

Role of Un Organized Workers in Economic Growth and Sustainable Development (EG & SD)

Er. Somashekara M S
mssomashekara@yahoo.co.in

Abstract

About three decades ago worldwide implementation of the LPG (Liberalization, Privatization and Globalization) started with the intention of more employment generation, better social life, clean environment, national and international harmony & peace etc., But if one looks back and compare the scenarios before and after the LPG, we can clearly find that many negative developments like Corporate frauds, Corporate concern only for profit and growth motives, negligence on social concern & values, unethical governance, unhealthy merger & acquisitions, big fish eating small fishes, concern only for shareholders interest rather than all stake holders etc., etc., have taken place in almost all countries.

Among all the negative developments mentioned above most important negative development is emerging of quantum and strength of Un Organized Workers (UOW). Although this UOW contribution to the Economic Growth and Sustainable Development (EG&SD) is very much considerable, unfortunately they are the most neglected workforce. UOW pain and sufferings exponentially increased especially during and after Covid19. Various forms of UOW category emerged to suit to the requirements of Individuals, Society, Private & Government enterprises/departments/organizations etc.,

It is not that the concept of UOW is new to India. Earlier predominantly it was in Agricultural and Construction sector. But the scenario of LPG made the creation of UOW concept at all fields and areas. **Now the time has come to recognize the UOW valuable contribution to the EG & SD.**

Introduction

About three decades ago worldwide implementation of the LPG (Liberalization, Privatization and Globalization) started with the intention of more employment generation, better social life, clean environment, national and international harmony & peace etc., But if one looks back and compare the scenarios before and after the LPG, we can clearly find that many negative developments like Corporate frauds, Corporate concern only for profit and growth motives, negligence on social concern & values, unethical governance, unhealthy merger & acquisitions, big fish eating small fishes, concern only for shareholders interest rather than society as stake holders of the business etc., etc., have taken place in almost all countries. Only profiteering became the motive of the majority corporate barring few.

Among all the negative developments mentioned above most important negative development is emerging of quantum and strength of Un Organized Workers (UOW). Although this UOW contribution to the Economic Growth and Sustainable Development (EG & SD) is very much and worth to consider seriously. Unfortunately they are the most neglected workforce. UOW pain and sufferings exponentially increased especially during and after Covid19 pandemic. Various forms of UOW category emerged to suit to the requirements of Individuals, Society, Private & Government enterprises/departments/organizations etc., It is to be accepted by one and all that UOW are inevitable to the EG & SD. But funny thing is no one wants to give credit to UOW.

Exploitation of UOW has increased in all manner viz., financially, socially, mentally, ill treatment towards them and their family etc., is happening. All these trauma of UOW exploded during Covid19 pandemic and made to visible to the whole world by the Corona virus. While India changing to the era of LPG, corporate gave lot of importance to the resources like money, material, machine, technology etc., but neglected towards the manpower. Both private corporate and government realized the importance of manpower only after the delayed execution and commissioning of the projects. The cascading affects of these delays negatively impacted on the society, nations progress, GDP growth, financial loss to the exchequer etc., After these sufferings only both corporate and government took steps about skilling of manpower, providing monetary & other benefits to manpower (both UOW and OW) etc., LPG has increased the volume of UOW but failed in bringing cheers on the face of the UOW. Instead it created the many problems on agriculture, home industries, Micro Small & Medium Enterprises (MSME) etc.,

Thanks to Carona Virus which exploded the sufferings of UOW which made the corporate and government to jump to the actions to consider seriously about the welfare and well being of the UOW there by helping for the Economic Growth and Sustainable Development (EG & SD) of the country.

History of Un Organized Workers (UOW)

It is not that the concept of UOW is new to India or any other countries. By default almost all workers in the whole world have passed through the phase of UOW. In earlier days and now also the role of UOW is predominantly more in Agricultural and Construction sector as because Manufacturing sector workers are organized and their minimum wages and benefits were used to fix by the Work Study techniques.

