

Women Working in Informal Sector in India: A saga of Lopsided Utilization of Human Capital

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Abstract— The phenomenon of economic development is a composite of several factors, which may not necessarily have economic connotations; The contribution of human resource to economic growth of any country cannot be overemphasized, especially in a country like India which is still reeling under the pressures of its mammoth population and limited capital resource. The Indian economy can well be studied in two distinct sectors, organized and unorganized (informal). The widespread informal sector in the country is a major contributor to its development but at the same time it is plagued by several problems such as no proper service rules, no wage rules and no possibilities of career advancement. Another notable fact is that as many as 94% of total women workers work in the informal sector in India but they have to face gender discrimination which is almost inexistent in formal sector. Besides, their contribution in terms of income generation turns out to be less than their male counterparts, which means almost half of the population contributes to less than half to the national income. The present paper aims at understanding this lopsided utilization of human capital and its fall outs. A small survey has been also conducted in the State of Uttar Pradesh to find the realities. However it may appear presumptuous on part of the author to claim its generalization for the country but a number of similar studies conducted in other parts of the country by other scholars support the contention.

Keywords— *Informal sector, women workers, gender discrimination*

I. INTRODUCTION

Employment in informal sector comprises one half to three-quarters of non-agricultural employment in developing countries: specifically, 48 percent of non-agricultural employment in North Africa; 51 per cent in Latin America; 65 per cent in Asia; and 72 per cent in sub-Saharan Africa. If South Africa is excluded, the share of informal employment in non-agricultural employment rises to 78 per cent in sub-Saharan Africa. If data were available for additional countries in Southern Asia, the regional average for Asia would likely be much higher. Informal employment is comprised of both self-employment in informal enterprises

(i.e. small and/or unregistered) and wage employment in informal jobs (i.e., without secure contracts, worker benefits, or social protection)[5].

The concept of informal sector was first introduced by Hart [2], with the distinction between wage and self-employment as the essential difference between the formal and informal sectors. Later ILO broadened the scope of the informal sector. Informal activities are typically characterized by ease of entry, reliance on indigenous resources, family ownership of enterprises, small scale of operations of labour intensive and adaptive technology, skills acquired outside formal schooling system, and unregulated and competitive markets.

The Resolution concerning Statistics of Employment in the Informal Sector, adopted by the Fifteenth International Conference of Labour Statisticians in 1993, defined the informal sector as follows: The informal sector is regarded as a group of household enterprises or unincorporated enterprises owned by households that includes:

- Informal own-account enterprises, which may employ contributing family workers and employees on an occasional basis; and
- Enterprises of informal employers, which employ one or more employees on a continuous basis.

As is clear from the literature the informal sector is a multi-situation syndrome. It is characterized by non-uniformity in the nature, characteristics and conditions of jobs. The informal sector consists of regular workers and casual labour, self employed and those working for others, illiterate to semi-educated, in all age groups (including below and above the normal working age bracket). This combination of differentiated and distinct characters is more pronounced when we talk of informal sector in the urban areas; of a country like India. Given the disadvantaged position of women in the labor market in most parts of the developing world, the result of long-standing societal norms which discourage the social and economic integration and advancement of women, the majority of female workers are engaged in the informal sector. This is especially true for sub-Saharan Africa and South Asia [10]. It is also evident that female workers rely more on the informal sector than

men -- the shares of female non-agricultural employment in the informal sector are generally (and often substantially) higher than those for male workers. But women's participation in terms of their share of informal sector employment is more mixed. Recent evidence shows extremely low shares in North Africa (for example, Tunisia: 18.1 percent) and South Asia (for example, India: 22.7 percent). An estimate by the World Bank shows that 90% of the women working in the informal sector are not included in the official statistics and their work is undocumented and considered as disguised wage work, unskilled, low paying and do not provide benefits to the workers.

In India, almost 94% of total women workers are engaged in informal sector, of which about 20% work in the urban centres. Majority of women workers in informal sector come from those sections of the society which need income at any cost. Nearly 50 per cent of these women workers are sole supporters of their families. Another startling fact is that out of all women workers a mere 7.5% are availing the membership of authentic registered trade unions. Yet another fact to cause concern is that women have to work, unpaid, even outside home, for some 5-8 hours to help their other family members. This fact has to be considered alongside the fact that an average woman has to work at home for some 7-8 hours doing household chores including upbringing the children. Most of the women workers lack proper training. They have very few options to avail as far as gainful jobs are concerned. The quiet contributors to the effortless movement of the social carriage, the women workers engaged in informal sector are poor, perhaps poorest amongst poor, uneducated and weak.

