

## **PART - I**

## Chapter – 1

### Introduction

Women constitute nearly half the population of India but only 22.7% of women were recorded as workers in the 1991 Census. However, this does not mean that women do not make significant contributions to the Indian economy. Women from the poor families were always working and they are working now also. The families below the poverty line depend heavily on the earnings of women for their survival.

Several studies have proved that Census data do not provide a real picture of women at work. According to Ashok Mitra,<sup>1</sup> "Accounting of female as workers in the Census and NSSO suffers from serious enumeration and reporting drawbacks." Many micro-level studies have estimated that the under-reporting of female Work Participation Rate varies from 30 to 40 per cent. Hence, the reality is that women are vital and productive workers in the Indian economy but they remain "INVISIBLE." One of the reasons for this invisibility is that women are mostly working in the lowest segment of the economy i.e. in the informal sector.<sup>2</sup> Their invisibility is one of the indicators of their low economic status and in turn also works towards perpetuating their low status.

Participation in the work force is one of the major indicators of the economic status of women. Factors affecting women's work participation and valuation of their work are different from men so women workers form a special category in the study of the labour market.<sup>3</sup>

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<sup>1</sup> Mitra, A. (1981) p.51

<sup>2</sup> See Table-2 in the Appendix. p. 240

<sup>3</sup> See Desai, N. and Krishnaraj M. (1990) *Women and Society in India*. Ajanta Publications, Delhi, p. 46

The present study examines the economic status of women in the informal sector of Baroda City. For this we need to understand the historical development of economic forces in the city. The city of Baroda is not an isolated economic unit. It is an integral part of the Indian economy and is affected by the macro-economic forces operating in the Indian economy. In this chapter, we will briefly introduce the changing pattern of women's work at macro level and how informal sector is historically placed within the macro economy of India. This will help us to put this micro study within a macro perspective. It is also important to understand the macro economic forces to enable us to make suggestions for future policy changes.

### **1.1 Women's Work: Historical Review**

Work participation rate of women in the Indian economy has remained a debatable issue. Looking at the decennial data about the work participation rate<sup>4</sup> of women we can observe that the percentage of women engaged in the labour force is declining since the beginning of the century with a marginal increase from 1981 onwards. The low participation rate in the Census data reflects the historical interplay of two major forces<sup>5</sup>. These forces are -

1. The process of development of industrial capitalism in India and
2. Patriarchy<sup>6</sup>

Both these forces have worked to make women's work invisible and undervalued

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<sup>4</sup> See Table -1 in the appendix. p. 237

<sup>5</sup> Desai, N. and Krishnaraj, M. (1990) p. 121.

### **1.1.2 Introduction of Industrial Capitalism**

British Imperialism introduced the capitalist market economy in India. The development of industrial capitalism through the process of colonisation affected women's work participation in several ways, which have had a lasting effect on women's work participation, witnessed even today.

- (a) With the introduction of the market economy, the dichotomy between productive and unproductive work was introduced. All those activities carried out by women, which were necessary for subsistence but not for sale in the market became unproductive.
- (b) For the benefit of British manufacturing industries policies of tax and revenue were imposed in such a manner that it ruined the cottage industries run by artisan families in the various parts of India. Gadgil<sup>7</sup> and others describe the process as 'deindustrialisation' or 'peasantisation' of the Indian economy. They conclude that the size of working population shrank and the number of industrial workers in both absolute and relative terms actually decreased during this period (1901 to 1931). Women who were productive workers in these households and cottage industries became unemployed and also lost their skills.
- (c) With the ruin of the cottage industries and resulting pressure on the land in the rural areas, male members of the impoverished families migrated for work in the cities, leaving behind their women in the villages to take care of

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<sup>6</sup>Patriarchy is defined in this study as an ideology of male domination as well as a system of control over women's sexuality, reproduction and labour.

small tracts of land and other family members. The process and its effect on the occupational structure is explained with the help of Census data by Ashok Mitra as below,

"During 1911-51 the number of female workers in non agriculture sector decreased by 25 million while that of male workers increased by 6.4 million...The proportion of workers engaged in agriculture decreased somewhat for males but increased substantially for females. It would appear thus that agriculture has been the only expanding source of employment for females."<sup>8</sup>

Meera Savara<sup>9</sup> describes this process in her study of the Bombay textile industry and shows that the early recruits in the urban factories were mostly migrated men. However, since there was a shortage of labour, whatever female labour available in the cities was employed. This was primarily widows and women from families- possibly those who had no land and had migrated to the cities. She compares this situation with the situation of early stage of industrialisation in Britain. In the 1920s women in India constitute only 25% of textile labour whereas in the beginning of the factory system in UK the majority of the workers were women.