But the scenario of LPG made the creation of concept of employing UOW at all fields and areas of the business. In today's economy, the role, style, designation of the UOW either changed or modified to suit to the culture of the business. For example: agricultural workers, self employed persons, contract workers, daily wage workers, pity businessman (like street vendors, drivers, poojari etc.,) , house maids, delivery boys & girls, dhobis, saloons, cobblers, gig workers, tailors etc., are all comes under the category of UOW. No one can imagine the India's EG & SD without the active participation of UOW. So, before UOW demand for their rights, **time has come to recognize the UOW valuable contribution to the EG & SD and compensate them appropriately..**

During earlier years UOW used to be uneducated, illiterate, unaware about his/her rights for minimum wage/welfare measures/social security provisions/professional hazards etc., In those years UOW main concern was to just earn money for his/her daily lively hood earnings. If an UOW unable to work due to ill health the worker used to be deprived of wages where in worker has to survive without food and medicine. Corporate did not bother to consider the UOW as an asset to their business. Instead exploitation of UOW by one and all was rampant. This type of exploitation, ill treatment, of UOW was more visible to the society during Covid19 pandemic. Both corporate and Govt exposed to the public in this ill treatment of UOW and it's negative impact on society.

Who is a Un Organized Worker (UOW)

The term unorganized worker has been defined under the Unorganized Workers' Social Security Act, 2008, as a home based worker, self-employed worker or a wage worker in the unorganized sector and includes a worker in the organized sector who is not covered by any of the Acts mentioned in Schedule-II of Act i.e. the Employee's Compensation Act, 1923 (3 of 1923), the Industrial Disputes Act, 1947 (14 of 1947), the Employees' State Insurance Act, 1948 (34 of 1948), the Employees Provident Funds and Miscellaneous Provision Act, 1952 (19 of 1952), the Maternity Benefit Act, 1961 (53 of 1961) and the Payment of Gratuity Act, 1972 (39 of 1972).

Status of UOW in India

Based on the definition of UOW one can easily deduce that under how much worst, unsecure and unsafe condition UOW are working in India. The contribution of UOW to Indian workforce is as follows:

In terms of employment share the Unorganized Sector (UOS) employs 83% of the work force and 17% in the Organized Sector (OS). There are 92.4% informal workers (with no written contract, paid leave and other benefits) in the economy. The term Informal worker (IW) and UOW are synonym to each other.

The total work force of UOW and Organized Worker (OW) under Formal Sector and Informal Sector are shown in Table 1.

Table 1: Distribution of total employment (%)

Type of Sector	Year					
	2011-12			2017-18		
	Un Organized Worker (UOW)	Organized Worker (OW)	Total	Un Organized Worker (UOW)	Organized Worker (OW)	Total
Informal Sector	82.6	9.8	92.4	85.5	5.2	90.7
Formal Sector	0.4	7.2	7.6	1.4	7.9	9.3
	83.0	17.0	100.0	86.8	13.2	100.0

Source: Computed from NSS 68th unit level data on employment unemployment, 2011-12 and Periodic Labour Force Survey, 2017-18

Economic Growth (EG) and Economic Development (ED)

The term economic growth is defined as the process whereby the country's real national and per capita income increases over a long period of time. This definition of economic growth consists of the following features of EG:

EG implies a process of increase in National Income and Per-Capita Income. The increase in Per-Capita income is the better measure of EG since it reflects increase in the improvement of living standards of masses.

EG is measured by increase in real National Income and not just the increase in money income or the nominal national income. In other words the increase should be in terms of increase of output of goods and services, and not due to a mere increase in the market prices of existing goods.

Increase in Real Income should be Over a Long Period. The increase of real national income and per-capita income should be sustained over a long period of time. The short-run seasonal or temporary increases in income should not be confused with economic growth.

Increase in income should be based on Increase in Productive Capacity. Increase in Income can be sustained only when this increase results from some durable increase in productive capacity of the economy like modernization or use of new technology in production, strengthening of infrastructure like transport network, improved electricity generation etc.,

Economic Development (ED) is defined as a sustained improvement in material well being of society. ED is a wider concept than EG. Apart from growth of national income, it includes changes – social, cultural, political as well as economic which contribute to material progress. It contains changes in resource supplies, in the rate of capital formation, in size and composition of population, in technology, skills and efficiency, in institutional and organizational set-up. These changes fulfill the wider objectives of ensuring more equitable income distribution, greater employment and poverty alleviation. In short, ED is a process consisting of a long chain of interrelated changes in fundamental factors of supply and in the structure of demand, leading to a rise in the net national product of a country in the long run.

Thus, Economic Growth and Economic Development of both Organized Worker (OW) and Un Organized Workers (UOW) leads to the Sustainable Development (SD) of the society. The SD of the workforce, especially UOW (because they are deprived of many welfare benefits and social security measures) motivates them to work for more and more nation's EG and SD .

