

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT**

LOK SABHA

**STARRED QUESTION NO. *117
TO BE ANSWERED ON 25.11.2019**

WORKFORCE IN UNORGANISED SECTOR

***117. SHRIMATI APARAJITA SARANGI:**

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Government has defined the unorganised sector and if so, the details thereof;**
- (b) the total percentage of Indian workforce in the unorganised sector, State/ UT-wise, particularly in Odisha;**
- (c) the reasons that are identified by the Government for a large presence of the unorganised sector; and**
- (d) whether it is viable at present to transform the unorganised sector into an organised sector, if so, the manner in which it can be done and the steps taken/being taken by the Government in this regard?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI SANTOSH KUMAR GANGWAR)**

(a) to (d): A statement is laid on the Table of the House.

STATEMENT IS REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 117 FOR 25.11.2019 BY SHRIMATI APARAJITA SARANGI REGARDING WORKFORCE IN UNORGANISED SECTOR.

(a) As per Section 1(I) of the Unorganised Workers' Social Security Act, 2008, the unorganised sector has been defined as "an enterprise owned by individual or self employed workers and engaged in the production or sale of goods or providing service of any kind whatsoever, and where the enterprise employs workers, the number of such workers is less than ten".

(b) The latest estimates of Worker in unorganised sector are not available from the Periodic Labour Force Survey (PLFS). However, from the Annual Report (July 2017-June 2018), on PLFS, estimates are given in Tables 1, 2 and 3 of Annexure-I. The explanatory Note and broad structure are given at Annexure-II.

(c) & (d) Employment generation coupled with improving employability is the priority concern of the Government. Government has taken various steps for generating employment in the country like encouraging private sector of economy, fast tracking various projects involving substantial investment and increasing public expenditure in various schemes.

Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) has been launched by the Ministry of Labour and Employment for incentivizing employers for promoting employment generation. Under this Scheme, Government is paying entire employer's contribution (12% or as admissible) towards Employees' Provident Fund and Employees' Pension Scheme for all eligible new employees for all sectors for 3 years. This Scheme has a dual benefit, where, on the one hand, the employer is incentivized for increasing the employment base of workers in the establishment, and on the other hand, these workers will have access to social security benefits of the organised sector.

Contd..2/-

The Scheme aims to cover a large number of informal workers to the formal workforce for availing the Social Security Benefits.

In order to provide social security benefits to the workers in the unorganised sector, including agricultural labourers, Government enacted the Unorganised Workers' Social Security Act, 2008. This Act stipulates formulation of suitable welfare schemes for unorganised workers on matters relating to: (i) life and disability cover, (ii) health and maternity benefits, (iii) old age protection and (iv) any other benefit as may be determined by the Central Government. Life and disability cover is provided through Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) to the unorganised workers depending upon their eligibility. The health and maternity benefits are addressed through Ayushman Bharat scheme. For old age protection in the form of monthly pension, Ministry of Labour & Employment has launched Pradhan Mantri Shram Yogi Maan-Dhan Yojana which is a voluntary and contributory pension scheme for providing monthly minimum assured pension of Rs.3000/- on attaining the age of 60 years. The unorganised workers in the age group of 18-40 years whose monthly income is Rs.15000/- or less and not a member of EPFO/ESIC/NPS can join the scheme. Under the scheme, 50% monthly contribution is payable by the beneficiary and equal matching contribution is paid by the Central Government.

Table 1: Worker Population Ratio (WPR) (in per cent) according to usual status (primary sector + secondary sector) (ps + ss) for each State/UT during 2017-18.

State/UT	WPR (in per cent)
Andhra Pradesh	45.0
Arunachal Pradesh	30.7
Assam	32.9
Bihar	23.6
Chhattisgarh	45.7
Delhi	32.8
Goa	34.7
Gujarat	36.2
Haryana	30.5
Himachal Pradesh	46.4
Jammu & Kashmir	38.6
Jharkhand	28.8
Karnataka	38.1
Kerala	32.4
Madhya Pradesh	40.0
Maharashtra	39.2
Manipur	32.1
Meghalaya	41.5
Mizoram	36.0
Nagaland	25.9
Odisha	33.8
Punjab	33.8
Rajasthan	34.2
Sikkim	47.0
Tamil Nadu	40.5
Telangana	39.3
Tripura	33.8
Uttarakhand	30.7
Uttar Pradesh	28.7
West Bengal	37.3
A & N Islands	37.4
Chandigarh	35.6
Dadra & Nagar Haveli	45.8
Daman & Diu	50.9
Lakshadweep	26.0
Puducherry	30.1
all-India	34.7
<i>Source: Annual Report, PLFS, 2017-18</i>	

