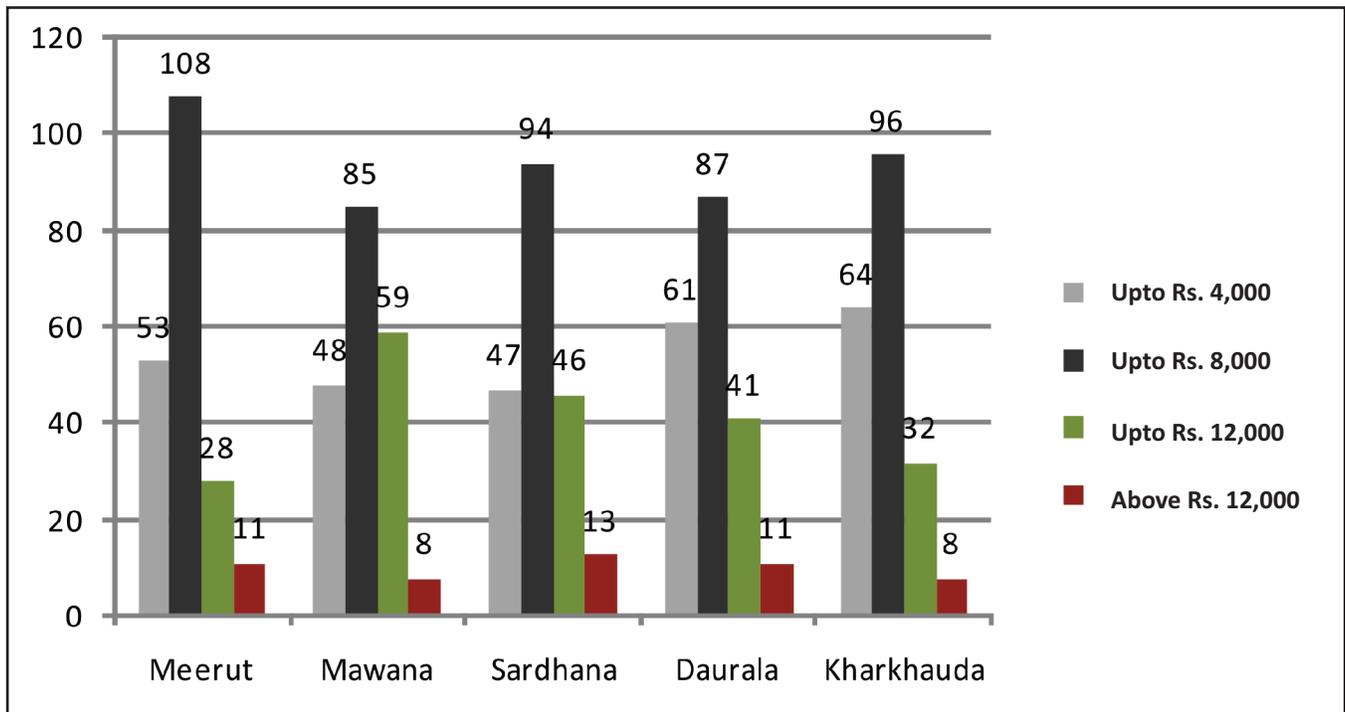
It was also observed that the ratio of labour earning uptoRs. 4,000 per month was highest i.e. 32.00% in BlockKharkhauda and lowest i.e. 23.50% in BlockSardhana. The ratio of labour earning uptoRs. 8,000 per month was highest i.e. 54.00% in Block Meerut and lowest i.e. 42.50% inBlockMawana. Likewise, ratio of labour earning uptoRs. 12,000 per month was highest i.e. 29.50% in BlockMawana and lowest i.e. 14.00% in Block Meerut and ratio of labour earning above Rs. 12,000 per month was highest i.e. 6.50% in BlockSardhana and lowest i.e. 4.00% in BlockMawana and Block Kharkhauda each.

Table-3
Classification of Unorganized Labour on the Basis of Monthly Income (During the Year 2017-18)

District Meerut (Book)	Nature of Work									
	Upto Rs. 4,000		Upto Rs. 8,000		Upto Rs. 12,000		Above Rs. 12,000		Total	
	No	%	No	%	No	%	No	%	No	%
Meerut	53	26.50	108	54.00	28	14.00	11	5.50	200	100
Mawana	48	24.00	85	42.50	59	29.50	8	4.00	200	100
Sardhana	47	23.50	94	47.00	46	23.00	13	6.50	200	100
Daurala	61	30.50	87	43.50	41	20.50	11	5.50	200	100
Kharkhauda	64	32.00	96	48.00	32	16.00	8	4.00	200	100
Total	273	27.30	470	47.00	206	20.60	51	5.10	1000	100

Fig-3
Monthly Income of Unorganized Workers in District Meerut

REFERENCES

1. Aggrarwal, R. K. &Verma, M.M.; Labour Economics; King Books Educational Publishers, Delhi.
2. Bhatnagar Deepak Labour Welfare & Social Security in India; Deep & Deep Publication; New Delhi.
3. Gerry Rodgers; Unorganized Labour Market- A Long Way to Go; New Journey Publishing House; New Delhi.
4. GoelSatyaPrakash; Labour Problems of Uttaranchal,Navyug Publication, New Delhi.
5. Pant S.C.; Indian Labour Problems;Chaitanya Publishing House; Allahabad.
6. Gupta, P.K.; Labour Economics; Vrinda Publication Pvt. Ltd., Delhi.
7. Ghose, M.G.; The Problems and Prospects of Marginal Farmers and Agricultural Labourers in West Bengal; Indian Journal of Agricultural Economics, Vol. XXIV(3).
8. Kawadia, Ganesh; Wages of Weaker Section in M.P.; Indian Journal of Agricultural Economics, Vol. XXXV(4).