

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, such as 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 2004-05, the total employment in both organized and unorganised sector in the country was of the order of 45.9 crore. Out of this, about 2.6 crore were in the organised sector and the balance 43.3 crore in the unorganised sector. Out of 43.3 crore workers in the unorganised sector, 26.9 crore workers were employed in agriculture sector, 2.6 crore in construction, and remaining were in manufacturing activities, trade and transport, communication & services. A large number of unorganized workers are home based and are engaged in occupations such as beedi rolling, agarbatti making, papad making, tailoring, and embroidery work.

8.3 The unorganised sector workers suffer from cycles of excessive seasonality of employment, lack of a formal employer-employee relationship and absence of social security protection. Several legislations such as the Workmen's Compensation Act, 1923; the Minimum Wages Act, 1948; the Maternity Benefit Act, 1961; the Contract Labour (Abolition and Prohibition) Act, 1970; Building and Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996 ; and the Building and Other Construction Workers Welfare (Cess) Act, 1996 etc. are directly or indirectly applicable to the workers in the unorganised

sector also.

8.4 The Ministry of Labour is also operating Welfare Funds for some specific categories of workers in the unorganised sector like beedi workers, cine workers and certain non-coal mine workers. The funds are used to provide various kinds of welfare activities to the workers in the field of health care, housing, education assistance for children, water supply etc.

8.5 The Government has launched Group Insurance Schemes, such as the Janshree Bima Yojana for people living below or marginally above the poverty line and Aam Aadmi Bima Yojana for landless rural households which also include workers in the unorganised sector. There are some employment oriented schemes like Swarnjayanti Gram Swarojgar Yojana, Pradhanmantri Gram Sadak Yojana, Sampurna Gramin Rojgar Yojana, National Rural Employment Guarantee scheme etc. which are benefiting unorganized sector workers.

#### COMPREHENSIVE LEGISLATION FOR WORKERS IN THE UNORGANIZED SECTOR

8.6 The Government attaches high priority to the welfare of the workforce in the country. The National Common Minimum Programme (NCMP) states that:

**“The UPA Government is firmly committed to ensure the welfare and well-being of all workers, particularly those in the unorganized sector who constitute 93% of our workforce. Social security, health insurance and other schemes for such workers like weavers, handloom workers, fishermen and fisherwomen, toddy tappers, leather workers, plantation labour, beedi workers, etc. will be expanded.”**

8.7 In keeping with the commitment of the Government towards unorganised sector workers, the "Unorganised Sector Workers' Social Security Bill, 2007" was introduced in the Rajya Sabha on 10th September 2007. This Bill was referred to Parliamentary Standing Committee on Labour. The Committee submitted its report on 03.12.2007. The Standing Committee recommended certain modifications. On the basis of the recommendations of the Standing Committee, the Government moved official amendments. The amendments, inter-alia, include change in the title, definition of unorganized worker, inclusion of grievance redressal, inclusion of MPs in National Board and Members of State Legislature in State Board and insertion of new section for setting up of Workers Facilitation Centres. The Bill has been passed by both the Houses of Parliament. The salient features of the Bill are as under :

- Section (2) provides for the definitions, including those relating to unorganised worker, self-employed and wage worker.
- Section 3 (1) provides for formulation of schemes by the Central Government for different sections of unorganised workers on matters relating to (a) life and disability cover; (b) health and maternity benefits; (c) old age protection (d) any other benefit as may be determined by the Central Government.
- Section 3 (4) provides formulation of schemes relating to provident fund, employment injury benefits, housing, educational schemes for children, skill upgradation, funeral assistance and old age homes by the State Governments.
- Section 4 relates to funding of the schemes formulated by Central Government.
- Section 5 envisages constitution of National Social Security Board under the chairmanship of Union Minister for Labour & Employment with Member Secretary and 34 nominated members representing Members of Parliament, unorganised workers, employers of unorganised workers, civil society, Central Ministries and State Governments.
- Provision for adequate representation to persons belonging to the Scheduled Castes, the Scheduled Tribes, the Minorities and Women.
- The National Board, would recommend the Central Government suitable schemes for different sections of unorganised workers; monitor implementation of schemes and advise the Central Government on matters arising out of the administration of the Act.
- Section 6 has provision for constitution of similar Boards at the State level.
- Section 7 relates to funding pattern of the schemes formulated by the State Governments.
- Section 8 prescribes record keeping functions by the District Administration. For this purpose, the State Government may direct (a) the District Panchayat in rural areas; and (b) the Urban Local Bodies in urban areas to perform such functions.
- Section 9 provides for setting up of Workers' Facilitation Centre to (a) disseminate information on social security schemes available to them (ii) facilitate registration of workers by the district administration and enrollment of unorganised workers.
- Section 10 provides for eligibility criteria for registration as also the procedure for registration under the Act.
- Sections 11-17 contain miscellaneous provisions for implementing the Act.

