

## **Women on the Verge: Marginalising Female Workforce in the Indian Informal Economy**

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### **Abstract:**

The Indian economy relies heavily on the unauthorized sector. It acts as sector the spine of the Indian economy. The sector not only employs male workforce but it also has substantial chunk of female workers as well. In fact, in several sectors the ratio of female workers far exceeds that of male workers. However, informal economy also happens to be the breeding ground of marginalisation of female workers in the country. Even if the contribution of female workers in the sector is ever increasing, still their efforts in the building of nation are overlooked and ignored and they seldom reap the benefits of livelihood in this sector. Pushing the female workers to the verge in this sector not only marginalises them, but also indirectly causes havoc on the society in the form of uneducated and untrained workforce. The paper try to highlight how the female workers engaged in the informal sector in India are marginalised on account of different factors like low education, skill etc. The paper will also discuss issues like extremely low wages, unhealthy and unhygienic working conditions, sheer exploitation which are used as strategies to keep the female workers marginalised and conforms to the dictates lay down by the employers.

**Keywords:** Marginalisation, Informal Sector, exploitation

## **Introduction**

The informal sector seems to be very prevalent in the Indian economy and has made important contributions to the growth and development of the Indian economy, especially in the area of employment creation. Different research reports published by agencies like ILO India Labour Market Update (2016) and NSSO (2011-12) have highlighted that near about 90 % of the jobs in the informal sector comes under the category of agriculture and around 70 percent is under non-agricultural sector. Informal economy, also known as unorganised or residual economy started gaining prominence after the globalisation. With the rapid expansion of the Indian economy and vast majority of the working population shifting towards cities in search of better life style better job opportunity, there was immense scope for the working population for sources of livelihood in the informal sector. Eminent economists like W. Arthur Lewis in his economic model also has described informal sector as the main source which helps in employment generation or earning livelihood primarily within the developing countries like India. The working masses flooded into the industry, despite their low levels of education and skill, and this spurred the country's economic expansion and progress. However, as the sector remained unregistered in nature, it offered the fodder for unhealthy employment practices to nurture and flourish. Being associated with low productivity and poverty, the policymakers also started seeing the sector as problematic. The hardest hit in the sector were the female workers. The existing data on employment in the sector very clearly indicates that a substantial number of female workers engaged in economic activities in developing countries are employed in the informal sector. However, what is disheartening is the non recognition of the contribution of the woman labour force in the sector which makes the female contribution in the contribution not only overlooked but also neglected. The resultant affects are the marginalisation of the female workforce participation which further snowballs into sheer exploitation of the female workers and pushing them towards vulnerability. The lady workers engaged in the segment are subject to compensation of discriminatory wages, extreme working hours, and sheer exploitation in different forms by the employers (Bhat & Yadav, 2011). The system of informality often treats these female workers as reserve pool of workers which will be utilised during times of needs and laid off when the needs is over. And above all, no restraining voices will be raised against this exploitation. It's no exaggeration to call the informal sector as the breeding ground for marginalisation of the woman labour force not only in India, but also across the globe.

## **Conceptualising the Informal Sector**

Many economists and scholars in the nineteenth century coined the phrase "informal sector" to distinguish it from what they called the "conventional" sector. The formal-informal distinction was initially used by Keith Hart in his research studies on urban Ghana; however, the term began to gain importance when the International Labour Organization's employment mission visited

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Kenya in 1972 to investigate the country's employment issues. The mission confronted the sector which has very small and fragmented units involved in the production of goods and services without any recognition, protection, regulatory framework and public policy. With an objective to bring the discussions and deliberations on the sector into the mainstream, ILO in 1993 organized the 15<sup>th</sup> International Labour Conference of Labour Statistics (ICLS) and attempted to evolve a conceptual framework on informal sector along with the guidelines to collect statistics on the sector. In the same setting, ILO adopted a resolution towards defining informal sector which included unregistered, unincorporated, unorganized units or enterprises employing workers in production of merchandise and services. This decision was adopted by the International Labour Conference of Labour Statistics further gained impetus and endorsement by the United Nations Statistical Commission (UNSC) and the resolution along with the meaning which was included as an important component of United Nations Economic and Social Council in the year 1993. With further elaborations, the SNA (1993) considered informal sector as the small enterprises engaged in manufacturing of products and providing services with the primary aim of employment generation and providing sources of livelihood to the people employed in the sector. These small enterprises operating in the sector are less capital intensive in nature with no or little formalized structure and little or no division of labour. The existent labour relations in the sector are mostly temporary, casual or informal in nature and rely on social and personal relations.

