Women, Informal Sector and Struggles

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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, contribute to less than to half the national income. The present paper aims at understanding this lopsided utilization of human capital and its fall outs.

Keywords – Informal sector, women workers, Gender Discrimination
Introduction –

There are divergent views on the evolution and role of the informal sector in Third World countries including India. Each of these views has strong ideological and political implications. Stated in a simple manner, the two views on the evolution of the informal sector are as follows. One group sees the evolution of this sector as largely arising out of excessive controls in the formal sector, and is attributed to policies of the government. In fact one of the defining features is 'ease of entry', implying thereby that 'entry' in the formal sector is controlled. This viewpoint also holds that the controls in the formal sector are affected by the power of 'distributional coalitions', of which the organized trade union movement is one. It sees these controls in the formal sector as growth retarding. The prescriptions of agencies such as the IMF and World Bank today to most of the Third World countries including India are also not altogether unknown to us. All that is being emphasized here is that the view that the informal sector is the outcome of government controls, and that it is an example of free market economy, should not be viewed as an isolated fact but as part of the ideological-political discourse on development, and we need to be clear of who initiates and promotes such a (Kalpagam 1987) discourse.

The situation of informal workers in India remains precarious. The rigid boundaries defining what is a formal sector enterprise not only leave many outside but even in the formal sector Casualization is rampant since the costs of employing workers on a regular basis in a formal sector are higher than having contract (Maghnad Desai 2013) labor.

In India, the unorganized home-based workers constitute an important part of the working population. A wide variety of income generating activities are carried out in this sector involving large number of workers most of whom are women. These activities include beedi making, textile, garment making, food processing, craft, coir work, dairy, chikan embroidery etc. Although, little is known about the magnitude of the unorganized industry both in rural and urban areas, (Sarna, Tripti, Archana 1994) For example, in India: 22.7%, An estimate by the world bank shows that 90% of the women working in the informal sector are not include the official statistics and their work is undocumented and considered as disguised wage work, unskilled, low paying 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 centers. Majority of women workers in informal sector come from those section of the society which need income at any cost. Nearly 50% 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 families’ members. This fact to has to be considered alongside the fact that an average women 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. That 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 (Geeta, Tripiti, Anvita, 2011.) weak.
Women 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 for Enterprises in the Unorganized 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 (National Perspective Plan for Women, 2000) in India.

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

**Construction labor**: women labor 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.

**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. **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 woolens.

**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.

**Sales girls**: these workers are further divided in two categories, one, those moving from door to and place to place, other, those working in (ILO, Geneva 2002) shops (mostly women related items like jewelry, garments and cosmetics etc).

**Shram shakti** –

An important contribution of our studies was the awareness created among the policy makers and the government about the neglected unorganized sector of the Indian economy. This awareness took shape in the establishment of a national commission on the unorganized sector of the economy under the chairpersonship of Ela Bhatt who had been working among the home-based workers and had formed a kind of a trade union called the Self Employed women’s Association (SEWA) to protect their right. SEWA was a very successful model and almost became a household term. A comprehensive and revealing report on the commission on the
unorganized sector titled “Shram Shakti” was the first report of its kind. It must be noted that an overwhelming majority of workers in the unorganized sector were and continue to be women. Shram Shakti had the desired effect in making the unorganized sector visible and its contribution to the national economy began to (Bhatty Zarina2015) be recognized.

**Gender Discrimination in empowerment and wages –**

The underlying causes of these inequalities are centuries old traditions and the economic structure which is based on formal and informal practices 'norms. Even elevated status of education as well as health does not let the women to make a free choice in their important decisions of life until they are economically dependent. This social discrimination is closely linked with the economic sphere as well. That is why, the women are employed in low paid, insecure and low status activities. Due to social hindrances, women have very low horizontal as well as vertical mobility and have to remain contended with lower wages. It is generally propounded that globalization has provided a vast arena of challenges as well as opportunities. "The era of global integration has been associated with far reaching changes in the structure of employment, including pressures for increased flexibility, episodes of jobless growth, growing informalisation and casualisation, expanding opportunities for the highly skilled but the vanishing opportunities for the less skilled” (Heintz 2006). Globalization is being presented as a picture with two sides, depending upon the fact which side is being highlighted-the rosy one or the dark one. However, as far as the women are concerned, it is being observed that the economic opportunities available to them have grown (Cagatay and Ozler, 1995; Beneria and Feldman, 1992), though these opportunities may not be equal. The women participation in paid employment has reached an unprecedented scale. But the point is whether the employment has grown qualitatively or not, because in the era of globalization, when informalisation of work increases, it would be imperative to know how the formal and informal jobs are being divided among men and women. So a gendered analysis of the growing employment opportunities is necessary.

