

Chapter-V

THE LEGAL AND SOCIAL MARGINS

THE HARSH REALITIES OF INFORMAL LABOUR IN INDIA

BY

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ABSTRACT

Informal work is a characteristic of the Indian economy, covering more than 90% of India's workforce and entering industry such as agriculture and construction, street vendors and home work. It is evidence of the determination and exposure of millions of workers whose working lives are beyond the cover of protection given by formal labour law. Informal employment is distinguished by low pay, absence of social security, insecure employment, and poor working conditions that subject the workers to exploitation. This chapter analyzes the structural determinants of informality such as socio-economic inequality, poor legal frameworks, and poor enforcement frameworks. It shows how informality cuts across caste, gender, and migration and how it operates to increase vulnerabilities among marginal groups. The chapter also explores emerging policy reactions and legal actions to close such gaps and evaluates their potential and constraints. In drawing inspiration from the very tangible lives of informal workers and structural obstacles making them invisible, the book places front and center the imperative to construct labour reforms that attain legal protection and socio-economic belonging.

Lastly, it argues that informalization is not so much a matter of labour justice but, more seriously, a matter of ensuring balanced economic growth. The chapter emphasizes the shift in imagination from perceiving the informal workforce as an ad hoc adjustment to perceiving it as being part of India's entire labour matrix and hence requiring rights-based, participatory, and place-sensitive interventions.

Keywords: Informal Labour, Labour Rights, Marginalized Groups and Socio-Economic Development.

"Informal workers form the backbone of India's economy, yet remain on the margins of its legal and social frameworks."

India's economic development is retold a thousand times through the lens of industrialization, rising GDP rates, and the thriving service sector. But beneath this chain of events lies a far more complex and sinister reality that of millions of workers who power this progress but escape official legal and economic prisms. These are the street vendors, domestic workers, construction workers, home-based workers, and many more who work and live on the fringes of legality, subsistence, and dignity. The informal sector produces nearly 90 percent of total employment in India, the backbone of the Indian workforce but operating in the framework of insecurity, exploitation, and exclusion. Informal work is paradox and contradiction on India's development trajectory. It creates livelihoods and sustains rural and urban economies on the one hand, but includes insecurity of work, absence of social protection, and structural vulnerability on the other. The informality of the informal sector is no exception but a reflection of structural disequilibria along lines of caste, gender, class, and regional differentials that have characterized the Indian labour market from the past. While liberalization and globalization have opened up new vistas of employment opportunities, simultaneously they have eroded conventional institutional arrangements for labour protection, pushing a large segment of workers deeper into informality and insecurity.¹²³

The unfavourable conditions of informal work are expressed in different forms such as, irregular remunerations, absence of health or protection against risks, absence of contractual agreements, refusal of minimum wages, and de facto exclusion from social security schemes. The COVID-19 crisis violently revealed these frailties as informal and migrant workers were left stranded with livelihood nor state protection. The crisis highlighted India's fragile labour infrastructure and the vast gap between the law's promise and the reality faced by workers.

¹²³ Ghosh, J. (2019). *Working Lives in India: Current Insights and Future Directions. Work, Employment and Society.*

This chapter attempts to untangle the multi-layered nature of India's informal labour market. It looks at the manner in which economic orders, social orders, and legal orders intersect to produce the phenomenon of enduring informality. But most importantly, it questions the role of law as a possible site of protection as well as a weapon of exclusion in shaping the lives of informal workers. By positioning informal labour within wider arguments over justice, human rights, and social fairness, the chapter contends that informality in no way represents a temporary or residual state but rather a perduring situation sustained by policy ambivalence and systemic disregard. Keeping this in mind, the chapter invokes a reconceptualization of labour protection beyond hard formal-informal binary oppositions and accepts realities of life for individuals who live and work at the fringes of India's economy and law.

UNDERSTANDING INFORMAL EMPLOYMENT IN INDIA

Informal employment in India represents a huge and diversified segment of the labour market which does not remain within the limits of the regulatory scope of the labour legislations and the social security actions. It represents the conclusion of the security-less growth phenomenon under which millions of workers sustain the economy but remain outside the periphery of the advantages of formal work. In order to comprehend the prevalence and significance of informal work, the meaning, nature, and evolution of its prevalence in the Indian socio-economic and juridical system have to be taken into account.