"Informal" and "unorganized" are synonymous in India. The National Commission for Enterprises in the Unorganized Sector (NCEUS) defines the informal sector as any unregistered private units held by persons or families in the production and sale of products and services operating on a proprietary or partnership basis with fewer than ten workers (Srija&Shirke, 2014). The NCEUS defined informal/unorganized workers as "workers consist of those working in the unorganized sector or households, excluding regular workers with social security benefits provided by the employers and the workers in the formal sector without any employment and social security benefits provided by the employers". The workforce employed in the unorganized sector has been defined by the First Indian National Commission on Labour (1966- 69) as comprising of "those workers who have not been able to organize themselves in pursuit of their common interest due to certain constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments". Thus, we observe that numerous definitions on informal or unorganized sector have been offered by a good number of institutions in India. Out of the several discussions in existing literature some of the chief features of the informal sector can be summarized below:

- The sector is omnipresent across the lengths and breadths of the country.
  - The sector is mostly seasonal in nature
  - The workplaces are found to be dispersed and fragmented.
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- Formal relationship between employer and employees are absent.
- The sector can be found to be highly concentrated on the basis of caste and community.
- There is indigenous use of technology and primitive methods of production in the sector.
- There is absence of trade unions or any other political influence in the sector.
- There is also no implementation of labour laws in the sector.
- Summing all the definitions, we can say conclude that informal sector constitutes the sector which remains outside the purview of mainstream economy and the people employed in this segment mostly remain unprotected, vulnerable and without any social security benefits.

### The Informal Sector: Gender Perspectives

The women in India's workforce are essential to the success of the country's unofficial economy. Women make up a disproportionately large component of the informal sector's working class, and they conduct a wide variety of jobs, from street vending and domestic work to subsistence farming and seasonal agriculture work. It is believed that over 94% of all working women in India are involved in the unofficial economy. The World Bank also agrees to the fact a significant portion of the woman labour engaged in the informal sector are not officially registered. As a result, the exact figures may exceed beyond expectations. The female workers can be found to be employed in both the agricultural and non-agricultural sector. They are generally engaged in sectors like assembly and real estate, domestic workers, textile industry, street vendors, agricultural laborers, tea plantation and cotton industry, handloom sector, sales and marketing etc (Geetika *et al.*, 2011). The table below presents the distribution of informal sector workers in India.

**Table 1: Informal Employment in Percentage in India (2009-10)**

Sector	Agriculture			Non-Agriculture		
	Male	Female	Person	Male	Female	Person
Rural	90.6	95.0	93.4	73.0	64.1	71.3
Urban	88.3	97.7	92.5	68.3	60.1	66.9

(Source: Employment-Unemployment Data 2009-10)

Thus we observe that the participation of women in the rural and urban areas is found to be extremely uneven. While women's participation in the rural informal sector is higher, it is found to be lower in the urban informal sector. Majority of the women workers in India are engaged in the Home based Work (HBW). Domestic workers are defined as the type of worker who carries out work from their own place on remuneration bases. A substantial portion of the home based workers still reside and carry out their work from the rural areas and majority of these home-based workers are female (Raveendran *et al.* 2013). Table 2 presents the statistics of female domestic workers in India.

**Table 2: Domestic female workers in India**

Population Segment	1999-00	2004-2005	2011-12
Women (rural)	5.67 (40.7)	8.63 (43.8)	8.71 (32.8)
Women (urban)	3.91 (26.0)	5.66 (29.4)	7.34 (30.5)

(Source: <http://www.wiego.org>)

The above statistics points towards the declining trend of home based workers in the rural sector. With limited employment opportunities, the home based workers from rural areas are shifting towards urban areas. The women in the urban areas find jobs in different sectors like real estate, domestic worker sector, etc. However, in spite of this significant contribution in the sector, the role of women or female workers in the sector has been largely ignored.

The women workers in the informal sector have always been unrecognised, unnoticed and unpaid and have been subject to displacement due to technological influences and incidences of physical, sexual and mental exploitation by the employers, fellow workers and others in the sector. These workplaces anomalies along with exploitative incidents meted out to the female workers employed in the sector has made this sector labelled as marginalised segment of Indian economy. As the main objective this present paper is not to present statistical details on the female workforce participation in the sector, let us first understand why the sector has become fecund ground for employment of female workers in India. With the opening up of the Indian market during the twentieth century which put the nation on the trajectory of fast paced infrastructural growth and development, there was mass movement of the village folk towards the urban areas. As per the 2001 census, more than 14.4 million were mobilised in form of migration to diverse areas of the nation to find out better livelihood and employment opportunities. The same remains true with female workers also. It is noteworthy fact that a substantial number of women labour in informal segment represent the section of society which are desperately in need of sources of livelihood (Geetika, *et al*, 2011). They are the sole bread earners in their families. Owing to the sheer poverty, the female member has to employ them self in the jobs to support their families. The ease of entry into the sector remains the key factor for the dominance of the female workers in the sector. Due to lack of special skill and minimum level of education and market know-how, the informal sector happens to be the only sector which is ready to accept and absorb them with open arms. As the sector is scattered and unregistered enterprises form a major portion of the sector, it is hard to keep a check on the employment relations practices in the sector. Milking the advantage of the anomalies of the sector, the employers also prefer to employ female workers in order to minimise their operational and labour expenses. With the little or no presence of trade unions in the sector the employers very well understand that the women workers will not organise themselves in the pursuit of the betterment of their working conditions. This is the main reasons why this sector employs female workers in such large numbers in India.

