

ISSUES AND CHALLENGES WORKING WOMEN OF THE UNORGANIZED SECTOR IN INDIA

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Abstract: The global economy has created a flexible labour market and has promoted so called 'feminization of work'. In reality, unemployment and underemployment of women is prevalent in various sectors in India. One study puts female unemployment at six to seven times that of men. In the rural areas, 30 lakh women have lost jobs in agriculture and livestock. Women have lost 1,45,000 jobs in the textiles sector during 1994-2000. Female underemployment is also increasing at a faster rate than for men. India has 397 million workers out of which 123.9 million are women. 106 million of these workers are in the rural areas and the remaining 18 million work in urban areas. Only 7% of India's huge labour force is in the organized sector, which includes workers on regular salaries, in registered companies and firms. The rest of the workers, an estimated 93%, work in the unorganized or informal sector. The figures for women workers in India are even more dismal - almost 96% of the women workers are in the unorganized sector. The female work participation rate (FWPR) has increased overall from 19.7% in 1981 to 25.7% in 2001. In the rural areas it has increased from 23.1 to 31% and in the urban areas it has risen from 8.3 to 11.6%. 'Participation', however, has been largely distress- induced and has compelled women to take up jobs which offer very poor wages and no social security. There has been a significant increase in women employed in petty retail trade, hotels and restaurants in the last decade as part of the survival strategy of poor urban households. Hotels and restaurants have shown an increase of 2,78,000 women workers from 1994 to 2000. These are typically low paying jobs where women work for long hours without any benefits and face sexual harassment. The present study analysis of the issues & challenges working women in unorganized sector.

Keywords : Informal sector, Income-earning, Opportunities , Social protection and Economy.

1. INTRODUCTION

The nine sectors where 90% Indian women work are agriculture, live stock, textiles and textile products, beverage and tobacco, food products, construction, petty retail trade, education and research and domestic services. The number of women working in agriculture in the years 2023-2024 was 9,57,00,000 which accounted for 58 % of the workforce. Next came livestock which accounted for 5.5% of the workforce. The domestic services sector employed 3.2%, retail trade 3.4%, textiles and textile products 2.3% and beverage and tobacco industry 3-4 % of the workforce in the same period (See Table 1.1).

Table 1.1

SECTOR WISE WOMEN'S EMPLOYMENT

Sector	2023-2024		2024-2025	
	Number	Percent	Number	Percent
1.Agriculture	9,57,00,000	58.0	9,98,00,000	58.0
2.Livestock	90,75,000	5.5	94,60,000	5.5

3. Textiles & textile products	57,75,000	3.5	68,80,000	4.0
4. Beverage & Tobacco	41.25,000	2.5	43,00,000	2.5
5. Food products	41,25,000	2.5	43,00,000	2.5
6. Construction	90,75,000	5.5	1,03,20,000	6.0
7. (Petty) Retail trade	1,15,50,000	7.0	1,37,60,000	8.0
8. Education & Research	74,25,000	4.5	94,60,000	5.5
9. Personal services (domestic)	1,32,00,000	8.0	1,54,80,000	9.0

Source: Periodic labour Force Survey Annual Report 2023-2024, 2024-2025.

In the urban areas a majority of women work in the informal sector, which includes household industries, building construction, petty trade or in domestic services. There has been a significant increase in the casualization or in formalization of the workforce both male and female since the late 1970s. In 1983, casual workers accounted for 31.5% of the workers. In comparison, 7.5% were salaried and 61% were self-employed. The latest round of the National Sample Survey records an increase of casual workers to 41.3% in 2024-2025. While salaried workers have fallen to 7.2% of the total, the self-employed category has fallen from 62% to 57%. The National Sample Survey shows that during 2024-2025 the self-employed accounted for 55% of male employment and 58% of female employment. About 37% of employed males and 42% of employed women were casual labourers. Only 9% of employed men and 4% of employed women were regular employees.

The Informal sector provides the means of livelihood to millions of people around the world, particularly in the developing countries. To quote from the statistics compiled by ILO, about 48 per cent of non-agricultural employment in North Africa, 51 per cent in Latin America, 65 per cent in Asia and 72 percent in Sub-Saharan Africa are of informal nature. In the case of India, informal employment's (including the agricultural sector) contribution is more than 90 per cent. It is also evident that there are significant linkages between employment, economic growth and poverty. While increasing poverty is one of the underlying reasons for the growth of the Informal economy, the fact remains that the informal sector or informal employment is the main constituent of economic growth in most of the developing nations.

