

## Challenges Faced By Informal Workforce in Haryana: An Analysis

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### Abstract

Informal Workforce, over the years have become an indispensable part of Indian labour force. Despite constituting nearly 90 percent of all labour-force, their living and work conditions are dismal. The study is an attempt to examine the Work conditions, Health Status and Knowledge about various government run schemes for construction workers among the road construction workers in Ambala and Panipat District of Haryana. It was found that respondents have poor living and work conditions and majority of them suffer from musculoskeletal problems. It was also observed that the respondents have very less knowledge of the welfare schemes being run for them by Haryana Government.

**Key words:** Informal workers, construction sector, work conditions, poor health

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### I. INTRODUCTION

At present, the Indian economy is confronted with a conundrum of securing the future of an ever-increasing labour-force and simultaneously sustaining high levels of economic growth. The Indian economy managed to be in a phase of unprecedented growth of about 8- 10% per year over the last few years , but however, somewhere down the line, the poorest section of society has not benefitted from growing GDP by the Virtue of being excluded from the organised production process. Poverty in India prevail not only due to inadequate economic activity but also due to the existence of large informal workforce.

In 2018, 50.3 percent of population was the part of labour force out of which 81 percent were employed in Informal Sector. Even though the size of informal sector has declined from 86% in 2005 to 81 percent in 2018, the fraction of informal sector workers within the organised sector (as contract/casual labourers) has been constantly rising, making the proportion of informal workers in the total participating labour-force reaches around 92 percent.

### II. INFORMAL WORKFORCE: THE INDIAN SCENARIO

According to the report published in 2008 by National Commission for Enterprises in the Unorganized Sector (NCEUS) titled, *Definitional and Statistical Issues relating to the Informal Economy*, 'employment in India can be meaningfully grouped into four categories to reflect quality and its sectoral association. These are (a) *formal employment in the formal or organised sector*, (b) *informal employment in the formal sector*, (c) *formal employment in the informal sector*, and (d) *informal employment in the informal sector*. The Commission's recommendation relating to the definition of informal sector is as follows:

**Informal Sector:** "The unorganized sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers".

**Informal worker/employment:** “Unorganized workers consist of those working in the unorganized sector or households, excluding regular workers with social security benefits provided by the employers and the workers in the formal sector without any employment and social security benefits provided by the employers”.

**Informal economy:** The informal sector and its workers plus the informal workers in the formal sector constitute the informal economy.

The Commission considered all agricultural activities undertaken on agricultural holdings, either individually or in partnership, as being in the unorganised sector.

According to this definition, it excludes only the plantation sector and other types of organised agriculture (e.g. corporate or cooperative farming) and covers a very large part of agriculture (GOI, 2012).

The economic restructuring and economic reforms have resulted in swelling the size of informal workforce around the globe and India is no exception. Indian economy is dualistic in nature. It is characterised by the existence of comparatively well organised sector along with an unorganised sector with the predominance of self employment. What adds to the intriguing nature of dualistic economy is the fact that all regular workers are not formal sector workers and all casual workers are not in the informal sector,

i.e. there is formal and informal workforce in both the sectors. Indian economy has preponderance of informal sector both in terms of number of workers and enterprises. According to the unit level data of (NSSO) 68<sup>th</sup> round, 2011-12, 92.13 percent of total workforce in India is that of Informal workers and only

7.87 percent of workers are Formal workers. Table 1 presents the informal and formal workforce in India by various major industry sectors for the year 2011-12.

**Table 1. Informal and Formal Workforce by Various Major Industry Sectors (in percentage) for the year 2011-12.**

Sector	Informal Workforce	Formal Workforce
<b>Agriculture</b>	99.95	0.05
<b>Mining and Quarrying</b>	70.1	29.9
<b>Agro Processing</b>	77.1	22.9
<b>Other Manufacturing</b>	76.88	23.12
<b>Readymade Garments</b>	87.88	12.12
<b>Capital Goods</b>	26.16	73.84
<b>Construction</b>	97.58	2.42
<b>Other Services</b>	86.04	13.96
<b>Public Administration</b>	33.77	66.23
<b>Grand Total</b>	<b>92.13</b>	<b>7.87</b>

Source: NSSO Data, 68<sup>th</sup> round, 2011-12.