Table (2): Percentage distribution of usually working persons (ps+ss) by industry of work for each State/ UT during 2017-18

State/UT	industry sections of NIC-2008																					
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	all
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
Andhra Pradesh	49.78	0.44	9.73	0.32	0.20	10.02	8.25	5.96	2.63	0.51	0.89	0.24	0.42	0.56	1.25	3.11	1.41	0.13	2.74	1.41	0.00	100.00
Arunachal Pradesh	50.08	0.00	1.53	0.26	0.63	3.93	15.52	6.16	0.72	0.29	0.38	0.00	0.30	0.21	7.31	9.83	0.74	0.10	0.64	1.35	0.00	100.00
Assam	45.47	0.34	6.65	0.13	0.03	9.94	14.11	5.33	0.93	0.17	0.42	0.07	0.40	1.93	2.08	6.22	1.48	0.09	1.49	2.74	0.00	100.00
Bihar	45.10	0.07	8.93	0.06	0.03	16.30	11.83	3.59	1.85	0.54	0.90	0.18	0.86	1.17	0.58	4.07	0.75	0.56	1.96	0.67	0.00	100.00
Chhattisgarh	67.50	0.50	4.40	0.86	0.22	9.31	6.20	1.91	1.16	0.18	0.40	0.06	0.19	0.26	1.45	3.05	1.01	0.22	0.90	0.22	0.00	100.00
Delhi	1.21	0.24	23.69	0.60	0.77	7.31	19.83	9.78	5.43	2.76	2.05	1.04	1.84	4.88	3.40	3.34	2.51	0.19	5.61	3.49	0.00	100.00
Goa	8.47	0.98	18.03	1.34	0.84	8.89	12.70	8.12	8.10	0.36	3.33	1.02	0.71	0.65	10.01	7.11	2.10	0.18	2.27	4.79	0.00	100.00
Gujarat	42.43	0.35	20.04	0.39	0.39	6.16	10.84	5.91	1.33	0.96	1.42	0.11	0.90	0.89	1.17	2.40	1.30	0.14	1.92	0.94	0.01	100.00
Haryana	27.41	0.17	19.50	0.72	0.52	12.93	11.65	8.08	0.92	1.47	1.46	0.62	1.80	1.30	1.90	4.55	1.52	0.07	2.73	0.68	0.00	100.00
Himachal Pradesh	55.61	0.02	6.18	0.70	0.47	14.74	4.53	4.20	1.64	0.15	0.48	0.02	0.46	1.56	2.17	4.58	0.82	0.12	1.36	0.17	0.00	100.00
Jammu & Kashmir	40.74	0.15	7.41	0.44	1.28	16.54	9.51	5.41	1.05	0.38	0.73	0.07	0.67	0.71	6.26	5.33	1.77	0.26	1.08	0.21	0.00	100.00
Jharkhand	46.75	1.48	8.69	0.22	0.23	18.54	7.92	4.20	1.61	0.17	0.55	0.20	0.44	0.97	1.48	3.58	0.81	0.04	1.65	0.46	0.00	100.00
Karnataka	45.72	0.31	12.29	0.28	0.23	7.92	8.91	6.24	2.91	2.21	1.24	0.44	0.79	1.02	1.76	3.87	1.31	0.17	1.64	0.72	0.00	100.00
Kerala	19.85	0.26	11.31	0.40	0.25	19.11	14.02	9.21	2.74	1.47	2.97	0.22	1.32	1.68	2.11	4.96	3.46	0.60	2.70	1.38	0.00	100.00
Madhya Pradesh	60.59	0.51	6.10	0.37	0.19	11.45	6.98	2.53	0.89	0.31	0.87	0.08	0.47	0.71	1.49	3.54	0.83	0.09	1.31	0.68	0.00	100.00
Maharashtra	47.79	0.13	11.74	0.26	0.16	5.75	9.35	5.15	1.69	1.66	1.80	0.15	1.48	1.48	2.04	3.83	1.35	0.41	2.24	1.52	0.03	100.00
Manipur	36.41	0.15	12.06	0.03	0.09	7.10	11.76	5.35	1.05	0.43	0.49	0.00	0.92	5.23	5.76	8.36	2.50	0.12	1.69	0.50	0.00	100.00
Meghalaya	56.27	0.70	1.77	0.15	0.00	10.79	7.26	3.83	2.11	0.26	0.21	0.02	0.20	1.03	3.40	6.09	2.68	0.37	1.08	1.78	0.00	100.00
Mizoram	43.97	1.01	4.19	0.22	0.20	7.78	11.72	3.78	0.77	0.27	0.09	0.03	0.42	4.28	8.21	9.12	1.85	0.00	0.98	1.13	0.00	100.00