The structural reforms of the twentieth century not only propelled the migratory phenomenon within the nation, but it also created the need for skilled and 'knowledge workers' in the Indian economy. The social and cultural restriction in India till date prevents a girl child to equip her with quality education. The restrictions are even more stringent in the rural parts of the country. As such, these women workers have no role to play in the service sector which is based on specialised knowledge and skills. Contrary to this, the manufacturing sector emerged as the only hope for such workers who have no or little skill and are able to perform manual jobs. Also, as the growth of India heavily depends on the manufacturing sector, this sector has the potential of employing large working population. With no other alternatives for livelihood available, a majority of female workers engaged themselves in the construction industry doing manual jobs. Thus, the emergence of manufacturing sector also provides a job opportunity to women in this segment.

Competition with the male counterparts also serves as the main reason for employment of female workers in the sector. Apart from agricultural sector, the female workers have to face immense competition with the men workers. With the modernization and automation of the industries, employers prefer to employ male workers as they are supposed to work for long durations without seeking breaks and holidays. Also, as the female workers have several other responsibilities to render, they prefer to employ themselves in part time and seasonal based jobs.

### **Women on the Verge: Marginalising female workers in the Informal Sector in India**

Even though the representation of female workforce in the informal sector of the Indian economy is large, their contribution has hardly been appreciated neither been recognised. Several reports from numerous agencies have been published but most of them are concerned with presenting a statistical representation of the female workforce. The productivity and the value addition that they offer to the sector is hardly cited. Their role and contribution has remained marginalised pushing them on the verge of the Indian economy. This marginality has made their position in the Indian society not only vulnerable but also least significant. Let us understand why the female workforce remains marginalised in the Indian economy.

Marginalisation has several connotations and interpretations in academic literature. Marginalisation can be social, political, economic, and so on. As a social phenomenon or practice, it can be regarded as exclusion of individual or certain group from participating in the society in a holistic sense (Kagan *et al.* 2002). Economic marginalisation forces a woman to be not able to enjoy her fruits of labour in form of wage equality, sources of livelihood etc. The World Economic Forum held in 2016 estimated that it will take more than one hundred and seventy years for economic parity to prevail in practical terms. This economic marginalisation is attributed to the fact that women do not enjoy control over production process along with the

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control over work segmentation. In every manner possible, it refrains or restricts women to lead an independent life making them more dependent on the society. Thus, marginalization can be considered to include the dimensions of both process and condition where an individual or a group is prevented to participate actively and fully across different walks of life (Kagan *et al.* 2002). The causes of marginalisation of women labour in this sector are multifaceted. Memoria (1983) in his studies identified several factors for the miserable plight of women in this segment. Some of these are as mentioned below:

1. Gender bias and discrimination against employment of women in this sector.
2. The informal sector is mostly run by proprietorship and there is a tendency among the owners to escape the moral responsibility of providing welfare and other benefits to the women workers.
3. The increasing trend towards the use of high end technology and automation require higher skills and training which the women workers in this sector do lack due to their illiteracy and ignorance. Hence they are given the jobs that are often menial in nature and can be done manually only.
4. Their family burden forces them to work for unduly long hours on very low wages and face humiliation and exploitation just to meet the basic needs of their families. They are often made victims of this vulnerability.
5. The work is of irregular or seasonal in nature.
6. The economic status of remains low.
7. Little or no worker representation and collective bargaining power.
8. No or little control over the earnings.
9. Difficulty in managing work life balance.
10. Having no access to formal credit facilities, guidance and development along with other information which are available to them.
11. Little or no access to assets.