2 ROLE AND RELEVANCE OF THE INFORMAL SECTOR

Informal Sector is an important but controversial part of the economy. It provides jobs reducing unemployment, but in most of the cases the jobs are low-paid and the job security is poor.

It bolsters entrepreneurial activity, but at the detriment of state regulations compliance, particularly regarding tax and labour regulations. It helps alleviate poverty, but increases underemployment and job insecurity. Informal sector employment is a necessary survival strategy in countries which do not have social safety nets such as unemployment insurance or where wages and pensions are low. It presents a challenge to the policy-makers with regard to issues like: improvement of working conditions and legal and social protection of the persons employed in the informal sector, increasing the productivity of informal sector activities; training and skills development; organization of informal sector producers and workers; development of appropriate regulatory framework; government reforms; urban development etc.

Since a large number of women and children are employed in the informal sector, issues concerning contribution of women to the economy of the country and child labour can be resolved only by an in-depth study of the. informal sector. As far as the informal sector is concerned, the conditions of work are not safe, hazardous, unhealthy, poor lighting, no proper ventilation, less space, long hours of works. The workers are living in pathetic conditions. These poor, unsafe and unhealthy working and living conditions not only accelerate health-related problems like, stress, strain, fatigue and injuries due to accidents at the workplace but also it reduces the productivity, because unhealthy work environment results in unhealthy workers.

3 Relevance of the Informal Sector in the Indian Context

Broadly, the informal sector provides income-earning opportunities for a larger number of workers. In India, there is large proportion of the workforce getting their livelihood from the informal sector. Bringing them under the regulatory and social protection instruments, it is felt, will adversely affect the existing mechanism prevailing in the informal sector

as it would lead to market imperfections creating hurdles in the smooth functioning of the market led economy. Besides, it would require huge infrastructural and institutional arrangements involving financial implications beyond the capacity of the Government in the changing scenario all over the world.

The Government has to play the role of a facilitator and promoter so that the workers employed in the informal sector are able to get the requisite level of protection and security to have a decent work environment enabling them to express their skills fully and according to their capabilities necessary for enhancing the competitiveness of their outputs and thereby raising their income and socio- economic status.

There is a link between working in the informal economy and being poor. Average incomes are lower in the informal economy than in the formal sector. Average incomes worldwide tend to decline as one moves across from employed to self-employed to informal and casual wageworkers to industrial outworker. The link between working in the informal economy and being poor is stronger for women than for men. A higher percentage of women than men worldwide work in the informal economy and there is a gender gap in incomes and wages in the informal sector.

This is because women worldwide are underrepresented in higher income employment statuses in the informal economy and over-represented in the lower income statuses. Available evidence suggests that globalization of the economy tends to reinforce the links between poverty, informality and gender. It often leads to shifts from secure self-employment to more precarious self-employment. With these shifts and as more and more men enter the informal economy, women tend to be pushed to the lowest income end of the informal economy. However, globalization can also lead to new opportunities for those who work in the informal economy in the form of new jobs for wageworkers or new markets for the self-employed. The fact of the matter is that in the 21st century the informal sector is here to stay and needs to be better understood. It is not a sector anymore but is an economy now.

4 WOMEN IN THE UNORGANIZED SECTOR

Home Workers: The home worker or home-based worker falls within a grey area, in a category between employed workers and self-employed workers. There is no system to enforce minimum wages because of the informal contractual relationship between the worker and the employer, the employer's agent or the contractor.

Domestic Workers: We have now to refer to a category of workers who may well be one of the most numerous categories of workers in our country. These are the domestic workers whom we find in the urban areas as well as rural areas. There is no reliable estimate of the number of persons who are engaged in domestic service. They are somewhat visible in the urban areas, and it may be possible to make some estimate of their numbers in the towns and cities of our country. But, it can perhaps be said without fear of contradiction, that a large majority, perhaps a predominant majority of those engaged in this category of service are women and children. An estimate made by the College of Social Work in Bombay claims that 80% of domestic workers are women.

It is well known that many persons, who are employed in domestic work, are people who have migrated to the urban areas in search of employment. It is believed that domestic service does not need any special skill. Perhaps those who seek such service are also under the impression that they will be protected in the household, and will receive the kind of treatment that can be expected from the members of a respectable family. There are many instances which show that they are extremely poor, illiterate, that they come from rural areas and have no acquaintance with the ways of the town and townspeople.