The effect of the process of colonisation is vividly summarised by Forbes<sup>10</sup> as below,

"The lives of working women deteriorated under colonial rule. Jobs in the modern sector did not offset the decline of traditional industries for either men or women but women suffered the greatest loss .. entry in to the jobs in modern regulated sector of the economy - factories, mines and plantations- did not bring long term

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<sup>7</sup> Quoted by Hein Streefkerk. The detailed discussion of the debate on deindustrialisation and the actual process of deindustrialisation in Gujarat and particularly South Gujarat is described by him in his book, *Industrial Transition in Rural India Artisans, Traders and Tribals*, Popular Prakashan, Bombay 1985.

<sup>8</sup> Mitra, A. (1979) p. 52-53.

<sup>9</sup> Savara, M. (1986)

positive gains." She also observes that women's work in factories was always limited to the most unskilled jobs.

In 1911, 25% of the work force in textile mills were women. By 1920, it falls from 25% to 20%. The same trends can be observed in jute mills and mines. With mechanisation and subsequent abundance of the male labour, women were replaced by men and machines. This was also the period of introduction of protective laws like maternity leave and restriction on employing women during night shift and underground work in mines.

Thus, the doors of the organised or formal sector were closed for women from the beginning of industrialisation. Where did poor women go to make a living? Forbes describes their options as " Women easily found employment in the unregulated sector whether it was commercialised agriculture in rural areas or prostitution and domestic work in urban areas."<sup>11</sup>

According to the 1911 census 39% of all working women were domestic servants in Calcutta. The figures for other cities are also comparable. 25% of Calcutta's working women were prostitutes in 1911. In Bombay, the proportion of prostitutes grown between 30,000 to 40,000 during the same period.

Sarathi Acharya in his study<sup>12</sup> of the Indian economy over the period 1901-1951 concludes that the development of the economy had almost been frozen at the early 20<sup>th</sup> century level. The result was a fall in demand for labour. The fall in demand for labour affected women worst because their occupations were rendered redundant and learning a new skill was impossible for them because of social and institutional

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<sup>10</sup> Forbes, G. (1998) p. 186.

<sup>11</sup> Forbes (1998) p. 186.

<sup>12</sup> Acharya, S. in Sharma, A N. and Singh, S. (ed.) *Women and Work- Changing Scenario in India*, Indian Society for Labour Economics, Patana, 1992. pp 23-39

reasons. The consequence was that only non-remunerative and unrecognised occupations stayed with women.

### **1.1.3 Development after Independence**

The nature and thrust of the process of development was not changed after independence. The transfer of power from British rulers did not change the structure of administration or economy radically. "Independent India inherited an economy pervasive of intense poverty. Agricultural production was stagnating and productivity falling. The industrial sector was small and its traditional manufacturing and trade was stunned."<sup>13</sup>

Thus, poverty, unemployment, illiteracy and ill health were major challenges before the nation. The strategy of planned development in the 'mixed economy' was adopted for economic growth. The Mahalanobis model, which encompassed Nehru's vision of a modern society with an industrialised economy was implemented from the second five year plan onwards and continued till mid 70s through the third and the fourth plans. The introduction of the public sector along with private enterprise was said to be the principle mechanism of redistribution. But it gave rise to a "mixed economy" in which the market principles continue to be dominant."<sup>14</sup>

'Planning', 'public sector', 'self reliance' and 'import substitution' were some of the key words in the economic environment of those days. Capital intensive industrialisation took place during this period with the traditional sector losing ground to the modern sector of the economy. Due to the capital-intensive nature of the modern sector sufficient employment was not generated in the economy. "With the sluggish growth of employment in the modern sector coupled with demographic pressure and

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<sup>13</sup> Krishnaraj, M. (1996) p. 89.

<sup>14</sup> Banerjee, D. and Ghosh A. in Bagchi A. (ed) *Economy, society and polity- essays in the political economy of Indian Planning* 1988. p.105

process of urbanisation, the dualism of organised and unorganised or formal and informal was emerged."<sup>15</sup>

Though lip service was paid to the development of small-scale sector and village industries, they were never considered as an inherent part of the planning model. The model did not incorporate unorganised or informal sector in the mainstream process of economic development. "The neglect of the unorganised sector was no doubt a factor contributing to the deterioration in the condition of women workers in the period since that sector in India has always employed more than 90% of them."<sup>16</sup>

On the one hand, women were losing their traditional work and skills because the traditional sector was losing out to the modern sector of the economy; on the other hand, the planning exercise failed to recognise women's role as productive workers in the economy. Though on the eve of the independence women were about 30% of the work force of the country because of the patriarchal ideology behind the planning women were not viewed as workers or producers but as a weaker section of the society.<sup>17</sup>

As a result of this failure, women working in the organised sector also lost their employment in the process of rationalisation. Several studies on the jute, cotton textile and mining industries have proved that women's employment in the organised sector has declined during this period.

The capital-intensive industrialisation without employment growth in urban areas and the 'Green Revolution' without land reform in rural areas accentuated the

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<sup>15</sup> Kalpgam, U. (1994) p. 32.

