



Subject Area : Economics

A STUDY ON THE SOCIAL AND ECONOMIC DEVELOPMENT OF WORKERS IN THE UNORGANIZED SECTOR: WITH REFERENCE TO KANPUR NAGAR DISTRICT

Ram Singh¹ and Dr. Suneet Awasthi²

¹Assistant Professor, Department of Economics, D.A.V. (P.G.) College, Kanpur

²Professor, Department of Economics, D.A.V. (P.G.) College, Kanpur

ARTICLE INFO

Received 18th August, 2025

Received in revised form 28th August, 2025

Accepted 18th September, 2025

Published online 28th September, 2025

Key words:

Unorganized Sector, Social Development, Workers, Kanpur Nagar.

ABSTRACT

The unorganized sector in India is a major contributor to the economy, yet remains largely outside social security, institutional support and formal recognition. Focusing on Kanpur Nagar district, the study examines daily wages, construction workers, rickshaws, small sellers, and socio-economic conditions of home-based workers, faced with low wages, job insecurity, insufficient health facilities and minimum social security. Using secondary data from government reports, labor survey, educational publications and NGO documentation, it identifies challenges and proposes intervention for upliftment. Conclusions continuously show multidimensional poverty, weak bargain power, limited access to formal credit and exclusion from welfare schemes. Women workers are deprived of wage discrimination and double burden of domestic and paid labor. Although framework such as Social Security Act, 2008 and State Planning of Unorganized Workers, implementation is weak. The study based on secondary data and recommends strong labor unions to secure inclusive policy design, awareness campaign, skill development, and progress.

Copyright©

Copyright© The author(s) 2025. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution and reproduction in any medium, provided the original work is properly cited.

INTRODUCTION

The Indian economy is characterized by a large unorganized sector, which is about 90% of the total employment and contributes significantly to GDP. Despite its vast appearance, the unorganized region remains marginalized, both in terms of policy attention and socio-economic benefits. Workers in this area are generally engaged in temporary, seasonal, or accidental employment and lack access to institutional security measures such as health insurance, pension schemes or minimum wages. Kanpur Nagar district located in Uttar Pradesh is a major industrial and commercial centre with long history of leather industries, textile mills and short -scale enterprises. However, over the years, many of these industries have declined, resulting in increased dependence on informal labor markets. Activists of the unorganized sector of the district-like street vendors, auto drivers, construction workers and domestic laborers-for the backbone of their economy, are still one of the most socio-economically deprived groups.

The socio-economic situation of these laborers is characterized by illiteracy, insufficient health facilities, insufficient housing safety, and high prevalence of restricted educational opportunities for their children. From an economic point of view, they experience the lack of informal compensation, entry into debt cycles, and the absence of social security provisions, mainly responsible for informal lending practices.

Women activists, who often collect domestic responsibilities along with income-generating efforts, face complex difficulties including wage discrimination, oppression and insufficient childcare features. To address these pressure issues, several government initiatives have been taken, including unorganized workers Social Security Act (2008), National Health Bima Yojana and PM Shram Yogi Mandal. Nevertheless, ineffective implementation, lack of awareness, and bureaucracy obstacles have severely forced their effectiveness to the ground level. Within the specific reference to Kanpur Nagar district, warrants of the unorganized sector specifically pay attention to their scale and play an important role in the local economy.

The advancement of the district cannot be fully felt that its unorganized labor force can be encountered. As a result, the purpose of this research is to examine the socio-economic conditions of these workers, evaluating the challenges faced by

*Corresponding author: **Ram Singh**

Assistant Professor, Department of Economics, D.A.V.
(P.G.) College, Kanpur

them and underlining the necessary measures required for their upliftment. The importance of this investigation is underlined by the basis that sustainable development of India is incomplete in the absence of empowerment of unorganized workers. There should adequate social security, skill development programs and institutional assistance should be applied, it is likely that labor productivity will increase significantly, resulting in inclusion in inclusive growth.

Objectives

1. To examine the socio-economic conditions of workers engaged in the unorganized sector in selected development blocks of Kanpur Nagar district.
2. To analyse government initiatives and policy measures aimed at improving the living and working conditions of unorganized sector workers.