Defining Informal Employment

The first usage of the phrase informal employment came in Keith Hart's Ghana fieldwork in the early 1970s, then formalized by the International Labour Organization (ILO) in its pioneering 1972 report on Kenyan labour. The ILO saw the informal sector made up of "small-scale, self-employment activities, often with little capital, low productivity, and not under state regulation." In due course, thinking on informality widened from sectoral to jobs-based, with growing focus on employment relations rather than on the type of enterprises.¹²⁴

According to International Labour Organization (ILO) 2018 guidelines, informal employment is all employment that is without elementary social or legal protection in

¹²⁴ Junankar, P. N., & Shonchoy, A. (2013). The informal labour market in India: transitory or permanent employment for migrants? *IZA Discussion Papers*, No. 7587.

informal enterprises, in domestic units, or even in formal firms that hire workers informally. India's National Commission for Enterprises in the Unorganised Sector (NCEUS) defined informal workers as "those who do not have employment security, work security, or social security." In the Indian situation, accordingly, informal work ranges over a wide universe of activities, self-employment in unregistered and small units, wage employment in casual or temporary labour, domestic service, street vending, farm labour, home production, and migratory work. What unifies these heterogeneous forms is not the type of work but the absence of formal recognition and protection.

Distribution of Informality in India

India's informal labour is not peripheral; it is integral. More than 89 percent of all of India's workers are in informal work, and almost 50 percent of national GDP of the country are accounted for by it, according to the Periodic Labour Force Survey (PLFS) 2022-23. Informality spreads this large, beyond rural and urban economies, formal and informal businesses, and all larger sectors from farming and building to manufacturing and services.

1. Rural Informality:

Informal work is strongly embedded in agrarian social institutions, caste organization, and seasonal risk in rural India. Farm labourers, sharecroppers, and landless workers regularly rely on casual, low-wage employment without insurance or contracts.

2. Urban Informality:

The latter's urbanization during the past decades has not drawn rural migrants into formal employment. Rather, it has transformed cities into centers of informal economic activity street vending, scavenging, domestic labour, gig economy-based services, and construction activities. These are vital to urban survival but made legally invisible.

3. Gendered Dimensions:

They form most of the informal workforce, concentrated in home-based work, domestic service, and agricultural work. They have added marginalization by gender discrimination, wage differentials, and the lack of maternity or social protection.

4. Migrant and Caste-Based Vulnerability:

Migration, circular and seasonal, has rooted in-formalization. Migrant workers have no local documents, housing, and welfare schemes. Occupational castes further root informal work, creating social hierarchies in labour relations.

EXPLOITATION AND VULNERABILITIES OF THE MARGINALISED INFORMAL SECTOR

India's informal economy, while crucial to employment generation and expansion, rests on vulnerability and exploitation. Without formal contracts, legal legitimacy, and social protection coverage, the informal economy workers are in a deprivation or survival condition. Their status represents the irony of their labour being dependent upon the economy yet returning nothing to them by right, security, or respect. This chapter explains the vulnerabilities and exploitation of the marginalized informal economy in four closely interlinked directions the income inequalities, dangerous conditions of work, discrimination based on gender, and non-payment of child and bonded labour.¹²⁵ Combined, these place the focus on the structural inequities that still characterize India's informal economy and expose the long-term marginalization of the people who are its backbone.

1. Wage Disparities

Wage exploitation is one of the most widespread and entrenched forms of exploitation in the informal economy. Most informal labourers are paid wages significantly below the legal minimum, with irregular payment schedules and with no possibility of legal recourse. According to the Periodic Labour Force Survey (PLFS) 2022-23, a regular formal worker in India has an average daily wage that is almost three times as high as that of an informal sector casual worker. The difference is even more marked for migrant workers and females.

Some characteristics of wage inequality are:

- **Lack of Minimum Wages:** Despite the Minimum Wages Act, 1948, enforcement in informal enterprises is zero. The employers take recourse to casual or piece-rate employment to avoid paying more.

¹²⁵ Mazumdar, D. (2009). The informal labour market in India: a critical review of its features, causes and policy challenges. *IZA Journal of Labor & Development*.