<sup>16</sup> Banerjee, Nirmala: "Whatever happened to the dreams of modernity? - The Nehruvian Era"; Paper presented at the LAWS Seminar. Baroda, 1998.

<sup>17</sup> A detailed analysis of the effect of five-year plans on women and informal sector is included in Chapter-7.



disparities between rich and poor. The hope that benefits of economic growth will trickle down to poorer sections of the society was not realised.

To pacify the discontent of the masses a shift from economic growth to minimum needs and target approach was adopted in the ideology behind planning. Removal of poverty was put forward as a slogan to appeal the masses without changing the real macro economic processes which were responsible for poverty, disparity and unemployment.

Although the minimum need approach brought the issue of poverty and unemployment to the centre of the debate, it remained more in the nature of political slogan rather than aimed at changing the economic reality. It failed in changing the direction and thrust of the economic processes towards decreasing poverty, inequality and unemployment. The reasons for this failure were located by the dominant trend in the economic thinking, in the inefficiency of the public sector, over bureaucratisation and restrictions on the market forces.

The debate about planning vs. market was initiated in the 80s. "Thirty-five years after planning was introduced, the faith in the state regulation of the market has been belied as market principles have asserted their primacy. The concurrence of growth with equality has to be abandoned in favour of growth alone with the little emphasis on distribution."<sup>18</sup>

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<sup>18</sup> Banerjee, D. and Ghosh A. in Bagchi A.(ed) *Economy, society and polity- essays in the political economy of Indian Planning*. 1988. p.105

#### **1.1.4 The Present Scenario: New Economic Policy and Supremacy of Market Forces**

The Indian government in 1991 officially adopted the new economic policy also known as Economic Reform or Structural Adjustment. However as noted by several economic analysts, " India had began a process of 'adjustment' quietly since the beginning of the 1980's." <sup>19</sup>

With the introduction of structural adjustment programs the focus of the economy changed. 'Liberalisation', 'privatisation', ' globalisation' and 'export promotion' became the terminology of development plans instead of planning, public sector and self-reliance. Even the rhetoric of poverty eradication, equity etc. are done away with and efficiency, market forces, export promotion, multinational investment have become some of the key words in the economic debate.

As a result of the new economic policy, investment from multinational companies, non residential Indians are welcomed in the name of capital formation and need for high-tech production process to compete in the world market. The international standard ISO 9000 has been introduced in India. To make production and sales more efficient, bureaucratic processes are simplified and steps to abolish, 'license permit raj' have been taken for the benefit of investors. On the other hand, workers in large companies, both in the public and private sector, are pushed to accept voluntary retirement schemes. Labour laws are being changed to make hire and fire policies easier for the employers and also to restrict the rights of workers and trade unions.

How does this policy tackle the problem of unemployment since the production processes are capital intensive and do not generate new employment in significant ways, and labour policies do not protect even existing employment? According to the

proponents of this policy, employment will be generated through self-employment and the informal sector. The proposal is to reduce the gap between the formal sector workers and informal sector workers.

The existing gap is not likely to be reduced by improving the conditions of the informal sector workers by way of extending regulatory protection to informal sector workers. Contrary to this it appears evident that it is to be achieved by converting the working conditions of the formal sector workers, similar to that of the informal sector workers. According to the World Bank experts, "what the government can realistically achieve is lifting the labour regulations, which have been largely responsible for the lack of employment growth in organised manufacturing."<sup>20</sup>

The opinion of economists, developmental practitioners and other people about the effects of the New Economic Policy on women, as well as other marginal sections in the economy, is divided. Some argue that like other countries of the developing world who have had implemented SAP, feminisation of labour force<sup>21</sup> will take place in India also. More women will get opportunities to participate in the labour market. The other side argues that even if more women will get more jobs, this will be accompanied by feminisation of poverty. "The new policy will further marginalise the majority of women in many ways."<sup>22</sup>

Both sides, i.e. supporters and opponents of SAP agree on one fact: that post-SAP, the informal sector will grow. Women's participation in the labour force will be mainly through the informal sector. Thus in the coming period of liberalisation, the informal sector will be a very important segment of the economy. Women being the

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<sup>19</sup> Shah, N., Ghosker, S., Gandhi, N. and Chhachhi, A. (1994) p.39-48.

<sup>20</sup> Bennett, L. (1998) p.40-42.

<sup>21</sup> Sudha Deshpande is one of the most consistent supporters of the thesis of the 'feminisation of labour force'. See her "Segmentation and Feminisation," *Indian Journal of Labour Economics*, Conference Number, Jan. 1993.

significant proportion of the informal sector it is necessary to understand their role and status in the informal sector

The foregoing discussion points to the fact that one of the major reasons for declining work participation rate of women from the beginning of the century is the nature of industrial development of the economy. Women in the Indian economy were always pushed into the unorganised or informal sector by dominant trends in the economy. Both the colonial rulers as well as planners in independent India have neglected the informal sector of the economy, which provide employment to majority of the poor people and particularly women. About 90% of the working women are concentrated in the informal sector.