The contribution of the informal workforce, both direct and indirect, is quite high in India. Informal Sector has consistently shouldered the responsibility of economic growth in India .

Table 2 presents the contribution of formal informal sector to total Gross Value Added. The share of informal sector GVA to total as shown is more than 50% across all years. The share of unorganised sector is highest in agriculture as the holdings are small and fragmented. This is followed by trade, construction, real estate, professional services etc and other services. It is to be noted that informal sector has not only been a passive absorber of labour but also a contributor to economic development.

**Table 2. Contribution of Formal and Informal Sector to total Gross Value Added( in percentage)**

Industry	2011-12		2016-17		2017-18	
	Organised / formal	Unorganised / Informal	Organised / formal	Unorganised / Informal	Organised / formal	Unorganised / Informal
Agriculture, forestry and fishing	3.2	96.8	2.8	97.2	2.9	97.1
Mining and quarrying	77.4	22.6	77.4	22.6	77.5	22.5
Manufacturing	74.5	25.5	76.4	23.6	77.3	22.7
Electricity, gas, water supply & other utility services	95.7	4.3	95	5	94.7	5.3

Construction	23.6	76.4	26.6	73.4	25.5	74.5
Trade, repair, Accommodation and food services	13.4	86.6	13.4	86.6	13.4	86.6
Transport, storage, communication & services related to broadcasting	53	47	53.7	46.3	52.3	47.7
Financial services	90.7	9.3	88.1	11.9	88.1	11.9
Real estate, ownership of dwelling & professional services	36.9	63.1	46.8	53.2	47.2	52.8
Public administration and defence	100	0	100	0	100	0
Other services	58.8	41.2	52.7	47.3	52.1	47.9

Source: Economic Survey, 2018-19.

### III. ROAD SECTOR IN HARYANA

The Indian road construction industry is highly unorganized and fragmented. Only about 0.4% of the 250,000 contractors in India can be classed as medium to large firms (based on the number of people employed per firm). Many of the medium and large construction firms are still family owned and lack professional management and work culture. While small and medium contractors have mushroomed in the recent past, large contractors have not grown at the same rate either in size (turnover) or number. The road network in Haryana is developed and maintained by National Highway Authority of India and Public Works Department (B&R). In Haryana, there are six National Highways (NH-9, 44, 48, 352, 709 & 919) & 12 State Highways.

Apart from these highways, some Major District Roads and Other District Roads also serve in strengthening the regional road network.

Table 3: Length of different types of roads in Haryana

Hierarchy of Roads	Length (In Km.)
National Highways	2482
State Highways	1801
Major District Roads	1395
Other District & Village Road	20344
Total Length	26022

Source: PWD (B&R) Branch, Chandigarh, 2019

### IV. NEED FOR THE STUDY

The Construction Industry is the single biggest non-agricultural industry in the capitalistic world but Construction workers are however treated largely as second class citizens, deprived of means to protect their dignity. The Construction Sector saw a sharp rise in employment in last few decades but instead of developing a cohesiveness and a better work conditions for its workers, the growth of construction sector increased the vulnerabilities of the labourers with the passage of time.

Haryana Government has various schemes for the benefit of registered construction Workers. But the success of schemes not only depends on their good implementation but also on its reach to the targeted audience. The study aimed at finding out about the workers knowledge about these schemes.