Nagaland	36.79	0.06	5.68	0.29	2.01	0.27	10.72	5.43	0.62	0.42	0.12	0.00	1.27	12.76	4.80	9.74	1.66	0.15	7.12	0.07	0.00	100.00
Odisha	48.76	1.17	7.42	0.33	0.23	17.29	8.54	4.42	1.18	0.39	0.53	0.12	0.54	0.88	1.18	3.67	0.75	0.12	1.99	0.49	0.00	100.00
Punjab	26.04	0.12	18.88	0.51	0.27	13.32	15.19	4.63	1.57	0.77	1.62	0.18	0.76	1.08	2.79	5.87	1.28	0.73	2.89	1.51	0.00	100.00
Rajasthan	49.57	1.72	9.06	0.51	0.42	14.35	8.28	3.47	1.17	0.29	0.71	0.33	0.62	1.05	1.75	3.41	0.73	0.30	1.86	0.41	0.00	100.00
Sikkim	41.48	0.22	6.91	1.07	0.54	6.75	10.68	4.75	5.12	0.24	0.80	0.33	0.85	0.92	6.84	6.39	3.80	0.77	1.55	0.00	0.00	100.00
Tamil Nadu	27.74	0.37	19.45	0.52	0.35	14.23	10.92	6.12	2.96	2.59	1.53	0.33	1.03	1.87	1.29	3.68	1.39	0.33	1.88	1.42	0.00	100.00
Telangana	43.43	0.58	12.29	0.58	0.13	9.00	8.80	5.58	1.27	3.13	1.56	0.31	1.24	1.16	1.59	3.22	1.37	0.18	2.06	2.51	0.00	100.00
Tripura	29.05	0.16	6.96	0.07	0.05	13.99	17.11	7.45	0.86	0.16	0.36	0.00	1.02	2.38	6.11	6.28	1.07	0.07	2.33	4.51	0.00	100.00
Uttarakhand	42.53	0.11	9.40	0.48	0.14	9.86	11.33	5.48	2.54	0.35	1.04	0.36	0.73	2.27	2.20	7.50	1.59	0.33	1.45	0.30	0.00	100.00
Uttar Pradesh	48.75	0.08	11.38	0.19	0.25	13.49	10.85	3.70	1.83	0.42	0.48	0.16	0.66	0.71	1.09	3.15	0.82	0.27	1.47	0.24	0.00	100.00
West Bengal	36.56	0.36	17.80	0.15	0.15	11.55	11.11	5.70	2.28	0.66	0.68	0.14	0.73	1.46	1.17	4.06	1.10	0.44	1.75	2.15	0.00	100.00
A & N Islands	15.47	0.25	6.13	1.55	0.23	15.98	9.37	8.68	3.79	1.00	0.66	0.00	1.19	1.97	21.23	3.52	6.35	0.08	0.41	2.13	0.00	100.00
Chandigarh	0.46	0.00	15.15	2.74	0.14	5.19	16.84	5.48	6.05	1.82	2.94	0.49	3.95	3.32	14.86	5.66	4.76	0.56	3.14	6.47	0.00	100.00
Dadra & Nagar Haveli	19.82	0.00	57.36	1.50	0.00	1.83	3.91	4.57	1.83	0.75	0.11	0.00	0.45	0.96	1.24	4.01	1.26	0.12	0.08	0.21	0.00	100.00
Daman & Diu	2.51	0.00	61.30	0.57	0.00	2.84	11.54	1.58	2.78	0.01	1.87	0.00	0.38	1.85	4.66	3.79	0.76	0.00	0.86	2.70	0.00	100.00
Lakshadweep	25.67	0.00	1.33	1.45	0.00	13.33	4.69	8.82	6.40	3.22	0.90	0.00	3.41	2.01	9.06	11.66	4.52	1.15	2.40	0.00	0.00	100.00
Puducherry	11.57	0.00	17.42	1.25	0.39	13.95	14.07	8.11	2.12	3.94	0.92	0.06	2.02	3.29	3.12	7.39	3.99	0.62	5.26	0.53	0.00	100.00
all-India	44.14	0.41	12.13	0.34	0.25	11.67	10.09	4.93	1.87	0.99	1.05	0.21	0.83	1.19	1.62	3.78	1.20	0.28	1.92	1.08	0.00	100.00

