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MEASURING THE STANDARD OF LIVING OF INFORMAL
WORKERS OF THE MANUFACTURING SECTOR IN UTTAR
PRADESH

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Abstract

In India, where more than 90% of workers are employed in the informal sector, contributing more than 50% of the country's GDP, the manufacturing sector alone contributes more than 18%. Still, informal workers in this manufacturing sector cannot live decent life due to the lack of financial, employment, and social security. Most of the informal workers are struggling for the necessities of life and trying to match their living standards to society. This study is an attempt to analyse the living standards of manufacturing informal workers in Uttar Pradesh to attract the attention of the government towards the living condition of workers. For that purpose, the Standard of Living Index (SLI) of 385 informal workers in the manufacturing sector has been developed. The scores have been allocated based on the value of land-holding, possession of material goods, possession of live stocks, and availability of basic amenities like housing facilities, electricity connection, sanitisation facility, and drinking water facilities. This study also analyses the impact of various supply-side factors on the standard of living using the Ordinary Least Square (OLS) method. While 38.2% of informal workers have been found in the low SLI category, 2.1% are in the high SLI category. Further, a significant and positive impact is found of caste, area of residence,

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gender, and no. of earning members in the family on the standard of living of workers.

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1. Introduction

According to ILO's Labour Force Survey, 2020, India has a labor force of 501 million, out of which 360.57 million are working in the informal sector. Out of these 360.57 million, 10 million workers are engaged in only manufacturing activities. At the same time, they are the most productive sector, with a contribution of 30% to the Indian economy and a total contribution of more than 18% to GDP, followed by a contribution of 14% to the agriculture sector. Still, the informal workers of the manufacturing sector belong to a highly vulnerable group of society.

The basic premise of social development in industrialised nations is that indemnified work brings employment and security by offering financial protection and a road to a higher lifestyle for human children. The early social security model was a country with (almost) full employment and a level of remuneration in which the people might be able to meet the needs of their households (Lund, F. 2012). However, the reality is far different from the assumptions. Manufacturing informal workers work at very high risk to their physical and mental health, having no health security measures (Dhas et al., 2008). Still, they do not get fair wages, employment, or financial security. They struggle every day to provide for their family's basic needs. They struggle day and night to get basic amenities like shelter, food, clothing, higher education, Etc. Most of these workers do not get any compensation in case of an accident, no paid leave, no overtime compensation, and no higher rate of wages for night-shift (Vicente et al., 2016). Sometimes they had to face mental harassment and discrimination based on gender, caste, religion, and sometimes even based on their state of origin (Garg, 2012). Even though the government decides that the minimum wage is insufficient to fulfil workers' basic needs, they do not get the minimum wage (Rani et al., 2013). They also

had to put their children to work because the lack of financial security and savings led to child labour and violation of the right to education.

In India, 93% of the workforce works in the unorganised sector. The sector makes up over 50% of the GDP of the nation. However, since they lack employment, job security, and social protection, employees in the informal sector remain poor and vulnerable throughout their working and social lives. (Bora, 2014). Their living conditions are not any better than their working ones, notwithstanding how terrible their working conditions are. Most of the workers live in unfurnished Kachcha-houses with five-six people sharing a single room and having no privacy. There is no separate space for cooking food, and they must depend on clean drinking water from municipal arrangements or private handpumps of neighbours. Having no agricultural land or domestic cattle increases their financial vulnerability, which leads to depression, addiction to intoxication, and involvement in illegal activities like burglary, phishing, vishing, Etc.

The Indian economy has grown relatively faster during the last two decades, which is impossible without the contribution of informal sector workers. While an increase in GDP is anticipated to boost workers' productivity, accelerate income growth, and thus enhance working and standard of living. However, despite many labour welfare acts and policies made by the government, there has been no improvement in the living condition of workers. As most organisations do not comply with acts and policies, the government cannot improve workers' living conditions. Also, workers can only fight for their rights with an independent labour union.

