

An Exploratory Study of the Decent Work Indicators as Pillars of Sustainable Development Challenges in Workers of Unorganized Sector in India

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ABSTRACT

The United Nations Sustainable Development Summit on 25 September 2015 adopted the global agenda, “Transforming Our World: the 2030 Agenda for Sustainable Development”. The main objective of this summit was to support the member states to attain sustainable development goals. All SDGs focused on the four pillars of Decent Work Agenda, particularly Goal 8 focuses on inclusive and sustainable economic growth with the objective of full and productive employment and decent work for all. The Agenda is the fundamental reference for the member states in next 15 years. This creates a pave way of development of world of work with the objective of environmental, social and economic sustainability with decent work as a means to the end. This Agenda focuses on eradication of poverty in all its forms and dimensions and makes a pledge that no single individual will be left behind. The 2016 International Labor Conference addressed the re-evaluation of ILO’s role on decent work for sustainable development and the impact of the 2008 Declaration on Social Justice for Fair Globalization. Today India’s workforce mainly composes with the workers of unorganized sector. Due to the current lack of suitable and appropriate institutional mechanism for this sector especially, in the midst of the pandemic, the workers are failed to adhere benefits under various acts, social security, and various available institutional schemes at their locality. Therefore, the curve of the unorganized workforce in our country always remains flat. The United Nations Millennium Assembly targeted to reduce the number of poor persons by 2015 from 2000. Decent work agenda can eliminate the obstacles in the path of poverty reduction.

General Terms

The new challenges have evolved due to rapid globalization in India. Development of proper decent work system under sustainable development agenda can create protection in the event of changes in economy and society, can reduce fear of change and can improve gainful and productive full employment in an economy.

Keywords

Labour Class, Unorganized Sectors, Sustainable Development, Decent Work

1. INTRODUCTION

Under the new economic system capital and labour are considered as two most important factors of production. The capitalist mode of industrialization involves separation between capital and labour, both of which is necessary for production of goods and services. The labour class, as a class of workers – the proletariat – can sell their labour at labour

market and the price of labour can be regarded as one and only means of livelihood. The capitalists are interested in buying labour power at lowest possible price. The laborers, on the other hand want to sell their labour at highest possible price. The two classes with divergent interests meet with each other in labour market give rise to the system of bargaining on price. The working class from the sense of unionization and solidarity want to raise their voice from common platform. In 1999, a new concept had been introduced by ILO Director Juan Somavia called decent work. ILO has been concerned with improvement of working conditions of workers and at the central objective of ILO decent work has been described as “opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity” [1]. In 2000 the eight Millennium Development Goals (MDGs) were set by world leaders to reduce extreme poverty and hunger, to fight against gender inequality, lack of education and environmental degradation. The 2005 World Summit considered decent work indicators important to achieve Millennium Development Goals. The achievement of full and productive employment for all and decent work was set as new MDG target (1B). The United Nations Millennium Assembly targeted to reduce the number of poor persons by 2015 from 2000. Decent work agenda can eliminate the obstacles in the path of poverty reduction. Discrimination, poor working conditions, absence of social security net, unavailability of basic pension, labour market uncertainties are major obstacles. “Understanding decent work and its relationship to poverty is, therefore, a critical aspect of the struggle to reduce extreme poverty by half by 2015” [2]. Richard Anker et al., Statistical Development and Analysis Unit, Policy Integration Unit, ILO in September 2002 set out the statistical indicators for measurement of decent work in a country. One important indicator is employment opportunities in a country. The share of wage and salary employment in informal sector is one important criterion of employment opportunities, which is regarded as one of the most important statistical indicators for measurement of decent work especially for developing countries like India; as it gives a picture about industrial development, rural-urban migration and availability of opportunities in employment places. In the decades of 2000-2009 and 2019-2020 in India it is observed that globalization leads to value added growth than employment creation. Organized sector firms started restructuring, contracting and subcontracting and outsourcing. Recent figures indicate that employment growth has started but majority directs to informal economy or informal employment in organized sectors. Regular employment is regarded as a good indicator of quality employment as it addresses almost all statistical indicators for measurement of decent work set by ILO in

2002. NSSO 55th and 61st round data shows that globalization in first 15 years failed to implement decent work agenda in India.

2. REVIEW OF LITERATURE

The growth of large scale industries, diverse in their operations, coupled with the changing environment, has made the present industrial relations scenario complex and challenging. A brief review of the available literature on various aspects of decent work indicators, sustainable development goals and employee retention is done here.

