



Full Length Research Article

SURVEY ON ORGANISED AND UNORGANISED SECTORS IN CAMPUS OF JNU

***Piyush Bhadani**

Maharaja Agrasen College, University of Delhi, India

ARTICLE INFO

Article History:

Received 12th October, 2015
Received in revised form
22nd November, 2015
Accepted 14th December, 2015
Published online 31st January, 2016

Key Words:

Organized sector,
Unorganized sector,
Casualisation,
Informal workers,
Formal workers.

ABSTRACT

The Indian economy is characterised by the huge majority of informal workers either in unorganized sector or in organized sector and a minority of organized workers. The present paper is survey based report on the conditions of workers in unorganized as well as organized sector in the campus of Jawaharlal Nehru University. The study also focusses on the rapid increase in the casualisation of workers in organized sector which has led to decline in the overall working and living conditions of the workers in the organized sector. In order to present the result in a systematic manner, I am dividing our analysis into four broad categories namely demography, employment history and earnings, health facilities and, working and living conditions of the workers. Contrary to the widely held view that organized sector workers are better off than the unorganized sector workers the study reveals a surprising result indicating a better off situation of the workers working in unorganized sector. The probable reason for this which I came across during the study is the rapid increase in the number of casual workers in the organized sector. The emergence of unorganized workers in organized sector was prevalent before the adoption of the New Economic Policy of 1991. But its intensity increased after the policy change. There are few limitations of the study which have been mentioned in the conclusion. In spite of these limitation the results of the study still throws an insightful light on the situations of the workers in the organized as well as unorganized sectors in the campus of Jawaharlal Nehru University.

Copyright © 2016 Piyush Bhadani. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

INTRODUCTION

The Indian Economy is characterised by the existence of a vast majority of informal or unorganized labour employment. As per the Economic Survey 2007-08, 93% of India's workforce include the self-employed and employed in unorganised sector. And according to the Economic Survey 2007-08 agricultural workers constitute the largest segment of workers in the unorganised sector (i.e. 52% of the total workers). As for the concept of informal or unorganized labour, and formal and organized labour, it has not been defined anywhere scientifically. Nor was there any serious attempt to define this word or phrase. However, this term was used to speak of availability or non-availability of certain benefits or rights to the working class outside the organised sector. Sometimes this sector is also termed as informal sector. For this paper's pre-assumption, the unorganised sector features forms of shelter or living arrangements that are similarly unlawful, unregulated, or not afforded protection of the state. The Ministry of Labour, Government of India, has categorised the unorganized labour

force under four groups in terms of occupation, nature of employment, especially distressed categories and service categories. All these NSSO reports are clear evidences to prove that the labour market of India has been undergoing tremendous transformations, including growth of informal sector activities, deterioration in the quality of employment (in terms of job security, terms and conditions at work), weakening of worker organisations and collective bargaining institutions, marked decline in social security etc. This growing informalisation of labour market has been central to most of these transformations, which internally highlights the utility of understanding the growth of unorganised sector in India and its implications.

Generally, the major characteristics of the unorganised workers contain that, the unorganized labour is overwhelming in terms of its number and range, and therefore they are omnipresent throughout India. As the unorganised sector suffers from cycles of excessive seasonality of employment, majority of the unorganised workers does not have stable durable avenues of employment. Even those who appear to be visibly employed are not gainfully and substantially employed, indicating the existence of disguised unemployment.

***Corresponding author: Piyush Bhadani,**
Maharaja Agrasen College, University of Delhi, India.

The workplace is scattered and fragmented. There is no formal employer – employee relationship. In rural areas, the unorganized labour force is highly stratified on caste and community considerations. In urban areas while such considerations are much less, it cannot be said that it is altogether absent as the bulk of the unorganised workers in urban areas are basically migrant workers from rural areas. Workers in the unorganised sector are usually subject to indebtedness and bondage as their meager income cannot meet with their livelihood needs. The unorganised workers are subject to exploitation significantly by the rest of the society. They receive poor working conditions especially wages much below that in the formal sector, even for closely comparable jobs, i.e., where labour productivity are no different. The work status is of inferior quality of work and inferior terms of employment, both remuneration and employment.

Primitive production technologies and feudal production relations are rampant in the unorganised sector, and they do not permit or encourage the workmen to imbibe and assimilate higher technologies and better production relations. Large scale ignorance and illiteracy and limited exposure to the outside world are also responsible for such poor absorption. The unorganised workers do not receive sufficient attention from the trade unions. And there are inadequate and ineffective labour laws and standards relating to the unorganised sector.

