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## **Informal sector & women empowerment in rural India**

**Akhil Singh Parmar**

Research Scholar, Department of Economics, BNMU, Madhepura, Bihar, India

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### **Abstract**

When technological changes in production and services, the nature of work changes. Informal Sector is the largest employer of relatively unskilled workers. The scenario among women has changed due to globalisation as the formal sector is reducing difficulty to provide employment to increasing population. Informal sector play an important role. In this situation an attempt has been made on the basis of secondary studies to investigate the changing scenario of employment among women in informal sector in India. To explore how women are coming up for employment opportunities in informal sector, this works will help to make plan and approach to adopt the methods in generating employment.

**Keywords:** globalization, women empowerment, informal sector, employment

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### **Introduction**

Informal sector is broadly characterized as consisting of units engaged in the production of goods and services with the primary objectives of employment generation and incomes to the persons concern in India. For statistical purpose, the informal sector is considered as a group of production units, which form part of the household sector as household enterprises or equivalently, unincorporated enterprises owned by households. The term informal sector has been not used in the official statistics or in the National Accounts Statistics (NAS) in India, The term is uses in the Indian NAS are 'organized' and 'unorganized' sectors. The organized sector contains enterprises for which the information is available from the budget documents or reports etc. On the other hand the unorganized sector concern to those enterprises whose activities or collection of data is not regulated under any legal provision or do not maintain any regular accounts. In the unorganized sector, in addition to the unincorporated proprietries or partnership enterprises or partnership enterprises, enterprises run by cooperative societies, trust, private and limited companies are also covered. Therefore, the informal sector can be considered as a sub-set of the unorganized sector. Generally, the informal sector provides earning opportunities for a larger number of workers. There is large size of workforce getting their livelihood from the informal sector in India. The term informal sector was 'discovered' in the 1970s when Keith Hart first used. The International Labour Organization (ILO) then accepts this. This view largely saw the informal sector as "covering marginal livelihoods and survival activity outside the regulatory reach of state and not yet able to be absorbed by industry (and) emphasized the role (or failure) of formal sector employment in defining the informal sector.", However, saw the emergence of a more textured understanding of informality in 1980s. Informal activity was then considered as much a rural or 'rurban' phenomenon as it was an urban one. Nearly a decade back, the ILO 1998 World Employment Report characterized the informal

sector in the following words: "Informal units comprise small enterprises with hired workers, household enterprises using mostly family labour, and the self-employed. Production processes involve relatively high levels of working capital as against fixed capital, which in turn reflects the relatively low level of technology and skills involved". Another important characteristic in the international definition is that the employment size has to be below a specific threshold to be determined according to national circumstances. It has been seen by the Task Force that the appropriate employment size in the context of India is nine workers <sup>[1]</sup>.

In India, among labours in AGECC <sup>[2]</sup> and non-agriculture sector about 72% of the total workforce was employed in the unorganized sector as per NSS Survey (2011-2012). Formal jobs on the up, stands at 9.98% in 2017-18: Economic Survey 2019-20. It plays a important role in terms of providing employment opportunity to large portion of the working force and contributes to the national product in the country significantly. The contribution of this sector to the net domestic product and its share in the total net domestic product (NDP) at current prices has been over 64%. In the matter of savings the share of household sector in the total gross domestic saving mainly unorganized sector is about three fourth. Thus unorganized sector has a vital role in our economy in terms of employment and its contribution to the National Domestic Product (NDP), savings and capital formation. It means formal sector could not provide sufficient opportunities to accommodate the labour force in the country and informal sector has been providing employment for their livelihood and survival. So, In this condition, there must be special need to take care of the workers interest by providing them training, upgrade their skills, and other measures to enable them to find new method of employment, better their productivity in the existing employment, necessary to increase the competitiveness of their product both in terms of cost and quality which would also support in improving their income, upgrading livelihood and thereby raising their socio economic status.

### Women's Empowerment (Definition and Measurement)

Women Empowerment has emerged as an important issue in recent era. Although the notion of women's empowerment has

long been legitimized by international development agencies, what actually comprises empowerment, and how it is measured, is debated in the development literature.

