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A COMPARATIVE ANALYSIS OF LEGISLATIONS FOR UNORGANIZED WORKERS IN INDIA AND USA:

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ABSTRACT:

The Unorganized and Informal Sector plays major role in nation's economic development and GDP growth. 70% of employees belong to unorganized sector in India. But in United States, the formal workers are more than the informal workers. But, Nowadays, due to emergence of digital platforms and online trends and emergence of Gig workers, USA also wants more structured legislation in order to regulate as well as protect the informal workers. Even though, there is a drastic development in both countries, still the informal workers face challenges such as job security, inadequate wages, absence of social security benefits and limited legal protection.

This Research aims to address the issues faced by unorganized sectors in India and USA and to study various legislations, schemes, state legislations for the upliftment of the conditions of the unorganized sectors in India and USA. Also, the main goal of the researcher is to compare the legislative frameworks available in India and USA. Then the researcher will assess the scope, nature and structure of jurisdictions in USA and India and to check the effective implementation and enforcement mechanisms of those legislations in both the country, The Researcher has undergone this research based on doctrinal research relying on books, literatures, statutory provisions, judicial decisions, reports and internet sources. India has adopted the welfare oriented approach but the enforcement mechanism is not effective. The Research analyses that USA has adopted right based measures with strong enforcement but limited provisions. But the strong enforcement covers only the organized and formal workers. The Informal and Unorganized workers are mostly left behind and they don't get effective social security measures.

Both the Countries recognize the importance of protecting unorganized workers, but the approach and mechanism differs significantly. Balanced framework is necessary to fill the gaps of both the countries. This study will be helpful to the law students and academic circle and also it provides as suggestions for the legislative department to make new laws for the

upliftment of the unorganized workers.

INTRODUCTION:

Labour Law is a wide branch of law that defines rights and duties of employers and employees and it provides social security measures such as PF, bonus, ESI, Gratuity, Maternity benefits, Employee Compensation Etc. There are two broad categories of Labour Law such as Organized Labours and unorganized Labours. Organized and Unorganized sectors denotes numerous employment and business sectors that define the Nation's economy. In order to analyse economic growth, labour rights and social security, we should know the difference between these two sectors.

Organized sectors are those industries, businesses and institutions that are registered with the government operating under legal framework and organized workers are those workers who works under an organization and they have job security, social security benefits such as ESI, PF, Bonus, Gratuity, Employee compensation etc. Unorganized sectors are small scale units without formal contracts, job security and they are considered as the most vulnerable group. Because, they get very less social security benefits unlike organized sectors. "The Unorganized workers constitute 93% of the total labours of the country. Majority of workers are not protected with social security. They often suffer medical illness of workers as well as their dependants. The Government of India has taken numerous steps via schemes in order to improve the conditions of the unorganized labours".¹

In this research, the comparative study on the protection of unorganized employment in India and USA. As mentioned above, unorganized sectors are the one who are vulnerable and they don't get any benefits. The struggles faced by unorganized sectors are prevailing not only in India, it is worldwide problem. International Labour Organization has also recognized these workers as informal workers. USA has also made many legislatures in order to improve the conditions of unorganized sectors. In USA, they are called as Informal sectors.

The Researcher was very curious to know the legal protections that are available to unorganized sectors and their level of implementations in both India and USA. So that the following research

¹ Government of India, "Aam Admi Beema Yojana", Ministry of Labour & Employment, available at: <https://labour.gov.in/offerrings/schemes-and-services/details/aam-admi-beema-yojana> <last visited this page on 14.03.2026>

has been undertaken.

SIGNIFICANCE OF THIS RESEARCH:

The Researcher wishes to undertake this research as the unorganized workers constitute 90% of the workforce in India. “As per the Economic Survey 2022-2023, It was identified that the unorganized sectors contribute 50% of GDP of the nation. International Labour Organization confirms that one of the world’s largest unorganized economies is India and over 400 million labours are working for low paying, unsafe jobs and works with no social security benefits. The NITI Aayog declared that the development of a nation wholly depends on the informal workers whereas 80% of the workers are informal workers.”²

Ministry of Labour and Employment, Government of India has released an official report on the India’s booming Gig workers. Earlier unorganized sectors covers Agriculture, building construction, beedi manufacturing etc. But nowadays, new aspect of Unorganized sector is booming, that is Gig workers. Gig workers are the workers those who stay away from the Employer- employee relationships and they mainly divided as platform and non platform workers. Platform workers means who works through platform such as zomato, swiggy and OLA apps. Non platform workers are those who are casual workers. These workers are also very vulnerable. The Report gives various recommendations to uplift the conditions of those Gig workers. They are,

1. Catalyzing Platformization.
2. Generating access to Finance for platform workers.
3. Skill development
4. Enhancing Inclusion in the new age of Globalization
5. Ensuring social security measures to be provided to those workers³

This Research will be contributive to the comparative analysis of Labour Laws of different countries. It promotes India’s welfare based and inclusion based approach and also it highlights the rights based and enforcement-driven approach. This study will facilitate valuable insights of the functioning and enforcement of the different legal systems and it will address the socio-

² Sumeet Kumar, *India’s Informal Sector*, Forumias, available at: <https://forumias.com/blog/indias-informal-sector-explained-pointwise/> <last visited this page on 15.03.2026>

³ The Government of India, *Report on Employment in Informal Sector*, NITI Aayog, 2022, available at: https://www.niti.gov.in/sites/default/files/202306/Policy_Brief_India%27s_Booming_Gig_and_Platform_Economy_27062022.pdf <last visited this page on 15.03.2026>

economic issues faced by this workers. The Comparative study is very essential for the assessing the strengths and weakness of the enforcement.

Decent work and 2030 Agenda for sustainable development goals has highlighted various goals to be achieved. Goal 8 denotes decent work and economic growth. It is completely means that all the labours should be employed in decent work and to get reasonable wages for their work done. The Agenda of 2030 has 3 dimensions of sustainability to be achieved. They are Social, Economic and Environmental. These goals give importance to the social justice and human rights aspect. Labour rights are to be recognized as a human rights. UDHR, ICCPR, ICESCR speaks more about labour rights. The Workers should enjoy right to livelihood under Article 21, right to fair wages and reasonable wages, right to safety in workplace and right to social security⁴.