The problem for women workers is accentuated by the patriarchal ideology operating behind the data gathering system in which the conceptual understanding of women's work is faulty. Since women are not recorded as workers, they remain invisible and unrecognised. In this situation it is very difficult to put forward effective arguments to improve the working conditions and status of women in the Informal sector. We will discuss the understanding of women's work in the data gathering system, how it has changed over the period and the effects of these changes on the data about women's work participation in the following section.

## **1.2 The concept of Women's Work in the Data gathering System**

The two major sources of data on work force participation at the macro level are

1. Census of India, which is conducted at an interval of ten years.
2. National Sample Survey Organisation (NSSO) which collects employment data every five years.

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<sup>22</sup> Krishnaraj, M. (1998). p. 391-395.

The system of census records was introduced by British rulers in India. A very interesting debate took place when the census was introduced in 1871.<sup>23</sup>

Dr. Farr was asked to help in the classification of occupations. He had an idea that every person should be represented as having an occupation. He introduced "Domestic Occupation" as a category with an idea that women who perform only domestic work should also be included in the occupation tables. His idea was based on the laissez faire doctrine of classical liberalism which viewed population as a living capital. According to this view the unit of productivity was the individual rather than the family. Dr. Farr's idea was opposed vehemently with the argument that women and children cannot have any occupation, they are dependent for their comfort and support on men and men are engaged in occupations to provide for them. This argument was based on the Malthusian doctrine of population as a burden. Since then the system of data collection in our country is based on the premises that men are workers women are dependent.

This ideological base of census introduced by the British continued even after independence. The leaders and intellectuals connected with the planning process of the economy after independence also had the same upper and middle-class world view of women which saw women as dependent on men. They simply ignored the reality of masses of working women in poor urban and rural families.

Women's work has been particularly sensitive to biases in methods of enumerating workers. Coverage varies according to what is counted as work, whether it is an activity that results in sale and brings in an income i.e. gainful economic activity; or whether it is an activity that adds to the resources of the household or society,

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<sup>23</sup> The debate about the early census is taken from the work of U. Kalpagam. See her *Labour and Gender*(1994) pp. 17-23 for detailed discussion.

regardless of it resulting in sale or not, i.e. productive activity. The method used in the Census of India is to count gainful economic activities. The concept of work used in Indian census was broader than the traditional concept of work as 'activities for pay or profit' because it includes the cultivation of crops even if meant for own consumption as productive work.

As mentioned by Duvvury and Isaac<sup>24</sup>, In NSSO the definition of "gainful activity is broader in scope than the Census concept of work. In NSSO gainful activity (or work) is "the activity pursued by all persons for pay, profit or family gain or in other words that which adds to national product. Normally it is an activity which results in production of goods and services for exchange. However activities in agriculture in which part or whole of agricultural production is used for own consumption and not go for sale are also considered gainful activity."<sup>25</sup>

Thus both the Census and NSSO consider agricultural production for own use as productive activity but the processing of primary products such as preparation of ghee, butter, dehusking of primary product etc. for own consumption are not considered as gainful activity. Similarly both NSSO and Census does not consider activities for own consumption in the secondary or tertiary sector as gainful activity. Several activities conducted by pre harvest and post harvest period are not considered as gainful activities.

In 1951, the Census of India used an Income concept of work. In this concept of work, income determines the activity status of the person. According to this concept, the population was divided into 'self supporting', 'earning dependent' and 'non-earning

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<sup>24</sup> Duvvury N. and Isaac T. M. (1989) "Women in Labour Force: Biases in Recent Indian Estimates" in Krishnaraj M. (ed) *Women in Indian Data System*, Research Centre for Women's Studies, Bombay. p.22.

<sup>25</sup> National Sample Survey Organisation (1980): "Glossary of technical terms used in National Sample Survey", *Survekshana*, Vol. III (3): 1-74.

dependent'.<sup>26</sup> From 1961 onwards however it has used a time concept of work. According to this concept a person will be classified as a worker if he/she has participated in gainful work during the short reference period.

The work participation rate of women was 27.9 percent in 1961 census and it dropped to 12.7 % in 1971. Even if we consider the declining trend in WPR the sudden and sharp drop was unbelievable. Ashok Mitra and his colleagues found that the drop was because of the way the question was asked. In 1961 census the question asked was that if a women is engaged in some other productive activity in addition to housework or not. In 1971, the question was posed that ' type of main activity that the person is engaged in mostly.' Given the social norms in India, women's major work is considered to be household work and she is primarily a housewife. Thus according to Vibhuti Patel, " This definitional change resulted in changing the economic status of many women, unpaid family workers mainly in the rural areas. Thus those who were 'workers' in 1961 Census became dependent in 1971 Census, as the latter did not take in to account the interchangeable role of women as housewives and gainful workers. 2.3 million women who were doing unpaid but economically productive work were classified as non-workers."<sup>27</sup>

In 1981 census the question asked was, "Did you work any time at all during last year?" Consequently, the workers were classified as main and marginal workers on the basis of the extent of their participation.