Indeed, as an overwhelming proportion of the poor and vulnerable population in India, the informal and unorganized labour weighs heavily in labour economic study. This paper is concentrated on both organised and unorganized labour situation in Jawaharlal Nehru University campus of India, designed to compare the different conditions between this two sectors. Due to verified labour types inside the campus, I focus on food serving business groups, including sample mess workers in each student's hostel representing organized labour, and wage workers in various Dhabas and Canteens in the campus representing unorganized labour. Besides the survey target and region, my experiment is mainly designed to find out what differs the working and living conditions of this two sectors' labour, and empirical support centering working and living conditions of organised and unorganised sectors will show us the details. Also in the current scenario in the Indian context the Casualisation of jobs in the organised sector has become very rampant especially after the adoption of the new economic policies in 1991.

Casualisation is defined as the process under which casual workers are employed for the jobs which used to be performed by the permanent workers. Clearly this move of the government of switching to casual workers from permanent workers for the jobs in organised sector is a cost minimising move as these casuals workers are hired at a very low salary compared to the permanent workers for the same job. The latest report of the NSSO uploaded by the close of May 2011 about the casual workers in India between 2004-05 and 2009-10 compared to that of the period between 1999 – 2000 and 2004-05 very clearly shows that there is significant increase in the number of casual workers and decline in the number of regular workers.

This report shows a substantial shift between 1999-00 and 2009-10 in the structure of the labour force which can be broadly divided into self-employed, regular, and casual workers. (Casual workers are employees who do not enjoy the same benefits and security as tenured employees, such as all-daily wage employees and some categories of contract employees are casual labourers.) Therefore, this paper contains empirical description of Indian labours' characteristics and relevant hypothesis, theoretical revise of organised and unorganized labour study, survey design and analyzed methodology, survey process and data assessment, and conclusion with special focus on emergence of unorganised workers in organised sector jobs in the organised sector.

Literature Review

Although quite a large literature on single aspects of the hidden economy exists a comprehensive survey has just been written by Schneider and Enste (1) concentrating on the size of the informal economy in terms of value added. Moreover, the subject is still quite controversial (2) and there are disagreements about the definition of informal economy activities, the estimation procedures and the use of their estimates in economic analysis and policy aspects. Nevertheless around the world, there are strong indications for an increase of the informal economy and little is known about the size of the informal economies in transition, developing and developed countries for the year 2000. The size, the causes and the consequences are different for different types of countries, but there are some comparisons that can be made and that might be interesting for social scientists, the public in general, and helpful for politicians, who need to deal with this phenomenon sooner or later.

These attempts of measurement are obviously very difficult, since the informal economy activities are performed exactly to avoid official registration. Nonetheless, regarding the determinants of the increase of the informal economy, empirical results of the influence of the tax burden on the informal economy is provided in the studies of Schneider (1994b, 2000) and Johnson, Kaufmann and Zoido-Lobaton (1998a, 1998b); they all found strong evidence for the general positive influence of taxation on the informal economy. Also, the increase of the intensity of regulations (often measured in the numbers of laws and regulations, like licenses requirements) is another important factor, which reduces the freedom (of choice) for individuals engaged in the official economy. Lastly, an increase of the informal economy leads to reduced state revenues which, in turn reduces the quality and quantity of publicly provided goods and services. Ultimately, this can lead to an increase in the tax rates for firms and individuals in the official sector, quite often combined with a deterioration in the quality of the public goods (such as the public infrastructure) and of the administration, with the consequence of even stronger incentives to participate in the informal economy.

In addition, there is a large body of literature that deals with working conditions in industries and industrial clusters based on surveys done by independent researchers. One of the prominent research works on the conditions of work in unorganised sector has been done by National Commission for

Enterprises in Unorganised sector (NCEUS) which was constituted by Government of India to act as an advisory body and watchdog for the informal sector, under the chairmanship of Arjun Sengupta. The commission submitted its first Report on Social Security for unorganised workers on 16th May 2006 recommending the creation of an entitlement of national minimum social security for all the eligible unorganised workers. On 7th July 2007 the Commission again submitted a concise Report with two draft bills – one for unorganised workers in agriculture and another one for those who are outside agriculture – recommending legislation for a set of minimum conditions of work as well as national minimum social security. The report focuses on the conditions of work of informal or unorganised workers, in both the unorganised and organised sectors. The report categorises the unorganised workers in four broad categories namely;

- Wage workers in the Unorganised sector
- Self-employed in the Unorganised sector
- Unprotected wage workers in the Organised sector
- Regular Unorganised workers.¹

The committee came to conclusion that there is high degree of congruence between the informal economy and the poor and vulnerable and this led the commission to examine the twin issues of conditions of work and promotion of livelihood. Under conditions of the commission focused on five core issues;

- Issues related to working conditions and welfare of workers.
- Issues relating to remuneration at work, wage levels wage forms, pay period, advances and so on.
- Issues relating to social security benefits for the workers.
- Issues related to trade unions such as recognition and registration and mechanisms available to workers in the unorganised sector for redressal of grievances and disputes.