According to an ILO report, 90 percent of women in sub-Saharan African nations, 89 percent in South Asia, and 75 percent in Latin America work in the informal sector. Most of these informal sector women work in “underpaid” jobs. In addition, women of this sector suffer from a variety of issues such as great poverty and endure physical hardships that affect their health. The

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informal sector's female employees in India earn less than one USD. Though some female employees are also found to be earning more than one USD, but as these workers are employed in work which is seasonal in nature, their wage averages the same. In order to earn more, workers work longer and harder. These female workers have to work in very bad conditions. Sectors like construction, *beedi* making are very dangerous to work in and even the basic safety norms are not being followed in this sector. Their condition is very deplorable in the construction industry. The construction sites are mainly temporary in nature and are subject to mobility once the construction work is over. Highly disorganized and fragmented state hampers their bargaining power and fight against injustice (Parveen & Patil, 2010). There is lack of security and privacy in this sector. The women are also prone to serious accidents. The rate of total accidents in this sector is four to five times that of manufacturing sector. The women workers remain devoid of the minimum wages and are paid according to the personal prejudices of the owners or the employers. Provisions of maternity benefits and leave are also not provided to them and are removed from their jobs during times of pregnancy. They also do not have access to the ESI benefits. As there is no proper implementation of labour legislation in this sector, the owners find it easier to escape the responsibility of providing welfare benefits to them in order to save the revenue expenses. Also, the women workers have remained less unionized than their male counterparts, they fail to raise their voice against their sheer exploitation and miserable plight. And since they are mostly illiterate, they remain ignorant about the provisions being provided to them under Labour laws. The women workers are given low job profile and engage in inferior jobs in form of self employment. This is due to their low level of training and family burden at home. Nowadays there is an increase in the informal sector towards automation and technological upgradation which has resulted in the recruitment of technology oriented workers. Women lag behind men in this dimension. Age old confinement to their homes has made these rural women unknown to the technology. As a result they are forced to opt for the jobs that need manual effort and are at the bottom of the organizational work design. Jobs in the informal sector are mostly manual in nature. This makes them a natural choice for employment in this sector. But there are certain sectors where the condition of women is much better. For example, in the plantation sector employment of women is high as the nature of work here is simpler and easier. Women have the capacity to work continuously for a long period of time and they get ready easily to work for long hours at low wages. Also, their capacity to work more efficiently than male workers makes them a natural choice for employment in this sector. Many welfare measures have also been taken to increase the women's participation in this sector. But mostly the women remain marginalized and exploited in the informal sector.

Numerous researches have already been conducted on the informal sector to draw attention of the concerned authority about the situation of women employees in India. But the tragedy is that in spite of several suggestions and several recommendations, the condition has not much

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improved. With the increasing trend towards establishment of Special Economic Zones, the flow of informal labour towards these zones has been increasing. But even these SEZs fail to provide the female workers the basic facilities like toilets, crèches etc. A lot more need to be done in this direction of improving the lot of female workers. The passing of Domestic Workers Welfare and Social Security Act, 2010 and Informal Workers' Social Security Act, 2008 are seen to be praise worthy efforts in this direction. However, the effectiveness of these statutes needs to be assessed as yet. Mere passing of labour statutory bills is not going to serve the lot of women in this sector. Effective implementation of these legislations is the need of the hour. Also, the language of the legislations should be made such that even the illiterate worker could understand it. Also, formation of regulatory bodies to monitor the implementation of legislation in this sector will also serve the interest of the women workers in this sector. Women, for long been are subject to the utter humiliations of the society. All these have made the female working population in the sector marginalized. The time has come that they should be given extra impetus to fight the oppressions and humiliations of this sector.

## **Conclusion**

The above discussion highlights how female workers are disproportionately represented in the informal sector making them a subject to political marginalization. Taking this advantage the employers also prefer to hire female workers as hiring them not only offers the employer to escape from the collective bargaining strength of the trade unions, but also female workers can be hired at much lower wages. But in spite of the prevailing anomalies, there are also rays of hopes lying within this sector. Wages in China which is world's greatest manufacturing power has witnessed spurt in recent years. This naturally is attracting the foreign investors towards India as a manufacturing hub. India has got huge potentials in the form of this female workforce to become a destination hub for manufacturing sector. Women workforce in this sector can be chalked out with much ease as they remain concentrated to their settlement areas. With more supportive regulations, greater flexibility in hiring female workers by providing them the required skill sets through training, India can no doubt, become a manufacturing hub. The revival of several cottage industries like khadi etc. can be cited in this regard where women, with the help of training, have turned these sick units into profit generating units. This has also helped to improve the lot of the women residing in the village areas and helps in realizing the dream of 'inclusive growth' which remains the core essence of any Socialist and Democratic State like India. Women are at the base of the hierarchy and so there are obvious reasons for their sufferings. And since the informal sector is also considered as composing of the jobs done manually or considered mean and odd, but taking a serious consideration to bring this jobs under organized category, the plight of women workers can be improved substantially. Several nonprofit organizations need to be encouraged to come for the identification of female workforce

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in this sector. This is the sector which forms the backbone of the manufacturing sector for fast developing countries like India, if given proper impetus, can turn around the things in favor of the country. The marginalized section of female workers must be given an opportunity to improve their livelihoods, quality and standard of their lives and gain a decent status in the socio economy hierarchy of the country.

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