Various studies by Papola (1982, 92)[8], clearly and emphatically show another amazing fact that, the urban labour market discriminates against women much more than the rural labour market. This discrimination results in decline in the participation of women in economic activities.

II. CATEGORIES OF WORKERS

The biggest problem with the informal sector in India is that there is no precise information about the total number of workers what to say of women engaged in this sector and also their respective ratios in various diversified occupations. The Report of the National Commission on Enterprises in the Unorganised Sector highlights the existence and qualification of unorganized or informal workers, defined as those who do not have employed security, work security and social security. This universe of informal workers now constitutes 92 percent of the total workforce.

Whatever data is available is from Census 2001 Report and from National Perspective Plan for Women, 2000. Although there is no precise and authentic information about the total number of woman workers engaged in informal sector, still an estimate is drawn on the basis of available information. As per census reports of 2001 regarding workers and their distribution there are some 60 thousand women workers under the categories of main workers, marginal workers and those engaged in household industries. According to another estimate, almost 90 percent of total

women work force is engaged in the informal sector in India (National Perspective Plan for Women, 2000).

Informal wage employment is comprised of employees of informal enterprises as well as various types of informal wage workers who work for formal enterprises, households, or who have no fixed employer. These include casual day laborers, domestic workers, industrial outworkers (notably home workers), undeclared workers, and part-time or temporary workers without secure contracts, workers benefits, or social protection. Home-based workers and street vendors are two of the largest sub-groups of the informal workforce: with home-based workers the more numerous but street vendors the more visible of the two. Taken together they represent an estimated 10-25 per cent of the nonagricultural workforce in developing countries and over 5 per cent of the total workforce in developed countries (World Bank, 2000).

On basis of previous researches and other reports, following categories of women workers in the informal sector have been identified:

1. *Construction labour*: women labour have to work always as unskilled labour carrying construction material on their heads to the construction site, while the skilled/ semi-skilled work is done by men.
2. *Domestic workers*: this category of employment goes mainly to women, especially young girls. In 1997-98, there were some 1.68 million female domestic workers, while the number of male workers was only 0.62 million. The household workers include part-time and full-time workers.
3. *Garment workers*: these women work with some big drapers, boutiques and stores; here too same bias is evident that the women work as helpers to male tailors (called as masters). These workers include those involved in knitting woollens.
4. *Vendor*: this is the most scattered category, which includes women engaged in selling different types of commodities, like broomsticks, cane baskets, utensils, petty cosmetics, bangles, vegetables and those running roadside tea stalls, etc. Nearly 40% of total vendors are women and 30% of these women are the sole earning members in their families.
5. *Sales girls*: these workers are further divided in two categories, one, those moving from door to door and place to place, other, those working in shops (mostly women related items like jewelry, garments and cosmetics etc).

III. THE SURVEY

In order to get a deep understanding of the phenomenon a field survey was conducted over a period of six months in the selected cities of Uttar Pradesh, which is the largest State in India. Women workers engaged in various occupations, such as, household work, construction work, garment

making, sales and other were interviewed through a semi structured questionnaire. These workers were interviewed to understand following aspects of their occupation:

- Reasons for taking up a particular profession
- Terms and conditions of job, such as job security, leave, other benefits
- Wages, whether daily/weekly/monthly; certain or variable
- Discrimination on basis of gender
- Personal information, like age, marital status, education, family income

For collection of information semi-structured interview method was adopted. These workers were contacted at their work place such as construction sites and major labour centers of the city to get a feel of the conditions of women workers engaged in construction work. To survey the conditions of household workers, the group habitats of these workers situated in various parts of the city were visited. In these habitats we also came across some petty traders as some of these poor women have been found to prefer to sell vegetables or run petty shops of miscellaneous goods near their residence instead of working in the households. The women traders sitting at the roadside and selling variety of goods were also interviewed. It was not an easy task to contact the garment workers and sales girls, as they normally do not gather at their work places. We could reach them only with the cooperation of middlemen who provided them work.

