

Challenges for India's informal urban workforce

The recent workers' protest in Noida draws attention to the precariousness of India's urban centres

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The recent protests of workers engaged in various industrial units in Noida point to the extreme precariousness of India's urban centres. These protests are just the tip of the iceberg and may emerge in other parts of urban India as well. Over the past few decades, the bargaining power of workers, especially in the informal sector, has steadily declined vis-à-vis the state (municipal, State, and Union institutions) and their employers.

The informal workforce constitutes around 90% of India's total employment. In urban areas, according to Periodic Labour Force Survey (PLFS), regular wage or salaried employment remains low, which means that a vast majority of the workforce operates in informal roles.

What went wrong is a long story rooted in the transformation of urban production systems. Cities have shifted from hubs of industrial production to centres of social reproduction. In simple terms, formal industry has declined in city centres — seen in the closure of Mumbai's mills and Ahmedabad's textile plants. As a result, urban spaces have ceased to be centres of organised labour and have become fragmented, where the primary concern is managing precarious lives, also known as the urbanisation of social reproduction. Put simply, the focus has shifted to survival: cooking, cleaning, raising children and securing basic needs like water. The shift also altered basic services and the role of the state. What Washington Consensus, a term coined by John

Williamson, described became the guiding approach to development. Under this framework, the state moved away from providing rightsbased services such as water, education, health and environmental protection. Instead, it adopted a need and growthdriven model focused on fiscal discipline, tax reforms, trade liberalisation and privatisation.

The precariousness of the urban worker is a unique intersection of informal labour, land tenure insecurity, and the high cost of living in cities. Around 40% of urban poor live in slums. They spend between 30% to 50% of their monthly income on rent for informal housing (slums and chawls), which often lacks basic sanitation and legal protection. Around 60% of India's urban informal settlements are located in lowlying flood prone areas or hazardous sites.

This is compounded by the privatisation of the essential services, like the transition of water and electricity to market based userfee models; gentrification and eviction of slums to 'world class' infrastructure and highend real estate; the dilution of labour laws; usurping of urban commons, where nature and natural spaces were increasingly commoditised. In housing, the state has transitioned from being a direct provider to an enabler of private real estate. Public land once reserved for lowincome housing began to be diverted to high end projects.

According to the RBI Bulletin 2025, due to a lack of collateral, the urban poor often bypass formal banking in favour of local money lenders, leading to chronic debt traps.

The Kerala Urban Commission has tried to look at the urban policy from multiple perspectives, including that of working people. The 'workers council' in the city council is one of the ways of reclaiming such spaces, where informal sector workers become coproducers of urban governance and development. In the urban helix of climate change, disasters and precarious development processes, it is important to build multiple intersectionalities between organised trade unions and informal sector workers.