- **Regional and Sectoral Disparities:** Wages vary vastly across urban and rural regions and between sectors such as construction, housework, and agriculture.
- **Gendered Wage Gaps:** Women informal workers' incomes are 30–40% less than those of their male counterparts, on account of both occupational segregation and gender discrimination.
- **Lack of Collective Bargaining:** Informal workers barely possess unions or reps and are thus vulnerable to unilateral wage determination.

This wage exploitation not only violates the principle of “equal pay for equal work” (Article 39(d) of the Constitution) but also spreads intergenerational poverty and economic marginalization.

2. Unsafe Working Conditions

The absence of regulation and oversight in informal workplaces leads to perilous and humiliating conditions of work. Informal workers usually work in overcrowded, poorly ventilated, or hazardous working conditions from construction sites and brick kilns to garment workshops and landfill dumps.

Dominant hazards are:

- **Occupational Hazards:** Exposure to toxic substances, dust, heat, and heavy equipment without protective gear.
- **Insufficient Health and Safety Arrangements:** Informal workers rarely fall within the jurisdiction of the Factories Act, 1948, or any occupational safety standards.
- **Industrial Mishaps:** NCRB (2021) statistics show that building and manufacturing sectors account for a high rate of workplace fatalities, with informal workers most affected.
- **Missing Health Insurance:** Most informal workers lack protection under schemes like the Employees' State Insurance (ESI) or even basic health insurance, leading to catastrophic out-of-pocket expenses in the case of illness or injury.

In the informal economy, safety is often seen as a personal responsibility rather than a structural right, reinforcing the precariousness of labour and the disposability of workers' lives.

3. Gender-Based Discrimination

Informal employment in India is highly gendered. Women constitute the largest proportion of the informal workforce in the areas of domestic work, home-based production, agricultural labour, and petty trade - but are paid less and their work underappreciated.

Aspects of gender-based discrimination are:

- **Occupational Segregation:** Women are confined to low-skilled, low-wage, and home-based work with minimal mobility and bargaining opportunities.
- **Wage Discrimination:** Women are paid significantly less than men for equivalent work, violating constitutional protections and international labour rights.
- **Invisible Labour and Unpaid Work:** Most of women's economic activity, such as home-based piecework or unpaid family work, is statistically elusive and legally unrecognized.
- **Sexual Violence and Harassment:** Women informal workers stand a greater chance of harassment, especially in domestic work, farming work, and street vending, without the protection of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.¹²⁶
- **Maternity and Social Protection:** The Maternity Benefit Act, 1961 is largely for formal workers and does not cover the majority of women workers with no written contracts.

Gendered exploitation in the informal sector thus stems from intersecting inequalities of gender, caste, and class, reproducing cycles of vulnerability and economic dependence.

4. Child and Bonded Labour

Child and bonded labour are the worst forms of exploitation in the informal economy, both examples of economic necessity and systemic failure of law enforcement.

Child Labour: In spite of constitutional bans (Articles 23 and 24) and the Child and Adolescent Labour (Prohibition and Regulation) Act, 1986, child labour still exists in informal industries like carpet weaving, fireworks, brick kilns, domestic service, and

¹²⁶ Kabeer, N., Sudarshan, R., & Milward, K. (Eds.). (2018). *Organizing women workers in the informal economy: Beyond the weapons of the weak*. Zed Books / Bloomsbury Publishing.
<https://www.bloomsbury.com>

roadside restaurants.¹²⁷ In line with UNICEF (2021), India has more than 10 million child workers, the majority of whom are employed in informal, family-based, or hazardous labour. Economic hardship, poor education, and absence of adult job security force parents to be dependent on children's incomes. The underground economy therefore perpetuates a cycle of exploitation that robs children of education and childhood itself.¹²⁸

Bonded Labour: Bonded labour remains prevalent, above all in agriculture, brick kilns, and manual scavenging. Bonded Labour System (Abolition) Act, 1976, criminalizes all forms of bonded labour, but enforcement is weak and detection is patchy. The persistence of bonded labour is due to structural caste and poverty inequalities. The worst affected are the Dalits, Adivasis, and migrant workers, who are entangled in informal patterns of labour which dissolve the distinction between debt and coercion.

The exploitation and vulnerability of the informal labour are symptoms of a deeper structural disinvestment in the legal and economic framework of India. Wage discrimination, unsafe working conditions, gender discrimination, bonded labour or child labour is a continuum of deprivation not merely withholding workers an honest wage but also dignity and citizenship.

