



Skill Development & Employability Gap in Unorganized Sectors

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With a population of around 1.43 billion, India has just recently overtaken China and become the world's most populous country, according to UN population estimates. This is big news that signals a strong future ahead for India with its growing young population. However, despite this substantial development, the country's working population is not being deployed to its true potential.

Majority of the workers in India are unorganized sector workers, that make up a majority 52% of the Gross Domestic Product (GDP) and around 93% of the total work force. The unorganized sector refers to the portion of the economy that is not regulated or protected by the government. Given the scale of this sector, its spectrum of industries is very large. It comprises of own account agriculture, small businesses, self-employed artisans, domestic workers, construction workers and other daily wage and casual workers. It is a significant portion of the economy and plays a crucial role in providing employment and driving economic growth. Within this, agriculture is the largest constituent holding a 60% share among unorganized workers.

Despite the fact that the unorganised sector is the backbone of the country's economy, it grapples with the problem of job and social security. Couple this with the rapid pace of technological development happening in the contemporary world (i.e., automation replacing many human-led redundant roles), these workers are also vulnerable to becoming jobless in the market in the future. Job roles are changing rapidly, as skilled and multi skilled workers are becoming imperative for better competitiveness and maintaining pace of the growth. In view of this, few concrete steps need to be taken to sustain the livelihoods of millions of workers.



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Core challenges of workers in unorganized sector

Lack of access to work-oriented education

One of the most pressing challenges in the sector is a lack of access to formal education and training opportunities. Many workers in the unorganized sector have limited education and may not have the resources to access formal training programs to get new skills and improve their employability. Moreover, in the absence of formal qualifications and certifications, it becomes tough for workers to substantiate their acquired skills with the requisite documentation. It limits their opportunities for advancement and creates hinderance in getting employment.

Lack of job security

Job insecurity and income instability are prevalent in this sector. Half of the workers are self-employed or work in small businesses, which makes them vulnerable to economic fluctuations. To deal with this uncertainty, they often resort to having more than one job in hand. This burden of extra work in turn acts detrimental to their health and quality of work.

Lack of social security

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Lack of occupational health and safety

Lack of awareness about occupational health and safety, coupled with ignorance of basic safety provisions at the workplace, aggravate vulnerabilities for unorganized sector workers. They do not have the awareness nor the option to protect themselves from dust, toxic chemicals, heavy sounds, and pollution generated by unsupervised tools and machines.

Lack of appropriate technology

A significant number of unorganized workers are engaged in manual labor for extended periods, which results in lesser productive outcomes in exchange for more health strain. These workers are not aware of new technological developments nor have the resources to invest in such developments that can lessen their efforts with more productivity.

Lack of legal protection

Unorganized sector workers do not have the adequate shield of the labor laws. They either do not have proper knowledge about laws and regulation altogether or, due to the lengthy process of legal assistance, they hesitate to seek legal protection. Hence, this makes them susceptible to be exploited by employers, contactors, and middlemen.

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Possible intervention

Most of the workers in the unorganized sector belong to the economically deprived and marginalized groups, including low-income families and rural populations. Providing skill development opportunities can pave the way forward to greater inclusion of these marginalized groups in the economy.

Skill development is priority and many initiatives like the umbrella scheme Skill India Mission comprising of PM Kaushal Vikas Yojana, Deen Dayal Upadhyaya Grameen Kaushal Yojana and other schemes such as National Rural Livelihood Mission (NRLM), National Urban Livelihood Mission (NULM) have been launched for the same. Further provision for skill development / skill enhancement are integrated with schemes of Building and Other Construction Workers Welfare Board, District Mineral Foundation (constituted under National Mines Minerals Regulation and Development Act), National Bamboo Mission, Joint Forest Management Program, and Handloom and Handicraft Board etc.

Pre-fixed design, content and job rolls for training in most of the skill development initiatives is a limitation in relation to unorganized sector workers. There is a need to bring all skill related initiatives for the unorganized sector under the ambit of one dedicated organization / institution for coordinated and effective skilling.

Skill development for workers in unorganized sectors is a complex issue that requires a multifaceted approach. It includes addressing challenges pertaining to awareness, education and training, skilling – reskilling and recognition of prior skills, adequate infrastructure and government support.

In the era of dynamic growth, skilling has become a continuous process. By gaining better access to education and training, small businesses can improve their competitiveness, workers can enhance their employability, and marginalized groups can be headed for inclusive economic growth and better inclusion in the economy. The outcomes from skilling will contribute to the overall country's economic growth and development and improve the livelihood of millions of unorganized sector workers.

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