Since 1981, there has been marginal upward trend in the WPR for women. In 1981 the WPR for women was 19.67 (main + marginal workers).

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<sup>26</sup> For a detailed discussion on the changes in concepts of various census see Jyoti Kiran's study on *Women Labour Force and National Product*; Print Well, Jaipur (1994).

<sup>27</sup> Patel, V. (1989).

After the 1981 census a significant debate took place about the definition of economic activities as well as the operational aspect of formulating the question in the census questionnaire. The issue of under enumeration and non-enumeration of women's work was raised by several researchers as well as women's organisations.<sup>28</sup> Suggestions were made about methodological changes as well as better training of enumerators. Some changes were made on the basis of those suggestions. The result was that in the 1991 Census the WPR for women was 22.77 of the female population. Some economists interpreted this rise as the feminisation of labour force as noted earlier but the eminent economist Amitabh Kundu has noted that " One must nonetheless hasten to add that a large part of the increase is definitional. The Census of 1991 has tried to ascertain household based economic activities of women by an extra clause to a question in the individual slip. Also the awareness regarding women's work in 1991 was much higher than in previous Census years due to media publicity and better training of enumerators etc."<sup>29</sup>

Thus some positive attempts are made to make the census data closer to the real estimate of women's work in the recent census of 1991 but it is yet to become an inherent part of the data collection system as such.

The NSSO data are considered much more reliable by some researchers as because NSSO adopt a refined approach and concept of work.<sup>30</sup> The NSSO was set up by the Government of India in 1950. Since 1971-72 they have been conducting employment surveys and publish their data every five years. Five rounds of the NSSO data are available for analysis with the recent being the 50<sup>th</sup> round in 1993-94.

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<sup>28</sup> Collection of papers of the National Workshop *Visibility of Women In Statistics and Indicators: Changing Perspectives*, edited by Krishnaraj M. (1990) gives an idea about the major discussions and suggestion put forward by various scholars in the direction of women's visibility in the data gathering system.

<sup>29</sup> Kundu, A. (1997) p. 1399.



NSSO 32<sup>nd</sup> round (1977-78) survey introduced two innovations to understand indirect economic contribution made by women.<sup>31</sup> The first was introduction of a new activity sub-category for “home makers” as code ‘93’ so as to identify them in two distinct groups namely (a) those engaged in domestic chores only and (b) those engaged in domestic chores as well as in “free collection”, “sewing” “work in household poultry” etc. for household use.

A modification made in the NSSO data collection in the 43<sup>rd</sup> round (1987-88) needs special attention.<sup>32</sup> In this round, follow up questions for persons with activity status ‘92’ and ‘93’ have been modified by adding one more question (No.3) on the subsidiary gainful activity to estimate women’s unpaid economic activities. Jyoti Kiran<sup>33</sup> has used this information to estimate women involved in some of the productive activities besides household duties in rural areas. However on the bases of her study, she concludes about the quality of data given by NSSO that they are also not free from constraints when the extent of women’s contribution in the process of production is in question.

In summary, apart from women being pushed in the unorganised or informal sector the other reason behind the low work participation of women is the patriarchal ideology behind the definition of work and biased methodology of the data collection system which does not consider women’s work in the informal sector as productive work. Much needs to be done in the direction of estimating the correct contribution of women in the economy. It is important for developing any policy about employment generation and improving the working condition of the women in the work force.

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<sup>30</sup> Sukla, J.K. (1994) p. 37.

<sup>31</sup> Pande, D. (1989) p. 47.

<sup>32</sup> Shukla, J.K. (1994) p.32

### 1.3. Women in the Urban Informal Sector

We can observe some important facts by examining the census data on Work Participation Rate of women in rural and urban areas<sup>34</sup>.

1. The Work Participation Rate of women is less than the Work Participation Rate of men in both the rural and urban areas.
2. Work Participation Rate of women in urban areas is much less compared to rural areas.

Comparison of Work Participation statistics with the health and education statistics of urban and rural women shows that urban women have more access to health and education facilities compared to their rural counterparts. However, in case of employment, urban Women are in a disadvantageous position.

The probable reasons for the relative lower Work Participation Rate can be-

1. Women in urban areas have less access to gainful employment opportunities.
2. Poorer urban women are economically active; however their work remains unrecognised even more than rural women because they work in a more diverse "informal sector."

The concept of informal sector is becoming more and more important in the analysis of urban economies. More and more economists, policy makers, social organisations and even lay persons use the term informal sector however, there is no accurate or even satisfactory definition of the term.