This study aims at studying what impact has the labour laws made on the informal workers in Haryana. Government of India enacted several Acts which lays down the rules regarding, work conditions, working hours, remuneration etc. For the purpose of study, the data was collected from 100 Registered Construction Workers working in Road construction projects in Ambala and Panipat district of Haryana. The data was collected during the time period from August 2019 to March 2020 through a questionnaire whereby information was collected about mainly:

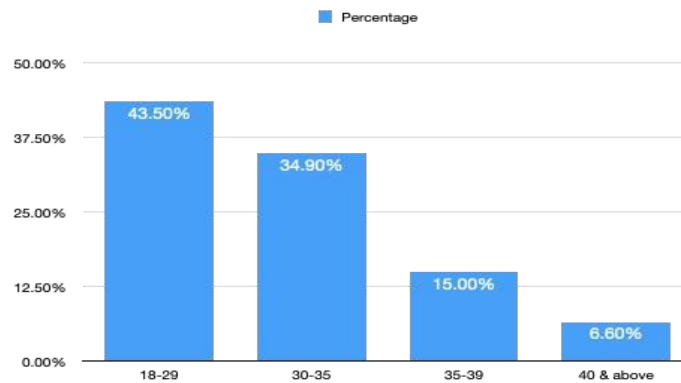
- 1) General Profile and Work Conditions of Respondents
- 2) Health Status of Respondents
- 3) Knowledge about Welfare Schemes.

## V. FINDINGS

### General Profile of Respondents:

(1) **Gender, Age and Nativity:** Out of 100 respondents sampled, 76 were men and 24 were women. 64.2 percent of the workers were migrant workers and only 35.8 percent respondents belonged to Haryana. Since the work in road construction sector is physically demanding, roughly 80 percent of the workers were below the age of 40. As shown in Figure 1, majority of the workers i.e 43.5 percent of workers belonged to the age group of 18-29 years and 34.9 percent of workers were from 30-35 years age group.

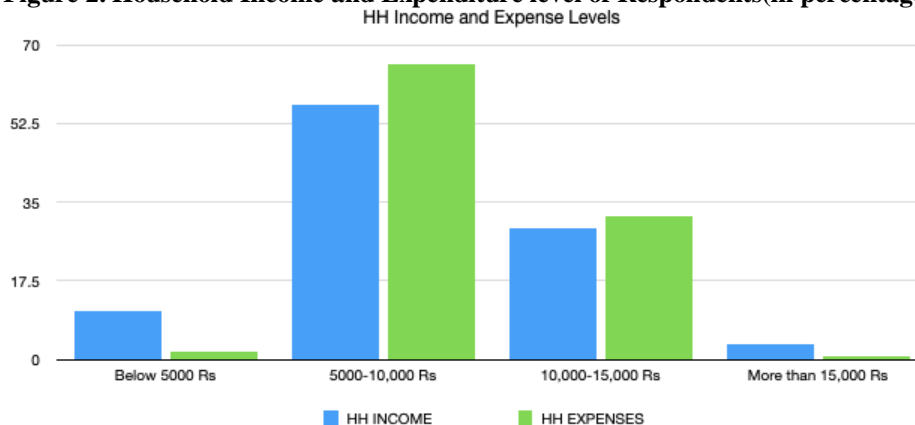
Figure1: Percentage of workers belonging different age groups



(2) **Education levels:** When it comes to educational attainment, majority of the respondents had low levels of education. 26.7 percent of the respondents were illiterate and 50.8 percent respondents had attained education till primary level. Only 22.5 percent of workers studied till secondary level. The lower level of education force workers to remain in low paying job as it diminishes their chances of upward financial mobility.

(3) **Household Income and Expenses:** Various studies have shown that there is a significant overlap between informality and low wages. This study substantiated these claims with its findings. The workers in Road Construction Sector were poorly paid. The Household income of 56.7 percent of respondents was between 5000-10,000 rupees. 34.2 percent of the respondents had household income of 10,000-15,000 rupees per month and only 3.3 percent of the respondents had household income amounting to more than 15,000 Rupees per month. What made things worse was the household expense levels which were very high in comparison to the total household income. 65.8 percent of workers had expense levels between 5000-10,000 Rupees and 31.7 percent of workers had expense levels between 10,000-15,000 Rupees. 0.8 percent of workers had expense levels above 15,000 Rupees.

