

A STUDY ON WORKERS OF UNORGANIZED SECTORS: ISSUES AND CHALLENGES OF COVID-19

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Abstract

Unorganized workers are usually individual workers. They are mainly daily workers. Due to corona Virus and lockdown, the unorganized sector is suffering a lot. The WHO has declared COVID-19 as a pandemic. The source of income is lost. Corona restrictions causing terrible financial stress to unorganized workers. The unorganized workers cannot work from home. For unorganized sector, staying off work could mean having no food and no money. Due to illiteracy and fear, they are not able to understand the harshness of this virus. In fact, they can't afford to fall sick. At a time when a large section of urban India is isolating itself to limit the spread of the coronavirus pandemic, another large section of the country, the unorganized sector, perceives the idea of social distancing as a luxury it cannot afford. This paper will discuss the miserable condition of the unorganized workers due to COVID-19.

Key-Words: Unorganized sector, daily wages workers, corona virus, job losses, migrant workers

INTRODUCTION

The use of the term 'organized' and 'unorganized' as used in India, which is internationally known as 'formal' and 'informal'. "Unorganized workers consist of those working in the unorganized enterprises or households, excluding regular workers with social security benefits, while the workers in the formal sector without any permanent employment and social security benefits provided by the employers". Basically there is lack of employer-employee relationship in unorganized sector. As a result, they are unable to participate equally in the socio-economic activities of the nation with their male counterpart and hence the basic human rights are snatched away from women labours. They have to work in unhygienic, polluted and unhealthy environment. In India, most of the tentatively 260.3 million people living below the poverty line are unorganized workers.¹ Unorganized sector formulates a huge part of work-force in the Indian economy. The unorganized economy employs about 86 per cent of the country's work force and 95 per cent of its women workers². An unorganized worker is a home-based worker or a self-employed worker or wage worker in the unorganized sector and includes a worker in the organized sector who is not covered by any of the acts pertaining to welfare schemes.³ A high proportion of socially and economically impoverished workers of society are vigorous in informal economic activities. These workers are earning for their families.

In the name of Corona, people have died, establishments have closed, communities stay at home and countries have shut down their borders. Never before, in the last 100 years has a pandemic of this magnitude threatened life, sanity, routines and economies, and the worst is not yet over.

DEFINITION OF UNORGANIZED WORKERS

- The term 'unorganized worker' is defined in India under Section 2(m) of the Unorganized Workers Social Security Act, 2008.
- "unorganized worker" means a home-based worker, self-employed worker or a wage worker in the unorganized sector and includes a worker in the organised sector who is not covered by any of the Acts mentioned in Schedule II to this Act.
- According to International Conference of Labour Statisticians the terms unorganized and in formal sectors are often used interchangeably. The in formal sector may be broadly

¹<http://www.lawyersclubindia.com/articles/Labour-Rights-under-the-Indian-constitution-3300.asp>

²Mean Years of Schooling of Non-agricultural Workers by Sector and Sex 2004 - 2005

³Welfare scheme as mentioned in schedule-II of unorganized workers social security act, 2008.

characterized as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned.⁴

CATEGORIES OF UNORGANIZED WORKERS

The National Commission on Labour listed 'illustrative' categories of unorganized labour⁵:

- contract labour including construction workers;
- labour employed in small scale industry;
- beedi and cigar workers
- casual labour
- sweepers and scavengers
- tribal labour
- agricultural labour
- other unprotected labour

IMPACT OF CORONA VIRUS ON UNORGANIZED SECTOR

The WHO has declared Covid-19 as a pandemic. Disease experts use the term "pandemic" to describe when an epidemic has become rampant in multiple countries and continents simultaneously. While the word may evoke fear, it describes how widespread an outbreak may be, not its deadliness. Covid-19, as the disease caused by the coronavirus is officially called, has infected more than 1.7 lakh people worldwide, killing more than 6,600.⁶ In India, the disease has so far caused two deaths and infected at least 114 people across 14 states.⁷ In barely 90 days, the world has been invaded. Due to lockdown, the unorganized workers are surviving a huge problem of income, food and shelter. Many migrant workers are in tight corner. They neither can go back to their hometown nor they can live at work place. Across the world, healthcare experts agree that the only way to control the rapidly spreading disease and avoid overburdening national healthcare systems is to practice social distancing and limit human-to-human interactions. In the past week, several states across India put this into action by closing down schools, colleges, malls and movie theatres and, in the case of Karnataka, even banning social events involving more than 50 people. In the private sector, many workplaces are either asking or allowing employees to work from home.

