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AWARENESS ON LABOUR WELFARE AND SOCIAL SECURITY MEASURES AMONG UNORGANIZED SECTOR EMPLOYEES WITH SPECIAL REFERENCE TO SALEM DISTRICT

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Abstract

The unorganized sector in India comprises roughly of 92 percent of the population in the working age group. Out of the 376 million workers in 2011, only 8 percent were in the organized sector, and had access to statutory social security benefits. The remaining workforce had been socially excluded and suffered from persistent deprivation associated with general low standards of living and social insecurity. In these circumstances, Indian government takes necessary steps to improve the livelihood of unorganized sector employees through welfare funds. The sustainability of the welfare fund is crucially dependent on the state of its receipts and disbursements. This article made an attempt to assess the awareness level and its association with socio-economic background of the unorganized sector employees in Salem district. For this purpose 210 samples were collected from 14 welfare boards using judgmental sampling method. Descriptive statistics tools for analysis the results of research were used like frequency count and simple percentage used and Multiple Regression Analysis was used to assess the association between Independent and Dependant variables. Findings of the study shows that the level of awareness towards facilities offered by the Labour Welfare Boards is positively associated with employees' Age, type of residence, family size, period of working and years of availing labour welfare assistance.

Keywords: Labour welfare, Social security, Employees, Unorganized sector.

Introduction

The term 'unorganised labour' has been defined as those workers who have not been able to organise themselves in pursuit of their common interests due to certain constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments, etc. As per the survey

carried out by the National Sample Survey Organisation in the year 2011, the total employment in both organized and unorganised sector in the country was of the order of 61.2 crore. Out of this, about 6.5 crore were in the organised sector and the balance 54.7 crore in the unorganised sector. Out of 54.7 crore workers in the unorganised sector

34.6 croreworkers were employed in agriculture sector, 4.6 crore in construction, 9.7 in manufacturing activities and 5.8 crore each in trade and transport, communication & services. The workers in unorganised sector fall in various categories but a large number of them are home based workers which are engaged in occupations like beedi rolling, agarbatti making, papad making, tailoring, jary and embroidery work.

The unorganised sector workers suffer from cycles of excessive seasonality of employment, no formal employer employee relationship and lack of social security protection. Several legislations like the Workmen's Compensation Act, 1923; the Minimum Wages Act, 1948; and the Maternity Benefit Act, 1961; the Contract Labour (Abolition and Prohibition) Act, 1970 the Building and Other Construction Workers (RECS) Act, 1996; the Building and Other Construction Workers Welfare Cess Act, 1996 etc. are directly or indirectly applicable to the workers in the unorganised sector also.

Statement of the Problem

The unorganized sector in India comprises roughly of 92 per cent of the population in the working age group. Out of the 376 million workers in 2011, only 8 per cent were in the organized sector, and had access to statutory social security benefits. The remaining workforce had been socially excluded and suffered from persistent deprivation associated with general low standards of living and social insecurity. The unorganized sector makes a significant contribution to the national wealth; yet, workers in this sector do not have access to sufficient and reliable social security. Although the unorganized workers have some access to risk-management mechanisms such as micro-finance, their access to statutory benefits like health care, old age pension, Educational Assistance, Maternity Assistance, Accidental benefits, Purchase of Spectacles have been quite poor. These workers adopt informal strategies such as borrowings, sale of assets, etc, which are very expensive and their continued dependence on such strategies only renders them more vulnerable.

The governments at the central and state levels have found it challenging to formulate social security schemes for unorganized workers for the following reasons: A large proportion of these workers

are poor, illiterate, vulnerable and isolated. A vast majority of them do not have fixed employer and employee relationship. The unorganized sector work is usually temporary, seasonal and changing in nature, and many occupations within this sector are home-based. Notwithstanding the attempts of the government to provide social security in the form of pensions and other benefits, the problems of minuscule coverage and paltry amounts of benefits were often noticed. The workers in certain occupations in Salem, who were initially benefiting from statutory provisions such as minimum wages, ESI provident fund chose to become 'unorganized' by way of withdrawing accumulated provident fund to meet the life-cycle needs. This article is a modest attempt to address these questions with the objectives of analyzing the awareness level of unorganized sector workers towards the existing labour welfares and social security schemes.

Objectives of the Study

- ❖ To analyse the awareness level of unorganized sector employees towards the labour welfare and social security schemes.
- ❖ To observe the relationship between the socio-economic profile of the employees and their level of awareness.

Review of Literature

Norman V. Loayza (1996) in his research study on "The Economics of the informal sector: analysed the simple model and some empirical evidence from Latin America". The paper presents the view that the informal economy arises when excessive taxes and regulations are imposed by governments that lack the capability to enforce compliance.