While many researchers analysed informal workers' living conditions, very few specifically focused on the workers in the manufacturing sector, which is one of the highest contributing sectors to the Indian GDP. In light of this, the current study seeks to determine if informal workers in the manufacturing sector have profited from the country's phenomenal economic boom. The dream of inclusive growth will undoubtedly come true if their conditions improve. This article starts with an introduction, then divides into five sections: a second section that looks at previous research, a third section that describes the methodology, a fourth section that examines the living conditions of the workers, and a fifth section that examines the effects of different supply-side factors on their standard of living. In addition to providing a policy framework to enhance the living circumstances of informal sector workers employed in Uttar Pradesh's manufacturing sector, the research

intends to draw the attention of the state and central governments to the terrible living conditions of workers.

2. Review of Literature

This paper analysed the impact of various social-security schemes on informal workers (Pillai, 1996). The study found that the introduction of social security for casual workers in the informal sector in Kerala was somewhat incomparable. The study also showed that the Welfare Fund Scheme has brought about a drastic change in the standard of living of workers socially and economically. (Roy et al. 1999) tried to establish a relationship between the Standard of Living (SLI) and fertility of women (with at least ten years of marital duration) in four states of India, namely Kerala, Punjab, Maharashtra, and Uttar Pradesh. They took land holding, type of house, possession of material goods, and livestock as the standard of living Indicators.

Developed three SLI levels, Low SLI, Medium SLI, and High SLI, based on the sum of scores assigned to different indicators of SLI. They concluded that it is not always SLI, but many other social factors directly or indirectly impact the fertility decline. Out of four states, only Punjab showed the expected negative relationship between SLI and fertility change. (Be'Renger & Verdier-Chouchane, 2007) Sen's capacity method assessed life satisfaction by dividing it into two parts: quality of life (QL) and standard of living (SL). In contrast to the UNDP Human Development Index (HDI), this research tried to distinguish between resource availability and capability metrics. The study used two multidimensional measures, SL and QL, to assess the empirical findings from 170 nations. According to the study, SL and QL have greater diversity than HDI. These two metrics are more helpful in developing social and economic strategies to address structural under-development. (Mohapatra, 2012) a descriptive analysis of 500 female informal workers in Odisha found that many live lives full of compromises and necessities. They also found that low wages imply numerous other issues that impact female workers' living standards and nutrition. (Rao, 2015) With roughly 64% of all jobs coming from the informal sector, this sector is significant for Hyderabad's economy. He suggests a policy framework that includes health care facilities, old-age pension, maternity, accident benefits, micro-financing facilities, Etc. In light of the importance and lousy state of the informal sector. (Muthusamy and Ibrahim 2016) This review paper attempted to analyse informal employment in several economic sectors and found that the agriculture industry employs

more informal employees than other sectors. The ever-increasing urban and young population is obliged to adopt informal commerce as a means of survival due to rising unemployment and the formal economy's failure to produce jobs for them. (Antony et. al. 2017) The standard of living and human development depends on many variables. Demographics, health, nutrition, and socio-economic indicators play a significant role in determining living standards. Current indicators, such as HPI and HDI, do not consider income indicators to estimate the quality of life and ignore dietary and nutritional indicators. However, the proposed indicators are beneficial in estimating actual development and quality of life as they also incorporate income and income indicators.

3. Research Methodology

Data has been collected through the questionnaire on the basis multi-stage stratified sampling method. The state selected five cities (Barabanki, Ambedkar Nagar, Amethi, Sultanpur, and Ayodhya) as they belong to the Ayodhya magistracy and are also the central manufacturing units like NTPC, and Parle is situated here. Then, four manufacturing units and 20 workers from each unit were selected randomly. It is ensured that the respondent is the family's primary wage earner and that a family member in a formal or government job supports no household. Workers were selected from different households. A total of 400 workers were interviewed face-to-face from August 2021 to January 2021. 385 questionnaires were considered in this study after refining the received responses.