The Agenda explains about decent work that in order to achieve poverty reduction and fair globalization, there should have a productive employment and decent work that's why the ILO has developed this agenda for labour rights and job protection. Decent work involves the work that gives social protection, social security, safety in workplace, delivers a fair income and also the work is to be productive, the people would have freedom to express their problems, promotes equality of opportunity and equality of treatment for all men and women.⁵

A Social security scheme was launched on February 22, 2004 by the Prime Minister Atal Bihari Vajpayee for unorganized sector that offered medical insurance and old age pension scheme. National Food for Work Programme has been launched in November 14, 2004 for providing additional supplementary wages in 150 countries. Rajiv Gandhi Sharmik Kalyan Yojana, National Rural Health Mission in the year of 2005 for farmers security, rural health mission has been launched. The Constitution of India has numerous provisions to address the issues of social security. The Unorganized Sectors are entitled to the protection under Article 14,15,19,21,23,24,41,42,43 and 47.⁶

This Research is not only useful for academic purpose but also for practical application. It

⁴ International Labour Organization, "Decent work and 2030 Agenda for Sustainable development", available at: <https://www.ilo.org/topics-and-sectors/decent-work-and-2030-agenda-sustainable-development> <last visited this page on 15.03.2026>

⁵ Ibid.

⁶ Meenakshi Gupta, *Labour Welfare & Social Security in unorganized Sector*, p – xxiii.

Provides better understanding of labour protection to informal sector and comparative analysis in India and USA. Also it provides ideas for legal practitioners to deal with the current labour issues and new employment cases. This Research gives various ideas for policy makers to draft more inclusive and effective labour laws.

REVIEW OF LITERATURE:

1. The Author gives elaborated definition of Unorganized Sector in this book. She highlights the struggles faced by unorganized sectors and the need for social security legislations. She has listed out various workers in unorganized sectors such as Plantation workers, Building and Construction workers, Beedi manufacturing workers, Bonder labours, Contract labours, Inter-state migrant workers, cracker making workers, Matchstick industry etc.⁷
2. The Author highlights that the Unorganized workers constitute 93% of the total labours of the country. Majority of workers are not protected with social security. They often suffer medical illness of workers as well as their dependants. The Government of India has taken numerous steps via schemes in order to improve the conditions of the unorganized labours.⁸
3. The Author specifically highlights about gig workers such as app based drivers. The California Proposition 22 bill was passed in order to classify the employees and independent contractors. The Author highlights that the Supreme Court of California has upheld the proposition 22 and held that app based drivers are contractors and they should be provided certain minimum social security such as insurance coverage.⁹
4. The Author discusses the classification of workers as employees or independent contractors based on 3 main categories. Financial control assess the business aspects, relationship type assess using the relationship such as contractual or beneficial and Behavioural Control assess the manner how the work is done.¹⁰

⁷ Meenakshi Gupta, *Labour Welfare and social security in unorganized sector*.

⁸The Government of India, "Aam Admi Beema Yojana", Ministry of Labour & Employment, available at: <https://labour.gov.in/offerrings/schemes-and-services/details/aam-admi-beema-yojana> <last visited this page on 20.03.2026>

⁹ Alexander T. MacDonald, California Supreme Court upholds prop 22, Allows App-Based Drivers to keep Working as Contractors, The Federalist Society, available at: <https://fedsoc.org/scdw/california> <last visited this page on 20.03.2026>

¹⁰Dan Sheaffer, Classification of Employees and independent contractors, AnswerConnect, available at: <https://answerconnect.cch.com/topic/classification-of-employees-and-independent-contractors/> <last visited this page on 19.03.2026>

5. The Author speaks about the Occupational Safety and Health Act (OSHA). The main aim of the Act is to facilitate safe and healthy working conditions of workers and ensure safety at workplace.¹¹
6. The Author discusses about “the Unorganized Workers Social Security Act, 2008”. The Author highlights the definition of unorganized sector and homebased worker. According to him 92% of the labourers are from unorganized sectors.¹²
7. The Author states that the Social Security is not only right to life, it is a recognized human rights. Many International Conventions has been recognized set of guidelines to be framed for the welfare of unorganized workers. The Author provides a statistical data that around 43.99 crores of Indians are unorganized employees.¹³
8. The Author highlights the duty of the Government towards the people to improve the living standard of people and social and economic justice as enshrined under the Indian Constitution. The Author highlights the need of the state to provide protection against contingencies such as sickness and old age pensions. The provides a data that only 7% of the population are entitled to the proper social security benefits.¹⁴
9. The Authors explains the history how Labour rights have been evolved, social justice and gender equality. They also explored the provisions of the constitution along with judicial pronouncements. Further, the author highlights landmark cases such as Vishaka Vs State of Rajasthan, Air India Vs Nagesh Mirza, M.C.Mehta Vs State of Tamilnadu and many other cases. The Authors have valuable insights about the Supreme Court decisions in their research paper.¹⁵
10. The Author has written a structured paper about Social Security for Unorganized workers in India. He has defined the terms defined under 2008 Act, and the author begins with there more than 45 crores of employees many are suffering very much

¹¹ Jonathan Grossman, Fair Labor Standards Act of 1938: Maximum struggle for a minimum wage, U.S. Department of Labor, available at: <https://www.dol.gov/general/aboutdol/history/flsa1938> <last visited this page on 19.03.2026>

¹²Dr. V.Chandra, Associate Professor, Constitutional Provisions of Unorganized Sectors, Procedure, Policy- A Study, International Journal of Research and Analytical Reviews, Vol 4 Issue 2, available at: <https://ijrar.org/paper/IJRAR19D5315.pdf> <last visited this page on 21.03.2026>.

¹³ Naveen Talawar and Sheetanshu Singh, Social Security for the unorganized Sector workers in India, International Journal of Legal Science and Innovation, available at: <https://ijlsi.com/wp-content/uploads/social-security-for-the-unorganised-sector-workers-in-india.pdf> <last visited this page on 21.03.2026>

¹⁴ Faisal Fasih, Social Security for Unorganized Workers in India, Research Gate, available at: https://researchgate.net/publication/228251188_Social_Security_of_Unorganized_Workers_in_India <last visited this page on 21.03.2026>

¹⁵ Sonakshi Singh and Dr. Rajiv Kumar Bhartiya, Social Security for Unorganized Workers, Legal Provisions and Challenges, available at: <https://ijlmh.com/wp-content/uploads/Social-Security-for-Unorganized-Workers-Legal-Provisions-and-Challenges.pdf> <last visited this page on 21.03.2026>

without any standard income. Many Workers are earning just Rs. 20. In Later parts, he speaks about the legislative protections available to the unorganized workers.¹⁶

11. The Author explains the overview about unorganized sector workers in the beginning and critically examines the impact caused for unorganized sectors due to the emerging labour laws. The Author has also analysed the efficiency of those legislations and how far they have been implemented. It also lists out the problems and struggles faced by the unorganized sector workers in effective implementation of the legislation. It also discusses the judicial pronouncement.¹⁷
12. The Author starts the literature with the efforts taken by ILO, and explains the 2008 Act. The Author highlights the problems faced by Unorganized sector in India and explains the defects in section 2. The Author further speaks about the absence of Social Security, absence of Social security and speaks about problems in implementation.¹⁸
13. The Author highlights the importance of Labour Laws and further tells that the unorganized workers are not entitled to protections as they have minimal laws. The Labours Law majorly focus only on Organized sectors. The Author elaborates that the Labour Law in India is not enforced in effective manner. The Author suggests that there is need for greater awareness of laws to unorganized workers in order to improve the conditions of those workers.¹⁹
14. The Author states that the social security measures are not only providing money. It is indirectly connected with food, shelter education and clothing. The Author suggests that the Government of India should take necessary steps to amend the 2008 Act, so that the conditions of unorganized workers can be improved.²⁰