Figure 2. Household Income and Expenditure level of Respondents(in percentage)

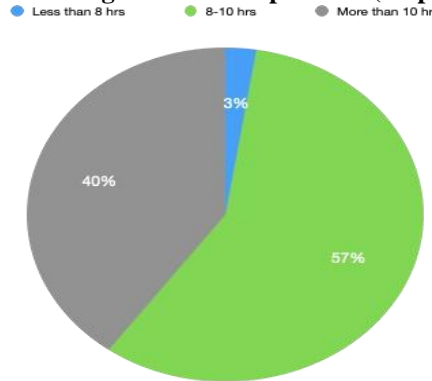


(4) **Debt Levels:** The respondents seemed to be heavily indebted. 16.7 percent of workers had debt levels amounting to more than Rupees 15,000. 23.3 percent of workers had debt levels between 10,000-15,000 Rupees and 37.5 percent of workers had debt levels between 5000-10,000 Rupees.

**Work Profile of Respondents**

(1) **Working Hours:** Working hours of the road construction sector were also above the average working hours prescribed by HOBW Act. 57.5 percent of workers were working for 8-10 hours everyday whereas 40 percent of workers were made to work for more than 10 hours a day. Working for such long hours affected the health outcome of workers.

**Figure 3: Working Hours of Respondents( in percentage)**



(2) **Use of PPE's:** When the respondents were asked whether they use Personal Protective Equipments( PPE's), Majority of the workers responded negatively. Only 31.7 percent of the workers were using any type of protective equipment. These findings are particularly worrisome considering the exposure level to toxins like arsenics and bitumen. Various studies have shown that these chemicals may lead to cancer and other respiratory problems. Majority of the workers wore separate clothes while working due to presence of dust and other chemicals.

**Table 4: Use of PPE's and Separate Clothes at work by respondents.**

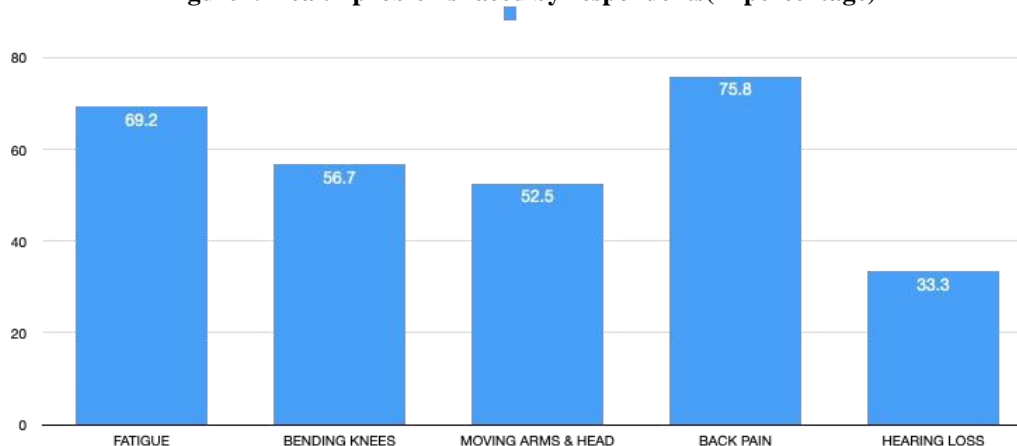
Response	Use of PPE	Use of Separate Clothes
Yes	31.7	74.2
No	68.3	25.

**Health Status of Respondents**

Health impact of occupational risks in construction sector is very high. The study found high levels of musculoskeletal and respiratory problems among the respondents. It came as no surprise that overwhelming majority of workers suffered from back pain. It can be attributed to long working hours and no use of PPEs.

69.2 percent of respondents suffered from fatigue and 56.7 percent had difficulty in bending knees. 52.5 percent of workers had problem in difficulty in moving arms and head. It was found that 33.3 percent of workers suffered from hearing loss.