We rectify these injustices not through piecemeal reform, but by reorienting labour rights as universal human rights so that they offer broader protection, representation, and voice to all workers, formal and informal. Only with such an open-ended vision can the "edge" on which informal workers precariously subsist be realigned from one of vulnerability to one of empowerment and justice.¹²⁹

ENFORCEMENT CHALLENGES IN THE LEGAL PROTECTION OF INFORMAL WORKERS

Even with the extensive architecture of labour law and constitutional protection, the day-to-day experience of informal workers bears witness to a sharp gap between law in books and law in action. The problem is not really a paucity of law but a deficiency in its enforcement.

¹²⁷ Herath, G., & Sharma, K. (Eds.). (2007). *Child labour in South Asia*. Routledge.

¹²⁸ Tripathy, S. K. (1989). *Child labour in India*. Discovery Publishing House.

¹²⁹ Ghosh, A. (2022). *Pensions and informal sector in India*. Taylor & Francis. <https://books.apple.com>

Tools designed for compliance, inspection, and remedial measures do not stretch to the informal economy a terrain of concealment, dispersal, and systemic evasions. It analyzes the core enforcement problems that underpin informal workers' vulnerability, including institutional loopholes, bureaucratic barriers, corruption, and structural weaknesses such as fragmented legislation, weak enforcement, and exclusion from social protection.

1. Institutional Gaps

The enforcement of Indian labour legislation is plagued by deeply rooted institutional shortcomings. Labour is regulated jointly by the State and Central Governments, with areas of overlap in jurisdiction and disparity in standards of enforcement. While registered, big units are under formal regulatory control, informal units tend to go unnoticed because of their size, mobility, and unregistered status.

Some of the most important institutional shortcomings are:

- **Multiplicity of Agencies:** Labour administration is spread across various departments - labour, social welfare, industries, and rural development resulting in duplication, inefficiency, and lack of coordination.
- **Weak Local Governance:** Panchayat Raj institutions and urban local bodies, although close to informal workers, have weak legal powers or ability to implement labour standards.
- **Inadequate Data Systems:** Lack of authentic data on informal enterprises and workers disables monitoring, policy formulation, and focused intervention.

The result is a fragmented institutional landscape where responsibility is diffused, accountability is minimal, and enforcement remains largely symbolic.

2. Bureaucratic Hurdles

Even when policies and welfare programs for informal workers exist, bureaucratic inflexibility and procedural complexity usually make them unenforceable. Implementation of labour law usually relies on inspectorates, welfare boards, and registration procedures - all of which informal workers find inaccessible or incomprehensible.

Main bureaucratic obstacles are:

- **Complicated Registration Processes:** Schemes under the Unorganised Workers' Social Security Act, 2008, or Code on Social Security, 2020, involve many documents like

Aadhaar, occupation proof, and residence - documents many migrant or casual workers may not have.

- **Top-Down Decision-Making:** Top-down governance approach mutes workers' voices at the policy-making stage, leading to schemes that are oblivious to ground realities.
- **Administration's Apathy:** Most of the local authorities view informal work to lie outside their regulatory domain, and thus they overlook and fail to adopt worker welfare aspects.
- **Digital Divide:** Embracing digital portals for enrolling unorganised and gig economy workers (e.g., e-Shram portal) disenfranchises digital illiterates and individuals lacking access to the internet.

Thus, bureaucratic inertia transforms the law's promise of protection into a distant and often unreachable goal for those on the margins.

3. Corruption and Resource Constraints

Underfunding and corruption severely erode the credibility of enforcement of labour law. Labour inspectorates, once the centre of the machinery of enforcement, are now severely understaffed and under-resourced. India, states the International Labour Organization (ILO), has one of the lowest worker-to-labour-inspector ratios in Asia, rendering effective inspection almost impossible.¹³⁰

The most serious indicators of this problem are:

- **Rent-Seeking Behaviour:** Under some circumstances, inspections become extortion devices rather than compliance, with inspectors requiring bribes to overlook violations.
- **Political and Fiscal Pressure:** Governments at the local level are likely to avoid drastic enforcement against influential employers, contractors, or industries key to economic growth.
- **Budget Restraints:** Welfare boards for construction, bidi, or domestic workers usually lack proper money for dispensation or administrative personnel for outreach.

