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## **UNIT 20: WOMEN IN FORMAL AND INFORMAL ECONOMY**

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### **20.1 INTRODUCTION**

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The transformation which has taken place over a period of time in the socio-economic-political front still has not brought significant change in the lives of women. The gender division of work keeps assigning women exclusively to house chores, reproductive

activities and home and family care tasks. Besides, social and demographic changes are taking place such as migration, the increase of divorce rates, and women who are head of families, etc. The effects of this division are expressed through an overload of work without social acknowledgment, lack of time for training and entertainment and a deficient access to information systems which reduces the opportunities to enter the labour world, the possibilities of participating in social life and politics and decision-making chances. These, among others, are some of the causes why women usually represent the majority in the performance of informal activities.

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## **20.2 OBJECTIVES**

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After studying this Unit, you should be able to:

- Describe the status of women in the formal and informal economy in India;
- Analyze the perspectives of the informal economy in India and the place of women in the context of the informal economy; and
- Explain the salient features of social security legislation related to the informal economy in India.

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## **20.3 BRIEF GLOBAL OVERVIEW**

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Post World War II, it was widely assumed that with the right mix of progressive economic policies and resources, traditional economies would transform into dynamic modern economies. And in the process, the traditional sector comprised of petty traders, small and marginal producers as well as an entire gamut of casual jobs would be absorbed into the modern capital-intensive formal economy resulting in complete abolishment of such

economic activities. This perspective received a sound foundation in successful rebuilding of Europe and Japan after World War II and the mass production that took place in Europe and North America between the period of 1950 and 1960. By mid-1960s, this perspective had received a jolt from persistent widespread unemployment problems in developing countries which weakened the economic foundations of these countries too. The International Labour Organization (ILO) despatched a series of large multi-disciplinary 'employment mission' in response to this scenario to various developing countries. The first of such missions to Kenya in 1972, headed by Keith Hart, a social anthropologist, brought forth the fact that the traditional sector was not only just thriving but actually expanding to include the profitable and efficient enterprises as well as marginal activities. Here, the Kenya Mission chose to use the term 'informal sector' coined by Hart in his study on Ghana in 1971 rather than the traditional sector for a series of small-scale and unregistered economic activities that took place.

At that juncture, there were two schools of thought that existed. One believed that once these countries like Kenya, Ghana and other developing countries would receive sufficient level of modern industrial development, it would result in abolishment of the 'informal sector' altogether while the other school of thought argued that industrial development might take a different course altogether where the informal sector might go for massive expansion in future.

By the 1980s, the debate took an amazing path to witness that in North America and Europe the production processes itself went through a change. Mass production gave way to small-scale, decentralized, 'flexible specialization' resulting in the informalization of employment relations altogether. Standard jobs became non-standard. Atypical jobs turned hourly jobs (with few benefits) or piece rate jobs (with absolutely no benefit) followed by subcontracting the production of goods and services to small-scale informal units. Thus the

informal economy made a somewhat permanent footprint the world over. The 1980s saw the changes in the socio-political situation in the Soviet Union. Thus Soviet countries, Africa, Central and Eastern Europe gradually became associated largely with informalization of the workforce. In Asian countries millions of people who lost formal jobs due to the economic crisis switched to the informal sector to remain employed as a survival strategy. During the 1990s, at the advent of globalization, the global competition forced the erosion of formal employment relations by encouraging the firms in the organized sector either to hire the workers at low wages with few benefits or outsource the production of goods and services to informal units.

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#### **20.4 DEFINING THE INFORMAL ECONOMY – A DEBATE**

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Over these years, while the informal economy took its shape, the researchers with ILO tried to broaden the concept of ‘informalization’ of employment relations. The focus had shifted from the enterprises which are not legally regulated to the employment relationships that are regulated, stable or protected socially. In a nutshell, the new definition of informal economy is made up of the nature of employment rather than the characteristics of enterprises. Thus, under such circumstances, the new definition of informal economy is outlined as comprising of all forms of ‘informal employment’ that is, employment without secure contracts or worker’s social protection in the form of benefits; small unregistered enterprises; own-account operators; unpaid family workers; set of temporary or part-time workers; domestic workers, casual or day labourers and many more such employment relations. Therefore, it is evident that the debate of defining informal economy too has gone through various stages within the research findings of ILO as well as within the domain of the respective countries also.