They have to eke out their existence and therefore, often agree to work at nominal wages, taking the risks of uncertainty and uncivil or inhuman conditions of work and treatment. The existing laws do not provide them the protection they need. It is well known that there is no system of social security on which they can fall back. In general, the circumstances are such that domestic workers have a very hard life. They have to work many hours, rising much before their employers do, doing a variety of work, and sometimes making do with very few hours of undisturbed sleep. There are no fixed hours of work.

They have to be at the beck and call of their employer. In many cases, they are not provided with adequate food. In some cases, they have to be satisfied with the leftovers of the employers. They do not earn enough to buy adequate clothing, and in some cases clothing that will protect them from the rigours of the climate. Again, in many cases, they are not provided with a safe and clean place where they can rest and sleep. It must be pointed out that since most of the domestic servants are women and children, they run the risk of sexual harassment and exploitation in some houses. It is therefore,

very clear to us that domestic servants must be provided at least a modicum of protection and satisfactory safeguards for security.

A Non-Governmental group has formulated a Bill that incorporates provisions for protection and safety of domestic workers. They wanted that any such law must provide for the benefits of provident fund, Gratuity, medical needs, security. The promoters of the Bill asked for the following:

- a) The domestic worker should be recognized as a worker, and issued an Identity Card or/and letter of appointment.
- b) Working hours for domestic workers should be fixed at 8 hours a day.
- c) They should be paid overtime allowances in case they have to work longer.
- d) They must be entitled to some personal free time during the day.
- e) They must be entitled to a night's rest.

Sex Workers are another area which needs attention. We do not have any reliable estimates of the number of women who fall in the category of sex workers or the number of those who work in brothels with their own special problems of unlawful confinement, exploitation, torture, buying and selling of these "workers" and so on. The number of sex workers may run into many lakhs or millions.

The experience of many countries has revealed the insidious ways in which AIDS is contracted and transmitted even to the innocent and unsuspecting. We have seen results leading to highly reduced life expectancy, infant mortality, disintegration of the power of resistance and resilience in body and mind, and the erosion of the ability to work. Sex workers should have the right to register themselves as self-employed workers, and should be entitled to benefits of all the schemes that we are recommending for self-employed workers, including welfare, medical benefits, etc. We should make special mention of the children of these women workers. They should not be denied opportunities for education open to other children.

Scavengers: There is a very large number of people engaged in manual scavenging in different parts of the country, in rural areas as well as urban areas. In violation of their basic human rights, they are physically abused and threatened with economic and social ostracism from the community for refusing to carry out various caste-based tasks.

Women Building Workers: Building workers are employed mostly on daily wages, and occasionally according to measurement of the work completed. However, the names of women do not often appear on the wage register because their output gets added to that of their men folk except in the case of single women workers. Wages are paid every ten days only to men, and these include the wages due to other members of the family. Often maternity leave is not extended to women building workers, although it is a statutory obligation. This results in frequent miscarriages.

In general, women building workers are deeply concerned about conditions of work. Pay inequalities, invisibility as producers and earners, blocked opportunities of advancement for want of skill, frequent relocation, lack of freedom to plan their work, hard and long working hours and coping with multiple roles result in a high level of stress. It generates attitudes of passive acceptance of helplessness and misery and conformity, rather than reaction.

Rag Pickers: Rag picking and other types of scrap collection are not a new phenomenon especially in industrial towns and metropolitan cities. They have a bearing on the urban economy. Many production enterprises depend upon the recycling of these wastes. Scrap collection is mostly done by women and children in a working environment that is most unhygienic. According to available estimates, there are about 50 lakh scrap collectors in the country. The number is far greater if labourers in scrap establishments and re-processing units are included. Waste picking ranks lowest in the hierarchy of urban informal occupations. Illiterates, unskilled persons, illegal aliens and the poorest of the poor are pushed into this occupation, as they are unable to find any other kind of employment. Generally, there is no employer-employee relationship in this trade even though it is possible that some of the scrap picking activity is organized by contractors. Waste collectors are generally categorized as self-employed. Scrap collectors are not covered under the Shops and Establishments Act, as scrap traders do not provide any kind of receipts to them for the material they collect. No social security benefits are available to workers in this sector.

