

# Unorganised Sector in India

- Also known as the 'Informal Sector'
- Outside the formal sector or the organised sector

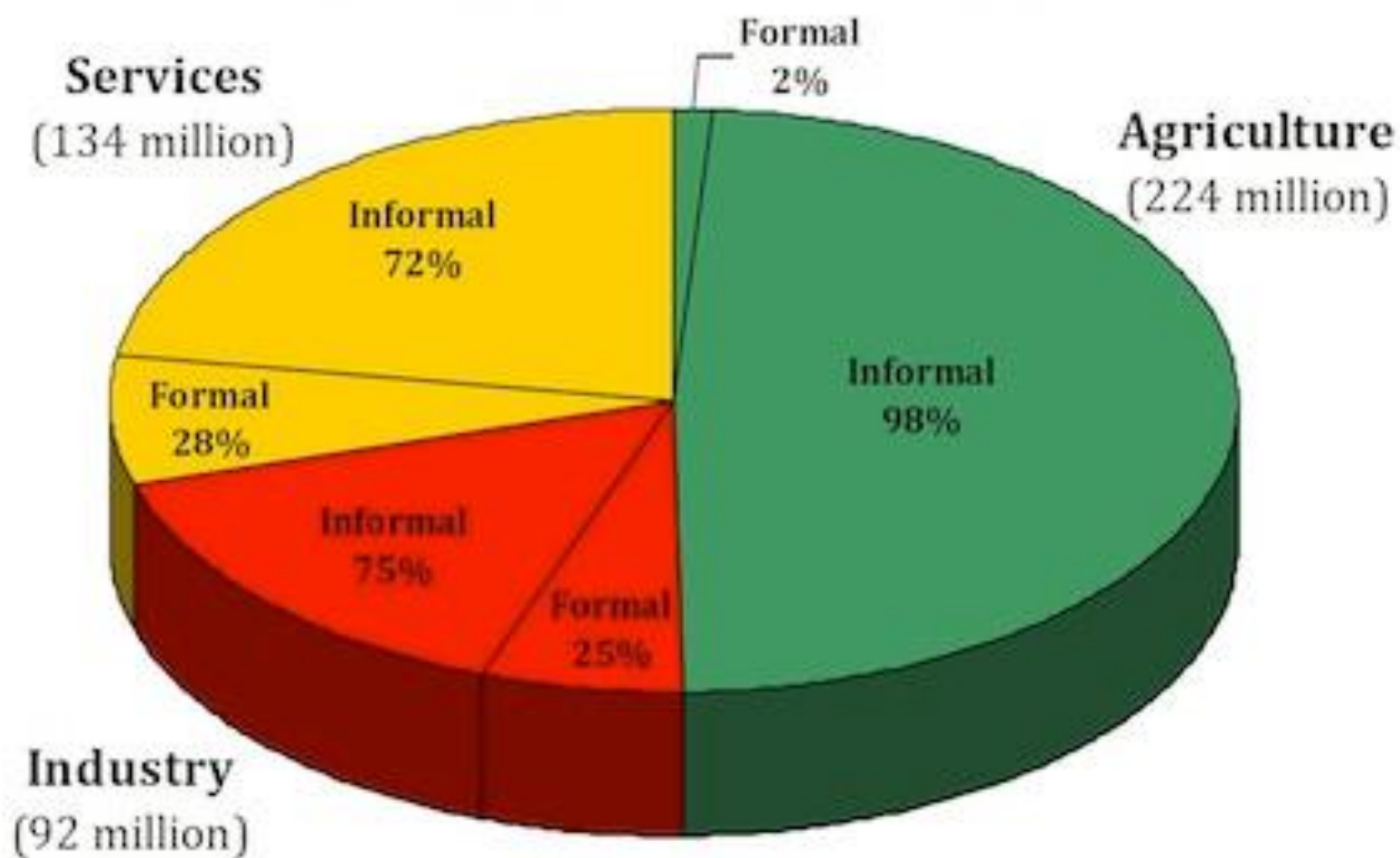
## **Definition of Unorganised/Informal sector -**

unorganised sector workforce” as –“those workers who have not been able to organize themselves in pursuit of their common interest due to certain constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments”