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Decent work agenda can eliminate the obstacles in the path of poverty reduction. Discrimination, poor working conditions, absence of social security net, unavailability of basic pension, labor market uncertainties are major obstacles. “Understanding decent work and its relationship to poverty is, therefore, a critical aspect of the struggle to reduce extreme poverty by half by 2015” [4]. ILO is in view that globalization with perfect balances with economic and social development can pave the way for decent work. Richard Anker et al., Statistical Development and Analysis Unit, Policy Integration Unit, ILO in September 2002 set out the statistical indicators for measurement of decent work in a country. One important indicator is employment opportunities in a country. The share of wage and salary employment in informal sector is one important criterion of employment opportunities, which is regarded as one of the most important statistical indicators for measurement of decent work agenda.

The United Nations Sustainable Development Summit on 25 September 2015 adopted the global agenda, “Transforming Our World: the 2030 Agenda for Sustainable Development”. All SDGs focused on the four pillars of Decent Work Agenda, particularly Goal 8 focuses on inclusive and sustainable economic growth with the objective of full and productive employment and decent work for all. The Agenda is the fundamental reference for the member states in next 15 years.

The results of NSSO 66th Round Survey Report on Employment-Unemployment were published in 2010. The data shows the trend towards informalization of workforce which needs to be addressed. There is GDP growth at an annual rate of 8.2% but in this period the growth rate of employment is 0.21%. There is decline in agricultural employment from 257.8 million in 2010 to 236.5 million in 2020 and decline in manufacturing employment from 55.4 million in 2005 to 52.7 million in 2020. During this period rural female employment declined at 3.5% per year and urban female employment became stagnant. However, the significant growth is found in real wages. The real wages for regular waged employees grew at 6.9% and 5.1% in urban and rural areas respectively. Even the real wages for casual workers grew at 5.6% and 7.1% in urban and rural sector respectively. This increase is perhaps due to successful implementation of MGNREGA scheme. However, the informalization of workforce is a noted problem. There is an increase of employment without job contract. Although the regular wage/salaried employment increased from 15.3% to 16.5% but majority of workforce was absorbed in informal employment. Government of India took some steps to include

unorganized sector workers under the purview of social security coverage. A comprehensive Unorganized Workers’ Social Security Bill, 2008 was introduced in December 2008 to cover unorganized sector workers.

In India informal sector employment is a weighted component in employment opportunities as it gives a picture about industrial development, rural-urban migration and availability of opportunities in employment places. In the decades of 1990-99 and 2000-2009 in India it is observed that globalization leads to value added growth than employment creation. Government of India should formulate policy as per Recommendation concerning the transition from Informal to Formal Economy, 2015 (No. 204) adopted by ILC in its 104th Session. This Recommendation recognizes all challenges of informal economy, guides policy framework for protection of rights of workers, social and economic inclusion, implementation of decent work conditions and sustainability in fair competition in national and international markets. This Recommendation clearly declares that workers enter into the informal economy not by choice but due to unavailability of opportunities in formal economy and alternative livelihood. This Recommendation also declares the different negative consequences of informal economy like absence of workers’ rights, absence of quality employment, social protection and social dialogue. All these challenges are present in Indian informal economy.

3. DATA ANALYSIS

The United Nations Millennium Assembly targeted to reduce the number of poor persons by 2015 from 2000. Decent work agenda can eliminate the obstacles in the path of poverty reduction. “Understanding decent work and its relationship to poverty is, therefore, a critical aspect of the struggle to reduce extreme poverty by half by 2015” [5]. Discrimination, poor working conditions, absence of social security net, unavailability of basic pension, labour market uncertainties are major obstacles. Richard Anker et al., Statistical Development and Analysis Unit, Policy Integration Unit, ILO in September 2002 set out 11 statistical indicators for measurement of decent work in a country. They include opportunities for employment, unacceptable work, decent hours, social protection, social dialogue, etc. Under employment opportunities there are some sub indicators. The labour force participation rate measures the economically active population in a country. “The labour force participation rate is an overall indicator of the level of labour market activity, and its breakdown by sex and age gives a profile of the distribution of the economically active population within a country, and for this reason could have been included with the economic and social context indicators” [6].

The unemployment rate measures the number of unemployed persons as a percentage of the labour force. If persons are completely unemployed or cannot get the opportunity to work for at least one hour in any gainful economic activity they constitute unemployed section of society. “Youth unemployment rate has been serious concern of ILO since its establishment. Youth unemployment rates are typically two or three times higher than the adult rates throughout the world” [7]. In India informal sector employment is a weighted component in employment opportunities as it gives a picture about industrial development, rural-urban migration and availability of opportunities in employment places. In the decades of 2001-2010 and 2011-2020 in India it is observed that globalization leads to value added growth than employment creation. Recent figures indicate that employment growth has started but majority directs to

informal economy or informal employment in organized sectors. The relationship between sectors and type of employment, 2009-2010 and 2019-2020 is shown in the following table:

Table 1: Relationship between sector and type of employment 2009-2010 and 2019-2020Note: Figures are in million.