The first attempt to define the informal sector was made by K Hert during an ILO study. He defined the informal sector as that part of urban labour force that falls out side of the organised labour market. According to subsequent ILO categorisation

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<sup>33</sup>Shukla, J.K. (1994) p. 37

<sup>34</sup> See Table 4-5 in Appendix. p. 241-242

the informal sector includes employers, employees, workers of micro enterprises [ILO defines informal enterprises as those with five workers or less], self-employed [excluding professionals and technical personnel], domestic servants, occasional workers and non-remunerated family workers. Several scholars have pointed out the shortcomings of such a definition and have tried to define informal sector in various ways but a satisfactory definition is yet to emerge.<sup>35</sup>

The definitional problems of identifying the informal sector in terms of enterprise as well as work force are compounded for women by the fact that most often women are linked to informal sector through their utilising of skills which are closely related to the domestic sphere and are carried out within the boundaries of the domestic environment. Hence in the case of women workers within the informal sector there is a clear element of invisibility of their work.<sup>36</sup>

In spite of the definitional problem the concept of the informal sector has remained popular and will continue to be used because we cannot find evidence of the surplus labour outside the formal or modern sector being absorbed by it. On the other hand because of globalisation and changing structure of the world economy, the process of informalisation of even the formal sector is taking place.

In the current period of liberalisation and structural adjustment, the debate about the informal sector has again become significant. Some argue that informal sector is the outcome of excessive controls and regulation by the state on the formal sector. The other argument is that the informal sector is growth inducing and because of its employment generation capacity, the government should support this sector. Some economists also argue that .. liberalisation and globalisation will lead to the

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<sup>35</sup> A detailed discussion about the debate over the definition of the Informal sector and historical development of the concept is given in the Chapter 2.

<sup>36</sup> Heyzer, N. (1981) p.1.

feminisation of labour force, i.e. more and more women will enter the labour force. Given the national and international dimensions of the current debate any study on the informal sector should not look at the sector just as a segment of the urban economy but locate the sector in the macro-processes of the whole Indian economy as well as the process of globalisation and restructuring of world economy.

#### **1.4 The Present Study: Concerns Objectives and Methodology.**

Within the perspective described in the earlier sections, the present study, "The Economic Status of Women in Urban Informal Sector - A study of Baroda City" is based on secondary as well as primary data collected from poor households of Baroda city.

Baroda is one of the most important and industrialised cities of Gujarat State. But the nature of industrialisation in Baroda is very different from the other industrial cities like Ahmedabad or Surat. Unlike Ahmedabad or Surat, Baroda was not historically an industrial city. Historically Baroda was an administrative headquarter and a city of cultural and educational institutions. In Ahmedabad and Surat, there are traditional industries as well as new industries, which specifically employ women labourers. In Baroda, industrialisation took off in sixties with the growth of public sector enterprises, having capital intensive technology. The private sector mainly consists of engineering units and chemical industries, which are not employers of women workers in a big way.<sup>37</sup>

One of the primary concerns, which initiated the present study, was to understand the ways of survival of the poor women of Baroda, in the absence of particular types of industries which employ women's labour.

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<sup>37</sup> The nature of industries and employment in Baroda is discussed in Chapter 3.

According to the 1991 Census data only 7.17% of women in Baroda city are in the workforce. Some studies by other scholars<sup>38</sup> and non-governmental organisations show that about 5% of the women in Baroda slums are working. This is not agreeable with our understanding that the majority of poor women are working and poor families heavily depend on women's income for their survival. The question arises is, are poor women in Baroda slums really not working or are they involved in the kind of informal sector which make their work more invisible? With the above-mentioned concerns the study was undertaken with following objectives:

## OBJECTIVES

1. To examine the economic status of women by estimating the Work Participation Rate and income in the informal sector in the city of Baroda.
2. To examine the factors affecting Work Participation Rate of women in the informal sector of Baroda city.
3. To examine the factors affecting inter-sector and intra-sector mobility of women workers in the city of Baroda.
4. To examine the factors which keep women in the lower segment of the economy.
5. To examine the relationship between the formal and informal sector.
6. To examine state policies and their effect on the informal sector.

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<sup>38</sup> ORG (1982) *Survey of Slums, Chawls and Khadkis*,

Ghosh, Archana et al (1995) *Basic Services for Urban Poor* and an unpublished survey by Baroda Citizen Council, for the Urban Community Development Office, Baroda, 1994.

## **HYPOTHESES**

1. Economic participation of urban women, belonging to low income households is much higher than recorded by the census and other studies.
2. Majority of women in lower income households work in the urban informal sector.
3. Lower the family income higher the work participation of women in the labour force.