Thus the study by the NCEUS act as a benchmark for any kind of study related to unorganised sector in the country for the researchers. Very few researchers have, however, attempted to compare the situation on the ground with a set of minimum standards or norms. For instance, of the several studies on wage levels and earnings in the unorganised sector, only a handful have made an attempt to compare the wages and earnings with the prevailing statutory minimum wages. This limitation apart, the research studies provide a wealth of details on the conditions of work in the unorganised sector. Therefore, I compiled this survey to compare these two sectors, and further discussion is as below based on findings of this survey.

MATERIALS AND METHODS

As mentioned in the literature review the purpose of my study is to analyse the difference in the living and the working conditions of the workers in organised and unorganised sectors in JNU. Apart from this I am also focusing on casualisation of

¹These categories of workers are those who are working for others and getting in return salary or wages on regular basis.

jobs in the organised sector and the difference in the conditions of organised and unorganised workers in the organised sector. For the purpose of collection of data for my study I primarily used a questionnaire based survey where one-one interview was conducted. For the data on organised sector I am considering the mess workers in different hostels in JNU while for the unorganised sector we are considering the workers of various Dhabas and Canteens in different locations of JNU. For further information I also interviewed some of the mess managers in the hostels along with Employers in some of the Dhabas and Canteens. In the questionnaire I focused on four broad areas namely, the demography, employment history and earnings, health facilities and, working and living conditions of the workers. The questionnaire contains ten sections of which the first section deals with demography, the second and third deal with employment history and earnings and the remaining sections deal with the health facilities and, living and working conditions of the workers.

I divided fifteen¹ hostels into two groups, one group contained hostels having only temporary workers like Koyna, Mahi-Mandavi, etc and the other group contained hostels having both temporary and permanent workers, like Periyar, Tapti, Sutlej, etc. Within each of these two groups by employing the method of random sampling I chose three hostels. From each of these six hostels I randomly chose two helpers and one cook i.e. a total of three mess workers. Therefore the total sample size of the workers in the organised sector is eighteen. For the unorganised sector I considered the twelve major Dhabas and Canteens of which I randomly sampled six. In each of these six we chose three workers each.

RESULTS

It is a general perception that workers in unorganised sector are relatively worse off compared to the workers in organised sector in a sense of their earnings, their living and working conditions and the facilities that they get from their employers. In a country like India where there is a huge proportion of workers engaged in the unorganised sector, a comparative study of the workers in organised and unorganised sectors is critical. The above statement seems true if we consider the situation of both the sectors before the process of casualisation became rampant in the organised sector. Although the process of casualisation in the organised sector had started in early eighties, its intensity increased rapidly with the adoption of the New Economic Policy in 1991 by the Government of India.

For the purpose of our study, I am dividing our analysis into four broad categories namely demography, employment history and earnings, health facilities and, working and living conditions of the workers.

Demography

In my survey I observed a wide variation in the ages of the workers. The range varies from as low as nineteen to as high as fifty-five. In the organised sector a mix of young and old was seen but in the unorganised sector the workers mainly comprised of young people with age varying from nineteen to thirty-five. While interviewing some of the employers in the

unorganised sector I found that they prefer to hire young people compared to the old ones because they are more energetic and can keep pace with the work load. Moreover it was added that comparatively the young people were less prone to fall ill than the old ones. However we can conclude that in the organised sector the work load is comparatively less since there are fixed mess timings with fixed number of students to be served depending on the hostel capacity. So may be its easier to keep pace with the work load. Further there are sufficient number of helpers to lower the work load in the organised sector which may not be the case in the unorganised sector. Again in the case of permanent workers once the worker is hired, he/ she cannot be removed from the job so naturally the proportion of older workers will be higher in the organised sector.

In terms of religion I see a huge bias towards Hindu workers in both organised and unorganised sectors. The probable reason may be discrimination against the Muslim workers but we did not find any solid or sound evidence for such biasedness. My observation also shows that most of the workers in both the sectors are on an average tenth pass and in many instances there are workers who have just come after leaving their studies at a very early stage of their life. This clearly shows that the jobs in either of the two sectors do not require much of academic skills.