Everyone's been thinking about food lately. For thousands of migrant workers set adrift by the nationwide lockdown, food means violence, food means absence. Some have lived on salt and water, as if to simulate the taste of whole, cooked meals. Some faced blows as they tried to reach community kitchens or essential supply stores. Others queue for hours to return with a small bowl of rice and dal, not enough to feed a family of famished children. Already, in Jharkhand, an elderly woman is said to have died of hunger. Coronavirus pandemic puts India's informal workers in the firing line.⁸

The unorganized sector is known by different identification such as informal sector, unregulated sector, etc. The unorganized sector plays a vital role in Indian economy. It is now a very critical situation and hence a special attention is required to protect rights of unorganized workers.⁹ The ratio of unorganized workers is very high throughout the country. They are suffering from seasonal employment and hence they have no security of their jobs. Their work place is scattered. There is no practical relationship between employer and employee. In rural areas of India, the unorganized workers are highly divided in to cast and community considerations. While in urban area, they are basically migrated workers from rural areas. The unorganized sector is not getting the proper attention of the trade unions. The concept of an informal or unorganized sector began to receive world-wide attention in the early 1970s, when the International Labour Organisation initiated series efforts to identify and study the area through its World Employment Programme Missions in Kenya, Columbia, Sri Lanka and Philippines primarily underlined the development strategy based on economic growth in which employment was considered as the prime objective for development.¹⁰

ISSUES AND CHALLENGES DUE TO CORONA VIRUS

- There is lack of employee-employer relationship. So under these circumstances, the workers engaged in unorganized sector, are not able to earn income.

⁴International Conference of Labour Statisticians, Resolution Concerning Statistics of Employment in the Informal Sector, 15 (Geneva: ILO), 1993.

⁵<http://vikaspedia.in/social-welfare/unorganized-sector-1/categories-of-unorganized-labour-force?content=large>

⁶<https://www.mohfw.gov.in/>

⁷<https://www.bloombergquint.com/business/fear-of-contract-job-losses-prompt-cash-transfer-calls>

⁸<https://www.thehindubusinessline.com/opinion/coronavirus-is-hurting-businesses-pretty-badly/article31136301.ece>

⁹<http://www.isleijle.org/ijle/IssuePdf/0be6e932-3d4a-42c5-adf3-bf86df95042a.pdf>

¹⁰R.S.Tiwari, Informal Sector Workers: Problems and Prospects, (New Delhi: Anmol Publishers) 2005 Edition, p.5.

- Unlike domestic workers, other unorganized workers have been losing income even after showing up to work every day.
- Migrant workers are trapped. They cannot move to any other place and hence they are forced to live without work or job, money, food and shelter.
- The workers who are staying at workplace, like construction workers works at site and stay there only, now, cannot have any shelter.
- Unorganized workers cannot work from home.
- At a time when a large section of urban India is isolating itself to limit the spread of the coronavirus pandemic, another large section of the country, unorganized sector, perceives the idea of social distancing as a luxury it cannot afford.¹¹
- Many of India's informal workers are getting pushed into bonded labour during coronavirus crisis.
- They cannot afford to take risk because Indian doctors are relying on trial and error in the absence of a vaccine or proven cure.

CORPORATE INDIA'S ROLE

Organisations should promote containment by minimizing travel, enabling work from home and planning for the developing situations in real time. In the immediate term, companies need to stay updated on the government informed guidelines, provide adequate hygiene tools at work, encourage and monitor good hygiene practices.¹²

Due to the Work from home concept during COVID -19 we should protect privacy of the each and every persons. No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honor and reputation. Everyone has the right to the protection of the law against such interference or attacks¹³.

For the medium and long term, they need to think ahead of time on what could go wrong, anticipate work force depleted work environments and mitigate accordingly. Additionally, it is important to also have a work plan for infected workers, helpline info, re-joining plan, etc. The worst is not over and companies will be called upon for further help if the crisis accelerates. FICCI has come out with a 'Guide for Organisations to follow under COVID-19 Pandemic'. The basic idea is that "addressing the humanitarian challenge should be our priority at all work sites",¹⁴

This 'Guide has been compiled by FICCI from best practices adopted by corporates across the globe and are intended to help reduce the impact of Covid-19 outbreak in the country on businesses. Employers and workers may use this planning guidance to help prepare their workplaces for prevention of infection as well as for enhancing their productivity through workplace flexibility and workforce preparedness.¹⁵

IMPACT AND ASSESSMENT OF CORONA VIRUS IN DIFFERENT STATES OF INDIA

Gujarat:

The state of Gujarat has appealed the organizations and businessmen to provide wages to unorganized workers during the period of lockdown. Moreover, the Gujarat government has provided the foods and shelter to unorganized and migrant workers. They have made isolation wards at free of cost for poor and needy people.

