

CHAPTER-19

UNORGANISED WORKFORCE: MADHYA PRADESH ECONOMY AND LABOUR LAWS

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ABSTRACT

Madhya Pradesh, a central state in India, with a rich cultural and economic tapestry is home to a significant number of unorganised workers engaged in diverse sectors such as agriculture, construction, and small-scale industries. An unorganised workforce plays a vital role in the economic development of the state as well as the country. Recognizing the vulnerabilities and challenges faced by this workforce, the state has implemented various legal measures to provide them with protection, promote their welfare and improve their working conditions. This chapter explores the legal framework in India and specially in Madhya Pradesh designed to safeguard the rights and interests of unorganised workers.

Keywords: *Unorganised workers, Economy, Labour Laws, Social security, Organised Sector.*

1. INTRODUCTION

Human activities that generate income are identified as economic activities. It is characterized by the absence of formal employer-employee relationships, job insecurity, low wages, and limited access to social security. Unorganised workers often lack representation and collective bargaining power, making them susceptible to exploitation.

2. PROBLEMS FACED BY THE UNORGANIZED WORKERS

Low wages, Health issues, Extended hours of work, Seasonal employment, Harassment at workplace. Apart from these problems faced, some major concerns are the unorganized sector remains outside the purview of the formal and banking insurance industries. Considering the fact that the half of our country's GDP comes from the unorganized sector, it is shocking that less than 1% of the unorganized sector receive the benefits of the provident fund. They do not have any back up with respect to sudden inevitable happenings like accident. There is a lack of proper legal documentation and agreement between the employer and employee.

3. UNORGANISED WORKERS AND ECONOMY

The unorganised sector plays a pivotal role in the Indian economy, contributing significantly to employment and income generation. The unorganised sector constitutes about 85% of the employment and contribute, to half of the country's GDP. This sector encompasses a diverse range of activities, including agriculture, construction, small-scale manufacturing, and services. Madhya Pradesh, being an agrarian state with a diverse economic base, has a significant presence of unorganized workers contributing to its GDP. Here are some key aspects such as: Agriculture, Rural Economy, Construction Industry, Small-Scale Industries, Services Sector etc. The presence of a

large unorganised sector also poses challenges for policymakers. Addressing issues such as informal employment, lack of social security, and improving working conditions are important considerations for ensuring the well-being of unorganized workers.

4. LABOUR LAWS AND UNORGANISED WORKERS

Definition of Unorganised Sector and Unorganised Sector Labours:

Recognizing the vulnerability of unorganised workers, India has implemented several legal measures to safeguard their rights and improve their working conditions. The social security measures were especially included in List III to Schedule VII of the Constitution of India and it was also made as the existing responsibility of the government. The Unorganised Workers' Social Security Act, 2008, is a landmark legislation that aims to provide social security benefits to workers in the unorganised sector. It covers health and maternity benefits, life and disability insurance, and old-age protection. The government has also recently made the Social Security Code, 2019. The contribution of these Acts is very negligible to the unorganised workers due to various reasons such as absence of Employer-Employee relation. Madhya Pradesh aligns itself with national legislations aimed at safeguarding the rights of unorganised workers. The Unorganised Workers' Social Security Act, 2008, holds significant relevance in the state. This legislation establishes a framework for providing social security benefits, including health, maternity, and old-age benefits, catering specifically to the needs of unorganised workers in Madhya Pradesh. Many laws protecting the rights of unorganised workers in Madhya Pradesh are extensions of national legislations. The Unorganised Workers' Social Security Act, 2008, is applicable in the state, providing a legal framework for social security benefits, including health, maternity, and old-age benefits. In addition to national laws, Madhya Pradesh has enacted state-specific legislation to address the unique challenges faced by unorganised workers. The Madhya Pradesh Unorganized Labour Welfare Act is a notable example. This legislation focuses on the welfare and social security aspects of unorganised labourers, highlighting the state's commitment to creating a robust safety net for this vulnerable section of the workforce. Some other laws are Madhya Pradesh unorganised rules 2005, Madhya Pradesh Contract Labour Rules,1973, Madhya Pradesh Social Security Code Rules,2020. Some state amendments in central labour laws have been done by the Madhya Pradesh such as amendments in Industrial Dispute Act 1947, Factories Act 1948, the Contract Labour (regulation and abolition) Act,1970, Madhya Pradesh Labour Laws (Amendment) and Miscellaneous Provisions Act,2015 etc.