Employment history and earnings

Most of the workers in the organised sector that I interviewed did not leave their previous job for the sake of higher salary or job security but for a work environment with lower work pressure. On the other hand if I look at the unorganised sector the scenario is a little different. Here the workers opt for this job because in most of the Dhabas and Canteens apart from the monthly salary, they get free accommodation along with free meals, which are costly in a city like Delhi. Then the obvious question that arises in our mind is why do people then prefer jobs in messes of different hostels over jobs in Dhabas and Canteens? The probable reason that I came across while interviewing the unorganised workers in organised sectors was the hope of being preferred over the other candidates in case of vacancy for permanent jobs.

The salary of the workers in the organised sector varies from Rs. 8,000 to Rs. 22,500 while that of the workers in the unorganised sector is between Rs. 3,000 to Rs. 10,000. So I see the range of salaries in organised sector is 14,500 while the corresponding value for the unorganised worker is 7,000 i.e. the range of salary in the organised sector is higher than that in the unorganised sector. In this respect it is worth mentioning that apart from the presence of different ranks among the workers, this high range of salary in the organised sector is due to the fact that there is the existence of both organised and unorganised workers in the organised sector. On the other hand the difference in the salary in the unorganised sector is due to the difference in the number of years worked under the same employer. Another interesting observation worth mentioning is that within the organised sector there is a huge difference between the salary of the permanent workers and that of the temporary workers. The salary of a permanent cook is around Rs. 22,500 and that of a temporary cook is around

Rs. 10,000 and similarly for permanent helpers the salary is Rs. 15,000 and that of temporary helpers is Rs. 7000. There is discrimination in the organised sector between the two groups of people namely organised or permanent workers and the unorganised or temporary workers in terms of salary even though they perform the same type of work. However as mentioned before the difference in salary of the workers of different ranks in the unorganised sector is due to difference in the period for which they were employed under that particular employer. If I look at the salary difference between the casual workers in organised sector and the workers in the unorganised sector, it is not that significant. Apart from some of the additional benefits that the casual workers in the organised sector get in terms of holidays and health benefits.

Health Facilities

In terms of health facilities both the organised and unorganised workers in the organised sector are better off compared to that of the unorganised sector. In the mess there is access to first aid services which is not the case with most of the Canteens and the Dhabas. In the organised sector the permanent employees get health benefits under CGHS (Central Government Health Scheme) whereas in case of the casual workers, they have ESIC (Employees' State Insurance Corporation) cards for which an amount of Rs. 118 (approx) gets deducted from their monthly salary. Unlike the permanent workers who get these facilities in the campus itself, they have to go to places like Sarojni Nagar or Mehrauli, etc. On the other hand in case of the unorganised sector the workers do not have access to even minimum first aid facilities in their work place and also do not get access to any such health facilities. However, some of the respondents in the unorganised sector said that their employers provide monetary help in times of health related emergencies.

Living and working conditions

If we compare the working conditions of the organised and the unorganised sector we see a sharp contrast between the two. In terms of the hygiene in the work place the messes are far better than the Canteens and the Dhabas. Not only there is proper ventilation in the former but also it is more spacious and clean. In the unorganised sector, due to insufficient exhaust fans, the quality of air is poor. Moreover, due to a shortage of manpower, the job of cleaning the workplace is entrusted to workers who perform other kinds of duties like cleaning utensils. Due to the heavy workload, these workers do not manage to get sufficient time to clean the workplace properly which results in unhygienic working conditions. The kitchens in the Dhabas and Canteens are quite congested and quite often two or three cooks have to work simultaneously in that small kitchen which leads to conditions that are highly accident prone. Moreover, in both the sectors, in case of any kind of injury during the course of work, the workers do not get any compensation from the employers. However, they can avail the services of the ambulance provided by the health centre of JNU.

Fire extinguishers are provided to all the messes, Dhabas and Canteens by the JNU administration and they are checked for any defects twice in a year. In the organised sector, the

workers get a weekly off of one day or two days depending on whether they are temporary or permanent respectively. In addition to this, the permanent workers also get 2 days of restricted holidays per year. If they work on any of these holidays they either get paid for it or he gets an equal number of extra holidays in the next month. In the unorganised sector, the workers in the Canteens get a day off per week while the workers in the Dhabas get two days off per month out of which one is the day when the Dhaba is closed while the other is any day which the employer decides. If the worker works on this day then he gets paid for it. In the organised sector, only the permanent workers get leave benefits. They get eight days of casual leave, thirty days of early leave and ten days of medical leave per year. However, the unorganised workers in the organised sector do not get any leave. There is no concept of leave in the unorganised sector.