¹⁶ Vaibhav Raaj, Social Security for Unorganized Workers in India, Actionaid, available at: <https://actionaidindia.org/wp-content/uploads/2019/05/Social-Security.pdf> <last visited this page on 21.03.2026>

¹⁷ Neha Arora, The Impact of Indian Labour Laws on the unorganized sector: A Comprehensive review, International Journal of Research in Human Resource Management, available at: <https://www.humanresourcejournal.com/archieves/2024/vol6issue1/partc/6-1-42-225.pdf> <last visited this page on 21.03.2026>

¹⁸ Dr. Sunita Adhav, Protection of Unorganized Workers in India: A Critical Analysis, available at: <https://ir.nbu.ac.in/server/api/core/bitstreams/> <last visited this page on 21.03.2026>

¹⁹ Anurag Sahoo, A Study on the Prospects and Problems of Unorganized Sector In India, International Journal of Law, Management & Humanities, Volume 6, Issue 4, available at: <https://ijlmh.com/wp-content/uploads/> <last visited this page on 21.03.2026>

²⁰ Dr. Sujit Kar, The Unorganized Workers Social Security Act, 2008 – An Approach to provide basic and contingent social security to the unorganized in India, available at: https://researchgate.net/publication/270141113_The_Unorganized_Social_Security_Act_2008/ <last visited this page on 21.03.2026>

15. The Author states the laws for Unorganized workers are dysfunctional, no unified scheme and limited coverage for workers.²¹

RESEARCH GAP:

The Ambit of Labour Law often covers the organized sector. There are numerous literatures and research articles regarding the organized sector. Likewise, the legal protection is also very strong for organized labours in India as well as in USA. There is very limited research exists regarding the unorganized sectors. Even though, there is a separate legislation in India such as the Unorganized Social Security Act, 2008 and USA has many frameworks, the literary works regarding this is very less. So, There is a lack of awareness to the people about the struggles of unorganized workers. The Existing studies fails to address the issues faced by unorganized sector. The Researcher fills the gap between the organized and unorganized sectors. The Researcher wishes to compare the legal protections available to the unorganized sectors in India and USA. By doing this, various legislations, schemes and the level of implementation of those protections in India and USA can be known to the researcher and also it can be known to people by publishing this research paper.

AIMS AND OBJECTIVES:

The Researcher thinks that the Unorganized Labours are more vulnerable in the society and they face huge struggles to live in the society. They get triggered when they get medical emergencies, financial shortages etc. They don't even get insurance coverage like what organized sectors gets. The Government as well as the People should understand that the unorganized workers should also be treated as same as organized sector in the matters of legal protection. The Unorganized sector workers don't even have any trade unions in order to fight for their rights. So, the Researcher wants to address these issues and to research into the laws of India as well as USA regarding the Unorganized sectors. Both the India and USA has numerous legal frameworks and schemes, but still there is lack of effective implementation.

Following are the Objectives;

- a) To study "the Unorganized Social Security Act, 2008" and to study all other schemes introduced by both Central Government as well as the State Government.
- b) To Study the legal frameworks for the protection of Unorganized sectors in USA.

²¹ Kathyayini Chamaraj, A Dysfunctional Social Security Law for Unorganized workers, Civic Banglore, available at: <https://civicspace.in> <last visited this page on 21.03.2026>

- c) To Compare the legal frameworks of India and USA
- d) To identify whether both India and USA has implemented those frameworks effectively.

RESEARCH HYPOTHESIS:

“Although both India and USA recognize the necessity of protecting informal or unorganized workers, the extent, structure and effectiveness of protection of Labour rights differ significantly between two countries”

RESEARCH QUESTIONS:

1. What are the existing legal frameworks and policies that provide protection to unorganized workers in India?
2. What are the existing legal frameworks and policies that provide protection to unorganized workers in USA?
3. To what extent are the legal protections for unorganized workers effectively implemented and enforced in India and USA and how do they differ each other?

RESEARCH METHODOLOGY:

The Methodology adopted by the researcher in the present work is Doctrinal research and the researcher intended to use Secondary sources.

SOURCES:

1. Books.
2. Journals.
3. Articles.
4. Newspapers.
5. Internet sources.
6. Legislations.
7. Case Laws.
8. Discussions about the schemes.
9. Parliamentary debates.
10. Government of India websites.

SCOPE AND LIMITATIONS:

In this work, the researcher limits the study only the unorganized sector workers within India and USA.

WHAT ARE THE EXISTING LEGAL FRAMEWORKS AND POLICIES THAT PROVIDE PROTECTION TO UNORGANIZED WORKERS IN INDIA?

Unorganized Sectors are considered to be vulnerable as they don't get any benefits such Provident Fund, Gratuity, Bonus, Employee Compensation, Employee State Insurance etc. Both USA and India has enormous legal frameworks, policies and schemes for the Unorganized sectors. In this Part, the existing Legal Frameworks and policies that provide protection to Unorganized sector has been discussed.

INDIAN FRAMEWORK:

CONSTITUTIONAL PROVISIONS:

1. Article 14 states, "the state shall not deny to any person equality before the law or equal protection of laws within the territory of India".²² The State has responsibility to treat both the organized and unorganized sector equally and the legal protections, Schemes and policies should be framed equally by the Government.
2. Article 21 of the Constitution states, "No person shall be deprived of his life and personal liberty except according to procedure established by law".²³ Right to life include right to dignified life, right to livelihood. The term 'life' in Article 21 is dignified life and not living a life like an animal.²⁴ Social Security measures and labour rights are also under the ambit of right to life. Right to Livelihood is an essential part of the right of life.²⁵ In an instant case, The Hon'ble Supreme court of India held that the right to life includes right to livelihood. The Livelihood and means of life is very crucial for the people who is unorganized workers.²⁶ In another case, the Supreme Court reiterated that Right to livelihood is a major part of right to life.²⁷
3. No worker shall be compelled to work as a forced labour. It is provided under Article 23 and the bonded labour system was abolished through Bonded Labours Abolition

²² The Constitution of India, 1950, art.14.

²³ The Constitution of India, 1950, art.21

²⁴ *Budhadev Karmaskar Vs State of West Bengal*, AIR 2011 SC 1254.

²⁵ *Narendra Kumar Vs State of Haryana* (1994) 2 SC 94.

²⁶ *Rural Litigation and Entitlement Kendra Dehradun Vs State of Uttar Pradesh* 1989 AIR 594.