This study will examine the standard of living index of informal workers working in the manufacturing sector of Uttar Pradesh. The indicators of standard of living, e.g., Housing arrangement, Access to clean water, Sanitization facility, Etc. Furthermore, to develop the Standard of Living Index based on these indicators.

Secondly, the study seeks to investigate the worker's qualification, the current area of residence caste, and the number of persons employed other than the respondent on the standard of living using the Ordinary Least Square (OLS) method and the hypotheses proposed are: -

H1: There is a significant impact of worker's education level on the standard of living

H2: There is a significant impact of worker's current area of residence on the standard of living

H3: There is a significant impact of worker's caste on the standard of living

H4: There is a significant impact of the number of persons employed other than the respondent on the standard of living

3.1. Indexing of Standard of Living

The critical question is, what will be the adequate measures to explore the actual living condition of a household? Researchers varyingly denoted economic condition either by the level of income or expenditure made by the household to acquire material goods for their comfort. However, the current income could be a better alternative for measuring a person's economic condition because it is possible that, while earning relatively well, a person may need adequate access to necessities because of the large number of dependents in the household. Since when parents decide about the family size, they have potential income in mind, not the current income. However, reliable information about the potential or expected income is impossible to collect through a survey (Easterlin et al., 1969). This study has decided to measure a labour household's economic condition through a Standard of Living Index (SLI). For that purpose, indexing is done, and weights are assigned to the possession of material goods like T.V., Radio, By-cycle, Two-wheeler, domestic livestock, ornaments, the value of the land they possess, and also the basic amenities like the type of house, drinking water facility, sanitation facility, Etc. (Roy et al. 1999).

Table 1. Scores assigned to the Standard of Living Index (SLI) variables

		Variables	Score
1.	Type of House	Pucca	= 2
		Semi-Pucca	= 1
		Kachcha	= 0
2.	No. of rooms in the house	Three or more than three	= 2
		Two	= 1
		One	= 0
3.	Separate room for every person	Yes	= 1
		No	= 0
4.	Separate kitchen in the house	Yes	= 1
		No	= 0
5.	Fuel for cooking	Electricity/LPG	= 2
		Kerosene	= 1
		Firewood	= 0

Table 1. Scores assigned to the Standard of Living Index (SLI) variables (continued)

Variables		Score
6.	BPL card holder	Yes = 1
		No = 0
7.	Sanitization Facility	Separate = 2
		Common = 1
		Open-field = 0
8.	Electricity connection	Yes = 1
		No = 0
9.	Source of drinking water	Submersible/private handpump = 2
		Municipal Supply/public handpump = 1
		Other = 0
10.	Own Tube-well	Yes = 3
		No = 0
11.	Livestock ownership	Buffalo = 2
		Cow = 2
		Goat = 1
12.	Ownership of goods	Fan = 1
		Television (Black & white) = 2
		Television (Color) = 3
		Radio = 1
		Mixer-grinder = 2
		Refrigerator = 3
		Washing Machine = 3
		Mobile Phone = 2
		Computer = 3
		Bicycle = 1
		Two-Wheeler = 3
		Car = 4
		Tractor = 4
		Chair = 2
		Table = 2
Almirah = 2		
DVD/VCD player = 3		
Iron = 2		
Sewing machine = 2		
Gas Stove = 2		
Gas Stove = 2		

Table 1. Scores assigned to the Standard of Living Index (SLI) variables (continued)

Variables		Score	
13.	Gold/Silver ornaments	Value \geq ₹ 1,00,000	= 3
		Value \geq ₹ 50,000	= 2
		Value $<$ ₹ 50,000	= 1
		No ornament	= 0
14.	Land Holding	Value \geq ₹ 10,00,000	= 3
		Value \geq ₹ 5,00,000	= 2
		Value $<$ ₹ 5,00,000	= 1
		No Land	= 0
Standard of Living Index (SLI)		Score Range	0 to 79
Categories of SLI		Range	
Low SLI		0 to 15	
Medium SLI		15 to 30	
High SLI		31 and above	