## **METHODOLOGY**

The study is based on secondary as well as primary data sources. Secondary data source includes census data, NSSO data, information collected from the Municipal Corporation and other governmental as well as non- governmental organisations and study reports of other scholars. Primary data are collected from the 12 slum pockets of the city of Baroda. Baroda city is divided into ten administrative wards. All the wards do not have equal number of slum pockets or families residing in slums. In the first stage five wards were selected considering various factors such as geographical location, number of slum pockets in the ward, number of families residing in the slums and nature of economic activities carried out in the ward.<sup>39</sup> The selected wards are -

- (1) Kisanwadi (Ward no.-9): It is in the east of Baroda near to the newly developed Saradar Industrial Estate. Kisanwadi has the highest number of slum pockets and 52% of the population of the ward stay in the slums.
- (2) Fatehpura (Ward no.-2): adjoins the old, walled city of Baroda and is near the main business centre of the city.

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<sup>39</sup> Details about Baroda City, nature of economic activities in the wards and slum population is given in Chapter 3. For A map of Baroda city and selected wards see Chapter 3. P. 84 - 85

(3) Sayajigunj(S) (Ward no.-6) is in the western part of the city. It encompasses the railway station and extends up to the rural areas in the west.

(4) Sayajigunj (W) (Ward no.-7) is in the north

(5) GIDC (Ward no.-4) is in the south and encompasses the largest industrial estate of the city.

The selected wards comprises 58.26% of the total population of Baroda, 58.74% of male and 60.27% of female main workers, 64% of male and 60.57% of female marginal workers.<sup>40</sup> They have 238 slum pockets i.e. 70% of total slum pockets of Baroda City and 35156 families i.e. 69.85% of total families residing in the slums of Baroda.<sup>41</sup>

In the second stage, slum pockets are selected with the help of stratified random sampling method. Slum pockets from the selected wards were divided into three groups excluding those slums having less than 100 families. The rest of the pockets were divided into -

- (1) Small pockets with number of families between 100 to 300
- (2) Medium pockets with number of families between 301 to 700
- (3) Large pockets having more than 700 families.

The selected wards had 87 small pockets, 17 medium pockets and 5 large pockets. Approximately 10% of the pockets were selected from first two categories with the help of random sampling method and one from the large pocket category. Thus, the selected pockets are 9 from the small pocket category, 2 from medium pocket category and 1 from large slum category.

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<sup>40</sup> Calculated from the Government of India, *District Census Handbook*, District Vadodara, Census of India 1991, series-7 Gujarat, part XII-A&B.

<sup>41</sup> Unpublished study by Parikh, H and Vadodara Municipal Corporation.

10% of the households were selected in each selected pocket by selecting every tenth house. The number of households thus selected was 357.

We approached one woman respondent from each selected household with the help of structured questionnaires.

If the respondent or any other women from the household were found to be working for income, she was asked further questions about her work and working conditions. Detailed case studies of some women were prepared to bring out the qualitative aspects of the problem. In-depth interviews and observation methods were used for case studies. The fieldwork was carried out during December 1996 to July 1997.

Various statistical methods such as simple frequency table, simple averages, percentage analysis, etc. were used in the study for analysing the data. The data were processed and analysed by using computer with the help of SPSS software package.

#### **1.4.1 Problems faced during the Study and Limitations of the Study**

As explained earlier, the informal sector is a most neglected section of the urban economy and there is a severe problem of availability of data as well as reliability of available data. In case of Baroda city, there is not a single reliable study which covers the entire informal sector of Baroda. There are few studies, which concentrate only on one or some segment of the informal sector of the Baroda. In the absence of any baseline data we have to rely on primary data collection for our analysis. Like most of the other studies about informal sector we have also faced several methodological as well as theoretical dilemmas in the course of data collection and data analysis.

The first question related to the definition of the informal sector to be adopted for the study: We decided to use the term in spite of the definitional problem because...



this is the only term available to describe the situation of the poor labouring women. We have used this term in our study as a descriptive term to describe the employment situation rather than as an analytical term to demarcate formal sector production units from the informal sector units.

The second major question was how to approach informal sector women workers for primary data collection. We can approach them -

- (i) At their workplace or
- (ii) At their residence

Unlike formal sector workers, workplace, nature of work, availability of work etc. are not consistent for the informal sector workers over a period of time. Moreover, home based workers are an important category of informal sector workers. Particularly for women workers their "productive" and "non-productive" work is closely connected to each other and many times carried out in the same place i.e. their homes. Hence the necessity to understand the women's "productive" and "non-productive" work in connection with their family and residential environment. It was also necessary to cover a residential area to estimate the work participation rate of women in that particular area. All these considerations lead us to decide that we will approach women at their residence.

From several other studies<sup>42</sup> of the informal sector it was inferred that most of the informal sector workers stay in slums and chawls. The other reason for deciding to concentrate on slum population was that we were interested in the work participation of women in low-income groups.