5. THE ROLE OF WELFARE BOARDS

The Madhya Pradesh Unorganised Labour Welfare Act establishes Welfare Boards tasked with overseeing the welfare of unorganised workers. These boards play a pivotal role in implementing various welfare schemes, conducting awareness programs, and addressing The Grievances of the workforce. Strengthening these boards enhancing their outreach is essential for the holistic development of the unorganised workforce. These boards are responsible for implementing various welfare schemes, conducting awareness programs, and addressing the grievances of unorganised workers.

6. GOVERNMENT POLICIES FOR THE UNORGANISED WORKERS

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a crucial piece of legislation. Madhya Pradesh is implementing the highest number of social protection schemes. The state is running 22 unique social security schemes benefitting their families at every stage. In order to give benefits under these schemes, a dedicated portal has been put into operation. Under the Jan Kalyan (Sambal) Yojana, a total of 5.25 lakh workers have received financial assistance Worth Rs. 4917 crores over the past two and a half decades. In the financial year 2022-23, various schemes of the State Labour Welfare Board, 6646 workers have got financial Assistance worth Rs. 430.67 crore. In the current financial year, 2043 workers have already received Rs. 141.18 crore under various schemes. Assistance is also being provided to all workers registered under the Madhya Pradesh Building and Construction Workers Welfare Board. In the financial year, 2022-23, as many as 34,500 construction workers received benefits worth Rs. 275 crores. Ensuring strict implementation of labour laws, seeking workers' consent for overtime has been made mandatory. Management of factories, has been asked to ensure payment of dues of workers within specified time limits. Regular health check-ups are being conducted for workers. Recently, 7,000 workers were examined through 35 health check-up camps. A sum of RS. 178 crores have been provided in 27 thousand cases under a number of schemes mainly Kanya Vivah, Educational Assistance, Housing, Bicycle Grants, Equipment Purchase, Assistance to Differently-abled, Shelter, Incentives for sports persons and Sheds for Construction Workers. 20 lakh registrations have been done with Unorganized Worker Welfare Board Sambal. Over Rs. 2510 crore assistance have been provided to more than 45 lakh workers. The construction of Shramodaya Vidyalayas for quality education of children of workers is progressing rapidly at Indore, Bhopal, Jabalpur, and Gwalior.

7. CHALLENGES AND IMPLEMENTATION ISSUES

The legal framework in Madhya Pradesh offers protection to unorganised workers. Despite these legal provisions, challenges persist in the effective implementation of labour laws for unorganised workers. Enforcement mechanisms, awareness campaigns, and outreach programs are essential for ensuring that the benefits reach the intended Beneficiaries. The informal nature of the sector and the lack of documentation often make it difficult to regulate and monitor compliance with these laws. Enforcement mechanisms, Awareness programs, capacity building at the grassroots level are imperative for overcoming these challenges and the dissemination of information about available benefits are crucial for ensuring that the intended beneficiaries receive the protection and support envisaged by the legislation.

8. FUTURE PROSPECTS AND RECOMMENDATIONS

The unorganised workforce being the biggest contributor of the economy needs to be protected and must be regulated through various labour laws so as to get their legal rights. To strengthen the legal framework for unorganised workers, there is a need for continuous review and amendments to existing laws. Increased awareness campaigns, skill development programs, and the promotion of self-help groups can empower workers and enhance their economic well-being. Collaboration between the government, industry stakeholders, and non-governmental organizations is essential to address the multifaceted challenges faced by The unorganised workforce. The future outlook for legal protection of unorganised workers in Madhya Pradesh hinges on continuous efforts and adaptations. Regular reviews of existing Legislation, addressing gaps in implementation, and proactive measures to keep pace with the changing dynamics of the workforce are essential.

9. CONCLUSION

Labour laws for unorganised workers are critical for achieving social justice and inclusive economic growth in India. The unorganised sector labours that constitute about 85% of the employment and contribute to half of the country's GDP. A comprehensive and well-implemented legal framework can uplift the living standards of millions of workers, ensuring that they enjoy the fruits of economic development. As India continues to evolve as a major global economic player, prioritizing the welfare of its unorganised workforce becomes paramount for sustainable and equitable progress. Legal protection for unorganised workers in Madhya Pradesh is a vital component of the state's commitment to inclusive development. The legal framework, encompassing both national and state-specific legislation, coupled with the active role of Welfare

Boards and transformative initiatives like MGNREGA, underscores the holistic approach towards ensuring the well-being and dignity of the unorganised workforce. As Madhya Pradesh strives for economic growth and social justice, the effective implementation and continuous improvement of these legal measures will be key to ensuring the dignity and rights of the unorganised workforce.

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