In India, the literature revealed that there are broadly three different types of usage of the term “informal economy”. Predominantly, the demographic surveys and the government plan documents are the main users of such a term. It covers the labour force that falls precisely outside the organized sector work organizations. Although this has served the purpose of governmental planning and projections as well, it fails to answer many a question related to the structure of employment of each sector it comprises of. Central Statistical Organization (CSO) is the other major user of this term. According to CSO, the unorganized sector includes all those enterprises and household industries which are not regulated by any legislation and which do not maintain annual accounts or balance sheets. In both the definitions and its explanations there exists a legal framework for sure albeit with the possibility of changing its nomenclature with even a change in the legislation itself. Hence, it is quite an inadequate tool for social analysis.

The other source where the term is commonly used is the academic discipline of Economics. Mostly the economists tried to explain the term through certain characteristics of this sector such as “... organization of capital, nature of products, technologies that are used, the markets that this sector serves or the pattern of consumers of the products...”. This definition too suffers a lot of lacunae in the sense that it is not very concrete. The exact nature of activities that this sector comprises of is very different from one place to another place within a country like India at a given point of time which makes it difficult to generalize. Secondly, to build the definition on the basis of products, nature of market it caters to, and the level of technologies that it adopts also faces a lot of limitations. Most of the time, the strong linkages between the formal and informal blurred because the formal sector enjoys the opportunity of low production cost of the informal sector to manufacture its products which are geared to the general market. Outsourcing the piece rate production in the informal sector

in a decentralized manner to reduce the operational cost in the formal sector often poses a difficult challenge in framing the informal sector in its entirety.

The third conspicuous perspective about the informal sector can be traced from the point of view of the trade union movement in the country. As the Trade Unions cater mostly to the labourers in the formal sector, it may be called as the protected sector while the informal sector may be called the unprotected sector. Now the problem arises out of the presence of informal sector labourers within the formal sector in the form of contract labourers engaged for certain jobs performed predominantly by them albeit without any recognition from trade unions for their benefits.

For statistical purposes, the informal sector is regarded as a group of production units which form a part, within the System of National Accounts (SNA), of the household sector as unincorporated enterprises owned by households. Charmes observed that the informal sector is defined, irrespective of the kind of workplace, the extent of fixed capital assets, the duration of the activity of the enterprise and its operation as a main or secondary activity, as comprising:

- 1) Informal self-owned enterprises which may employ family workers, and employees on occasional basis, for operational purposes and depending on national circumstances, this segment comprises either self-owned enterprises or only those which are not registered under specific forms of national legislation.
- 2) Enterprises of informal employers which may employ one or more employees on a continuous basis and which comply with one or both of the following criteria:
  - a) size of the establishment below a specified level of employment;
  - b) non-registration of the enterprise or its employees

Ghosh opined that “In 2002, ILO argued for defining the informal economy as ‘comprising the marginalized economic units and workers who are characterized by ‘serious

deficits in decent work' -- labour standard deficits, productivity and job quality deficits and organization and voice deficits. Reducing these deficits in the informal economy will promote the transition to recognized, protected, legal – and therefore, 'formal' - activities and ensure decent work".

**Check Your Progress Exercise 1:**

- Note: i. Use the space given below to answer the questions.  
ii. Compare your answer with the one given at the end of this unit.
1. What industries/activities constitute the informal economy?

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**20.5 WOMEN IN THE FORMAL ECONOMY IN INDIA**

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In the formal or organized sector there are industrial legislations and other protective legislations for workers. Most of these legislative provisions, unfortunately, seem to be working against the interests of workers, lack implementation and need reform. Government regulated minimum wages ensure only the bare essentials of survival but even that basic level is denied to workers in the informal sector. Factory inspectors usually avoid reporting as employers complain of low profitability, threaten closure and bribe them to keep quiet. At present crèches are provided in industries that employ more than 30 women employees and there too, ways and means are used to avoid this facility by the employers. There is no provision for providing crèches in the service sector and for both men and women working in shifts.