²⁷ *Olga Tellis Vs Bombay Municipal Corporation* 1986 AIR 1985(3)

Act, 1976.²⁸The Employer who pays less than minimum wages can be held violative of Article 23.²⁹The Hon'ble Supreme Court held that payment of wages by the employer that is below the minimum amounts to forced labour.³⁰

4. Article 24 states, "No children under the age of 14 years shall be employed in any work that has hazardous nature of work".³¹ The Supreme Court has also decided the same in its judicial pronouncement.³²
5. Article 38 states, "the State should strive to promote the welfare of the people by promoting Social, Economic and Political justice and to eliminate the inequalities of income, inequalities in status and facilities".³³
6. Article 42 states, "the State should frame provisions for securing just and humane conditions at work and to provide maternity relief".³⁴
7. Article 43 states, "the state should take appropriate measures through legislations and or economic organization to secure all workers to ensure they are employed in decent standard of life and full enjoyment of leisure, social and cultural opportunities to all workers of agriculture, industries on an individual basis or co-operative basis."³⁵In order to satisfy the provisions of Article 43, the Indian Government has introduced the Minimum wages Act to ensure fair living wage is being paid to both Organized and Unorganized sector workers.³⁶In an instant case the SC upheld that Article 43 aims to protect the vulnerable labours in industries.³⁷

LEGISLATIVE FRAMEWORKS:

"THE UNORGANIZED WORKER'S SOCIAL SECURITY ACT, 2008:"

This Act has been formulated exclusively to protect the Unorganized workers. This Act contains 17 sections and 2 schedules. The Main objective behind this legislation is to facilitate social security and to promote welfare of the unorganized workers. The Act defines Unorganized sector under section 2(l) as "an enterprise owned by individuals or self employed and engaged in the production or sale of goods or providing service of any kind whatsoever

²⁸ The Constitution of India, 1950,art.23

²⁹ *Sanjit Roy Vs State of Rajasthan* 1983 AIR 328.

³⁰ *People's Union for Democratic Rights Vs Union of India* 1982 AIR 1473.

³¹ The Constitution of India, 1950,art.24.

³² *M.C. Mehta Vs Union of India*, AIR 1997 SC 699.

³³ The Constitution of India, 1950,art.38.

³⁴ The Constitution of India, 1950,art.42.

³⁵ The Constitution of India, 1950,art.43.

³⁶ *Bijay Cotton Mills Vs State of Ajmer* 1960 AIR 692.

³⁷ Supra Note 21

and where the enterprise employs workers, the number of such workers is less than ten.”³⁸ The Unorganized workers under section 2(b) of the Act include, “home based workers such as domestic workers and self employed workers. Home based workers means a person engaged in the production of goods and provision of services for their employer in home or any other premises other than workplace and works for remuneration.”³⁹ Self Employed workers means any worker who does not work under any employer and involves themselves in any occupation and makes any production and earns their own income.⁴⁰

This Act directs the central government for framing of welfare schemes for unorganized sectors for matters relating to “old age protection, life and disability, health and maternity benefits,” The State government to formulate welfare schemes for the matters relating to “educational schemes, employment injury benefits, provident fund, housing, funeral assistance old age homes and skill upgrading of workers,.”⁴¹ The Act mandates to establish “National Social security Board” in Section 5 and “State Social Security Board” in section 6.

The Dock Workers (Regulation of Employment) Act, 1948:

Dock Workers are those who are employed in ports for unloading and loading of cargo. This Act aims to protect the dock workers from dangerous conditions in port and regulates employment safety and regulations.⁴²

The Beedi and Cigar Workers (Conditions of Employment) Act, 1966:

This Act has been formulated to regulate safety, health, working conditions, and welfare of employees engaged in Beedi and Cigar Establishments.⁴³

The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979:

This Act aims to protect the workmen who migrate to other states for works and to improve their working conditions, to provide fair wages and mandates the licensing of the contractors.⁴⁴

³⁸ The Unorganized Social Security Act, 2008, s.2(l).

³⁹ The Unorganized Social Security Act, 2008, s.2(b).

⁴⁰ The Unorganized Social Security Act, 2008, s.2(k).

⁴¹ The Unorganized Social Security Act, 2008, s.3

⁴² The Dock Workers (Regulation of Employment) Act, 1948 (Act 9 of 1948)

⁴³ The Beedi and Cigar Workers (Conditions of Employment) Act, 1966 (Act 32 of 1966)

⁴⁴ The Inter- State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 (Act 30 of 1979)

The Cine Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981:

This Act protects the cinema theatre workers and cine workers and regulates working hours, welfare and safety.⁴⁵

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996:

This Act mandates registration of the contractors who employs more than 10 workers and it includes safety standards, compensation, pension and education aid.⁴⁶

The Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013:

This Act Prohibits the employment of Manual scavengers and aims to provide rehabilitation to those workers and their family.⁴⁷

The Plantation Labour Act, 1951.

This Act aims to regulate the working conditions, welfare and safety of workers who works in the plantations such as Tea, Coffee, rubber, Etc. Also, it provides various social security measures.⁴⁸

The Bonded Labours Abolition Act, 1976:

Earlier, there were a most brutal condition of workers that is bonded labours. They were working as slave to an employer from generations to generations. This Act aims to abolish such system of bonded labourers and extinguished all the debts and freeing of labourers from bonded labour system.⁴⁹

The Contract Labour Abolition Act, 1970: This Act abolishes certain contract establishments and regulates the existing establishments. This Act also mandates the compulsory licensing of Contractors where more than 20 employers are being employed in order to safeguard the labourer rights.⁵⁰

⁴⁵ The Cine Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981 (Act 50 of 1981)

⁴⁶ The Building and other Construction workers (Regulation of Employment and Conditions of Service Act)1996 (Act 27 of 1996)

⁴⁷ The Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013 (Act 25 of 2013)

⁴⁸ The Plantation Labour Act, 1951 (Act 69 of 1951)

⁴⁹ The Bonded Labours Abolition Act, 1976 (Act 19 of 1976)

⁵⁰ The Contract Labour Abolition Act, 1970 (Act 37 of 1970)

The Street Vendors (Protection of Livelihood) Act, 2014.

This Act regulates vending activities and protects the rights of urban street vendors in India. It protects the Street vendors from harassment and illegal evictions.⁵¹

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005:

This is one of the important measures taken by the government that provides opportunities for unskilled manual workers to work for 100 days in every rural area. It provides a means of livelihood for those workers.⁵²

SCHEMES:

“The Unorganized Workers Social Security Act, 2008” is a framework exclusively enacted for the welfare of the Unorganized workers. Section 3 of the Act states “the Central Government and the State Government has duty to frame schemes for the welfare of the unorganized sector people”. Those schemes have been listed in ‘Schedule I’ of the Act.