Sustainable Development (SD)

Sustainable development (SD) is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. SD includes the protection of future Economic Growth (EG) and future Economic Development (ED). In other words, it means a better quality of life for everyone, now and for generations to come. SD includes the protection of future EG and future ED. Growth is essential, but SD requires it to be different. It must become more concerned about the physical environment not only to present generation, but to the future generation also. It means that the current consumption cannot be financed for long by increasing economic debt and ecological imbalance which future generation will pay. SD constantly seeks to achieve social and economic progress in ways that will not exhaust the earth's finite natural resources. SD is a process of development in which economic and other policies are designed to bring about development which is economically, socially and ecologically sustainable. The concept thus is pro-people, pro-job and pro-nature. It gives highest priority to poverty reduction, productive employment, social integration and environmental regeneration.

It is necessary to list out the cascading effects of the failure of SD at all levels viz., corporate, institutions, govt, state etc., For example the failure of SD of a corporate is not just affecting the corporate itself but the failure of SD of corporate reverberate among the stake holders of the corporate..

Let us analyze one example about how the failure of SD of a corporate affected the dependent and related stakeholders of that corporate:

Vedanta group's Sterlite Copper Industry (SCI) is a Copper manufacturing company in India, located at Thoothukudi of Tamilnadu state. It had an installed capacity of 4 Lakh ton of Copper with a work force of 1,500. From the year 1998 SCI was meeting the demand of Indian Copper requirement up to 40%. Because of SCI the burden of importing of Copper reduced drastically and thereby savings in India's foreign exchange achieved. SCI had employed many OW and UOW. Problem started in SCI as they failed in meeting the environmental standards especially the quality of water disposal from SCI. Water used by SCI for the manufacturing of Copper was not treated at the time of water disposal as per the norms fixed by the Central Pollution Control Board (CPCB). In spite of several reminders sent by CPCB to SCI, the polluted water used to be allowed to the river which was also opposed by the nearby farmers whose land affected and fishing activity became stand still. One fine day the angry farmers entered in to the factory premises of SCI and started agitating. In this process of agitation, firing by police took place and about 9 farmers died. The situation became worse and immediately National Green Tribunal (NGT) issued the order for closure of SCI which eventually closed in the year March 2018. NGT is empowered with taking suitable stern actions against erring corporate which do not meet the environmental standards. Even today SCI has not started the functioning and decided to sell the unit. **Thus, this episode of Sterlite Copper Industry which is a unit of well known Vedanta group is a clear example of failure of corporate in Sustainable Development.**

Following are the cascading negative effects due to failure of SD of SCI on the various stake holders of the SCI.

- Indigenously availability of Copper declined by 40%.
- To meet the demand of Indian Copper, India had to depend on imports which eventually burdened on India's foreign exchange.
- Nine farmers killed whose families burden fallen on state.
- Employees about 1,500 became jobless which in turn affected their families.
- Land and water polluted to the great extent which in turn affected the agriculture, fishing and other livelihood activities of surrounded villagers and farmers.

Pathetic Condition of UOW during the Covid19 Pandemic

The Covid19 pandemic which erupted during the year 2019 and lasted in the year 2022 (still there is no declaration that world is free from Covid19 pandemic) has disrupted the economy of all the countries there by affected the EG, ED and SD. As on today, all the countries have not yet fully recovered from this disruption of economy and the business and EG have not touched to the Pre

Covid19 levels. All the countries are taking steps and measures to bring back the economy on the rails. Among all the countries, steps and measures taken by India is most appreciable and timely.

All these bad treatment towards UOW resulted in negative impact on EG & SD. Whole business community and UOW were in total confusion. To avoid the spreading of the Covid19 pandemic Indian government declared the lockdown (LD) on 22nd March 2020. During this LD period the most affected community is UOW. Their plight can be listed below:

- Removed from the jobs without any notice.
- Wages curtailed
- No benefits given as because they are not covered under any social security measures..
- They were not insured under any type of insurance viz., Life, Medical, Accident etc.,
- Neither they could stay in their work place because of no jobs, no wages, nor they could go to their native places as they do not had the money to go.
- Their family with ladies and children put under very much hardship
- Civic authorities forced the UOW to quit the city limits without providing them any transport facilities, due to which many UOW forced to take up a long walk to their home towns. In some cases many UOW had to walk hundreds of kilo meters to reach their hometowns.

To put it in simple words during the Covid19 pandemic period UOW were treated shabbily, inhumanly, worse than animals barring few employers who have treated their UOW with respect and dignity.