**20.5.1 The Equal Remuneration Act**

In India, The Equal Remuneration Act, 1976 was enacted pursuant to Article 39 (d) of the Constitution of India providing for the payment of equal remuneration to men and women workers, for providing equal opportunities to women and men and for the prevention of discrimination on the grounds of sex against women in the matter of employment. The task of ensuring that there is no discrimination is very difficult, as there is no effective way of implementing the limited findings of the advisory committee. Secondly, the definition and evaluation of the same work or work of similar nature leaves much to be desired. Even the courts have used different expressions relating to valuation of identical work. This is one of the least invoked legislations.

### **20.5.2 Maternity Benefit Act**

The Maternity Benefit Act, 1961 provides for maternity benefit in case of childbirth, miscarriages, abortions, Medical Termination of Pregnancies (MTPs) and tubectomy. Establishments employing less than ten persons are left out from the purview of the Maternity Benefit Act or the Employees State Insurance Act. Under the present Maternity Benefit Act, 1961 the eligibility for maternity leave is that the women before availing the leave must have worked for eighty days in that establishment or organization. These eighty days include paid holidays and weekly holidays and the period for which she was laid off. In many organizations they are never allowed to complete the required number of days on record.

The women movement is demanding an umbrella legislation to cover all women (from formal/ organized as well as informal/unorganized sectors of the economy) under maternity protection and ratification of ILO the Convention No. 183.

### **20.5.3 Problems in Implementation of the Employment Guarantee Scheme (EGS)**

The women's movement strongly supports the demand that nation-states from the developing world must introduce EGS. Wherever EGS is already introduced, there is a need for

stocktaking as the advisors of Dr. Manmohan Singh, the Prime Minister for the Common Minimum Programme, Ms. Aruna Roy and Jean Dreze have circulated the draft of the Employment Guarantee Act.

In India (in Maharashtra), as far as the EGS is concerned, at the implementation level, it has been revealed that women have never been paid maternity leave benefits, though the Act says so. The problem is the stipulation of 185 days of work; EGS work is never that long; it is in bits and pieces. The entire work of a woman regardless of where she is working should entitle her to maternity benefit.

Though wages are apparently equal between men and women, the allocation of work is different men do trench digging which carries more wages. Women have been saying they can also do this work without trouble. Secondly, wages are often paid to the group of a few from the same village on the basis of equal pay for men and women but the group leader determines how much a woman gets. This should be remedied.

The most serious complaint is lack of facilities—shelter and lack of schooling for the children of women who are the major reporters for EGS work.

The most serious lacunae are the stopping of registration of applicants. This has made it difficult to know how many need work. The work site merely records how many turn up. The absence of registering how many want (not just turn up) with details of who the applicants are again loses data regarding the status of the worker-- small farmer, marginal farmer, landless worker etc; details of land holding. Plans will be better done if one knows the status of the worker also with regard to improving agriculture.

The timing of EGS work is another problem. It clashes with seasonal migration. The most important demand of women workers on EGS sites is skill up-gradation. They are tired of unskilled manual labour and building roads. The objective of employment under EGS is building good infrastructure. But it is done so badly that the asset does not last even one year.

This needs to be rectified. More choices and better technologies should be introduced in EGS work. Labour processes and labour relations in EGS work should be humanized and gender-sensitive. Women employees working for the scheme should not be targeted for population control programmes.

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## **20.6 WOMEN IN THE INFORMAL ECONOMY IN INDIA**

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The changing pattern of work organization had a major influence on nomenclature of the workforce in a developing country like India. The industrial processes went through a major change. It was evident that certain products which required simple manufacturing process to be done, the production process was not much diverted and continued to take place as usual in the main production unit. The more complicated production process which involved more skilled operations got diverted in part to the informal units where the unskilled part of the process was being carried out from outside by the temporary or contractual workers while the more skilled part was being retained within the production unit with much sophisticated technology by using 'core permanent' workers on the company's own payroll. This opened up the avenue for women workers mainly engaged in unskilled jobs in the light consumer goods manufacturing sector. Simultaneously, the changing economic system resulted from the economic crisis worldwide coupled with progressive technology mounting pressure on illiterate, unskilled women to remain at the periphery by entering the casualized informal sector for sheer survival. Here again the increased number of women in the labour force increased the competition in job availability. Any sign of non-cooperation or any work-related grievance can bring the supply of work to an end abruptly. The absence of an organizational set up makes the women vulnerable to the manipulation that holds sway over the market and the capital. Hence, having been employed outside the legal domain, the casualized set of workers especially women, were denied the very access to the basic civil rights that were on offer by the State in the organized set-up.