It is centuries old tradition that women everywhere have primary responsibilities for non-market (unpaid) house work and caring jobs, which leads to family constraints on their choice in terms of labour force participation and their access to paid employment, both formal and informal (Beneria, 2003). So, when non market work becomes more important, women frequently have less paid work experience often leading to lower earnings, low paid, unstable and poor quality employment. Sometimes it is argued that the 'care time' is a temporary phase in the life of a woman worker and its impact can be mitigated in the long period. But equal strong is the view that even short period gender inequalities can have long term consequences on economic growth and human development (Ranis, Stewart and Ramirez, 2000), so it would be crucial to give gender dimension to the employment analysis. Up to early eighties, it was assumed in the developing world that with economic growth, the informal economy would be absorbed in the modern industrial economy and the benefits of growth would trickle down. However, the hopes shattered thereafter as the size of the informal economy go on swelling even outside the agricultural sector. In developing countries informal employment in non-agricultural sector represents one half to three fourth of the total employment in this sector (ILO,
2002). When the rate of informalisation is increasing, the rate of female work participation is also increasing as if the women are taking over men's jobs in the process of being informalised. So, our concern is to analyze these trends in the unorganized manufacturing sector of India in the post liberalisation phase.

The unorganized manufacturing sector employment in India has grown in the phase of liberalisation due to stagnation in the organized sector employment. The share of unorganized manufacturing in total manufacturing employment has reached to 82.3 per cent during 2001-02 as compared to 80 percent in 1993-94 (GOI, 2003). Under this sector, it is being observed that the share of female workers has also increased during the liberalisation phase. Depending upon the NSSO data, it is observed that the share of female employment has increased from 31 per cent of total unorganized manufacturing sector employment during 1994-95 to 34 per cent during 2000-01. Though, the overall picture shows that employment in this particular sector is being feminised, the attention diverts to the quality of female employment i.e. on the types of jobs, earnings and benefits etc. and how the jobs with some positive qualities are distributed among men and (Jyoti, Laxman, 2010) women.

Conclusion –

This paper brings the Indian experience into the global debate on the changing nature of state-labor relations. Throughout the 1980s, the Indian government took a drastic turn away from its earlier industrial policies, and began to decrease bureaucratic controls over industry, enable businesses to become more competitive, and promote business growth. In 1991, the Indian government announced its official policy commitment to liberalization reforms, which included an expansion of the deregulation efforts initiated in the 1980s, as well as increased privatization and the opening of the economy to international flows (Kohli 2006). India’s 20-year experiment with economic reforms has altered the normative role of the state and labor, thereby making it an ideal location to begin a study on the changing relationship between the two. As in many nations attempting to compete in the global market through the use of low cost, flexible labor, the government of India has begun to explicitly encourage informal employment although it operates outside the state’s jurisdiction. Recent government reports, for example, stress the important role informal labor plays in ensuring the success of India’s reforms (Ahluwalia 2002; Gupta 2002; NCL 2002). Today, 93% of the national labor force and 82% of the non-agricultural workforce are informally employed.11 In other words, over 114 million non-agricultural workers in India are unregulated and unprotected by the state. Although the informal labor force in India has always been large, the number of households in self-employed and casual labor increased between 1991 and 2001, while households engaged in regular wage/salaried jobs decreased in the same time period (NSSO 2001). By the end of the 1990s, the informal sector was estimated to account for over 60% of gross domestic product (Kulshreshtha and Singh 1999). In 2004, the Central Government appointed a high-profile commission to examine ways to further increase productivity in the informal sector. Second, India’s formal democratic system, which ensures equal rights under constitutional law, has existed for nearly 60 years.12 Set against a long history of stable democracy and vibrant political activity, India’s economic reforms of the 1980s and 1990s allow us to isolate the impact of structural reform on workers’
politics by comparing the periods before and after 1980. Finally, India has had a rich history of labor organization. Today, India’s union density among formal workers is comparable to that of developed nations. Despite scholarly and activist claims that informal workers cannot organize, 8% of informal workers in India’s non-agricultural sectors (i.e., over 9 million workers) is unionized. While formal workers’ unions have received substantial attention in India, almost nothing is understood about India’s informal workers’ unions. Examining how informal workers organize provides an intriguing opportunity to understand these workers’ impact on the state’s liberalization agenda, especially in light of diminished state welfare responsibilities.

Reference –