Interconnection between UOW, EG and SD

In all countries EG and SD is the responsibility of all entities viz., government, corporate, departments, etc.,. The purpose of EG & SD is to attain the society's happiness and well being. In Indian context also it is true. But in India the UOW community has not got their eligible share. In spite of hardship facing by the UOW they are contributing about 50% to India's GDP growth. It means, 83% of the total work force in India is UOW who are getting meager salary and no social benefits are contributing to the half of the growth trajectory of the India's GDP whose contribution cannot be neglected by the central & state governments, economists, policy makers, financial planners, human resource analysts, both government and private corporate, academicians, any individuals etc.

Sustainable Development needs continuous planned work and execution of projects which needs huge Human Resource (HR). This HR is consisting of both UOW and OW which tells that there is a strong bondage between UOW, EG and SD. Till Covid19 pandemic, this aspect of bondage was not considered seriously. Better late than never, Govt of India has taken this issue very seriously and has formulated many corrective measures to uphold the dignity and respect of the UOW.

Happiness And Well Being (HAWB) should be the measuring yardstick for successful EG & SD.

Influence of UOW on EG and SD

It is highly impossible to imagine the EG & SD of India without UOW contribution to it. UOW influence starts from the point of our daily life till the nation's development..

In our daily life we come across the services rendering by UOW from the time we get up in the morning till we sleep in the night. To list some of such services are: Newspaper distributor, Milkman, Vegetable street vendor, hair cutting salon, dhobi, courier service provider, delivery boys & girls, auto & taxi driver, kirana shopwala, cobbler, plumber, electrician, gardener etc., At the level of our professions: tea vendor, canteen workers, peons, various types of service providers to our office, construction workers, private bus drivers & conductors, truck drivers, petty shopwalas etc., etc.,

At the level of national development UOW influencing in many ways as construction workers, supervisors, data entry operators, computer related service providers, fabricators, manufacturers, service providers, maintenance workers, vehicle drivers etc.,

No one should forget that UOW are rendering these services with very less financial expenditure on them.

Quantifying of influence of UOW on EG

It is proved that the contribution of UOW towards India's GDP is 50%. Every year get the values for the amount spent on salary and welfare measures on Human Resource (HR) [both UOW and Organized Worker (OW)], let it be A. Out of the amount A, the contribution towards OW be B and towards that of UOW be C. Thus $A = B + C$. Let the growth of GDP be G%. The total amount spent on HR to achieve this G% GDP growth is A, out of this, the amount spent on OW is B to achieve half of the GDP Growth i.e., $(G/2)\%$ and that on UOW is C to achieve other half of GDP growth i.e., $(G/2)\%$. So, for every percentage growth of GDP the amount spent on OW and UOW can be calculated as follows:

The amount spent on OW for every percentage of GDP growth

B divide by $(G/2)\%$ [$(G/2)\%$ will be a number, for example: if GDP growth is 8% then $(G/2)\%$ will be $(8/2)\% = 4$ and so on....]. Let this value be X.

The amount spent on UOW for every percentage of GDP growth

C divide by $(G/2)\%$ [$(G/2)\%$ will be a number, for example: if GDP growth is 8% then $(G/2)\%$ will be $(8/2)\% = 4$ and so on....]. Let this value be Y.

After this calculation, if we observe, the value Y will be certainly less than X.

So, $Y < X$ where

Y is the financial expenditure spent on UOW to achieve unit percentage of GDP growth, i.e., Y Rs. Per percentage of GDP Growth

and

X is the financial expenditure spent on OW to achieve unit percentage of GDP growth i.e., X Rs. Per percentage of GDP Growth

From this simple calculation it reveals that for every percentage of GDP growth the expenditure incurred on UOW is lesser than expenditure incurred on OW. Same calculation can be applied to find out the contribution of UOW and OW towards the GDP growth at each state level.

Above calculations with slight modifications can be applied at following levels also:

- At sector level – Manufacturing, Defense, Mines & Minerals, Agriculture, Service etc.,
- At corporate level
- At state level
- At regional level
- Etc.,

Measures Needed for Inclusiveness of UOW in to EG and SD

In one way or the other all most all of us are employers of UOW. We all owe too much to the UOW and it is our duty and responsible to return their dignity and prosperity. Although it is too late, at government level several measures are taken to uplift the status of UOW.

eShram Registration: Systematic Introduction of eShram registration for UOW is first of it's kind in India. An attempt was made in the year 2005, but it failed mainly because of non Adhar Card facility, non technological development, non serious and no dedicated approach by ministry of labor etc.,