Source: Based on the indicators taken by (Roy et al. 1999)

$$\text{Total SLI score} = \sum_{i=1}^{36} \text{SLI}_i + \text{SLI}_{11} + \text{SLI}_{12} + \text{SLI}_{13} + \dots + \text{SLI}_{36}$$

Where,

SLI1: Type of House, SLI2: No. of rooms in the house, SLI3: Separate room for every person, SLI4: Separate kitchen in the house, SLI5: Fuel for cooking, SLI6: BPL card holder, SLI7: Sanitization Facility, SLI8: Electricity connection, SLI9: Source of drinking water, SLI9: Own Tube-well, SLI10: Buffalo, SLI11: Cow, SLI12: Goat, SLI13: Fan, SLI14: Television (Black & white), SLI15: Television (Color), SLI16: Radio, SLI17: Mixer-grinder, SLI18: Refrigerator, SLI19: Washing Machine, SLI20: Washing-Machine, SLI21: Mobile phone, SLI22: Computer, SLI23: Bicycle, SLI24: Two-wheeler, SLI25: Car, SLI26: Tractor, SLI27: Chair, SLI28: Table, SLI29: Almirah, SLI30: DVD/VCD Player, SLI31: Electric Iron, SLI32: Sewing-machine, SLI33: Gas stove, SLI34: Gas cylinder, SLI35: Gold/Silver Ornaments, SLI36: value of land holding

4. Results & Discussion

Table 2. Total Standard of Living Index (SLI) Score of the workers.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Low SLI	147	38.2	38.2
	Medium SLI	230	59.7	97.9
	High SLI	8	2.1	100.0
	Total	385	100.0	100.0

In table 2 above, SLI scores of individual workers are added. Out of 385 workers, 147 workers (38.2%) fall in the category of low SLI, 230 workers (59.7%) are in the category of Medium SLI, and the remaining only eight workers (2.1%) come under the category of High SLI. It is observed that more than 97% of informal workers either lack basic amenities or struggle to live a decent life. Only 2.1% of informal workers in High SLI may be because of a paternal background.

Table 3. Total SLI * Gender Crosstabulation

		Gender		Total	
		FEMALE	MALE		
Total SLI	Low SLI	Count	8	139	147
		% within Gender	25.8%	39.3%	38.2%
	Medium SLI	Count	22	208	230
		% within Gender	71.0%	58.8%	59.7%
	High SLI	Count	1	7	8
		% within Gender	3.2%	2.0%	2.1%
Total	Count	31	354	385	
	% within Gender	100.0%	100.0%	100.0%	

In table 3 above, out of 385 respondents, 31 (8.05%) are female, and 354 (91.95%) are male workers. Out of 354 male workers, 139 workers (39.3%)

fall in the category of Low SLI, 208 workers (58.8%) in the category of Medium SLI, and the remaining seven workers (2.0%) in High SLI. Whereas out of 31 female workers, only eight workers (25.8%) fall into the category of Low SLI, only one worker (3.1%) falls in the category of High SLI, and the rest 22 workers (71%) fall into the category of Medium SLI. Here, the female percentage in the Medium SLI and High SLI categories is more than males. On the flip side, the percentage of female workers in the Low SLI is less than the male percentage; a possible reason for this anomaly may be that female workers are earning for their families, and their husbands are also working in either the same organisation or any other organisation that makes their income higher than the families with only one earning member.