### 20.6.1 Violation of Basic Human Rights in the Informal Sector

The informal sector as opposed to the formal sector is often loosely defined as one in which workers do not have recognition as workers and work without any social protection. In the informal sector, women workers are forced to work without contracts, without social security, with low wages under bad working conditions. In the absence of health insurance, income security, it is difficult for women workers in the informal sector to place importance on their health. The lack of income security often has a direct impact on the access to education for the children of women workers in the informal sector. They are not able to study and alleviate their poverty. Often children get absorbed into the informal sector themselves as adults due to lack of education or as children to help adults earn more (e.g. home-based workers, vendors, self-employed) Unorganized labour is usually perceived as 'poor' and as a beneficiary, consequently there are provisions in the national budgets to help them out of their poverty and vulnerability. They are treated as beneficiaries of anti-poverty programmes. The main concern of informal sector workers is irregular employment.

#### **Box 1: Rag Picker: Poorest of the Poor**

A Case Study of Women Rag Pickers in Mumbai has revealed that urbanization and the use of land for large-scale agriculture have led to mass migrations to the cities, where the displaced rural poor eke out a living on the margins of India's over-crowded cities. Unable to find work in the formal sector, many turn to street trading and rubbish collection in order to survive. Rag picking is a caste and gender-based activity. Rag pickers comprise the poorest of the poor – an estimated 25,000 of them in Mumbai, dwelling in shanties, mainly women and children who collect garbage -- plastic, paper, metal, etc., usually from municipal dustbins, landfills and garbage dumps for recycling. They work seven days a week, earning on an average less than Rs. 60 / 70 a day. They help maintain the environment of Mumbai by

keeping the streets clean and recycling and re-using waste. Mumbai produces 6000 metric tons (600 truckloads) of garbage every day, of which around 7 to 8% is collected by rag pickers. Rag pickers are highly vulnerable because they have few assets and few alternative livelihood options. Because of their hazardous working conditions the rag pickers suffer many more illnesses and injuries than the general population. Rag pickers live in constant fear of displacement, while others simply sleep on the pavements. Illiteracy among rag pickers and their children is high, and access to formal training or employment is non-existent. Many rag pickers have limited knowledge of their rights as citizens, including basic rights like access to free primary education.

### **No skills training**

Women are not taught specific skills and are themselves diffident to take up skill training. The government's existing ITI network has a low number of women students. There is a need for improvement of courses and optimal use of space and teachers.

### **Abuse in Special Economic Zones**

Adoption of export-oriented models and competition for foreign investment has led to the opening of more and more Special Economic Zones (also Free Trade Zones and Export Processing Zones etc.). In these zones labour laws are generally not applicable. Women are being used as 'cheap labour' force. They work under harsh working conditions. There is the abuse of labour and human rights and several instances of sexual harassment at the workplace. Governments have had a tendency to turn a blind eye to the abuse by capitalists to keep foreign investment inflow intact.

### **Night Work- the Issue and the Debate**

Business process outsourcing has resulted in thousands of call centres employing young, computer savvy, and English knowing women for night work. The women's

movement is divided over this issue. One point of view supports night duty if the safety of women is ensured by safe transport facility; groups of women do night duty together and absence of sexual harassment at the workplace. The majority of women abhor night duty as they find it difficult to counter the opposition of family members; at times it is unsafe and injurious to their children's interests. In Mumbai, bar girls campaigned to work at night, as their work is possible only during that time and also more remunerative. According to ILO, 'night signifies a time period of at least 11 consecutive hours, including an interval between 10 p.m. and 7 a.m.'. But many women workers face a lot of problems due to work at night including sexual harassment, molestation and rape. It is unfair to put a blanket prohibition on night work as discrimination against women to prevent access to jobs and contravening the principle of equality. The questions regarding sexual harassment and assault on them needs to be addressed. The state and employers must be forced to provide a safe work environment and safe transport to women employees.