REVIEW OF LITERATURE

Last studies on the unorganized sector (Papola, 2008; Rani and Unni, 2009; NSSO report) highlight their role in providing employment to India's labor force, while emphasizing the vulnerability of workers due to job safety, social gains and lack of collective bargaining. Research by Bhalla (2010) and Singh (2017) states that informal workers contribute significantly to urban and rural economies, but are excluded from welfare measures. Studies focusing on Uttar Pradesh (Katiyar, 2020) suggest that unorganized sector workers have to face multidimensional poverty, especially in districts like Kanpur where industrial fall has forced many in informal jobs to pay less. These studies provide a basis to examine specific conditions of unorganized workers of Kanpur city.

RESEARCH METHODOLOGY

This research is based on secondary data sources. Data have been collected from government publications such as Census, National Sample Survey Office (NSSO) report, Labor Bureau Statistics, NITI Aayog Report and State Government documents. Academic magazines, books and research papers have also been referred to on the unorganized sector. NGO reports and newspaper articles have been used to understand the ground realities. The study uses a descriptive and analytical method to evaluate the socio-economic status of unorganized workers in Kanpur Nagar district.

Data analysis of Unorganized Sector

A analysis of the social and economic development of unorganized-sector workers, with a focus on Kanpur Nagar district. It examines economic indicators demographic profile, economic conditions, social conditions of the unorganized workers.

Table 1. Demographic Profile of Unorganized Workers

Category	Percentage (%)
Male Workers	68
Female Workers	32
Literacy (Basic Level)	46
Illiterate	54
Migrant Workers	28

Source: NSSO, Labour Bureau, Census of India (2011)

Demographic Profile of Unorganized Workers Percentage (%)

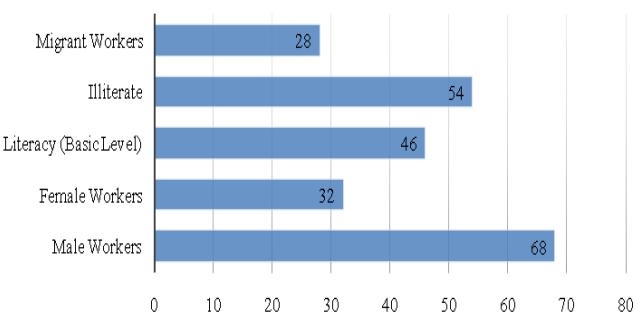


Figure.1

This table and graph are shown, which highlights the basic demographic characteristics of unorganized workers. This indicates that a large part of the task force is the male (68%), while the female participation (32%) is relatively low due to domestic responsibilities, wage discrimination and cultural sanctions. Literacy among these workers remains poor, with only 46% basic education and 54% illiterate, which limits their skill development and access to better employment. A significant ratio (28%) is migrant workers, often from rural Uttar Pradesh and Bihar, who enter Kanpur in search of livelihood opportunities. This indicates low-paying, a high dependence on unknown labor with weak social security.

Table 2. Economic Conditions of Unorganized Sector Workers

Indicator	Average Value (₹/month)	Remarks
Average Monthly Income	7,000 – 8,500	Below minimum living wage
Daily Wage (Unskilled Worker)	250 – 300	Seasonal variation
Access to Formal Credit	12%	Most depend on moneylenders
Workers Below Poverty Line(BPL)	58%	High incidence of poverty

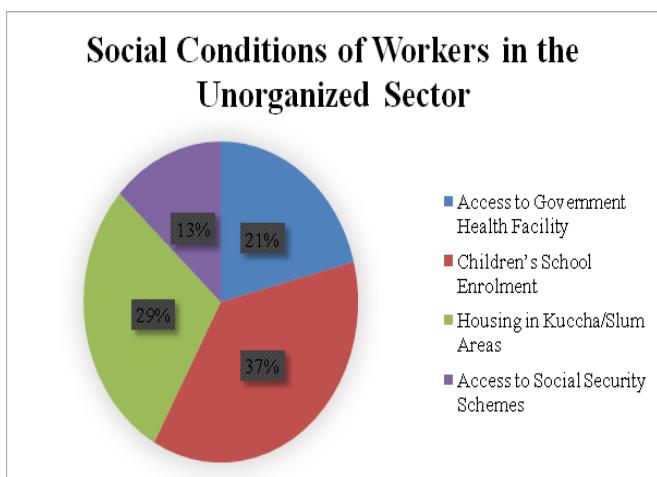
Source: NSSO, Labour Bureau, Census of India (2011)