“Indira Gandhi National Old Age Pension Scheme:”

Under this scheme, the citizens who belong to Below Poverty Line and age group of above 60 can get monthly pension of Rs. 500/-. This is one of the 5 schemes. There are 4 other schemes related to this. They are, “National Family Benefit Scheme(NFBS)”, “Indira Gandhi National Disability Pension Scheme(IGNDPS)”, “Indira Gandhi National Widow Pension Scheme(IGNWPS)”, “Annapurna Scheme”.⁵³

“National Family Benefit Scheme:” In case of death of the breadwinner of the family, the family benefit scheme will be provided to the surviving member of the deceased family.⁵⁴

“Janani Suraksha Yojana:”

This Scheme provides medical care and cash assistance to the pregnant women to improve her health and to reduce maternal mortality.⁵⁵

⁵¹ The Street Vendors (Protection of Livelihood) Act, 2014(Act 7 of 2014)

⁵² The Mahatma Gandhi National Rural Employment Guarantee Act(MGNREGA), 2005(Act 42 of 2005)

⁵³ Government of India, “NSAP – Indira Gandhi National Old Age Pension Scheme”, Ministry of Rural Development, available at: <https://myscheme.gov.in> <last visited this page on 17.03.2026>

⁵⁴ Government of India, “National Family Benefit Scheme”, Ministry of Rural Development, available at: <https://myscheme.gov.in> <last visited this page on 17.03.2026>

⁵⁵ Government of India, “Janani Suraksha yojana”, Ministry of Rural Development, available at: <https://myscheme.gov.in> <last visited this page on 17.03.2026>

“Handloom Weavers’ Comprehensive Welfare Scheme:”

This Scheme provides insurance coverage for Handloom weavers for disability, life and accidents. This Scheme provides monthly Rs. 10,000/-⁵⁶

“Janshree Bima Yojana:”

This Scheme provides group insurance scheme for MSME for khadi Artists. It provides insurance coverage for death, accidental death, permanent and partial disability of artisans. Scholarship is also provided for the children of those workers between the class 9th and 12th.⁵⁷

“Aam Admi Bima Yojana:”

This Scheme has been introduced by “Ministry of Labour and Employment” by way of LIC. It provides insurance coverage for 48 groups of occupational groups, landless rural people in the age group of 18 to 59. Scholarships are also being provided for the children in between class 9th and 12th.⁵⁸

“Pradhan Mantri Jeevan Jyoti Bima Yojana(PMJJB):”

This Scheme has been introduced by the Government of India that provides a life insurance to insured person of Rs. 2,00,000/- at the time of death and the cause of death does not affect the benefits of the scheme and annual premium is Rs. 436/-⁵⁹

“Pradhan Mantri Suraksha Bima Yojana (PMSBY):” Those who have a bank account or post office account in between the age group of 18 to 70. It provides Rs. 1,00,000/- for disability coverage and Rs. 2,00,000/- for accidental death and for annual premium for Rs. 20/-⁶⁰

“Pradhan Mantri Shram Yogi Maan-Dhan(PM-SYM):”

This Scheme is especially for the persons who are above the age of 60. The Senior citizens who are earning Rs. 1500/- or lesser. The Monthly pension of Rs. 3000/- is paid to those workers.

⁵⁶ Government of India, “Handloom Weaver’s Comprehensive Welfare Scheme”, Ministry of Textiles, available at: <https://pib.gov.in> <last visited this page on 17.03.2026>

⁵⁷ Government of India, “Khadi Karigar Janashree Bima Yojana”, Ministry of Micro, small and medium enterprises, available at: <https://myscheme.gov.in> <last visited this page on 17.03.2026>

⁵⁸ Government of India, “Aam Aadmi Bima Yojana”, Ministry of Labour and Employment, available at: <https://myscheme.gov.in> <last visited this page on 17.03.2026>

⁵⁹ Government of India, Pradhan Mantri Jeevan Jyoti Bima Yojana, Ministry of Finance, available at: <https://financialservices.gov.in> <last visited this page on 17.03.2026>

⁶⁰ Government of India, “Pradhan Mantri Suraksha Bima Yojana”, Ministry of Finance, available at: <https://financialservices.gov.in> <last visited this page on 17.03.2026>

This scheme is being benefitted by 50 Lakhs people.⁶¹

The eshram Portal:

“The Ministry of Labour and Employment” launched the eshram portal in the year. It has a comprehensive compiled database inclusive of all the unorganized workers. In the eshram portal, the registration has been made by 30 Lakhs workers along with their details such as residence, family information, education, skills and occupation.⁶²

WHAT ARE THE EXISTING LEGAL FRAMEWORKS AND POLICIES THAT PROVIDE PROTECTION TO UNORGANIZED WORKERS IN USA?

In India, we mean organized labours and unorganized labours. But in USA, they mean formal workers and informal workers. Formal Workers means the employees who has formal protections. Informal workers are a set of labour workforce who remain excluded from formal labour protections. In USA, half of the workforce remains informal workers. The Global Northern laws were taken earlier which was traditionally structured they are out dated and does not suit in today's conditions of labour. The Inter-American System of Human Rights was adopted in USA which offers rights to informal workers beyond the contractual rights.⁶³ There are many legislations and schemes which protects the rights of Informal workers by providing them social security measures.

LEGISLATIVE MEASURES:

Fair Labor Standards Act (FLSA), 1938:

This Act was brought to facilitate the better conditions of labours and to provide fair wages and to structure the working conditions. “The President Franklin D. Roosevelt” signed 121 bills on June 25, 1938. Among these bills, “the Fair Labor Standards bill” was a landmark bill in national and social development. Even though, America faced great depression by that time, this Act became effective. This Act introduced a minimum wage, mandated additional pay for overtime works, and this act mainly restricted the employment of children. This Act also

⁶¹Government of India, “Pradhan Mantri Shram Yogi Maan-Dhan (PM-SYM)”, Ministry of Finance, available at: <https://financialservices.gov.in> <last visited this page on 17.03.2026>

⁶² Government of India, “eShram: National Database of Unorganized Workers”, Ministry of Labour and Employment, available at: <https://financialservices.gov.in> <last visited this page on 17.03.2026>

⁶³ Mauro Pucheta, Informal Workers, Vulnerability and Human Rights: An Inter-American story, Industrial Law Journal, <https://doi.org/10.1093/indlaw/dwaf046> <last visited this page on 19.03.2026>

mandated to work only for 40 hours per week.⁶⁴

Social Security Act, 1935:

This Act was enacted on August 14, 1935 in USA. The Main objective of the act is to provide benefits such as old age pensions, directing the states to frame various provisions for the aged persons, blind persons, disabled persons, public health, raise the level of nutrition, maternal and child welfare and to aid on unemployment. This Act facilitates the grants to the states for old age pension schemes, unemployment compensation and for dependent children. It also provides public health work, Social Security Board and for the welfare of the blind.⁶⁵

Occupational Safety and Health Act (OSHA), 1970:

This Act has been introduced by the Senate and House of Representatives of the United States of America. The main aim of the Act is to provide safe and healthy working conditions of the workforce for both women and men equally, and to assist the states to have state specific legislations for the safety at workplace.⁶⁶