A total of 240 workers were surveyed, including 65 domestic workers, 50 construction workers, 42 sales girls, 40 petty traders including vegetable vendors, and 43 garment workers. Since the sample was theoretical sample and could not be used for the purpose of statistical analysis, besides the information was collected on basis of unstructured interviews therefore qualitative analysis has been adopted to reach conclusions.

IV. FINDINGS

The survey tool was personally administered by the investigators. The guided interviews results are summarised below. Women seek jobs in informal sector because it is easy to enter this sector. There are little or almost insignificant barriers of skill, training and other formalities in the informal Sector. This sector provides an easy source of income to the unskilled and uninitiated women folk of our country. The women workers continue to work in the same unit or same category of work for the lack of knowledge of a better alternative or most often lack of enough initiative to move from their familiar atmosphere to absolutely new field. All of these women are doing this job to supplement their family income barring a very small percentage who manages their livelihood from this work. The results of the survey are summarized in Table 1 to give a bird's eye view of the situation of women workers in the informal sector in the urban areas. The table is drawn using the main research variables and the categories of respondents. A detailed analysis of the findings follows thereafter.

TABLE1. PROFILE OF WOMEN WORKERS IN THE INFORMAL SECTOR

Variables ⇒ Category ↓	Reasons for a particular profession	Terms and conditions of job	Wages	Discrimination on basis of gender
Domestic Workers	<ul style="list-style-type: none"> • Only job available near their residence • Economic compulsion • No other skill 	<ul style="list-style-type: none"> • No defined rules; • Increment in wages/ fringe benefits only when working for long period 	<ul style="list-style-type: none"> • Negotiable • Wages not enough to satisfy bare minimum needs 	<ul style="list-style-type: none"> • No discrimination • More preferred against men for household jobs
Construction Workers	<ul style="list-style-type: none"> • No land • No other skills • No other options 	<ul style="list-style-type: none"> • depend upon local contractors for work 	<ul style="list-style-type: none"> • no regularity or security of job 	<ul style="list-style-type: none"> • disparity in wages and in nature of work • Ill-treatment and harassment at the hands of contractors.
Garment Workers	<ul style="list-style-type: none"> • low middle class who want white collar jobs • Can work from home 	<ul style="list-style-type: none"> • No significant information 	<ul style="list-style-type: none"> • Work based, (commission) • Negotiable /Arbitrary 	<ul style="list-style-type: none"> • No incidence reported
Petty Traders /Vendors	<ul style="list-style-type: none"> • Find pride in being self-employed 	<ul style="list-style-type: none"> • Self-employed 	<ul style="list-style-type: none"> • Uncertain 	<ul style="list-style-type: none"> • No incidence reported
Sales Persons	<ul style="list-style-type: none"> • Economic compulsion • More dignified 	<ul style="list-style-type: none"> • very tedious and also involves risks of personal assaults. 	<ul style="list-style-type: none"> • Mostly work based, (commission) • Arbitrary and low 	<ul style="list-style-type: none"> • No incidence reported

V. ANALYSIS AND DISCUSSION

Following is a detailed analysis on the findings of the survey which includes observations of the researchers while conducting the survey:

A. Domestic Workers

- The domestic workers are engaged in particular profession, since it is the only job that they could find near their habitat. All the workers feel that the

wages are not enough to satisfy their bare minimum needs but they continue to work since they could not bargain for more. In most of the cases wages are negotiable.

- Another interesting fact which emerged was formation of collusive arrangements among workers since in the survey wages differed on basis of locations.
- Wage discrimination on basis of gender could not be ascertained in this category. Instead a fact that

emerged and that was in support of World Bank findings was that women were more preferred to work as domestic help as against males.

- Increment in wages and other benefits are given only when the person is working for fairly long period. In some cases some workers are found to be working for more than 10 years but mostly the period ranged from 1-3 year.
- Another significant dimension that emerged was significant amount of non monetary benefits like food, clothes, gifts and tips on special occasions and by guests.

B. Construction Workers

- The construction workers normally are migrants coming from nearby villages. They depend upon local contractors for work as well as wages.
- There is disparity in wages; men are paid more than women.
- There is no regularity or security of job.
- Almost all of them complained of ill-treatment and harassment at the hands of contractors. There was an indirect hint to sexual harassment in terms of language and gestures.
- Some of the contractors were asked about this complaint and the single most important reason cited was difference in physical strength; that female workers do less work than males during the same duration.