Sector	2009-2010			2019-2020		
	Informal Worker	Formal Worker	Total	Informal Worker	Formal Worker	Total
Unorganized Sector	341.28	1.36	342.64	393.47	1.43	394.90
%	99.60	0.40	100.00	99.64	0.36	100.00
Organized Sector	20.46	33.67	54.12	29.14	33.42	62.57
%	37.80	62.20	100.00	46.58	53.42	100.00
Total	361.74 (91.74)	35.02 (8.83)	396.76 (100.00)	422.61 (92.38)	34.85 (7.46)	457.46 (100.00)

[Source: Figures computed from NSSO 55th(2009-2010) and 61st (2019-2020) Round Survey of Employment-Unemployment by RAVI SRIVASTAVA, Professor of Economics at the Centre of Regional Development, Jawaharlal Nehru University, and New Delhi, India.]

Between 2009-2010 and 2019-2020, total workforce expanded from 396.76 million to 457.46 million, but formal employment declined from 35.02 million to 34.85 million. Thus the figures shown as increase in employment are totally absorbed in informal sector. The next two tables show nature of informal growth in employment in India.

Table 2: Distribution of workers by type

Economic Activity	2009-2010			2019-2020		
	Informal Worker	Formal Worker	Total	Informal Worker	Formal Worker	Total
Agriculture	234.79 (98.79)	2.89 (1.21)	237.67 (100.00)	256.06 (98.89)	2.86 (0.36)	258.93 (100.00)
Industry	55.52 (85.56)	9.37 (14.44)	64.89 (100.00)	76.64 (89.39)	9.09 (10.61)	85.73 (100.00)
Services	71.43 (75.83)	22.77 (24.17)	94.20 (100.00)	89.91 (79.90)	22.90 (20.30)	112.81 (100.00)
Total	361.74 (91.74)	35.02 (8.83)	396.76 (100.00)	422.61 (92.38)	34.85 (7.46)	457.46 (100.00)

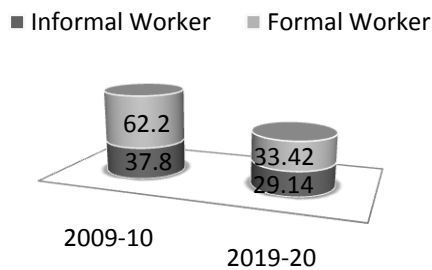
Note: Figures are in million. Figures in bracket indicate percentages.
[Source: Figures computed from NSSO 61st(2009-2010) and 73rd (2019-2020) Round Survey of Employment-Unemployment by RAVI SRIVASTAVA, Professor of Economics at the Centre of Regional Development, Jawaharlal Nehru University, and New Delhi, India]

Table 3: Employment Growth Rates as Per Economic Activity

Economic Activity	Growth Rate (%)		
	Informal Workers	Formal Workers	Total
Agriculture	1.75	-0.18	1.73
Industry	6.66	-0.60	5.73
Services	4.71	0.12	3.67
Total	3.16	-0.10	2.89

[Source: Figures computed from NSSO 61st (2009-2010) and 73rd (2019-2020) Round Survey of Employment-Unemployment by "RAVI SRIVASTAVA", Professor of Economics at the Centre of Regional Development, Jawaharlal Nehru University, New Delhi, India].

% Wise presentation of Informal and Formal Worker in an "Organised Sector"



% Wise presentation of Informal and Formal worker in "Unorganised Sector"

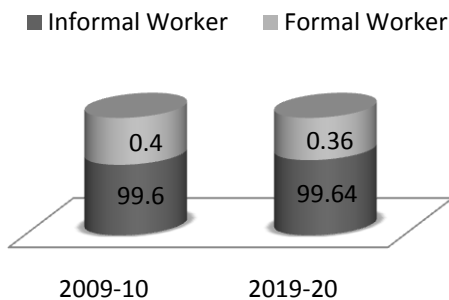


Fig 1: % Wise graphical presentation of 'Informal Worker' & 'Formal Worker' group in 'Organized and 'Unorganized Sector'

% Growth Rate of Informal Workers and Formal Workers

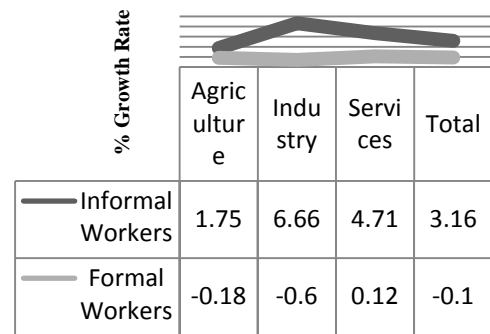


Fig 2: % Wise Growth Rate of 'Informal Worker' & 'Formal Worker'

The decline in formal sector employment in India took place in manufacturing, trade and transport. All industry groups experienced informal employment in the organized sector also.