National Labor Relations Act (NLRA), 1935:

This Act is also called as Wagner Act, provides the employees of private sectors the right to organize union and collective bargaining in order to fight for their rights. This Act has introduced the National Labour Relations Board and the main activity of the board is to inquire and investigate into the unfair labour practices that are being followed. This Bill was signed by President “Franklin D. Roosevelt” on July 5, 1935.⁶⁷

Employee Retirement Income Security Act (ERISA), 1974:

This Act has been enacted in order to provide pension schemes for the old age people who has reached the age that inability to work. This Act also provides various health plans to private industry. This Act involves the beneficiaries to be aware of the plans and sets minimum standards for participation. It also gives fiduciary responsibilities to those who involve actively

⁶⁴ Jonathan Grossman, Fair Labor Standards Act of 1938: Maximum struggle for a minimum wage, U.S. Department of Labor, <https://www.dol.gov/general/aboutdol/history/flsa1938> <last visited this page on 19.03.2026>

⁶⁵ Government of United States, “The Social Security Act of 1935”, Social Security, U.S. Department of Labor, available at: <https://www.ssa.gov/history> <last visited this page on 19.03.2026>

⁶⁶ Government of United States, “OSH Act, 1970, OSHA Laws & Regulations,” U.S. department of Labor, available at: <https://www.osha.gov/laws> <last visited this page on 19.03.2026>

⁶⁷ Government of United States, “The National Labor Relation Act of 1935”, U.S. department of Labor, available at : <https://www.dol.gov/sites/dolgov/files/> <last visited this page on 19.03.2026>

in the schemes.⁶⁸

Affordable Care Act (ACA), 2010:

This Act was enacted after the bill was signed by President Barack Obama in March 2010 and it is a major landmark U.S healthcare reform law and this Act is also called as Obama care. It's main objective is to have health insurance access, to improve quality of labors, reduce costs. The aim is to have access to all informal workers. This Act enabled the states to expand medical aid to below poverty line.⁶⁹

Family and Medical Leave Act (FMLA), 1993:

This Act was being passed in 1993 and its main objective is to protect the employees and secure their jobs when they take leave of absence for personal and family reasons. The Workers can take upto 12 weeks of unpaid leave to attend important family matters. This Act provides limited paid leave but it gives the option of unpaid leave also. This Act balances the career as well as the personal and family matters.⁷⁰

Internal Revenue Code (Worker Classification Rules):

This Act classifies the workers based on degree of control and independence. It Classifies a workers as employees or independent contractors based on 3 main categories. Financial control assess the business aspects, relationship type assess using the relationship such as contractual or beneficial and Behavioural Control assess the manner how the work is done. Based on this classifications the research differs.⁷¹

STATE LEVEL LAWS:

California Assembly Bill 5 (AB5):

There were numerous challenges being faced by California People regarding Worker's Classification. The issue was that whether the employees were treated as workers or independent Contractors under California Law. So, This Bill was signed on 01.01.2020. This

⁶⁸ Government of United States, "The Employee Retirement Income Security Act(ERISA)", U.S.department of labor, available at: <https://www.dol.gov/general/topic/retirement/erisa> <last visited this page on 19.03.2026>

⁶⁹ Government of United States, "The Affordable Care Act, U.S department of Health and Human Services", available at: <https://hhs.gov/healthcare/> <last visited this page on 19.03.2026>

⁷⁰Government of United States, Family and Medical Leave Act, Wage and Hour division, U.S department of Labor, availale at: <https://www.dol.gov/agencies/whd/fmla> <last visited this page on 19.03.2026>

⁷¹ Dan Sheaffer, Classification of Employees and independent contractors, AnswerConnect, <https://answerconnect.cch.com/topic/classification-of-employees-and-independent-contractors/> <last visited this page on 19.03.2026>

Bill helps the workers to classify themselves as an employee or independent contractor. The Aim of this bill is to treat the informal workers in par with the employees. This Bill has formulated 3 tests called ABC test.

- A- The Worker is being free from the direction and control of any entity for work
- B- The Work is being performed by the worker is outside the usual and normal course of business entity.
- C- The Worker is independently engaged in any occupation, trade, or any other self employed groups.

The Exception to this ABC test is that these test is not included for Doctors, Lawyers, Auditors etc.⁷²

Proposition 22 (California):

This Bill Proposition 22 (California) was passed. This Bill Classifies the employee and worker. The Context of employee would mean formal worker who gets all the social security benefits and Contractor would mean informal worker who has very less protection. The Bill intended to protect the gig workers who works through online platforms such as Uber, Lyft, Doordash etc. The Supreme Court of California upheld the Proposition 22 and held that app based drivers are independent contractors. They should be given at least minimum protection, minimum social security measures, insurance coverage etc.⁷³

“New York Freelance Isn’t Free Act:”

Article 44 A was inserted to “the General Business Law” which states, “Freelance Isn’t Free.” This Act aims to protect the freelancer workers by mandating fair wages to those workers including Contractual workers and formal enforcement process. “This Act also provides an option to file a complaint with the New York State Attorney General if the rights have been violated”.⁷⁴

⁷² State of California ,”Worker Classification and AB 5”, Franchise Tax Board, available at: <https://www.ftb.ca.gov/> <last visited this page on 20.03.2026>

⁷³ Alexander T. MacDonald, California Supreme Court upholds prop 22, Allows App-Based Drivers to keep Working as Contractors, The Federalist Society, available at: <https://fedsoc.org/scdw/california> <last visited this page on 20.03.2026>

⁷⁴ Government of New York State, “Freelance Isn’t Free Act”, Department of Labour, available at: <https://dol.ny.gov/freelance-isnt-free-act> <last visited this page on 20.03.2026>

SCHEMES:

Unemployment Insurance: If the workers lost their jobs through no fault of their own, then the this scheme pays the worker. In order to qualify for this scheme, the workers should have worked continuously for 12-24 months and the worker should be willing to do new job. There is no scheme across the nation, each state shall have its own schemes.⁷⁵

Worker's Compensation:

It is the responsibility of the employer to provide compensation to the workers who has disabled or has faced life injury which caused in the course of employment. For the Informal workers, these schemes are not available. So, the Government has come forward through schemes to provide compensation to the workers who has been injured at workplace and suffering from occupational diseases. The Benefits such as Wage replacement benefits, Medical treatment, Vocational rehabilitation etc.⁷⁶

Medicaid:

Medicaid and Children's Health Insurance Program has been introduced in USA that provides free medical aid or very low cost aid for the Adults, Children, Pregnant Women and disabilities. The Beneficiaries are the people who comes under Below Poverty Line and they are decided on the basis of income and their landholdings. The Rules of Medicaid differs from state to state.

Supplemental Security Income(SSI).