8.8 Apart from the above, a Health Insurance Scheme namely, the '**Rashtriya Swasthya Bima Yojana**' for BPL families ( a unit of five) in Unorganised Sector was formally launched on 1st October, 2007. The scheme became operational from 1st April, 2008 and benefit under scheme

started accruing to the beneficiaries. The benefits under the scheme include :

- (i) **Smart card based cashless health insurance cover of Rs. 30,000 to a BPL family of five.**
- (ii) **All pre-existing diseases to be covered**
- (iii) **Hospitalisation expenses, taking care of the most of the illnesses.**
- (iv) **Transportation cost of Rs. 100 per visit with an overall limit of Rs. 1000/- per annum.**

8.9 Till 15<sup>th</sup> April, 2009, 22 States/ Union Territories have initiated the process to implement the scheme. Out of these 22 States/UTs , 17 States namely Rajasthan, Haryana, Punjab, NCT of Delhi, Gujarat, Bihar, Himachal Pradesh, Kerala, Maharashtra, Tamil Nadu, Uttar Pradesh, Jharkhand, Uttarakhand, West Bengal, Goa, Nagaland and Chandigarh Administration have started issuing smart cards and more than 39.71 lakh cards have been issued in these States providing the health insurance cover to more than 1.98 crore persons. Nagaland is the first State in the North East States to issue smart cards. Remaining States except Arunachal Pradesh, Madhya Pradesh and Andhra Pradesh are also in the process of implementation of the scheme.”

8.10 With a view to providing death and disability cover to rural landless households between age 18-59 years, the ‘Aam Aadmi Bima Yojana’ has also been launched on 2nd October, 2007. Under the scheme, the head of the family or one earning member in the family will be insured. The Central Government will bear 50% of the premium of Rs. 200/- per year per person and the remaining 50% of the premium will be borne by State Government. The benefits under the scheme include a cover of Rs.30,000 in case of natural death and Rs.75,000 in case of death due to accident or total permanent disability ( loss to two eyes or two limbs or loss of one eye and one limb in accident ). In case of partial

permanent disability ( loss of one eye or one limb in an accident), the insurance cover would be Rs. 37,500/-. The Scheme also envisages an add-on benefit of providing scholarship upto a maximum of two children of beneficiary studying in 9th to 12th Standard at the rate of Rs.300/- per quarter per child. The scheme is intended to cover 1.5 crore rural landless households. A separate fund of Rs. 500 crores is also being created for the purpose of providing scholarship to children of beneficiaries.

8.11 Similarly, the National Old Age Pension Scheme (Indira Gandhi National Old Age Pension Scheme) has been expanded to cover all BPL citizens above the age of 65 years with effect from 19.11.2007.

### **THE BUILDING AND OTHER CONSTRUCTION WORKERS**

8.12 The construction workers constitute one of the largest categories of workers in the unorganized sector. According to the Sample Survey conducted by NSSO in 2004-2005, about 2.57 crore workers are employed in the construction activities. The Government has enacted the following two legislations for the construction workers: -

- **The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.**
- **The Building and Other Construction Workers’ Welfare Cess, Act, 1996;**

Further, the Building and Other Construction Workers (RECS) Central Rules, 1998 have been notified on 19.11.1998.

8.13 The Act is applicable to every establishment which employs 10 or more workers in any building or other construction work and to the project cost of which is more than Rs.10 lakh. The Act provides for constitution of Central and the State Advisory Committees to advise the appropriate Governments on matters arising out of administration of the legislation 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 (the Government has notified the cess @1%). The Fund is to be used for providing 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.

8.14 Most of the State Governments and Union Territories have constituted State Welfare Boards. The Government of Tamil Nadu has been implementing its own Act. Government of India notified the cess @ 1%. Most state Governments have also notified the same rate. So far, an amount of Rs.1387.92 Crore has been collected as Cess by the State Governments/Union Territories and an amount of Rs.336.19 Crore has been spent on welfare schemes formulated by them.

### **SPECIAL GROUP**

8.15 In pursuance of the directions given by the Prime Minister's Office, a Special Group under the Chairpersonship of Secretary (L&E), with the representatives of DGFASLI, Ministries of Railways and Urban Development, etc. was constituted in September, 2004 to review and monitor the implementation of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The Group has held thirteen regional meetings with the representatives of State Governments / Union Territories in various States.

### **MIGRANT WORKERS AND THE INTER-STATE MIGRANT WORKMEN**

8.16 According to the 2001 Census, 314.54 million persons have changed their place of residence within the country and out. Of this,

29.90 million or 9% have left for work. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 was enacted to protect the rights and safeguard the interests, of migrant workers.

8.17 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 (and contractor) that employs five or more inter-state migrant workmen. The Act has provision for issue of Pass-Book to every inter-state migrant workman with full details, payment of displacement allowance equivalent to 50% of monthly wages or Rs.75/- which ever is higher, payment of journey allowance including payment of wages during of the period of journey, suitable residential accommodation, medical facilities and protective clothing, payment of wages, equal pay for equal work irrespective of sex etc.

8.18 The main responsibility for enforcement of the provision of the Act lies with the Central and the State Governments / Union Territories in the establishment falling in respective domain.

8.19 The problem of migration is sought to be checked through a multi dimensional course of action through rural development, provision of improved infrastructural facilities, equitable dispersal of resources to remove regional disparities, employment generation, land reforms, increased literacy, financial assistance etc. In order to generate better employment opportunities at State level, the Government have launched a number of schemes like Swarnjayanti Gram Swarozgar Yojna (SGSY), Pradhan Mantri Gram Sadak Yojana (PMGSY), Sampoorna Gramin Rozgar Yojana (SGRY), National Food for Work Programme (NFFWP), Indra Awas Yojna (IAY), Integrated Wastelands Development Programme (IWDP), Drought Prone Areas Programme (DPAP), Desert Development Programme (DDP) etc. Further, Government have recently enacted the National Rural Employment Guarantee Act to provide 100 days guaranteed employment to rural households.