The economic profile reflects the weak livelihood conditions of the workers. Their average monthly income (₹ 7,000-8,500) is much lower than the minimum living wages required for urban homes. The daily wages for unskilled workers are around ₹ 250-300, but are highly irregular due to seasonal demand. Only 12% of workers have access to formal credit institutions such as banks or cooperative societies, while majority rely on private moneylenders at high-onion rates, causing a loan trap. In addition, more than half (58%) workers are below the poverty line (BPL) homes, showing comprehensive economic insecurity and poverty perseverance.

Table 3. Social Conditions of Workers in the Unorganized Sector

Aspect	Status (in %)	Observation
Access to Government Health Facility	35%	Limited due to distance & cost
Children's School Enrolment	62%	Dropouts high after primary level
Housing in Kuccha/ Slum Areas	48%	Poor sanitation, overcrowding
Access to Social Security Schemes	22%	Awareness and registration issues

Source: NSSO, Labour Bureau, Census of India (2011)

**Figure.2**

This table explains the non-economic aspects of workers' lives, which are equally critical for development. Only 35% of workers can access government health facilities, often due to distance, lack of medicines, or long waiting times. Children's school enrollment is 62%, but dropout rates remain high after primary education because children are pushed into earning activities. Housing conditions are also weak, with 48% of workers living in slum areas or kuccha houses that lack sanitation, drinking water, and electricity. Social security schemes (pensions, insurance, welfare funds) benefit only 22% of workers, reflecting poor implementation and lack of awareness. These findings show that socio-economic backwardness is mutually reinforcing, keeping workers trapped in poverty.

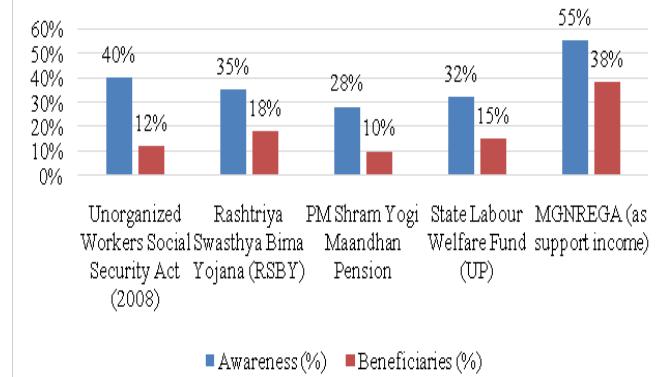
Table 4. Awareness and Implementation of Government Schemes

Scheme / Policy	Awareness (%)	Beneficiaries (%)	Challenges Reported
Unorganized Workers Social Security Act (2008)	40%	12%	Lack of registration process
Rashtriya Swasthya Bima Yojana (RSBY)	35%	18%	Poor hospital coverage

PM Shram Yogi Maandhan Pension	28%	10%	Documentation, irregular contributions
State Labour Welfare Fund (UP)	32%	15%	Corruption, delays in benefits
MGNREGA (as support income)	55%	38%	Seasonal, limited days of work

Source: NSSO, Labour Bureau, Census of India (2011)

Awareness and Implementation of Government Schemes

**Figure.3**

This table examines the effectiveness of government policies in reaching unorganized workers. The level of awareness is relatively low in schemes: for example, 40% has heard about unorganized workers Social Security Act (2008), but it only gives 12% profit. The President's Health Bima Yojana (RSBY) has 18% coverage, but hospitals covered under the scheme are limited. The implementation of PM Shram Yogi Mandal Pension is low, due to only 10% enrollment issues and irregular contribution. The State Labor Welfare Fund consists of only 15% of workers, often caused by bureaucracy and corruption. In contrast, MGNREGA is relatively known (55% awareness, 38% beneficiaries) but it is limited in the realm as it provides seasonal work and only 100 days annually. The overall analysis indicates a large gap between policy design and grassroots implementation.