Table 4. Total SLI * Current Residence Area Crosstabulation

			Current Residence area		Total
			SEMI-URBAN	RURAL	
Total SLI	Low SLI	Count	40	107	147
		% within Current residence area	59.7%	33.6%	38.2%
		Count	24	206	230
Total SLI	Medium SLI	% within Current Residence Area	35.8%	64.8%	59.7%
		Count	3	5	8
Total SLI	High SLI	% within Current Residence Area	4.5%	1.6%	2.1%
		Count	67	318	385
Total		% within Current Residence Area	100.0%	100.0%	100.0%

In table 4 above, out of 385 respondents, 67 (17.40%) workers currently reside in the semi-urban area. At the same time, 318 (82.60%) reside in rural areas. As we can see, none of the workers live in an urban area because most of the manufacturing units in the target cities are either rural or semi-urban. The workers primarily reside in the areas close to the factory. Further, it is observed that, out of 67 workers, 40 workers (59.7%) are in the Low SLI, 24

workers (35.8%) are in the Medium SLI, and only three workers belong to High SLI. Whereby out of 318 workers residing in the rural area, 107 workers (33.6%) belong to Low SLI, while in the category of Medium SLI, there are 206 workers (64.8%), and the rest of the five workers (1.6%) fall in the category of High SLI.

**Table 5. Total SLI * Number of dependents in the family
Crosstabulation**

			Number of dependents in the family			Total
			0-3	4-6	7-10	
		Count	80	64	3	147
Low SLI	% within	Number of dependents in the family	43.5%	34.6%	18.8%	38.2%
		Count	99	119	12	230
Total Medium SLI	% within	Number of dependents in the family	53.8%	64.3%	75.0%	59.7%
		Count	5	2	1	8
High SLI	% within	Number of dependents in the family	2.7%	1.1%	6.3%	2.1%
		Count	184	185	16	385
Total	% within	Number of dependents in the family	100.0%	100.0%	100.0%	100.0%

In the above table 5, based on the number of dependents, families of workers are divided into three categories- families who have 0 to 3 members dependent on the earnings of the worker, families who have 4 to 6 members dependent on the earnings of the worker, and the families which has 7 to 10 members dependant on the earning of a worker. There are 184 workers (47.81%) with less than equal to 3 dependants in the family, which of those, 80 workers (43.5%) fall in the category of Low SLI, 99 workers (53.8%) fall in the category of Medium SLI and the High SLI there are only five workers (2.7%). Out of 185 workers (48.05%) with 4-6 dependant members, 64

workers (34.6%) come under the category of Low SLI, 119 workers (64.3%) belong to the Medium SLI, and the remaining two workers (1.1%) belong to High SLI. Out of 16 workers (4.16%) with 7-10 dependant members, three workers (18.8%) belong to the Low SLI category, 12 workers (75%) belong to Medium SLI, and only one worker (6.3%) belongs to High SLI.

Table 6. Total SLI * Education Level Crosstabulation.

		Education Level					Total	
		ILLITERATE	UP TO PRIMARY	UP TO HSC	UP TO SSC	HIGHER EDUCATION		
Low SLI	Count	9	57	65	15	1	147	
	% within Education Level	47.4%	47.5%	34.4%	42.9%	4.5%	38.2%	
	Count	10	61	122	18	19	230	
Total SLI	Medium SLI	% within Education Level	52.6%	50.8%	64.6%	51.4%	86.4%	59.7%
High SLI	Count	0	2	2	2	2	8	
	% within Education Level	0.0%	1.7%	1.1%	5.7%	9.1%	2.1%	
	Count	19	120	189	35	22	385	
Total	% within Education Level	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