¹³⁰ Dutta, N. (2013). Corruption and persistent informality: An empirical analysis for India. *Journal of Comparative Economics*.

- **Negligence of Occupational Safety:** Without regular inspection and reporting of accidents, breaches of workplace safety are unknown and un-checked.

The erosion of institutional integrity undermines not only enforcement but also workers' trust in the state's ability to uphold justice.

4. Fragmented Legislation

The labour law framework in India has emerged over the years in piecemeal style, resulting in over 40 central and 100 state legislations extending to multiple categories of workers and units of production. Such splintering of laws leads to confusion, inconsistency, and administrative hassle.

For workers in the unorganised sector, the effect is paralyzing:

- **Overlapping Jurisdictions:** The same worker could be covered by multiple laws (e.g., building workers and contract labour), but enforcement agencies are not typically coordinated.
- **Sectoral Gaps:** Codes applicable to factories or establishments do not reach home-based, self-employed, or domestic workers.
- **Policy Incoherence:** Welfare schemes of different ministries have a tendency to stand in isolation, leading to overlaps and gaps remaining unfilled.

While the Four Labour Codes (2019-2020) aimed to consolidate this legal complexity, they have yet to achieve coherence in implementation, especially regarding the informal sector's realities.

5. Weak Enforcement Mechanisms

Even when there is protective legislation, the weakest link in the chain of labour justice always remains enforcement. The first line of regulation, which are the labour inspectors, are generally not trained, lack logistical support, and political support to operate effectively.

- **Infrequent Inspection:** Most informal plants do not receive even a single inspection throughout many years of operation.
- **Reactive Rather Than Preventive Enforcement:** The labour department's only respond after accidents, strikes, or complaints from the public.

- **Judicial Delays:** Courts and labour courts are clogged, causing decades of delay in the hearing of cases.

The overall impact is one of impunity, under which the employers are free to ignore labor standards with impunity.

6. Lack of Worker Organization

The collective organization is the key institution for imposing labor rights, yet the informal sector is not organized to a great extent. The majority of informal economy workers work individually and lack unions, associations, or collective bargaining forums.

The following are the constraints on organization:

- **Scattered and Mobile Workforce:** Migrant and seasonal workers continuously change location, and long-term organization becomes challenging.
- **Fear of Retaliation:** They can lose employment or access to the workplace if they demand rights.
- **Legal Ambiguity:** Most labour laws limit collective bargaining rights to "employees" in registered businesses, leaving out self-employed and casual workers.

But the past few years have witnessed emergent informal worker organizations like Self-Employed Women's Association (SEWA), National Domestic Workers Movement (NDWM), and urban street vendor unions who have claimed more visibility and change.

7. Employer Ambiguity and Accountability

The informal economy is typified by hidden employment arrangements. Employees can be employed through tiers of intermediaries, contractors, or online platforms, obscuring responsibility.

- **Triangular Employment Relations:** Contract labour arrangements obscure the identity of the "true employer".
- **Subcontracting and Outsourcing:** Workers are delegated tasks downward, not bearing the responsibility for wages, benefits, or safety.

- **Gig and Platform Work:** The growth of app-based work (e.g., food delivery, ride-hailing) has created a new form of informality where workers are called "partners" rather than employees.

This type of vagueness enables employers to benefit from labour while avoiding legal accountability a hallmark of modern in-formalization.

8. Exclusion from Social Security

One of the major failure of enforcement is the absence of protection to informal workers. Despite legal efforts like the Unorganised Workers' Social Security Act (2008) and the Code on Social Security (2020), there is limited availability.

- **Eligibility Barriers:** The vast majority of welfare schemes demand evidence of work, earnings, or place of residence which informal workers lack.
- **Coverage gaps:** Such programmes like PM-SYM (Pradhan Mantri Shram Yogi Maandhan) or e-Shram have low registration and low disbursement rates.
- **Gendered Exclusion:** Home-based or unpaid family workers are typically not considered "workers" and thus are not covered.

9. Unsafe Working Conditions

Safety and health are almost an afterthought in India's informal sector. Workers on construction sites, small workshops, and street stalls tend to work without protection, ventilation, and medical attention, subjecting them to highly dangerous risks. Although they often get hurt and killed, accidents are not reported or punished since the laws such as the Factories Act, 1948, and the Occupational Safety, Health and Working Conditions Code, 2020, do not cover small or unregistered units.¹³¹ Women in home work and domestic work experience ill health because of unsafe conditions and lack of social protection. Generally speaking, hazardous working conditions indicate the profound systemic disdain for informal workers' welfare and rights.