Source: Annual Report, PLFS, 2017-18

Table 3: Percentage of workers in usually status (ps+ss) in informal sector among the workers in usual status (ps+ ss) in (A)griculture sector (E)xcluding (G)rowing of (C)rops, market gardening horticulture and growing of crops combined with farming of animals (AGEGC) and Non-agriculture sector for each State/ UT during 2017-18

State/ UT	Percentage of workers in usually status (ps+ss) in informal sector
Andhra Pradesh	78.3
Arunachal Pradesh	48.2
Assam	61.9
Bihar	63.4
Chhattisgarh	74.6
Delhi	60.2
Goa	43.2
Gujarat	67.1
Haryana	67.0
Himachal Pradesh	48.3
Jammu & Kashmir	66.8
Jharkhand	66.5
Karnataka	65.5
Kerala	67.3
Madhya Pradesh	64.8
Maharashtra	56.8
Manipur	50.8
Meghalaya	46.9
Mizoram	44.2
Nagaland	20.1
Odisha	66.9
Punjab	74.0
Rajasthan	73.7
Sikkim	53.1
Tamil Nadu	60.0
Telangana	59.9
Tripura	67.9
Uttarakhand	54.3
Uttar Pradesh	85.4
West Bengal	76.8
A & N Islands	53.3
Chandigarh	56.7
Dadra & Nagar Haveli	31.7
Daman & Diu	25.9
Lakshadweep	39.5
Puducherry	47.8
all-India	68.4

Source: Annual Report, PLFS, 2017-18

Explanatory Note:

1. **Definition of worker (employed persons):** Persons who, during the reference period, were engaged in any economic activity or who, despite their attachment to economic activity, temporarily abstained from work for reasons of illness, injury or other physical disability, bad weather, festivals, social or religious functions or other contingencies constituted *workers*.
2. **Definition of usual status worker (ps+ss):** The workers in the usual status (ps+ss) are obtained by considering the usual principal status (ps) and the subsidiary status (ss) together. The workers in the usual status (ps+ss) include (a) the persons who worked for a relatively long part of the 365 days preceding the date of survey and (b) the persons from among the remaining population who had worked at least for 30 days during the reference period of 365 days preceding the date of survey.

$$\text{Worker population ratio (WPR)} = \frac{\text{no. of employed persons}}{\text{total population}} * 100$$

3. **Proprietary Enterprise:** When an individual is the sole owner of an enterprise it is a proprietary enterprise. Own account production of fixed assets for own use, when produced by a single member, is classified as proprietary enterprise.
4. **Partnership Enterprise:** Partnership is defined as the 'relation between persons who have agreed to share the profits of a business carried on by all or any one of them acting for all'. There may be two or more owners, belonging to the same or different households, on a partnership basis, with or without formal registration (where there is a tacit understanding about the distribution of profit among the so-called partners). Own account production of fixed assets, when produced by two or more members belonging to the same or different households will be classified as partnership enterprises. Thus, own account production of fixed assets by a group of households for community use is classified as partnership enterprise.
5. **Informal Sector:** Proprietary and partnership enterprises are termed as informal sector.
6. **BROAD STRUCTURE of NIC -2008**

Primary Sector (Section A)

Group 014: Animal production
 Group 016: Support activities to agriculture and post-harvest crop activities
 Group 017: Hunting, trapping and related service activities
 Division 02: Forestry and logging
 Division 03: Fishing and aquaculture
 Section A: Agriculture, forestry and fishing

Secondary Sector (Section B to Section F)

Section B: Mining and quarrying
 Section C: Manufacturing
 Section D: Electricity, gas, steam and air conditioning supply
 Section E: Water supply; sewerage, waste management and remediation activities
 Section F: Construction

Tertiary Sector (Section G to Section U)

Section G: Wholesale and retail trade; repair of motor vehicles and motorcycles
 Section H: Transportation and storage
 Section I: Accommodation and Food service activities
 Section J: Information and communication
 Section K: Financial and insurance activities
 Section L: Real estate activities
 Section M: Professional, scientific and technical activities
 Section N: Administrative and support service activities
 Section O: Public administration and defence; compulsory social security
 Section P: Education
 Section Q: Human health and social work activities
 Section R: Arts, entertainment and recreation
 Section S: Other service activities
 Section T: Activities of households as employers; undifferentiated goods and services producing activities of households for own use
 Section U: Activities of extraterritorial organizations and bodies