**Figure4: Health problems faced by respondents(in percentage)**



**Knowledge about Haryana Government run Schemes for Construction Workers.**

Government of Haryana under 'Haryana Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2005' runs various schemes for the construction workers-registered and unregistered both. For the successful implementation of any welfare scheme it is imperative that the prospective beneficiaries have knowledge about the welfare measures. Attempt has been made in this study to examine that by asking the respondents about their knowledge about these schemes. Table 4 shows the assistance provided under various schemes.

**Table 5: Schemes by Government of Haryana for Construction Workers.**

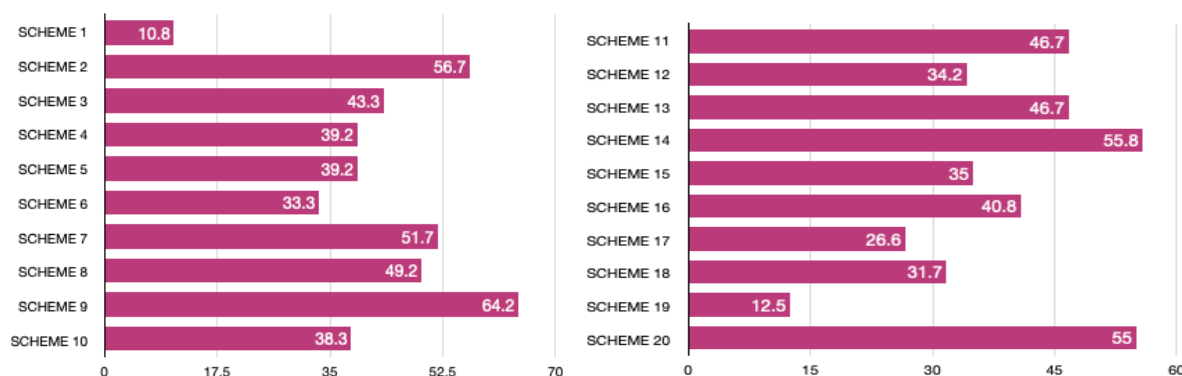
No.	Name	Assistance Provided
Scheme 1	Board Assistance on death of the un-registered worker	Rs. 2,50,000/- in case of death of an unregistered worker due to an accident on the work site, the assistance is payable to his/her dependents / family members
Scheme 2	Bicycle Scheme	The worker will be provided Rs. 3000/- for purchase of cycle
Scheme 3	Death Assistance for registered worker	Rs. 2,00,000 in case of death of registration worker, The assistance is payable to his/her nominee, dependents/family members.
Scheme 4	Disability Assistance	1. Rs. 1.50 to Rs. 3.00 lakhs 2. If disability occurs due to accident at work place during the course of employment and assistance of Rs. 1.50 lakh upto 50% disability, Rs. 2.00 lakhs from 51% to 75% disability 1. and Rs. 3.00 lakhs in case of 76% or more, will be paid.
Scheme 5	Disability Pension	1. Rs. 3,000/- per month
Scheme 6	Family Pension	1. Rs. 500/- per month. 2. After death of the pensioner worker this amount is payable to his/her spouse on monthly basis
Scheme 7	Fare for visiting Hometown	1. Fare for visiting hometown (Actual Fare). The Board reimburses the actual fare on visit of hometown of 5 family members including the worker once in a year. 2. The payment of expenditure incurred by the beneficiary will be made at the rate prescribed by the Haryana Roadways (Ordinary Bus) or actual railway fare (2nd Class).