The handloom industry which has been the largest employer of women after agriculture and livestock suffered serious setbacks in the 1990s and is slowly being replaced by the beedi industry as the largest employer. The power loom sector's growth has been at the expense of the organized mill sector. It is estimated that there are a total of about 17 lakh power looms in the country. Women are the main work force of both the handloom and power loom sectors. Most of

the workers are bonded with the owner by the advance they received. The feminization of employment provides the cheapest possible production for international suppliers to ensure maximum profits. Education and healthcare are increasingly being privatized. These sectors employ large numbers of women for low wages with no social security. The challenges for women workers in these sectors are multi fold and any resistance or unionization is met with force by the employers in complicity with the police and the state. In this context it is also appropriate to mention that established trade unions do not often give priority to the problems of women workers.

5. Problems faced by women workers in the informal

‘What is to be done’- Organizing the Unorganized: The existing legislation does not protect the vast majority of the women workers in the country. The Factories Act, 1948 covers working conditions, health and safety, basic amenities like toilets, creches, working hours etc. but does not apply to work places with fewer than 10 workers using power-driven machinery or less than 20 workers without such machinery. Employees State Insurance Act, 1948 providing for sickness, accident and maternity benefits at the ground level does not apply to the vast majority of women workers. The Employers by sub- contracting production and dividing the establishment into small units are able to evade all the existing laws. The Contract Labour Act, 1971 has been flouted by not just the private enterprises but the Government itself by the employment of contract labour for work of perennial nature. The Industrial Disputes Act of 1947 prevents arbitrary closure of industrial establishments and provides redress for workers dismissed for participation in trade union activities. This Act does not apply to workers in the informal sector. Without the protection that this Act provides (at least in theory), workers in the informal sector can be victimized or dismissed for participating in union activities.

There are many obstacles to organizing women in the informal sector. Women with the dual burden of working long hours in poor working conditions on the one hand and raising children and the domestic chores on the other find it hard to come to meetings. The struggles have to start with wages and job security and then move beyond those issues to raising the class consciousness of the workers. These struggles have to gradually move from the factories to the streets. The conditions for women workers can ultimately improve only through their participation in the revolutionary movement and only the victory of the working class can bring their emancipation.

Women in the unorganized sector and urban poverty: issues of livelihood: The impact of changing urban policies on the conditions and status of workers in unorganized. Urban casual informal workers have been left behind in grabbing the growing urban employment opportunities as they do not have adequate education and skills. The self-employed workers face specific problems of access to credit, markets and space and also incur various ‘hidden costs’.

The self-employed among the urban workers in the 15-64 years group has shown higher poverty rates than the salaried but much lower than the casual workers. The urban policy of sealing drives has affected economic condition of a large number of poor families. The social security and working conditions of the workers are important aspects and the report of the National Commission for Enterprises in Unorganized sector has suggested addressing these issues which is a welcome step. Skill is a form of security and it improves employability of the workers. A system of skill training for urban areas will be a useful way forward in promoting employment opportunities amongst the urban workers.

6. Conclusion

About 370 million workers constituting 93% of the total workforce in a country were employed in the unorganized sector as per NSS Survey 2024-2025. It plays a vital role in terms of providing employment opportunity to a large segment of the working force in the country and contributes to the gross national product significantly. The contribution of the unorganized sector to the net domestic product and its share in the total NDP at current prices has been over 62%. In the matter of savings the share of household sector in the total gross domestic savings mainly in the unorganized sector is about three fourths.

At present the Indian Economy is passing through a process of economic reforms and liberalization. During the process, merger, integration of various firms within the industry and up gradation of technology and other innovative measures take place to enhance competitiveness of the output both in terms of cost and quality to compete in the international market. The low inefficient units either wither away or merge with other ones performing better. In this situation, there is a special need to take care of the interests of the workers by providing them training, upgrading their skills, and other measures to enable them to find new avenues of employment, improve their productivity in the existing employment, necessary to enhance the competitiveness of their product both in terms of quality and cost which would also help in

improving their income and thereby raising their socio- economic status. It has been experienced that the formal sector could not provide adequate opportunities to accommodate the workforce in the country and the informal sector has been providing employment for their subsistence and survival. Keeping in view the existing economic scenario, the unorganized sector will expand further in the years to come. Thus, it needs to be strengthened and activated so that it could act as a vehicle of employment provision and social development.

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