# Unorganised Sector

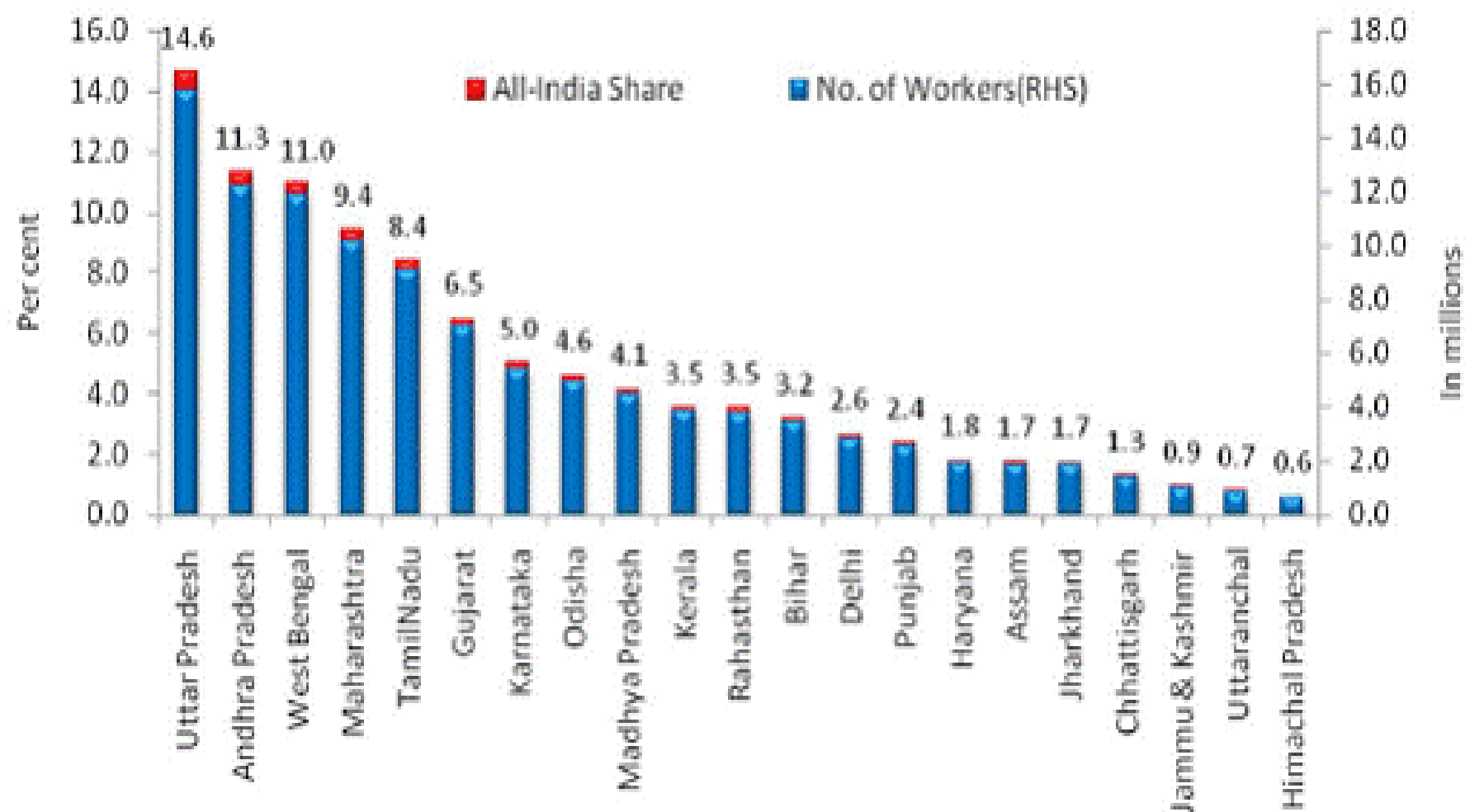
- 92 % of the workforce fall in the unorganised sector – entire farm/agriculture sector in this category
- No fixed employment conditions – wages, social security benefits, holidays, pension, maternity benefits, promotions etc.
- e.g – agriculture workers, livestock owners, vegetable vendors, construction workers, fishermen (small time), petty business, domestic help, other unskilled and semi-skilled workers

## Formal and informal employment, by sector, 2008-09 estimates



Source: Table 2.7 "Modified Current Weekly Status employment estimates" in *The Challenge of Employment in India Report*, National Commission for Enterprises in the Unorganised Sector, April 2009.

# Chart 7: Role of Informal Sector in Employment



Source: NSSO 67<sup>th</sup> Round, July 2010-June2011

# Unorganised Sector workforce

- In 2004-2005 – the informal workforce was 394.90 million – 86% of the total
- In both urban and rural areas – the share of women is higher than men (94%)
- There is decrease in informal workers in rural areas but rise in the urban areas
- Positive correlation between poverty and informal sector workers

# Continued

- There is a decline in the agriculture labour force which is also part of the informal sector but increase in the industrial and service sector
- There is a link between formal and informal sector – industries and other govt. outfits – engaging casual workers, contractual workers, workers in the special economic zones
- This has increased in the last two decades – in wake of neo-liberalist policies

# Importance of the Unorganised sector

- They are part of the society and provide valuable services in both urban and rural areas
- There is a link between formal and informal sector and the former thrives on the latter
- Has been able to absorb the surplus labour force especially from the rural areas (surplus from agriculture)

# Self Employed Women's Association

- Started as a Trade Union in 1972. Now is also a development NGO (works with women) in Gujarat with over 8 lakh women members
- Work with informal sector women in both rural and urban areas
- 1987 – influenced the govt to set up – National Commission of Self-Employed Women
- Came up with 'Shram Shakti' in 1988 which made the informal sector women visible and also asked for better working conditions for them
- Govt. set up the Rashtriya Mahila Kosh – to provide credit to informal sector women
- SEWA Bank in Gujarat was set up in 1974 – has around 1.5 lakh depositors, gives credit to women with no collateral, small loans for business etc.



# Informal Sector













# Children form a very significant part of the informal sector







*Young herd boy in Ethiopia*

# Africa – dominated by informal sector





# Working in extraction sites



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