### **Sexual Harassment at the Workplace**

Accusations of sexual harassment are much more common today, reflecting the new consciousness and a new sense of power of people to end inappropriate behaviour directed towards them. The existence of an effective, informal conflict resolution process is immensely important.

Sexual Harassment at the Workplace (SHW) has remained one of the central concerns of the women's movement in India since the early eighties. During the 1980s, militant actions by the Forum Against Oppression of Women (Mumbai) against sexual harassment of nurses in the public and private hospitals by the patients and their male relatives; ward-boys and other hospital staff; of air-hostesses by their colleagues and passengers; of teachers by their colleagues, principals and management representatives; of Ph.D. students by their guides; so on and so forth received luke-warm response from the trade unions and adverse media

publicity. But this type of trivialization did not deter women's rights activists. More and more working women started taking systematic action against SHW. Baailancho Saad (i.e. Women's Voice) in Goa filed a public interest litigation in 1990 to bring amendments in the antiquated Rape Law that defined rape in a narrow sense of 'penile penetration into the vagina'. Several women's groups came forward in support of new concerns that encompassed the variety of forms of sexual violence against women including SHW.

During the 1990s the most controversial survivor of brutal gang rape at the workplace involved an employee of the Rajasthan state government who tried to prevent child-marriage as a part of her duty as a worker of Women's Development Programme. The feudal patriarchs who were enraged by her (in their words), "a lowly woman from a poor and potter community") 'guts' decided to teach her a lesson and repeatedly raped her. After an extremely humiliating legal battle in the Rajasthan High Court the rape survivor did not get justice and the rapists who were "educated and upper caste affluent men" were allowed to go scot-free. This enraged a women's rights group called VISHAKHA that filed public interest litigation in the Supreme Court of India.

Before 1997, women experiencing SHW had to lodge a complaint under the Indian Penal Code Section 354 that deals with 'criminal assault of women to outrage women's modesty' and Section 509 that punishes an individual/individuals for using 'word, gesture or act intended to insult the modesty of a woman'. These sections left interpretation of 'outraging women's modesty' to the discretion of the police officer.

In 1997 the Supreme Court passed the landmark judgement in the Vishakha case laying down guidelines to be followed by establishments in dealing with complaints of sexual harassment. The Court stated that these guidelines were to be implemented until legislation was passed to deal with the issue .

Pursuant to this, the Government of India requested the National Commission of Women (NCW) to draft the legislation. A number of issues were raised regarding the NCW draft produced, and ultimately a Drafting Committee was set up to make a fresh draft. A number of women's organizations are part of this Committee, including, from Mumbai, Majlis. Majlis was asked to make the draft. Some women's organizations and women lawyers associated with Trade Unions in Mumbai have collectively worked on the draft with Majlis. Particular concerns while drafting have been to include the unorganized sector and to incorporate provisions of labour law. The bill introduced in the Parliament was known as The Sexual Harassment of Women at The Workplace (Prevention and Redressal) Bill, 2004. The Bill provided for the prevention and redressal of sexual harassment of women at workplaces, or arising during and out of the course of their employment and matters connected thereto, in keeping with the principles of equality, freedom, life and liberty as enshrined in the Constitution of India and as upheld by the Supreme Court in Vishakha vs. State of Rajasthan [1997(7) SCC.323] and as reflected in the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) which has been ratified by the Government of India.

**Check Your Progress Exercise 2:**

Note: i. Use the space given below to answer the questions.

ii. Compare your answer with the one given at the end of this unit.