C. Vendors/Sales Persons

- The survey women included the sales girls at various showrooms and shops as also those engaged for direct sales. The job of sales girls moving from door to door is very tedious and also involves risks of personal assaults. They prefer to visit the targets during day time when they can be sure of their safety.
- The mode of payment in this profession is mainly work based, which they call commission. This commission is unbelievably low and arbitrary. These workers have to contact a certain minimum number of persons per day to secure that commission. The commission varies from product to product. There are no uniform norms of commission rates; it is unusually in absolute terms and not in proportion of sales. This commission could be range from a meager Re. 1 per person contacted to 5% of total sales.
- Those working on shops earn on monthly basis with better emoluments and greater job security.
- All of these workers were educated till secondary or higher.
- All of these women reported the need to earn to support family needs such children's' education and daughters' marriage.

D. Garment Workers

- In the case of garment workers, those working on their own were in better position as they did not have to be commanded by someone else. But majority of these workers were working as helpers to a big draper. They receive payment on piece basis and this payment is so paltry an amount that one cannot ever dream of depending a living on it, although they have to work for five - six hours per day. The best return after one day's work can be Rs. 70-100.
- These workers mainly come from low middle class who need to support their family income but do not want to be bound by workers' category.
- They want to work from home in their free time and receive a more dignified treatment. In fact these workers could be contacted only with the help of the big tailors, boutiques and readymade garment showrooms.

E. Petty Traders

- These included those women who are able to manage their own profession, whether as vegetable vendors, basket weavers, broomsticks makers, or as owners of road-side food joints.
- They are in better condition than their counterparts in other professions due to self employment nature of their profession.
- They can work on their own terms without fear of exploitation by employer or middlemen. The monthly earning in this case was found to be reasonable as compared to other job categories.
- There was a special sense of pride among these workers which was completely lacking in all other categories. They even indicated that they would never work for others for whatever reason.

VI. CONCLUSIONS

The women workers do not have a choice to work, or not to work, due to dire need of income. The limited opportunities available to women are mostly low paid, low-status jobs in the informal sector; jobs which do not have any possibilities of betterment, advancement of efficiency or training, to enable them to enter better jobs at a later stage. In the overall state of unemployment and lack of opportunities, women hold a secondary place to men in the race of employment.

It has been observed that women find it difficult to enter the structured system of organized sector. It is also found, that there is no economic reason for paying lower wages or giving only a particular type of work to women workers. When they work for themselves, their wages and work is quite comparable with those of male workers (For example in case of vendors).

There is discrimination in wages, nature of work, availability of work, on the basis of sex. Bargaining power is mostly with the employers, so exploitation is naturally the fate of these poor workers. They come from that section of the society which must work to earn their livelihood and

which is socially, economically and traditionally backward and least privileged. There is diversity in the nature of work. Some of them are construction workers, some are domestic servants, and some others are garment workers while few are petty traders in miscellany of goods. But there is little or no variation in terms of job like wage discrimination, job insecurity, leave / holidays and other benefits.

The society has to meet this challenge. It is difficult but it has to be done. It has to be done in the interest of the country because the National Income consists of incomes of all the persons and if half of the work force is forced to earn as low as two third of the other half, the ultimate sufferer is the economy as a whole. A very large proportion of women workers admitted that if they were given some help from the government in the form of money or training or machines etc., they could also have a more honourable living. A ray of hope has emerged in the form of Self Help Groups some of which are working in this area as well. To mention the most prominent a reputed group is Self Employed Women Association (SEWA), which is working to organize the self employed poor women with an objective to make them fully employed. A detailed discussion is not done on SEWA as it is out of the purview of the paper. National Commission on Enterprises in Unorganized Sector is established by the Government of India in 2004 to frame rules and regulations to safeguard the interests of workers. The outcome is yet to be seen.

It is strongly recommended that mere framing of policies and Acts may not serve the purpose. Work has to be done at the grass root level with proper feedback system in place to ensure that policies of equal treatment for equal work are actually giving results. We must remember that by ignoring

these women workers we are ignoring important contributors to national income of the country.

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