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Scheme 8	Financial Assistance for Education	<ol style="list-style-type: none"> <li>1. Minimum Rs. 8000/- for 1st and Maximum upto Rs.20000/- (Post graduation).</li> <li>2. Rs. 21,000 to 51000 in the shape of fixed deposit on the bases of percentage obtained in Matriculation examination.</li> <li>3. All the educational expenditure of the professional/technical courses</li> <li>4. The hostel expenditure upto maximum Rs. 1,20,000/-</li> </ol>
Scheme 9	Financial Assistance on Marriage of Children	<ol style="list-style-type: none"> <li>1. Rs. 21,000/- for son marriage and Rs. 50,000/- for marriage daughter's [An amount of Rs. 50,000/- will be given as Marriage Assistance for making arrangements of the marriage of the daughter of a construction worker.]</li> <li>2. This assistance shall be sanctioned for the marriage of two children of the beneficiary provided that the benefits shall be extended upto three daughters.</li> </ol>
Scheme 10	Financial Assistance to disabled children	<ol style="list-style-type: none"> <li>1. Financial assistance of Rs. 2000/- per month is provided to the beneficiary of the Board on the basis of disability certificate issued by the medical authorities.</li> </ol>
Scheme 11	Free Travelling Facility	<ol style="list-style-type: none"> <li>1. Free travelling facility (actual fare). The Board reimburses the actual fare on visit of famous religious or historical places of 5 family members including the worker once in four years.</li> <li>2. The actual fare incurred by the beneficiary will be paid at the rates prescribed by Hr. Roadways (Ordinary bus fare) or railway fare (2nd class)</li> </ol>
Scheme 12	Funeral Assistance-	<ol style="list-style-type: none"> <li>1. Financial assistance of Rs. 15,000/-</li> </ol>
Scheme 13	Grant for purchase of tools	Rs. 8000/- Payable as grant to the workers for purchase of new and suitable tool kits. (This facility is available once in three years.)
Scheme 14	Kanyadaan Scheme	Financial assistance of Rs. 51,000/-
Scheme 15	Maternity Benefit Scheme for registered women worker	Rs. 36,000/- Financial Assistance
Scheme 16	Medical Assistance / Wage compensation during illness	<ol style="list-style-type: none"> <li>1. Wage compensation @ prevailing minimum wages rates for the skilled/semi skilled/ unskilled etc. category of the workers.</li> <li>2. This compensation is payable in case of a worker is admitted in any Govt./ Empanelled Pvt. Hospital for minimum of 4 days and maximum of 30 days.</li> </ol>
Scheme 17	Mukhya Mantri Mahila Nirman Shramik Sammaan Yojna	<ol style="list-style-type: none"> <li>1. Rs. 5100/- annually.</li> <li>2. This amount will be paid on purchase of sari,suit, chappal, raincoat, umbrella, rubber mattresses, sanitary napkins by the women workers.</li> </ol>
Scheme 18	Mukhya Mantri Samajik Suraksha Yojna	<ol style="list-style-type: none"> <li>2. Financial Assistance of Rs. 5 Lacs on death of the worker during course of employment.</li> </ol>
Scheme 19	Paternity Benefit Scheme	<ol style="list-style-type: none"> <li>1. Financial Assistance of Rs. 21,000/-</li> </ol>
Scheme 20	Pension Scheme	<ol style="list-style-type: none"> <li>1. Rs. 1,000/- per month.</li> <li>2. On completion of 60 years of age of the worker.</li> </ol>

The scheme about which majority of the respondents had knowledge was the 'Financial Assistance on Marriage of Children' followed by the 'Bicycle Scheme'. 55.8 percent and 55 percent of the respondents had knowledge about 'Kanyadaan Scheme' and 'Pension Scheme'. The schemes about which least number of respondents had any knowledge about was the 'Board Assistance on death of the un-registered worker' followed by 'Paternity Benefit Scheme'. It was found that majority of the workers had very little knowledge about these schemes which is a very unsettling trend.

Figure 5: Respondents with knowledge about the welfare schemes



#### IV CONCLUSION

Informal workers are the unsung heroes in the economic development of any country. Not only their contribution is often neglected, but they are also denied the life of dignity. As a consequence they exist at the margins of labour market and remain vulnerable in many ways. The Government of India implemented the Minimum Wages Act, 1948, so as to ensure that the basic needs of the workers is fulfilled. Its high time that the Minimum Wages of Informal Workers is increased and its is ensured that rules will be followed. In addition to that, workers need to be made aware about the schemes being run by government so that they can avail the benefits.

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