The present eShram portal for the registration of UOW across the Country was launched on 26th August 2021. This portal will help build a comprehensive National Database of Unorganized Workers (NDUW) in the country. Late better than never, thanks to the present Ministry of Labour and Employment who took the task of creating a database of UOW. The portal will prove to be a huge boost towards last mile delivery of the welfare schemes for crore of UOW. **It is estimated that the total strength of UOW in India is about 38 Crore. The registration is totally free for the UOW. As on 20th October 2022 the total number of eShram cards issued by Ministry of Labour and Employment, Govt of India, is about 28.35 crore (to be exactly it is 28,35,36,076).** The registration of UOW in this portal is basis for Govt of India to plan the policies for the inclusiveness of the UOW for Economic Growth and Social Development.

Where to register: Related website for eShram portal is www.eshram.gov.in

Who can register under eSharm Portal: Persons of any sex can be registered under eShram portal.. But two conditions apply while registering under eShram Portal as a UOW. Persons whose age is above 18 years and below 59 years and persons should not be already covered under any Social Security Schemes can register under eShram portal.

Documents required to register in eShram portal: To register in eShram portal UOW should have Adhar card which contains his/her date of birth and mobile number, his/her bank account details.

Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM): is a government scheme meant for old age protection and social security of UOW.

Aam Admi Beema Yojana (AABY): The Government has been implementing some social security measures for certain occupational groups but the coverage is miniscule. The majority of the workers are still without any social security coverage. Recognizing the need for providing social security to these workers, the Central Government has introduced a Bill in the Parliament.

Categorization of UOW based on eShram Registration: About 150 jobs are included in the eShram registration portal like Tailor, Driver, Street Vendor, Construction Worker, Poojari, Teacher, etc., Based on the registration of an UOW in the eShram portal Ministry of Labour and Employment is grouping and categorizing the UOW based on the following criteria:

- Location (State / District / Taluk / etc.,)
- Type of job
- Age
- Sex (Male / Female / Transgender)

Exclusive Fund creation for wage and welfare of UOW: To provide the wage and welfare to the UOW whose strength as on today is about 28.35 crore is not an easy task to the Govt of India. To create an atmosphere of inclusiveness of UOW for the EG and SD is the responsibility of both Central & State Govt and every citizen of India. Now at least Govt is having the exact numbers of UOW who needs to be taken care of.

Ways and means to build up the Welfare Fund For UOW (WFF-UOW): There are many ways to create the Welfare Fund For UOW (WFF-UOW). Logic behind the following proposal put forth by me is – Almost every citizen is service receiver from UOW, so every citizen is having the accountability and responsibility towards the well being of each and every UOW. The proposal for creation of WFF-UOW by both central and state govt is:

- Set aside some portion of the amount from Corporate Social Responsibility (CSR) fund which are supposed to pay or spend by corporate as CSR amount by corporate which falls under CSR criteria.
- Introduce a tax on personal income, corporate tax, trade tax etc., under separate heading for the welfare of UOW. However this tax collection should be for a limited period say for 20 or 25 years or till the estimated amount for welfare is accumulated.
- Get the information about the exact quantum of UOW to ascertain the exact total expenditure involved.
- The welfare measures towards the UOW should be continuous till UOW becomes OW or till working as UOW or till the UOW attains the age of senior citizen.

Conclusion

No one was neither serious about the welfare of UOW and there was no serious attempt to find out the total strength of the UIOW in India. Because none tried to quantify it, measure it, and take corrective actions. UOW were a neglected strength in Indian workforce. No one thought that UOW are inevitable for the EG and SD. Exploitation of UOW in all sectors are rampant.

Thanks to Covid19 pandemic, this exposed the real situations of UOW. Covid19 made the government / corporate / institutions / departments etc., to think seriously about the inevitableness of the UOW towards the nations development and UOW contribution to the growth of the India's GDP. All have realized that Happiness and wellbeing of the UOW should be one of the main concerns for EG & SD.

One should appreciate the Government's immediate action and steps taken to attack the problems of UOW and as a first step to quantify the UOW, government has introduced the eSharm portal to facilitate the UOW to register themselves.

Time has come to not to neglect the welfare of the UOW anymore, With the fast changing in business scenario and job market in the world the contribution of UOW towards the enhancement of EG, SD and GDP of a nation may increase.

So, in future, Economic Analysis, Economic Estimates, Expenditure etc., should involve the aspects like welfare and upliftment of the UOW.