RESULTS AND DISCUSSION

The demographic profile of unorganized workers reveals important structural challenges analysis of the demographic profile of unorganized sector workers in Kanpur Nagar district. As presented in Table 1, most of the workforce is made up of men (68%), while female participation is 32%. This gender imbalance reflects deep roots, socio-cultural norms, domestic responsibilities and wages discrimination that prevents women from engaging in income-making activities on comparative-fame for men. The literacy rate between these workers is low, with only 46% basic education and 54% illiterate.

This deficiency of educational attainment severely disrupts their ability to enhance skills, restricting high-standards or access to more stable jobs. A remarkable observation is that 28% of the workers are migrants, mainly from rural areas of Uttar Pradesh and Bihar. Their migration underlines economic

push factors and attracts urban labor markets in rural areas. However, this flow also indicates uncertainty of employment, as these workers are often without access to social security, legal contracts or institutional resources. This demographic composition is dependent on a weak workforce on low salary and informal labor.

Economic indicators in Table 2 highlight adverse livelihood conditions faced by unorganized workers. The average monthly income of 8,000-8,500 is much lower than the minimum living wages required for urban homes. Daily wages of ₹ 250-300 are irregular and ups and downs based on seasonal demand, making it difficult for workers to maintain a stable income throughout the year. Access to formal credit is limited to only 12% of workers, depending on informal sources such as majority moneylenders, often at highly interest rates. This landscape leads to indebtedness and financial exploitation. Dangerous, 58% of workers remain below the poverty line, pointing to old economic insecurity and limited up dynamics. These figures confirm that unorganized sector workers are trapped in a cycle of poverty, which has a restricted access to income -generating resources and institutional support.

Social aspects presented in Table 3 put forward economic difficulties. Access to healthcare is restricted, only 35% of workers are capable of availing government health facilities. Medical infrastructure, transportation and lack of strength greatly affect their health results. Similarly, children's education enrollment is at 62%, but the dropout rate beyond the primary level increases due to financial stress and need of children to contribute to domestic income.

Housing conditions are uncertain, with about half (48%) of workers living in slum areas or kachcha houses. These houses often have basic hygiene, potable water and power deficiency, which contributes to poor living standards and health risks. In addition, only 22% of workers are enrolled in social security schemes, reflecting obstacles such as limited awareness, cumbersome registration processes and inadequate outreach. These conditions reflect a social environment where the weaknesses intersect each other and strengthen each other, which leads to an inverted cycle of absence.

Table 4 shows that the government's initiative is suffering from low awareness and minimal coverage with the aim of supporting unorganized workers. For example, while 40% of workers are aware of unorganized workers Social Security Act (2008), only 12% benefit from procedural and bureaucratic obstacles. Similarly, only 18% of workers are included in the President's Health Bima Yojana (RSBY), with the use of the hospital a major limited factor. PM Shram Yogi Mandal Pension Scheme suffers from low participation (10%), which is due to documentation challenges and irregular contribution. The State Labor Welfare Fund reaches only 15% of workers, often due to corruption and fund disbursement. MGNREGA is better in the case of awareness (55%) and beneficiaries (38%), yet its scope is limited as it only works on a seasonal basis for 100 days per year.

The data underscores a critical gap between policy intent and on-ground execution. Awareness campaigns are insufficient, documentation procedures are complex, and the institutional mechanisms required for widespread benefit distribution are weak or riddled with inefficiencies. As a result, the majority of

unorganized workers remain excluded from essential welfare schemes designed to improve their socio-economic conditions.

OVERALL DISCUSSION

The data analysis across demographic, economic, social, and policy-related dimensions paints a grim picture of the unorganized sector workforce in Kanpur Nagar district. High male dominance, low literacy, and dependence on migration are indicative of structural inequalities and lack of educational infrastructure. Economic insecurity is evident from low wages, poor access to credit, and a high poverty rate. Social vulnerabilities, such as limited healthcare access, poor housing, and low school retention rates, further exacerbate the plight of workers and their families.