¹³¹ Pande, R. (2009). *Women in the unorganized sector of India*. Rawat Publications.
<https://bookscape.com>

10. Long Working Hours and Absence of Rest

Informal workers normally work way too long working hours of sometimes 12-14 hours a day without overtime compensation or rest days. In industries such as the construction industry, street hawking, or hotels, the eight-hour workday is foreign. Without regulation, work processes are left to short-run economic survival instead of labour rights.

This overwork results in physical wear and tear, ill health, and mental stress, yet workers keep working because of economic compulsion. The failure to implement provisions under the Factories Act and the Shops and Establishments Acts reinforces this norm and makes "time poverty" a feature of informal work.

11. Gender-Based Discrimination

Women make up almost half of India's informal sector economy but experience all manner of discrimination. They are working in poorly paid, insecure, and inconspicuous types of activities like domestic work, home-based work, farm work, and petty trade. Even though they make a huge contribution to family and national incomes, they still experience gender wage gaps, receiving on average 30-35% less than men for equal work.¹³²

Besides this, informal working women suffer from sexual harassment, workplace violence, and absence of maternity protection. Domestic workers are most exposed to exploitation in the households where the distinction between labour and servitude is becoming thinner. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is hardly implemented in informal establishments, offering no formal access to justice for women.

The confluence of gender, caste, and class further enhances the vulnerability since women from marginalized castes are usually relegated to the lowest-paid and most degrading forms of jobs.

The challenge of enforcement against India's informal labour force highlights the deep book-law and action-law gap. Institutional weakness, bureaucratic lethargy, and corruption have made protective legislation symbolic rather than real for the vast majority of workers. The

¹³² Pande, R. (2009). *Women in the unorganized sector of India*. Rawat Publications.
<https://bookscape.com>

issue is structurally constructed by governance fragmentation, legal formalism, and economic growth that has been at the cost of social justice.

In order to close this gap in enforcement, India will have to transition towards a decentralized, rights-based, and worker-centric model of enforcement that builds robust local institutions, consolidates labour inspection, facilitates unionization, and makes welfare delivery transparent. Until such a transition takes place, the promise of protection to informal workers will be an empty constitutional one.

RECOMMENDATIONS FOR EFFECTIVELY RESOLVING THE ISSUE

1. Unified Labour Administration:

Indian labour legislation is dispersed across various departments and state governments, and it becomes a herculean task to enforce them. Through a unified administration, regulation, coordination, and oversight would be fortified to make informal workers, such as street vendors, domestic workers, and gig workers, enjoy equal legal protection and benefits anywhere in the nation.

2. Simplified Registration:

Most informal workers do not have formal identification or address documents which render them ineligible for social security programs, pensions, or welfare payments. Straightforward registration mechanisms, accepting flexible proof of work or residence, would enable migrants, seasonal workers, and home-based workers to readily register and acquire government assistance.

3. Increase Inspectorate Staffing:

There are inadequate labour inspectors to monitor India's large workforce, particularly the unorganized economy. Employing and training additional inspectors would guarantee that workplaces get inspected periodically for compliance with safety, wage, and labour laws, minimizing exploitation and hazardous practices. Labour laws in India are fragmented across multiple departments and state jurisdictions, making enforcement complicated. A unified system would centralize regulation, coordination, and monitoring, ensuring that informal workers - like street vendors, domestic workers, and gig workers - receive consistent legal protection and benefits across the country.

4. Successful Enforcement of Labour Codes:

India's Labour Codes 2019-2020 were enacted to integrate and streamline most of the labour laws. Their enforcement is essential so that gig, self-employed, and informal workers are covered under minimum wage protection, working time, safety, and social security. Otherwise, these workers will not be safeguarded even with laws.

5. Enable Informal Worker Collectives

Individual informal workers typically do not have bargaining power. Identification and protection of the worker associations or unions (e.g., SEWA) enable them to negotiate wages, benefits, and improved working conditions collectively, enhancing their livelihoods and voice.