The above table 6 shows, Workers based on their education level are divided into five categories respectively- Illiterate, up to primary level (workers who never went to school but can do basic calculations and workers who study 1st -5th class), up to HSC (workers who studied 6th -10th class), up to SSC (Workers who have completed 12th), and Higher Education (workers who have graduated or post-graduated or hold any vocational degree). It can be observed that out of 19 (4.94%) illiterate workers- 9 workers (47.4%) come under Low SLI, ten workers (52.6%) belong to Medium SLI, and no illiterate workers belong to High SLI. Out of 120 workers (31.17%) who have studied up to the primary level- 57 workers (47.5%) fall under the

category of Low SLI, 61 workers (50.8%) fall under the category of Medium SLI, and only two workers (1.7%) fall under the category of High SLI. Out of 189 workers (49.09%) educated up to High-School- 65 workers (34.4%) belong come under the category of Low SLI, whereas 122 workers (64.6%) come under the category of Medium SLI, and two workers (1.1%) come under the category of High SLI. Out of 35 workers (9.09%) educated up to the level of intermediate- 15 workers (42.9%) belong to the Low SLI category, whereas 18 workers (51.4%) belong to the Medium SLI category, and only two workers (5.7%) belong to High SLI. Further, out of 22 (5.71%) highly educated workers- 1 worker (4,5%) comes under the category of Low SLI, whereas 19 workers (86.4%) fall under the category of Medium SLI, and only two workers (9.1%) belong to High SLI. It can be easily seen that the no. of workers reduces as the level of education increases, but in terms of percentage, as the education level increases, the percentage of workers increases in the High SLI and Medium SLI categories. In contrast, the percentage of workers decreases in the category of Low SLI with the increase in education level.

**Table 7. Total SLI * Person employed other than respondent
Crosstabulation**

			Persons employed other than the respondent				Total
			0	1	2	3	
		Count	92	44	9	1	146
	Low SLI	% within Persons employed other than the respondent	44.2%	33.6%	25.0%	25.0%	38.5%
		Count	115	85	22	3	225
Total SLI	Medium SLI	% within Persons employed other than the respondent	55.3%	64.9%	61.1%	75.0%	59.4%
		Count	1	2	5	0	8
	High SLI	% within Persons employed other than the respondent	0.5%	1.5%	13.9%	0.0%	2.1%
		Count	208	131	36	4	379
Total		% within Persons employed other than the respondent	100.0%	100.0%	100.0%	100.0%	100.0%

Table 7 categorises the number of family members employed other than the respondent worker. In the case of nuclear families, only the parents of the worker or married/unmarried son, or unmarried brother/sister are included. Out of 208 families (54.03%) where no other person than the respondent himself/herself is employed, 92 workers (44.2%) fall under the category of Low SLI, and 115 workers (55.3%) fall in the category of Medium SLI. Only one worker (0.5%) falls under the category of High SLI. Out of 131 families (34.03%) where one person is employed other than the respondent, 44 workers (33.6%) belong to Low SLI, 85 workers (64.9%) belong to Medium SLI, and

two workers (1.5%) belong to High SLI. Out of 36 families (9.35%) where two other persons are employed excluding respondents, nine workers (25%) come under the Low SLI category, 22 workers (61.1%) come under the category of Medium SLI, and five workers (13.9%) come under High SLI category. Out of 4 families (1.04%) where four members are employed other than the respondent, only one worker (25%) falls under the category of Low SLI, and the remaining three workers (75%) fall under the category of Medium SLI. It can be easily observed that in most cases, as the number of people employed other than the respondent increases, their percentage in the category of Low SLI decreases, and the percentage in the category of Medium SLI and High SLI increases.

4.1. Hypotheses Results

The dependent variable (standard of living) was regressed on predicting variables of worker's qualification, caste, and current area of residence. The independent variables significantly predict the standard of living, $F(4, 374) = 10.167$, $p < 0.001$, which shows that all four factors significantly impact the standard of living. The $R^2 = 0.098$ describes that the model demonstrates 9.8% of the variance in standard of living.