WanjauWaKabeche (1998) in his study on "Technological capability of the micro-enterprises in Kenya's Informal sector" stated that the informal sector has been praised for its innovative capability and the use of this capability in providing people with goods and services. Despite this innovative effort, many micro-enterprises do not grow into small or medium enterprises. This article examines the technological capability of Kenya's informal sector, its present state and the factors behind it. It concludes that while innovative capability exists, its extent is low and requires investment in terms of know-how and development of appropriate tools and machinery.

K.P.Kannan (2002) examined the "Welfare Funds for informal sector workers in the State of Kerala in India. The Kerala experience" which examined the evolution of the institution of 'Welfare Funds' for informal sector workers in the State of Kerala in India. The Kerala experience, which is now thirty years old, reflects what the workers in the informal sector could achieve in countries like India given the contemporary political context and the democratic political framework of the State. But it required sustained collective action on the part of the workers. The paper finds that while the Welfare Fund Model of collective care arrangements for the informal sector workers in Kerala showed considerable innovation in its design and organisation, its functioning is embedded in the bureaucratic system giving rise to a number of problems. Even then the Model offers a minimum of social security to the informal sector workers who are unprotected. Therefore the question of replicating this Model with suitable modifications to other States in India as well as to other countries, where there are no social security arrangements for informal sector workers, is worth pursuing.

Research Methodology

Considers the research method, the logic behind the research method, sampling technique, research design, data collection technique, analytical tool, means why the particular method is used by researcher or why the researcher is not using other method, so that the research result are capable of being evaluated by the researchers.

Research Design

The present study is **Descriptive in nature**. The study will be based on primary data. The Universe of this study is the employees working under unorganised sectors in Salem district of Tamil Nadu State.

Sampling

The basic idea of sampling is that by selecting some of the elements in a population, researcher may draw a conclusion about the entire population. Population means the total collection of elements about which researcher wishes to make some inference. The sample selected should be as representative of the total population as possible in order to produce a miniature cross-section. The selection process is known as sampling technique and the survey so conducted for selecting sample is known as sample survey. In present research study the

respondents were selected on non-probability basis with the help of Judgmental Sampling Technique, elements for the sample will be on the basis of judgment of researcher. While choosing the sample the researcher focused naturally on those elements which were readily available, nearby, easy to reach, willing to participate. For this purpose, a sufficient amount of sample from construction and manual workers, accounting for a large proportion of unorganized workers in both urban and rural areas in Salem District, was drawn.

Sample Size

The number of respondents used in present study as follow – Total 14 welfare boards (namely 1. Tamilnadu manual workers Welfare board, 2. Tamil Nadu Auto Rickshaw / Taxi Drivers Welfare Board, 3. Tamil Nadu Watermen Welfare Board, 4. Tamil Nadu Hair Dressers Welfare Board, 5. Tamil Nadu Tailoring Workers Welfare Board, 6. Tamil Nadu Handicraft Workers Welfare Board, 7. Tamil Nadu Palm Tree Workers Welfare Board, 8. Tamil Nadu Handlooms and Handlooms Silk Weaving Workers Welfare Board, 9. Tamil Nadu Footwear and Leather Goods manufactory and Tannery Workers Welfare Board, 10. Tamil Nadu Artists Welfare Board, 11. Tamil Nadu Goldsmiths Welfare Board, 12. Tamil Nadu Pottery Workers Welfare Board, 13. Tamil Nadu Domestic Workers Welfare Board and 14. Tamil Nadu Construction Workers Welfare Board) were selected and in each welfare board 15 benefitted employees were chosen. A total number of 210 employees were listed and interviewed with a well-structured questionnaire for primary data.

Data Collection

Evidence are needed and gathered for verifying hypothesis. Thus data is required by the researcher to give conclusions. Data is the fact presented to the researcher from the study's environment. Primary data provides a first-hand account of the situation. Primary data is the only way of finding out opinions and attitudes. In present research study structured questionnaire was used by researcher for collecting primary data from unorganized sector employees. The questionnaire included two main sections. Section (A) related to demographic variables and section (B) was related to the awareness of the employees towards labour welfare and

social security schemes. Five point Likert scale was used for rating the responses of section B. i.e. Strongly Agree (SA), Agree (A), Undecided (U) Disagree (D), and strongly Disagree (SD).

Statistical Tools Used

Out of 210 questionnaires only 200 were used for research analysis because few questionnaires were incomplete and delayed in response. Descriptive statistics tools for analysis the results of research were used like frequency count and simple percentage used and Multiple Regression Analysis was used to assess the association between Independent and Dependant variables.