6. Mandatory Wage Registers:

Employers must keep accurate, current records of wages for all employees. This makes it transparent, precludes underpayment, and provides employees with legal proof to make wage claims or settle disputes in the event employers contravene wage laws.

7. Regulated Control Over Bonded and Child Labour:

Vulnerable children and adults are usually used in industries such as domestic work, brick kilns, carpet making, and agriculture. Special education or livelihood programs for the victim families and harsh punishment to the perpetrators with direct monitoring will be required to prevent child and bonded labour.

8. Flexible Working Hours for Informal Workers

Most contract workers work long hours with inadequate breaks or vacations. Strengthening protections such as daily hour limitations, weekly rest days, and overtime pay guarantees they are not exhausted and reduces physical and mental strain, enhancing productivity and well-being.

9. Awareness and Education Campaigns

Employees as a whole are not even aware of their rightful legal entitlements, minimum wages, or social security schemes provided. Conducting regular awareness campaigns and training programs enables them to assert their rights, file grievances against violations, and take advantage of government schemes appropriately.

10. Gender-Sensitive Training Programs

Informal sector women also experience other forms of challenges such as reduced incomes and fewer opportunities to make decisions. Gender-responsive programs offer women economic literacy, skills training, and entrepreneur training to equip them with economic empowerment as well as more bargaining space in the workplace and in society.

CONCLUSION: SUMMARY OF FINDINGS

India's informal labour market is explored in this book and reveals a persistent paradox at the heart of its economic progress the juxtaposition of rising GDP figures and rising insecurity among workers. All these years of labour reform efforts, legislative innovativeness, and welfare provision notwithstanding, the vast majority of India's labour force continues to be outside the protection of formal law and institutional protection. This chapter has traced the different dimensions of informality structural, legal, and socio-political to prove that exclusion is not a question of chance but inherent in India's labour regime.¹³³

This chapter clearly confirms that informality is not a natural by-product of poverty or underdevelopment or a monolithic cause born out of economic desperation, but a complex result of state policy, market forces, and prolonged neglect of workers' rights. Informal work thrives in the jurisdictional gray area where there are protections in law but hardly enforced on the ground. The chapter shows that informal workers are not only victims but also actors of change. With NGOs, social movements, and new trade unions, they have established new kinds of organization and voice. SEWA, NDWM, NASVI, and new efforts by emerging gig worker unions are a collective but forceful movement toward voice and legality for the excluded. Legal empowerment efforts from paralegal training to online registration under e-Shram are significant, if uneven, strides towards justice.¹³⁴

Despite this, important gaps in policy and implementation continue to remain. Employer accommodation and formal sector interests are still favoured in the law-making framework, even after the labour legislation has been codified. Flaws in enforcement, gender-insensitive drafting, and bureaucratic fragmentation undermine the coverage of welfare schemes. The

¹³³ Acosta-Henao, M. (2023). Law enforcement and the size of the informal sector. *Economic Modelling*, 126(3), 106400.

¹³⁴ Jayaram, N. (2020). Migrant workers' informal work arrangements and access to rights in urban India. *Review of Development Economics*.

effectiveness of social security boards and electronic databases means that technology cannot be a proper replacement for responsibility at the institutional level.

The suggestions in the chapter therefore call for a universal, inclusive, and rights-based labour regime. Formalization of informal workers involves legal and structural creativity that enlarges social protection for everyone, streamlines registration processes, promotes local governance, and brings gender equity into policy making. India needs to shift from labour market regulation to labour market inclusion, from enforcement based on punishment to governance through participation, and from segmented welfare to universal social security.¹³⁵

On the whole, India's status of informal labour is a witness to the incomplete project of democratizing work. "Living on the Edge" not only marks the precarious status of the millions but also the moral edge on which India's constitutional guarantees of equality and dignity reside.¹³⁶ The fate of labour justice depends on how far the state, civil society, and workers themselves are able to overcome the gap between economic participation and legal right.

Finally, realization of Decent Work for All as the ILO and the Indian Constitution both desire is that the peripheries of law become its core, and all workers, formal and informal, and regardless of their status, are gifted with the inalienable right of security, voice, and human dignity.

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¹³⁵ Venumuddala, V. R. (2020). Informal Labour in India. arXiv preprint.

¹³⁶ Routh, S. (2014). *Enhancing capabilities through labour law: Informal workers in India*. Routledge. <https://www.routledge.com>