This Scheme provides monthly payments through cash assistance to aged persons who are above the age of 60, disabled and blind children and adults who have very less income or no income. The Monthly payment depends on the income, living situations and landholdings.⁷⁷

Earned Income Tax Credit (EITC):

This Scheme gives tax break to the citizens who earn low and moderate income. Depends on the income and living situation, the taxes may be reduced.If the children or dependants are disabled, then they will get additional credits.⁷⁸

⁷⁵Government of United States, "Unemployment Benefits", Usa gov, available at: <https://usa.gov/unemployment-benefits> <last visited this page on 20.03.2025>

⁷⁶Government of United States, "Workers' Compensation, U.S. Department of Labor", Government of United States, <https://www.dol.gov/general/topic/workcomp> <last visited this page on 20.03.2026>

⁷⁷ Government of United States, Supplemental Security Income, Social Security <https://www.ssa.gov/ssi> <last visited this page on 20.03.2026>

⁷⁸Government of United States, "Earned Income Tax Credit", IRS, <https://irs.gov/credits-deductions/individuals/earned-income-tax-credit-eitc> <last visited this page on 20.03.2026>

These are the legislations and Schemes that are available for unorganized workers.

TO WHAT EXTENT ARE THE LEGAL PROTECTIONS FOR UNORGANIZED WORKERS EFFECTIVELY IMPLEMENTED AND ENFORCED IN INDIA AND USA AND HOW DO THEY DIFFER EACH OTHER?

The Legislation becomes fruitful only when it is implemented effectively. Without effective implementation, the legislation has no utility. India has most structured legislations and schemes but lacks in implementation. USA also has national legislations as well as state legislation but lacks in implementation. The Laws which are not or cannot be implemented may be termed as dead laws. In this part, the researcher studies about how far these legislations are implemented and enforced and comparative study in USA and India.

In India, Labour Laws are being evolved right from the colonial era to protect the workers rights and to promote fair labour practices. The Minimum Wages Act intends to protect both the organized workers and unorganized workers. Many of the unorganized workers not even aware of these protections that are available to them.⁷⁹

The LT. GEN (DR). D.P. Vats (Retd) had raised few questions in Rajya Sabha regarding how far the government has been improved for providing job security, Social measures for unorganized sector workers. The Rajya Sabha, Ministry of Labour and Employment in Indian government has released a report answering to those questions. The Minimum wages act was enacted in order to fixation of fair wages and to monitor the implementation in all sectors, the Labour Commissioner was appointed. For Unorganized workers, “the Unorganized Workers Social Security Act, 2008” was enacted. The Central Government and the State Government should formulate schemes for the welfare of the unorganized sectors. “Ministry of Labour and Employment” has launched “Pradhan Mantri shram yogi Maan-dhan Yojana” is contributory pension of Monthly Rs. 3000/- to unorganized workers above the age of 60.⁸⁰

The Central Board for Worker’s Education has been conducting awareness and training programmes to the workers from 1978. These workers are the working in small scale industries and home based workers. They are unaware of the laws and protections that are available to them. Many workers are facing difficulties and struggles in their workplace and suffer from

⁷⁹ Neha Arora, The Impact of Indian Labour Laws on the unorganized sector: A Comprehensive review, International Journal of Research in Human Resource Management, p 197 available at: <https://www.humanresourcejournal.com/archieves/2024/vol6issue1/partc/6-1-42-225.pdf> <last visited this page on 21.03.2026>

⁸⁰ Government of India, “Implementation of Labour Laws”, Rajya Sabha, Ministry of Labour and Employment, available at: <https://sansad.in/getfile/annex/251/AS195.Pdf?source=pqars> <last visited this page on 22.03.2026>

lack of social security measures. The Training programs are conducted for the working industries such as Sericulture, power loom, coir industries, beedi workers, self workers, cine workers, ship breaking workers etc. The Unorganized workers Labour Union, Local village Administration, Panchayats, NGO, Social Organizations can give application to CBWE and can submit the problems faced by those workers.⁸¹

The Problems faced by Unorganized workers are they are not entitled to receive attention from trade unions, their living areas are very close to work areas so that they have to work overtime, they are victims of exploitation, they don't have occupational safety measures, lack of implementation and they don't even have a trade union. They are illiterate people so that they lack adequate skills and training. Their exposure to new technology is very low. Some schemes are only limited to Below poverty line.⁸²

Challenges in implementing Labour Laws in Unorganized Sectors in India:

Lack of Awareness and Education:

Most of the unorganized workers are uneducated and they are the breadwinner of the family. They are not aware of their condition and the legal protections available to them. So, It is the duty of the government to create awareness to those unorganized workers.

Enforcement and Compliance Issues:

Corruption is the major cause for failure of enforcement. The Government officials should be prompt in inspection and inquiry. The Government resources are also limited. The Individual sectors, divisions should work for the enforcement of those laws. The Laws and schemes are well structured as it is welfare state, the enforcement machinery lacks in its duty.

Inadequate Social Security Measures:

Even though there are various legislations and skills that are available in India, still it is not sufficient. There are workers who still suffer without maternity benefit, health insurance, bonus. Many organized sectors also failing to provide PF and ESI benefits. The Unorganized sector workers are considered as vulnerable and they are moved into economic shock, old age tensions and medical emergencies.⁸³

⁸¹ Government of India, "Unorganized Sector, Ministry of Labour and Employment", Dattopant Thengadi National Board for Workers Education and Development, available at: <https://dtnbwed.cbwe.gov.in/dynamicwebpages/dtnemicpages?menuId=86> <last visited this page on 21.03.2026>

⁸² Dr. Sunita Adhav, Protection of Unorganized Workers in India: A Critical Analysis, p 83 available at: <https://ir.nbu.ac.in/server/api/core/bitstreams/> <last visited this page on 21.03.2026>

⁸³ Neha Arora, The Impact of Indian Labour Laws on the unorganized sector: A Comprehensive review, International Journal of Research in Human ResourceManagement, p 198 available at: <https://www.humanresourcejournal.com/archives/2024/vol6issue1/partc/6-1-42-225.pdf> <last visited this page on 21.03.2026>

Section 8 of the Act mandates the district administration to carry out record keeping functions. But these record keeping is not being carried out effectively. In order to carried out, nodal ministry is essential to monitor the activities and coherence of the implementing the Act. The Workers should be registered promptly in order to get those benefits without any interruption. The Law has failed to mention the extend of funds providing social security and welfare. The Law should prescribe the minimum percentage of funds to be awarded to the social security measures by the Central Government and State Government.⁸⁴

The Laws for unorganized workers are just an enabling Law and it confers no right to the workers. These laws have very limited coverage. Most of the Labour laws do not cover the unorganized sector workers.⁸⁵

“A Public Interest Litigation has been filed for seeking the rights of gig workers. The Hon’ble Supreme Court of India has held that denying the social security benefits to gig workers amounts to the violation of Article 14, 21 and 23 of the Constitution of India.”⁸⁶ In another case, the issue was whether the migrant workers are eligible to registration under section 10 of “the Unorganized workers Social Security Act, 2008”. The Delhi High Court held that they should be registered under section 10 in order to ensure their right to social security.⁸⁷