New Delhi:

The central government is dealing with the impact of the Covid-19 outbreak, but many states have taken the charge in earmarking allocations and relief remedies for the poor and the workers of unorganized sector.

The policies announced by many states have centered around providing food grains available to the poor, financial aid to labourers and construction workers, and pension to be given to poor beneficiaries. Delhi Chief Minister also announced the scheme under which the government will pay Rs 4,000-5,000 pension to 8.5 lakh beneficiaries under the circumstances of corona virus. Besides this, the government will also provide free rations, with 50% extra quantity than normal entitlements, to 72 lakh beneficiaries.

Economists and Right to Food voluntaries have been active on the need for direct money transfer to the unorganized sector.¹⁶

Kerala:

¹¹https://www.researchgate.net/publication/290709812_Problems_and_Challenges_Faced_By_Unorganized_Sectors_An_Indian_Perspective

¹²<https://www.thehindubusinessline.com/opinion/coronavirus-is-hurting-businesses-pretty-badly/article31136301.ece>

¹³ Ms. Heena Laxmandas Makhija & D "r. Bhavesh bharad "TRACING THE EVOLVING FACTS OF, A HUMAN RIGHT TO PRIVACY WITH INDIAN PERSPECTIVE " , GAP GYAN- An International Peer-Reviewed Open Access Journal of Social Sciences , Volume: II, Issue:III , ISSN: 2581-5830 , P. 34

¹⁴IndiaFightsCorona COVID-19

¹⁵ibid

¹⁶<https://theprint.in/india/governance/coronavirus-lockdown-what-states-are-doing-to-help-the-poor-and-unorganized-workers/388156>

Kerala was the very first state who provide a relief package to the needy, worth Rs 20,000 crore. The package includes loans for families under its Kudumbashree scheme. Workers have also been promised one month of cereals. The Pinarayi Vijayan-led government also proposes to set up food stalls to provide subsidised or free meals for the poor. It has also allowed delayed payment of water and electricity bills.¹⁷

Uttar Pradesh:

UP was also one of the earliest states to announce financial relief for labourers. The state government announced Rs 1,000 to each of the around 35 lakh labourers as 'maintenance allowance'.¹⁸ Along with these schemes, 1.65 crore construction workers will be given free ration for a month.

Chief Minister Yogi Adityanath has also directed his officials to release payments for workers registered under the Mahatma Gandhi National Rural Employment Guarantee Act.

Bihar:

The government of Bihar has decided to provide free ration for a month to all ration card holders which includes unorganized workers.

The government has also decided to provide three months of advance pension for the elderly, disabled persons and widows, Rs 1,000 financial assistance to families in lockdown areas (before the whole country went under lockdown), and a performance bonus equivalent to one month's pay to the health workers battling Covid-19.¹⁹

Maharashtra:

The Maharashtra government has also given Rs 45 crore to districts worst affected by the Coron virus outbreak. The government has requested to businesses, including small shopkeepers, to not fire their workers during this period.

The Maharashtra labour commissioner has directed labour department officials to issue advisories in this regard to employers and owners of all establishments.²⁰

Tamil Nadu:

Tamil Nadu has decided to give one month's free ration, which includes rice, cooking oil, pulses and sugar, to all ration card holders. The government has also promised cash support of Rs 1,000 to them.²¹

Karnataka:

Karnataka's B.S. Yediyurappa government has announced loan waivers for the urban poor, Rs 1,000 for construction workers who have been rendered jobless, and advance payment of wages to beneficiaries of the rural employment guarantee scheme.

The government had decided to allow free food to be served through the Indira Canteens, the food chain it runs, to help labourers and people from the unorganized sector eat as restaurants have been shut. However, the huge rush at the canteens forced the government to shut them down due to fears of community spread of the coronavirus.²²

Now, the government has sought the help of the police and other essential service departments to help distribute free food and clean water to the homeless and those in need.