Government schemes, though well-intentioned, are not reaching the vast majority of workers due to issues of awareness, documentation, corruption, and inadequate infrastructure. The interlinked challenges suggest that interventions must be multi-dimensional, addressing both the economic and social determinants of poverty. Effective policy implementation, targeted awareness drives, and simplified access to welfare schemes are imperative to uplift the unorganized sector workforce and promote sustainable development in Kanpur Nagar.

This comprehensive analysis emphasizes that improving the lives of unorganized workers requires not only policy design but also robust delivery mechanisms and community-driven awareness programs. Only then can the cycle of socio-economic deprivation be broken.

CONCLUSION AND SUGGESTIONS

The current study suggests that in the unorganized sector of Kanpur Nagar district, workers are socially and economically deprived despite being the backbone of the local economy. They are suffering from low wages, irregular employment, formal loan shortage, poor housing, insufficient healthcare and limited educational opportunities for their children. Women and migrant workers are particularly weak, wage discrimination, insecurity and work and many burdens of work and family. Although various government schemes such as unorganized workers Social Security Act, Rashtriya Health Bima Yojana, and PM Shram Yogi Mandal Pension. Pension is aimed at providing relief, their effectiveness is restricted due to low awareness, poor implementation, bureaucratic obstacles and corruption.

This study to suggest that the difference between policy making and the execution of the ground level should be addressed immediately. For sustainable improvement, it is necessary to strengthen the institutional system, ensure easy registration of workers and provide transparent distribution of welfare benefits. Awareness campaigns should be organized at the block and village level to increase the participation of workers in welfare schemes. Skill development and professional training programs should be promoted to increase employment and income levels. The formation of strong labor associations and cooperative societies can empower workers with collective bargaining power. In addition, greater participation of NGOs and local bodies in policy implementation can help to reach the grassroots beneficiaries effectively. Finally, there is a need to recognize the contribution of unorganized workers,

expand comprehensive social security, and integrate them in mainstream development to achieve overall inclusive growth in Kanpur city and India.

References

1. Bhalla, G. S. (2010). *Globalisation and employment trends in India*. Economic and Political Weekly, 45(6), 18–23.
2. Chandrashekhar, C. P., & Ghosh, J. (2014). Informalization of labour in India: Causes and consequences. *Journal of Social and Economic Development*, 16(2), 127–148.
3. Government of India. (2008). *The Unorganised Workers' Social Security Act, 2008*. Ministry of Labour and Employment. <https://labour.gov.in>
4. ILO. (2018). *Women and men in the informal economy: A statistical picture* (3rd ed.). International Labour Office. <https://www.ilo.org>
5. Jhabvala, R., & Kanbur, R. (2002). Globalization and economic reform as seen from the ground: SEWA's experience in India. *World Development*, 30(3), 449–460.
6. Katiyar, S. (2020). Socio-economic status of informal sector workers in Uttar Pradesh. *Journal of Social and Economic Policy*, 17(1), 45–57.
7. National Commission for Enterprises in the Unorganised Sector (NCEUS). (2009). *The challenge of employment in India: An informal economy perspective*. Government of India.
8. National Sample Survey Office (NSSO). (2014). *Informal sector and conditions of employment in India, 2011–12* (NSS Report No. 557). Ministry of Statistics and Programme Implementation, Government of India.
9. Papola, T. S. (2008). *Employment in the unorganised sector in India*. Institute for Studies in Industrial Development.
10. Rani, U., & Unni, J. (2009). Decent work deficits in informal economy: Evidence from India. *Indian Journal of Labour Economics*, 52(2), 607–625.
11. Sharma, A. N. (2016). Vulnerability and social protection of informal sector workers in India. *Indian Journal of Human Development*, 10(1), 1–17.
12. Singh, A. K. (2017). Unorganised sector in India: Problems and prospects. *Journal of Economic Development Studies*, 5(2), 110–122.

How to cite this article:

Ram Singh and Suneet Awasthi . (2025). A study on the social and economic development of workers in the unorganized sector: with reference to kanpur nagar district, International Journal of Current Advanced Research, 14(09), pp.517-521.