The census gives data only about notified slums of the city and according to the

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<sup>42</sup> See for example Papola, T. S (1981) *Urban Informal Sector in a Developing Economy*, Vikas Publishing New Delhi and Agrawal, Sarita (1992) *Women, Work and Industry-A Case Study of Surat Art Silk Industry*, Unpublished doctoral dissertation, Department of Economics, South Gujarat University.

1991 Census only 5 % of the city population live in slums. This does not represent the real situation. Several other studies have found that as high as 22%<sup>43</sup> of the city population lives in slums. We have used the list of slums, which was used in few other studies conducted in the Baroda slums. The list covers most of the slums settled on the private as well as government land. It covers both authorised settlements as well as the so-called unauthorised or "encroaches". The list is more near to reality and also authentic and reliable since it has been used by local government authorities<sup>44</sup> for conducting surveys in slums. This also gives us an opportunity to compare the work participation rate of women estimated by those other studies with our study <sup>45</sup>

This decision to collect primary data from the slums of Baroda has eliminated certain important sections of the informal sector workers from our study. It does not include women who come as short-term or seasonal migrants since in the list of slums only permanent settlements were listed. Some of the important categories of workers not covered under present study are as below.

1. **Migrant construction workers:** Construction work involves a substantial proportion of casual labourers who are migrants from the tribal areas of Gujarat. Most of these migrant workers do not have accommodation even in the poorest slums of Baroda. They stay either at the construction sites, on the pavement or make a cluster of temporary huts for few months. They go back to their native place in the monsoon to cultivate their small tracts of land.

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<sup>43</sup> Estimate by Baroda Citizen's Council. Baroda Citizen's Council is a major N.G.O. working in the slums of Baroda which also conducts surveys in the slums for the local government authorities.

<sup>44</sup> The same list was used by Himanshu H. Parikh for his study in collaboration with Vadodara Municipal Corporation about availability of amenities in Baroda slums and also used by Baroda Citizen Council for a study conducted in all the Baroda Slums to estimate the potential beneficiaries of Nehru Rozagar Yojana for Urban Community Development Office.

<sup>45</sup> Both these above mentioned studies have estimated work participation rate of women in Baroda slums though they were primarily not focused on the women's work.

2. **Footloose labourers**<sup>46</sup>: We have come across a group of people who do not stay in any village or city permanently. They do not have even a piece of land to go back to. They stay in various cities for few months. Many of them are coming to Baroda since more than a decade and settle on the particular open land on the outskirts of the city for a few months every year. The group we came across was a group of skilled artisans who were famous for their skill in making mud houses. They used to make even multi-storey artistic mud houses. Since their skills have become irrelevant in the modern construction business they have become footloose casual labourers. For few months they work in the brick works in the various cities of South Gujarat and during the monsoon they come to settle in Baroda to add to the local market of casual labourers. Most of the people from younger generations have lost their original skills.

Many such groups are contributing to the urban economy of Baroda without being considered as workers or even citizens of Baroda. Most of the migrants do not get any benefit from the urban local authorities like water or sanitation. Benefit of subsidised grains or kerosene through the public distribution system is also out of question for them since they do not have ration cards. Although these migrants are not recognised as citizens of Baroda by the official system it was found that they have established credibility with the local provision stores and they get grains and other provisions on credit. Sometimes they pay back when they come back to Baroda in the next season. They need special attention because of their specific working and living conditions, which was beyond the scope of the present study.

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<sup>46</sup> The term is used by Jan Breman in his study of non-agrarian economy of South Gujarat. *Foot-loose Labour : Working in India's Informal Sector*, Cambridge University Press, Cambridge, 1996.

3. The other major source for women in the informal sector is **door to door marketing**. Several lower middle class and poor women are involved in such work. They are distinct from the vendors covered by our study because they are not self-employed. They are employed temporarily or some times on a daily basis by large marketing companies involved in techniques of direct marketing. They promote products of national or multi-national companies by door to door marketing. Women are employed mainly in the marketing of household items or food products.
4. A significant proportion of women working in the income generation programmes of various non government organisations also come under the category of informal sector since most of them are temporary or piece rate workers.

**1.5 Chapter Scheme:** The entire study is divided into three parts. Part One consists of two chapters:

1. Introduction, which deals with the historical review of women's employment at macro level and how the concept of women's work is treated in various census reports.
2. Review of literature, which deals with literature on the status of women, labour force participation of women, concept of informal sector, empirical studies carried out in the informal sector with special reference to women in the informal sector and various theories explaining labour market outcomes in terms of wages, employment and occupational mobility.

**Part two consists of four chapters:**

- 3, Industrialisation and the slum population of Baroda City.
4. Socio-economic characteristics of sample households and women.

**5. Work Participation Rate, wages and working conditions, occupational mobility, contribution in family income and voice in decision making in the family of the women workers in the informal sector of Baroda city.**

**6. Some case studies**

**Part three consists of two chapters:**

**7. Government policies and informal sector women workers**

**8. Conclusions**