1. Briefly describe the violations of basic human rights in the Informal Sector.

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**20.7 SCENARIO IN THE POST- VISHAKHA GUIDELINES PERIOD**

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Several organizations have conducted survey research on SHW that were widely disseminated. The survey by Sakshi, Delhi throws up some worrying data where 80 % of respondents revealed that SHW exists, 49% had encountered SHW, 41% had experienced SHW, 53% women and men did not have equal opportunities, 53% were treated unfairly by supervisors, employers and co-workers, 58% had not heard of the Supreme Court's directive of 1997 and only 20 % of organizations had implemented Vishakha guidelines. Controversy over SHW by the senior manager of Infosys, by the chairman and managing director of NALCO, Medha Kotwal petition on SHW of a Ph. D. student by her guide in M.S. University, Vadodara and complaint against a senior professor of Lucknow University, complaint of SHW by the film star Sushmita Sen against CEO of Coca Cola have made employers alert about the economic burden and efficiency loss due to SHW. Still, most private companies refrain from investing funds in such committees.

A Sophia Centre for Women's Studies and Development study shows that awareness and implementation of the Supreme Court's guidelines is very low and there is need to spread awareness on the same. Study of Samhita, Kolkata throwing light on the processual dimensions of Bhanvari Devi Case have alerted the state and civil society to the enormity and gravity of the menace called SHW. Recently The Times Foundation organized a workshop for the corporate world on SHW. Testimonies of several participants of the workshop revealed that SHW is prevalent even in the companies where the victims are highly educated and have considerable economic leverage. Similar views have been expressed in the business journals, (Business Today, 1-9-2002).

In order to address Sexual harassment in the informal and small-scale industries, free trade zones, special economic zones, the labour departments may be directed to set up complaints committees and give them publicity or it could be made mandatory for every

industrial estate and export zone to have its governing body set up a grievance cell for complaints.

This will require co-operation between women's groups, official bodies, trade unions and employers. Women's groups can play an active role in disseminating information about sexual harassment and redressal procedures in industrial zones and estates. They can also raise the issue of the definition of skills and equal pay for comparable work so as to tackle gender inequality at the workplace. The Sexual Harassment at Workplace (Prevention) Act must be implemented by the states to provide a remedy within the criminal justice system. This is to provide for prevention of sexual harassment of women and women employees that is work-related.

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## **20.8 GENDER-SENSITIVE RECOMMENDATIONS RELATED TO EMPLOYMENT**

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Some of the major recommendations which are gender-sensitive are highlighted in this section.

### **A. Policy for Women's Employment**

A policy for women's employment has to include strategies for challenging the sexual division of labour and gender ideology inside as well as outside the workplace.

Policies for access include access to employment, education, training, credit etc. The policies may include:

1. Policies to improve the quality of employment, including her position in the household.
2. Policies to preserve employment and to protect material and human resources and assets.
3. Proper Implementation of Laws, Schemes
  - a. The existing labour legislation, i.e. the Industrial Disputes Act, the Factories Act, the E.S.I.S. Act and the Minimum Wages Act, should not be withdrawn but strengthened to cover all workers.

- b. Some mechanism is required to evaluate the value of work under ERA.
- c. Minimum wages need to be strictly implemented with ward level committees of workers.
- d. Employment Guarantee Scheme: The central and state government has to ensure macro policies that will absorb workers in labour-intensive units and occupations. The Employment Guarantee Scheme needs to be expanded and improved for urban workers. The focus of such employment schemes can be on building infrastructure, slum development and housing. The National Renewal Fund should be extended to cover the unorganized sector and a substantial part should go into the retraining of workers.

## **B. Law Reform**

- i. Maternity Benefit for all working Mothers irrespective of the number of employees. Crèches should be provided for children of all workers and not merely women workers irrespective of the number of employees. There could be a common fund for each industry.
- ii. Family Leave: The minimum paid maternity leave period to be applicable to all working mothers irrespective of the necessary length of continuous service or the number of employees, irrespective of whether married or unmarried and whether the child is natural born or adopted; birth or adoptive fathers of a new child entitled to paid paternity leave on the birth or adoption of a child; employees to have a right to take time off to care for children, disabled or sick dependants. The options available include: Unpaid leave with automatic re-entry to an equivalent post in terms of grade, type of work etc.; part-time working; temporary re-arrangement of working pattern; flexi-time request right available to working parents with young children (below 5 years of age) or employees who have to care for disabled or sick dependants. The request can cover the employees right to return to work following availing of any of the above leaves. The staff member must undertake in writing to return to work. No employee will suffer a detriment, be unfairly dismissed or be discriminated against for a reason connected with pregnancy, childbirth, maternity, paternity, adoption, dependant care

leave or the right to request flexible working, or time off to take care of a dependant. There shall be no loss of seniority, sick leave entitlements and incremental progression.