“The Supreme Court of India held that the workers of Building and other construction workers should be registered mandatorily in order to avail the social security benefits and to make the legislation effective.”⁸⁸ The Prisoners also have right to get fair wages for their rendered service in prison. Getting the work done without paying amounts to forced Labour.⁸⁹

The Government should take measures whenever any PIL has been filed for the rights of bonded labours and to inspect and investigate into the spots. This Case involves the issues faced by the bonded labours in mines.⁹⁰

In USA, there is a separate department called Department of Labor. Its main activity is to manage labor rates and improve working conditions of labour in the United States. It not only protect the employees, But also the retirees. The DOL enforces federal labour lawsthat protect the safety of the workers, improves health regulate overtime pay and minimum wage. It also

⁸⁴ Dr. Sunita Adhav, Protection of Unorganized Workers in India: A Critical Analysis, p 86 and 87, available at: <https://ir.nbu.ac.in/server/api/core/bitstreams/> <last visited this page on 21.03.2026>

⁸⁵ Kathyayini Chamaraj, A Dysfunctional Social Security Law for Unorganized workers, Civic Banglore, available at: <https://civicspace.in> <last visited this page on 21.03.2026>

⁸⁶ Indian Federation of App Based Transport Workers Vs Union of India 2021 WP(C) 1068/2021.

⁸⁷ Abhijeet Kumar Pandey Vs Union of India 2021 SCC Online Del 1859.

⁸⁸ National Campaign Committee for Central Legislation on Construction Labour Vs Union of India W.P.(C) No.318/2006.

⁸⁹ Deena Vs Union of India 1983 AIR 1155.

⁹⁰ Bandhua Mukthi Morcha Vs Union Of India 1992 AIR 38.

protects the retirement and health benefits.⁹¹

There are very limited national Laws in United States and the labour legislations emerges from federal, local and state laws. There are no minimum requirements for employment contract. The Major drawback is that there is no formal notice period for the employers to terminate the employees except certain situations. There is less job security for unorganized workers. Even though there are more than 180 federal laws for labour welfare, the implementation is very less.⁹²

The U.S Supreme Court has upheld that the labor unions should obey the court orders. In this case, the government has seized the control of coal mines during the second world war in order to ensure more production under War Labor Disputes Act. The United Mine Workers of America started a strike for their economic improvement and better conditions. The Courts have authority to issue temporary orders⁹³

In another case, the employees sued Florida Board of Regents. They had age discrimination in their employment rules. The Defendants were government so they claimed sovereignty. The U.S. Supreme Court has held that even though the government has sovereignty, the government should give space to the rights of the citizens.⁹⁴

COMPARATIVE STUDY BETWEEN INDIA AND USA:

S.NO	ASPECT	INDIA	USA
1	Legal Recognition	“The Unorganized Workers Social Security Act, 2008” recognizes and defines unorganized workers.	No single law. Workers are covered under general Labour Laws like Fair Labor Standards Act.
2	Central Framework	Fragmented but still developing. (Eg. Code on Social Security, 2020)	More Unified Enforcement under Federal Labour Standards.
3	Identification of Workers	Very Weak Identification. Relied more on e-Shram portal.	Strong documentation through Social Security Number System.

⁹¹ Compliance Glossary, Department of Labor, Government of United States, available at: <https://comply.com/compliance-glossary/department-of-labor> <last visited this page on 21.03.2026>

⁹²Jackson Lewis, Labour and Employment Law in the USA, L & E Global, available at: <https://leglobal.law/countries/usa/employment-law/overview-usa/> <last visited this page on 21.03.2026>

⁹³ United States Vs United Mine Workers, 330 U.S. 258(1947)

⁹⁴ Limel Vs Florida Bd. Of Regents, 528 U.S 62(2000)

4	Registration Mechanism	Voluntary and complete registration	Mandatory employer reporting and tax documentation.
5	Enforcement Agencies	Multiple bodies, weak coordination.	Centralized enforcement by U.S. Department of Labor.
6	Inspection System	Limited Inspections due to resource constraints.	Regular and structured inspections with strict penalties.
7	Implementation Efficiency	Often poor due to bureaucracy and corruption.	Relatively Efficient with digital tracking and accountability.
8	Coverage of workers	Large Informal workforce remains outside coverage.	Higher formalization, fewer workers excluded.
9	Social Security Delivery	Scheme-based (e.g. pensions, insurance) but irregular delivery.	Direct benefits systems like unemployment insurance and social security.
10	Dispute Resolution	Slow Judicial Processes, labor courts overburdened.	Faster administrative remedies through labour boards and agencies.
11	Penalties for Non-Compliance	Weak enforcement, penalties often not deterrent	Strict Penalties, fines and legal consequences.
12	Awareness Among Workers	Low Awareness about rights and schemes.	High awareness due to education and unionization.
13	Role of Trade Unions	Limited reach in informal sector.	Stronger unions though declining, still influential.
14	Use of Technology	Growing (e-Shram), but still limited in rural areas.	Advanced use of digital systems for compliance and monitoring.
15	Accountability Mechanisms	Weak Monitoring and grievance redressal.	Strong accountability with audits and transparency systems.

CONCLUSION AND SUGGESTIONS:

The Comparative analysis between India and USA clearly shows that both countries recognize the importance of the unorganized workers and their concerns. India has been actively involved in taking steps for the welfare of the unorganized workers and enacted specific legislation. But the implementation is very weak in India. The Causes for weak implementation maybe due to inadequate awareness, administrative inefficiencies, lack of proper identification systems, fragmented institutional mechanisms etc. But IN USA, there is no searate category for unorganized sectors. But they have good and structured labour laws such as Fair Labour Standards Act and they have strong enforcement agencies from the department of Labour. The USA legal system has Institutional accountability, strict Compliance Culture and effective enforcement mechanisms and they have uniform protection of laws.

Thus the hypothesis is proved. Both the Countries intends to protect the labour force especially unorganized or informal sectors but both countries have certain differences in nature of the legislations and effective implementation. India has more structured frameworks especially and separately for unorganized workers but USA has strength in effective implementation and enforcement. Even though USA has no specific laws for unorganized workers, the enforcement machinery is well and good.

Further, there are many reformative changes required in unorganized or informal sectors. The Implementations and enforcement machineries should be strengthened. The Workers should be universally recognized and there can be universal registration of Unorganized workers. In order to have effective implementation, the administrative officials should be trained well, funding can be raised and the government can adopt digital monitoring systems. The researcher suggests that it is the duty of the government to create awareness and legal literacy programs. The Schemes shall me made simple so that the illiterate labours shall also understand the intent of those schemes. India can adopt U.S style digital compliance systems in order to have more improvements and to uplift the conditions of the unorganized workers.

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