3.1 SECONDARY ANALYSIS

Analyzing 'India- Decent Work Country Program, 2018-2022 it is observed, "India has witnessed rapid economic growth in the last two decades and has emerged as one of the fastest-growing middle-income countries in recent years. From the beginning of the first Decent Work Country Programme in 2007 to 2016, India's economy more than doubled, growing by 112 per cent.[8] The process of structural transformation will continue — workers leaving agriculture and taking up jobs in growing sectors in urban areas around the country. The organized sector will absorb more workers, but the majority of these workers are unlikely to have access to employment or social security benefits.[9] Thus formal workers will continue to represent a minor share of total employed persons, while self-employed persons will still account for a large proportion of all workers. Ongoing urbanization, pervasive low wages concentrated mainly among casual and rural workers, and persistent wage disparities, rural-urban migration, as well as out-country migration, will continue to act as important pull factors. India acknowledges ILO's contribution to enhancing its legal frameworks and policies in the world of work. [10] ILO's normative role brings added value to India's journey towards the realization of the 2030 Agenda, in particularly addressing Sustainable Development Goal (SDG) 8— 'Promote inclusive and sustainable economic growth, employment and decent work for all'.[11]

The *Employment-Unemployment Surveys (EUS)* of the *National Sample Survey Office (NSSO)* have consistently reported low and stable rates of unemployment in India over more than three decades. This implies that it is not unemployment but "severe underemployment" that is a problem facing the country.[12] It also explains the presence of a lot of informality in the economy and 18.9 million people engaged in vulnerable employment." [13]

4. CONCLUSION

With over 90 per cent of the informal economy still not fully under the ambit of labour market governance systems, there is a potential risk of increasing marginalization. This affects the social dialogue scenario in the country. The changes in employment relationships, including the increasing use of contract labour adds to the challenges for the tripartite partners. It makes it more difficult and tricky to extend the coverage of labour laws and regulations to these workers, and to promote decent work in terms of workers' rights, social protection, income security, and payment of minimum wages. Voices of workers are not heard in the informal economy.[14] An additional challenge is the limited participation of women workers as representatives in social dialogue institutions and processes. Like other BRICS countries, India recognizes the important role of universal and sustainable social security systems, including social protection floors, for inclusive growth, decent and productive employment, gender equality and social inclusion.[15] But it also faces a number of critical challenges, including (a) closing the coverage gap; (b) improved governance of social protection schemes.

Government of India should formulate policy as per Recommendation concerning the transition from Informal to Formal Economy, 2015 (No. 204) adopted by ILC in its 104th Session. This Recommendation recognizes all challenges of informal economy, guides policy framework for protection of

rights of workers, social and economic inclusion, implementation of decent work conditions and sustainability in fair competition in national and international markets. This Recommendation clearly declares that workers enter into the informal economy not by choice but due to unavailability of opportunities in formal economy and alternative livelihood. This Recommendation also declares the different negative consequences of informal economy like absence of workers' rights, absence of quality employment, social protection and social dialogue. All these challenges are present in Indian informal economy.

In informal economy Government should adopt appropriate measures to promote decent work principles keeping at the central the rights at work mainly right of freedom of association and collective bargaining and eliminating all types of unacceptable works like forced and child labour and discrimination and unfair labour practices. Freedom of association, collective participation and social dialogue are the three main pillars of protection of labour rights in the period of transition. State should allow active participation of all stakeholders at their rank to represent their group at the time of formulation of policy directives.

Institutional capacity building and resource mobilization should be at the center of policy formulation. India ratified ILO Convention No. 142 (Human Resource Development) in 2009 and formulated schemes on skill training as per Recommendation concerning Human Resource Development: Education, Training and Lifelong Learning (No. 195) adopted in 92nd session, Geneva on June 17th 2004. Training and lifelong learning are important factors for making a person skilled from semiskilled and unskilled and pave the ways for proper human resource development, social inclusion and sustainable growth. At the time of HRD Policy formulation Government should recall that strategy for decent work and social justice for fair globalization should be the primary objective of all policy documents. Government should formulate, apply and evaluate education, training and lifelong learning policies based on tripartite consultation and social dialogue with all representative bodies at the workplaces. Government should address the challenge of changing the activities of informal economy to decent work with full participation and inclusion of all representative sections of the society. Government should promote competency development of working class with the active involvement of social partners.

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