Andhra Pradesh:

The Andhra Pradesh government has announced all government and private establishments shall make payments of wages and salaries to those working, under contract or outsourcing basis, during the lockdown. It has also said that if any employer is found violating this order, they would be penalized under the Epidemics Diseases Act, 1897.²³

INTERNATIONAL LABOUR ORGANISATION: PROTECTING WORKERS IN THE WORKPLACE

Covid-19 is threatening the source of income and health of unorganized workers and employers globally. It is not a local but a worldwide issue which requires a instant attention and global response. Urgent action is most essential from international organisations. The moment has come to observe the United Nations reform in action. Magnified cooperation and coordination are essential among all actors in the multicultural system. The World Health Organization(WHO) and International Labour Organization are at the heart of the international guidance to manage this pandemic and logically short, medium and long term sustainable solutions for individuals, communities, nations and regions.²⁴

The International Monetary Fund, the Organization for Economic Co-operation and Development need to support concentrated, well organized and impact-proven measures to economies in need to solve the issues regarding the economic, employment, health, and social impact of the pandemic for unorganized workers in all

¹⁷ibid

¹⁸ibid

¹⁹ibid

²⁰ibid

²¹ibid

²²<https://www.mohfw.gov.in/>

²³ibid

²⁴Joint statement on COVID-19 by ILO and International Trade Union Confederation.

unorganized sector of the economy which includes the self-employed and temporary, casual and informal workers. Related to this, the global economy needs urgent computations and policies that catch the economy. COVID-19 will also have crucial economic and employment effects. Millions of companies worldwide are in danger of being forced out of business with grave impacts on employment. We need to act now quickly and responsibly, minimising the social and economic consequences.²⁵ We need to find ingenious solutions for the masses of workers who will be affected through labour market pliable, support and adaptation to control the unemployment fallout and the loss of income due to the Covid-19 outbreak.

The International Organisation of Labours (IOL) constituents stand in harmony with governments and highlight the crucial need for social dialogue at national and multilateral levels to design measures to overcome this effect.

ILO call for urgent action in the following key areas:

- Business continuity, income security resolutions to prevent the spread and protect lives and income and build resilient economies and societies.
- The effect of COVID-19 stress in the strongest terms the vital role that social dialogue and social partners play in the command of the virus at the workplace but also to avoid massive job losses in the short and medium term.
- Policy coordination and coherence is of the essence. The United Nations, and especially the WHO, should take into consideration the essentials for protecting employment and income through build up social protection measures in both the resolution of the pandemic and in setting the foundation for the employment. The economic conditions for recovery and must concede the key role the ILO plays and sympathize in urgently tackling the social and economic consequences of the COVID-19 crisis.
- The 2019 ILO Centenary Declaration for the Future of Work contains critical elements that are key to any long-lasting and sustainable response to pandemics including the COVID-19.²⁶

CONCLUSION

Thus, under these crucial circumstances, the unorganized workers have to suffer a lot. However, the government is trying to help these sector by providing different schemes and packages, the most of the part of this sector is in tight corner. Migrant workers are in trouble and they cannot move anywhere. They have to maintain social distancing and hence they cannot work from home and cannot earn money for their bread. Due to insufficient medicines and vaccinations, we don't know how longer this virus will stay. Ultimately it is snatching human rights and constitutional right of Right to live, Right to liberty, Right to live in clean environment, Right to work, etc. There are many donors and NGOs who are came forward to help these needy people, but again there are some limitations for them also. This may cause harm on economy as well. The liquidity of money is becoming weak. Hence, there are chances that the employer may reduce the wages of unorganized workers. Due to lack of proper laws and provisions of unorganized workers, they cannot raise their voice against violation of their rights. They cannot have shelter of different laws headed under labour laws like, minimum wages, compensation act, social security act, pension and provident fund schemes, etc. the future of unorganized workers is very dark. The chain of work and money transformation is broken which leads a terrific problem to unorganized sector. It's our moral duty to save them. It is a moral turpitude of employer to provide sufficient needs and wages to them because they cannot rely upon the government only. Let's forget few profits for some time and help these workers.

In short, all efforts need to be undertaken to help workers to go through the crisis, to keep workers in their jobs, to protect from unemployment and loss of income, and to alleviate financial devastation. IOE and ILO are committed and prepared to support policy makers in their efforts. Let's hope the medical team invent accurate vaccine for this virus. Let's hope for best.

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²⁵https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/-actrav/documents/genericdocument/wcms_739522.pdf

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