### **Legal Protection for Informal Sector**

Legal protection has to be given to the informal sector worker in the form of regular employment, notice period, compensatory pay or some form of unemployment insurance. It has been a long-standing demand of the representatives of the informal sector workers, trade unions and NGOs (Non Governmental Organizations) that workers should be registered as daily or piece-rated workers with an identity card. This single measure would provide information on the number of irregular workers and access to them for welfare measures. Social welfare for the informal sector workers can be implemented by levying a cess on employers in industrial estates. Social services can be dispensed to the workers through existing government infrastructure and tripartite boards.

### **C. Needs of Women Workers in the Informal Sector**

Recognition as workers, supplementary development programmes, vocational training for skill upgradation, provision for maternity benefit and post-natal medical facilities, protection against domestic violence and sexual harassment, family benefits, medical reimbursements, retirement benefits (old age pension), insurance schemes and policies, compulsory savings schemes, microfinance schemes and interest-free loans, legal guidance and awareness.

### **D. Emphasis on Education and Skills**

A clear emphasis needs to be given to education, type of education of the poor and especially of women. Women's access to employment is limited (amongst other reasons) because of lack of education and skills. The central and state government has a free education policy for girls but there is no follow-up on the number of dropouts. Girls usually drop out

from high school. Special attention and incentives should be given to girls and parents for them to return to school.

### **E. Capacity Building and Training**

Extra allocations of funds will be necessary for tying up the training institutions with job placement organizations or industries. Training for jobs have to be combined with additional inputs around building other life-skill, towards critical awareness about women's status, improvement in negotiating skills and programmes around building and maintaining women's assets including savings.

### **F. Social Audits**

International consumer and workers groups have attempted social audits at the firm level to ensure workers' rights. They have to be made mandatory not only for export firms but for all production units.

### **G. Self Help Group Movement**

Self Help Groups are organizations of women from the downtrodden section of the society that empower women to be self-reliant through capacity and confidence building and by making micro-credit available and accessible to women. The SHG movement has taught women the value of saving and the strength of working as a group.

Some of the problems faced by the movement are:

- Weak groups being formed.
- Delay in gradation of groups by banks.
- Negative impact of subsidy seekers .
- Implementation by NGOs with inadequate experience – need for their training.
- Provision of bank credit to 'defaulters'.
- Insensitivity of bankers.
- Delays in release of money by District Rural Development Authorities.

- Lack of group activity.
- Lack of participation of members in economic activities.

Recommendations for strengthening the SHGs:

- Groups should be only formed by NGOs or Women's Development Corporations with the requisite knowledge and ethos of SHG development and micro-credit movement.

- Once an NGO is selected, the nurturing grants should be released every quarter to it, after reviewing training milestones, group savings and internal lending data and not on the basis of bank gradation. NGOs should receive nurturing grants for at least five years, during which they should support the group.

- A state level agency should be appointed to train NGOs and also be permitted to appoint their own NGOs to implement the programme in addition to implementation through its field workers.

- SHG groups are not broken up by the banks insistence to drop the member who is a defaulter or whose family member is a defaulter of the bank.

- Along with initiatives improving the programme delivery mechanism, bankers need to be trained and sensitized every three months, because of the high turnover of bankers in rural areas and the ignorance of bankers coming from urban postings to the needs of rural areas.

- NGO releases should not be made contingent to the group taking up economic activities. NGOs should be evaluated on the basis of group capacity building and training.

- This SHG movement is now at the crossroads and is poised for expansion and the problems need to be addressed immediately.

### **H. Property and Land Rights**

There is much gender bias in our property laws. Everything appears equal on paper and that is where it ends.

Recommendations

- Testamentary powers that deny daughters their property rights should be restricted.
- Daughters should be allowed full right of residence in the parental dwelling houses.
- Women must be given ‘the right to residence’ hence putting private household property in the joint names of partners. Care, however, has to be taken that wherever women have property in their name, men do not appropriate it under the pretext of property being in the joint name.