Demographic composition of sample population

Particular	Frequency	Percentage
Gender		
Male	147	73.5
Female	53	26.5
Age		
18-25	78	35.5
25-35	71	39
35-45	29	14.5
45 above	22	11
Educational Qualification		
Illiterate	73	36.5
Primary education	59	29.5
Secondary education	42	21
Higher secondary education	26	13
Monthly Income		
Upto Rs.5000	84	42
Rs.5001-10000	68	34
Rs.10001-15000	25	12.5
Above Rs.15000	23	11.5
Type of Residence		
Leased	15	7.5
Owned	82	41
Rented	103	51.5
Family Size		
Below 3 members	66	33
3-4 members	67	33.5
5-6 members	40	20
Above 6 members	27	13.5
Period of working		
Below 3 years	69	34.5
3-5 years	63	31.5
5-10 years	27	13.5
Above 10 years	41	20.5

Years of Availing Labour Welfare Assistance		
1 year	46	23
2 years	65	32.5
3 years	33	16.5
Above 3 Years	56	28

The demographic composition of sample population was as shown in table no.1. It can be seen from the table 73.5% of the population was male respondents and only 26.5 was female respondents. 35.5% of the respondents are from the age group of 18-25, 39.0% of the respondents are from 25-35 years age group, 14.5% of the respondents are from 35-45 years age group while only 11% of the respondents are from above 45 years age group. On the basis of educational qualification 36.5% of the sample population are illiterate, 29.5% are completed their primary education, 21% of the respondents are educated upto secondary level and only 13% of the respondents are completed their higher secondary education. 42% of the respondents are earning upto Rs.5000 per month, 34% of the respondents are earning Rs.5001-1000 per month, Rs.1001-15000 was earned by 12.5% of the respondents and only 11.5% of the respondents are earning above Rs.15000 per month. Most (51.5%) of the respondents are living in rented houses while 41% of the respondents are reside in owned houses and only 7.5% of the respondents are living in leased houses. 33% of the respondents are having below 3 members in their family, while 33.5% are having 3-4 members, 20% are having 5-6 members and 13.5% of the respondents are having above 6 members in their family. 34.5% of the respondents are working as unorganized employee for below 3 years, 31.5% of the respondents are working 3-5 years, 13.5% of the respondents are working 5-10 years and 20.5% of the respondents are working in unorganized sector for more than 10 years.

23% of the respondents are availing labour welfare assistance for 1 year, 32.5% of the respondents are availed 2 years, 16.5% of the respondents are availed 3 years and 28% of the respondents are availed above 3 years.

In the following analysis, the relationship between the level of awareness among the Unorganizedsector employees and eight independent factors was studied. It was found that out of eight, five factors were

closely associated with the level of awareness towards the services offered by the Labour

Welfare Board by the selected sample respondents.

Multiple Regression analysis

Sl. No.	Variables	Unstandardized coefficients		Standardized coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	1.592	0.237			
1	Gender	-0.006	0.066	-0.003	-0.096	NS
2	Age	0.132	0.037	0.120	3.576	1%
3	Educational Qualification	-0.096	0.034	-0.104	-2.787	1%
4	Monthly Income	-0.009	0.055	-0.006	-0.158	NS
5	Type of Residence	0.223	0.040	0.188	5.528	1%
6	Family Size	0.145	0.059	0.079	2.435	5%
7	Period of working	0.157	0.029	0.177	5.468	1%
8.	Years of Availing Labour Welfare Assistance	0.150	0.042	0.111	3.619	1%

R-Value	R ² -Value	Degree of freedom – V ₁	Degree of freedom – V ₂	F Value	Significance
0.912	0.832	8	197	649.7	1% Level

The multiple linear regression coefficient (dependent variable) is found to be statistically a good fit as R² is 0.832. It shows that independent variables contributes about 83.2 per cent of the variation in the level of satisfaction enjoyed by the selected sample respondents and this is statistically significant at 1% level and 5% level respectively. Table no.2 indicates that the co-efficient of Age, type of residence, family size, period of working and year of availing labour welfare assistance are positively associated with the level of awareness.

On the other hand, the co-efficient of educational qualification is negatively associated. Further, it indicates that the contribution of Age, Educational qualification, type of residence, family size, period of working and years of availing labour welfare assistance are statistically significant implying that their influence on level of awareness is stronger than the other variables.

Findings

From the above analyses the following observation could be made. The level of awareness towards facilities offered by the Labour Welfare Boards is positively associated with employees' Age, type of residence, family size, period of working and years of availing labour welfare assistance.

Further educational qualification of the respondents is negatively associated with their level of awareness towards labour welfare board services while Gender and

monthly income are not associated with their level of awareness.

Suggestions

- ❖ Awareness programs should be conducted within frequent intervals to ensure the awareness of government schemes to reach unorganized employees especially illiterate workers.
- ❖ There is need to provide adequate funding to the unorganised workers social security fund so that the social security schemes can be implemented to all the unorganized sectors.
- ❖ To extend social protection to all workers in the informal sectors as well as for migrant workers.
- ❖ To take appropriate measures on "Jobless Recovery" and "Unequal Development" in order to curtail the number of working poor.
- ❖ The adequate steps to be taken for investment in education, health care in rural area for welfare of the unorganized workers.

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