Additionally, coefficients were analyzed further to measure how each of the four components affected the touchstone variable (Standard of Living). H1: whether a worker's education level significantly and positively affects the standard of living. The results revealed that workers' education level significantly and positively impacts the standard of living ($B = 0.093$, $t = 3.211$, $p = 0.001$). Hence, H1 was supported. H2 evaluates whether a worker's current area of residence has a significantly positive impact on the standard of living. The results show that the worker's current area of residence has a significantly positive impact on the standard of living ($B = 0.208$, $t = 3.027$, $p = 0.003$). Consequently, H2 was supported. H3 evaluates whether a worker's caste has a significantly positive impact on the standard of living. The results show that workers' caste positively impacts the standard of living ($B = 0.092$, $t = 2.371$, $p = 0.018$). Consequently, H3 was supported. H4 evaluates whether the number of persons employed other than the respondent positively impacts the standard of living. The results show that number of persons employed other than the respondent has a significantly

positive impact on the standard of living ($B = 0.110$, $t = 2.986$, $p = 0.003$). Consequently, H4 was supported.

Table 8. Hypotheses Results

Hypotheses	Regression Weights	B	t	p-value	Results
H1	SL→WEL	0.093	3.211	0.001*	Supported
H2	SL→WCRA	0.208	3.027	0.003*	Supported
H3	SL→WC	0.092	2.371	0.018*	Supported
H4	SL→NDER	0.110	2.986	0.003*	Supported

Note: * $p < 0.05$, SL: Standard of Living, WEL: Worker's Education Level, WCRA: Worker's Current Area of Residence, WC: Worker's Caste, NDER: Number of Persons Employed other than the Respondent

5. Conclusion

In summary, findings on the standard of living (economic status) of informal workers in the manufacturing sector of Uttar Pradesh show most of the workers are living with either Low SLI or Medium SLI, and very few workers can live a decent life. Though the factors like- education, level, the caste of the worker, current residence area, and the number of persons employed in the family have a positive and significant impact on the living condition of the family, these are not the only factors that affect the living standards of the workers.

Under investigation, data shows that female participation as an earning member of the family can significantly affect the average living standard of the family. Workers living in rural areas enjoy not only better living standards but also better social life. Though the nuclear families with a smaller number of dependents are in better living conditions, on the other side, joint families enjoy the benefit of more earning hands and so the benefit of economies of scale. While other factors also significantly impact SLI, higher education can significantly improve the family's economic status.

6. Policy Recommendations

The government must comprehend both the requirements of employers and workers to create effective welfare policies. Medium and small-scale manufacturing facilities, such as sugar, rice, flour, and cattle feed factories, primarily employ low-skilled or unskilled informal labour, resulting in low productivity and low-profit margins. Additionally, it has been reported that

the government compels these companies to accept agricultural products offered by farmers, even of inferior quality, which further diminishes their profit margin and compels them to pay their workers to lower wages. Along with the minimum wage, the government needs to revise agricultural produce pricing and quality standards from time to time. Furthermore, the government must offer subsidies for these small manufacturing facilities because MSMEs account for 33% of India's manufacturing output and 45–50% of its exports in the textile, food processing, chemical, and electrical or equipment industries.

In order to strengthen workers' social security and their potential for collective bargaining, labour unions must be encouraged in rural and semi-urban regions. Furthermore, beginning skill-development programmes for workers of MSMEs will benefit workers by fostering job security and boosting worker and organisational productivity. However, before that can happen, the government must make workers aware of the value of joining a union and its advantages.

7. Limitations of Study

This research is confined to some districts of Uttar Pradesh and only covers some issues of informal workers in the manufacturing sector because of the cost and time restraints. Further, due to the low education level of the respondents, responses are not 100% reliable. Though the research results cannot be universally applicable, they would apply to research areas with similar characteristics.

Notes:

1. Instead of taking land holding as a variable of the standard of living, the approximate value of land holding is taken as a variable because the value of land differs on the basis of where the land is situated. So, the value of land shows a more significant impact on SLI.
2. By the standard of living of workers, we mean the economic condition of the household they live in.

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