A woman, on being abused in her matrimonial home, has little choice but to continue to endure it. Her natal household is usually unwilling to have her back for fear of the social stigma attached to single women. These and other considerations restrict a woman’s reliance on her parents’ households in times of potentially dangerous marital relations. The Bill on Matrimonial property has been drafted that needs to be passed. The matrimonial property bill will give her rights.

**Check Your Progress Exercise 2:**

- Note: i. Use the space given below to answer the questions.  
 ii. Compare your answer with the one given at the end of this unit.
1. List the recommendations for strengthening the SHGs.

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**20.9 SUMMING UP**

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The informal sector with fewer qualification requirements concentrates the conditions of higher instability and lack of social protection. In general, contracts are verbal and do not consider any kind of social protection or minimum wage and they are paid by the piece or on

delivery. On the other hand, domestic work (the category which has the lowest salaries and social protection within the informal sector) provides 22 per cent of the new jobs for women generated between 1990 and 1998. Therefore, the same happens with other dimensions and training policies strategies, the incorporation of the gender perspective into the informal economy is fundamental to improve its quality and relevance.

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## **20.10 GLOSSARY**

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**System of National Accounts:** The System of National Accounts 1993 is a conceptual framework that sets the international statistical standards for the measurement of the market economy. It is published jointly by the UN, the Commission of the European Communities, the International Monetary Fund, OECD and the World Bank. The System of National Accounts consists of a integrated set of macroeconomic accounts, balance sheets and tables based on internationally agreed concepts, definitions, classifications and accounting rules. Together, these principles provide a comprehensive accounting framework within which economic data can be compiled and presented in a format that is designed for the purpose of economic analysis, decision making and policy making. (Source; United Nations Policy Decisions).

**CEDAW (Convention on Elimination of all Forms of Discrimination Against Women):** adopted in 1979 by the UN General Assembly is often described as an International Bill of rights for women. Consisting of a preamble and 30 articles, it defines what constitutes discrimination against women and sets up an agenda for national action to end such discrimination.

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## **20.11 ANSWERS TO CHECK YOUR PROGRESS EXERCISES**

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**Check Your Progress Exercise 1:**

1. i. Informal self-owned enterprises which may employ family workers, and employees on occasional basis, for operational purposes and depending on national circumstances, this segment comprises either self-owned enterprises or only those which are not registered under specific forms of national legislation.
- ii. Enterprises of informal employers which may employ one or more employees on a continuous basis and which comply with one or both of the following criteria:
  - a. size of the establishment below a specified level of employment
  - b. non registration of the enterprise or its employees

**Check Your Progress Exercise 2:**

1.
  - No skills training
  - Abuse in Special Economic Zones
  - Night Work
  - Sexual Harassment at the Workplace

**Check Your Progress Exercise 3:**

1. Groups should be only formed by NGOs or Women's Development Corporations with the requisite knowledge and ethos of SHG development and micro-credit movement. Once an NGO is selected, the nurturing grants should be released every quarter to it, after reviewing training milestones, group savings and internal lending data and not on the basis of bank gradation. NGOs should receive nurturing grants for at least five years, during which they should support the group.

A state level agency should be appointed to train NGOs and also be permitted to appoint their own NGOs to implement the programme in addition to implementation through its field workers.

SHG groups are not broken up by the banks insistence to drop the member who is a defaulter or whose family member is a defaulter of the bank.

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## **20.12 REFERENCES**

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Arjun Sen Gupta et.al, *Report on Conditions of Work and Promotion by Livelihoods in Unorganised Sector*, New Delhi; Academic Foundation, 2008.

Vishakha Guidelines on Sexual Harassment in Work Place, Supreme Court Judgement 1997, Others vs State of Rajasthan, Supreme Court, JT, 1997 (7).

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## **20.13 QUESTIONS FOR REFLECTION AND PRACTICE**

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1. Provide the global overview of the informal economy.
2. Elaborate the debate on defining the Informal Economy.
3. Critically analyze the emergence of the informal economy worldwide.
4. Analyze the problems involved in implementing the Employment Guarantee Scheme.