In the case of permanent workers, the wage revision happens when the government decides it. In case of the temporary workers in the organised sector, there is a revision of salary after every two to six months when the government brings out a circular. In some of the Dhabas there is an annual increase of Rs. 500 in their salary. In case of festivals, all workers get a bonus of one kind or the other during Diwali. Organised workers in organised sector they get Rs. 3200 to Rs. 3400 which is given by the government while the unorganised workers in the organised sector get Rs. 500 from the contractor along with a packet of sweets or dry fruits. In the unorganised sector, the bonus depends upon the employer. It can be anything like a packet of sweets or clothes and a small amount of money.

The standard of living of the organised workers in the organised sector is much higher than that of the unorganised workers in the organised sector as well as the workers in the unorganised sector. This is obvious because of the fact that the organised workers in the organised sector earn a lot more than the other workers. This high income also enables them to have higher asset holdings. However, we observed that most of the workers in the unorganised sector were saving a part of their salary and remitting it back home while the workers in the organised sector usually did not save anything. This is due to the fact that most of the workers in the unorganised sector are migrants who do not stay with their families and their employer takes care of their accommodation and food which enables them to save.

Conclusion

In this study I made an attempt to show the sharp contrast between the workers engaged in organised and unorganised sector in Jawaharlal Nehru University. For the purpose of my study I have considered all the messes in the hostels as the representative of the organised sector, while all the Dhabas and canteens are considered to represent the unorganised sector. I primarily focused on the four broad categories namely demography, employment history and earnings, health facilities and, working and living conditions of the workers. The emergence of unorganised workers in organised sector was prevalent before the adoption of the New Economic Policy of 1991. But its intensity increased after the policy change. Now in the organised sector there is a substitution of organised

workers with more and more of unorganised workers. Interestingly while interviewing the respondents we found the similar trends happening in the organised sector i.e. hostel mess in the campus of Jawaharlal Nehru University. Though there is very less recruitment of permanent employees i.e. cook or helper in the hostel messes but while surveying we came to know that there was a recent recruitment of three permanent cooks in the Shipra hostel. So this shows that there are vacancies for permanent posts but they are very less in number. Now the question arises why there are limited vacancies for permanent posts? However we could not find a suitable answer backing the above stated question but the probable reasons that can justify the question are either cost minimisation or the result of the policies adopted by the government in 1991.

One of the important finding of our survey which is worth mentioning that in some aspects the workers engaged in unorganised sector are better off in comparison to unorganised workers in the organised sector. This is because of the fact that the former at least gets free meals, if not free accommodation from their employer unlike the latter. But if I consider the working hours the unorganised workers in the organised sector are much better off compared to the workers in the unorganised sector. I observed a sharp difference between the wages of the permanent workers of the organised sector and the temporary workers in the organised sector. Following this wage difference there is also a wide difference in the asset holdings and the living standards of the two groups of workers in the same sector. Similarly I observe the same difference in asset holdings and living standards between the permanent organised workers and the workers in the unorganised sector. Apart from this income difference there are differences in terms of health services, working conditions, demographic composition like age and gender, etc. not only between the two groups of workers in the organised sector but also between the organised and the unorganised sector.

Lastly I want to state some of the limitations of our study –

- In the study I have taken a sample of 30 individuals which is quite a small number. So we cannot generalise our results of our survey.
- Since I did the random sampling and in the case of selecting sample for organised sector from hostel messes we could interview only 2 permanent employees for our survey because in this case there were both unorganised workers as well as organised workers in the hostel messes i.e. organised sector. Since the number of unorganised workers are more only 2 permanent employee came in our sample.

In spite of these limitation the results of the study still throw an insightful light on the situations of the organised as well as unorganised workers in the campus of Jawaharlal Nehru University.

REFERENCES

- Kabra Kamal Nayan, 2003. “ The Unorganised sector in India: Some Issues Bearing on the Search For alternative”. *Social Scientist*, Vol. 31, No. 11/12 (Nov-Dec., 2003) pp. 23-46.

- Rao, V.M., Rajashekhar, D. and Suchitra J.Y. 2006. "Unorganised Workers: Social Security Needs, Policy Implications" Economic and Political Weekly, Vol. No. 19 (May 13-19. 2006) pp. 1913-1919.
- Report on, "Condition of Work in Unorganised Sector" by National Commission for Enterprises in Unorganised sector,
Schneider Friedrich, "Size and Measurement of the Informal Economy in 110 Countries around the World.