**Table 1**

Literature	Measurement of Women Empowerment
Malhotra (2002)	This study has divided women's empowerment into three dimensions 1- Socio-economic dimension 2- Familial dimension 3- Physiological dimension Socio-economic onomic
Malhotra, Schuler and Boender 2002	The frequently used Gender Empowerment Measure (GEM) is a composite measure of gender inequality in three key areas: 1- Political participation and decision-making, 2- Economic participation and decision-making, 3- Power over economic resources.
(HDR: 2003).	Two dimensions of women empowerment: 1-Economic participation and decision-making. (measured by the percentage of female administrators and managers, and professional and technical employees) 2-Political participation and decision-making (measured by the percentage of seats in parliament held by women)
(Malhotra and Mather 1997; Kishor 1995 and 2000b; Hashemi et al. 1996; Beegle et al. 1998).	women's empowerment can be measured by factors contributing to each of the following: 1- Their personal, 2- Economic, 3- Familial, 4- Political empowerment
Batliwala 1994; Bisnath and Elson 1999; Kabeer 2001; Narasimhan, 1999; and Sen and Grown 1987)	Concept of women's empowerment into three components: 1- Inter-spouse consultation index, 2- Individual autonomy indexes 3- The Authority index,
Hashemi (1996)	Components of empowerment are included in the eight indicators: 1- Mobility, 2- Economic security, 3- Ability to make a small purchases, 4- ability to make larger purchases, 5- involvement in major decisions, 6- relative freedom from domination by the family, 7- political and legal awareness, 8- Involvement in political campaigning and protests.

### Women and Informal Sector

In India, Most women works and contribute in different- ways to the economy; much of the work of women is not accounted or documented for in official statistics. Women plough fields and harvest crops while working on farms, women sell food and gather wood while working in the informal sector, women weave and make handicrafts while working in household industries. Additionally, women are responsible for the daily household chores (e.g., looking after children, cooking and fetching water,). Many traditional and social barriers obstruct women's access to jobs in stores, factories and the public sector. The unorganised sector is particularly important for women because the unorganised or informal sector is a most important rescue home for the most of the women. One half workforces is women worker approximately while in our society the women contribution is systematically undermined. They are designated to secondary parts<sup>[3]</sup>. Women are concentrated in the low end of the range, in low paying and insecure jobs. 96% of the women workers are in the informal sector. Their work is irregular, apprehensive and often unrecognized. They balance home and children, and more often than not their income is matching with their work. Characteristics and Contribution of Informal Employment in

India, Dr Jeemol Unni provided estimates of the size and dimension of informal sector in India. 118 million women and 252 million male were engaged in informal sector including agriculture in India. In all female workers 95.9 % are in informal employment. About 22 million non-agricultural female workers were engaged in the informal sector, accounting for 85.6% of the total female workers. Home based workers are a devastating 57% amongst women. The contribution of women in the informal sector works out to 32% including agriculture to the GDP.

Table 1 shows that India is an emerging economy with 457.46 million workers in 2004-05. The size of workforce was 396.76 million in 1999-2000. A large chunk of the workforce was engaged in the unorganised sector. The estimated number of informal sector workers in 2004-05 was 394.90 million in India contributing 86 percent of total workers. Table 1 shows the distribution of informal and formal sector workers by sector and sex between 1999-2000 and 2004-05. In rural areas the share of informal sector workers in each population segment recorded more than 90 percent and the share of female workers (94.50 percent) is more than male workers (90.34 percent) in 2004-05. In 1999-00 the situation was same for rural area but over the years the percentage share declined in rural areas. Contrast to rural

areas, in urban areas around 70 percent of workers worked in the informal sector but between the study periods the share of informal workers in urban areas increased.

**Table 2:** Distribution of informal and formal sector workers by sector and sex between 1999-2000, 2004-05 and 2011-2012 (in millions)

Sector	Sex	Informal worker			Formal worker		
		1999-00	2004-05	2011-12	1999-00	2004-05	2011-12
Rural	Male	186.17	209.01	230.1	10.57	10.03	11.2
	Female	101.71	121.60	142.5	2.31	2.43	3.1
	Persons	287.87	330.62	372.6	12.88	12.45	14.3
Urban	Male	58.33	71.60	79.8	18.72	18.80	19.7
	Female	15.53	20.40	26.3	3.43	3.60	4.1
	Persons	73.87	91.99	106.1	22.14	22.40	23.8
Total	Male	244.50	280.61	309.9	29.28	28.83	30.9
	Female	117.24	142.00	168.8	5.74	6.03	7.2
	Persons	361.74	422.61	478.7	35.02	34.85	38.1

Source: Computed from NSSO 55th (1999-2000), 61st (2004-05) and 68th (2011-12) Round Survey on Employment-Unemployment.

**Table 3**

Proportion (per 1000) of informal sector (P & P) workers among workers (ps+ss) in different industry groups/sections in India			
Sector	RURAL FEMALE	URBAN FEMALE	RURAL+URBAN FEMALE
AGEGC	950	977	951
NON AGR	641	601	623
AGEC AND NON AGR	744	616	698

Source NSS Report No. 539: Informal Sector and Conditions of Employment in India

**How much affective informal sector in women empowerment**

If the informal sector improve the economic and social status of women, increase their income and uplifts the political participation, then we can say that unorganised or informal sector is affective in women empowerment. Women’s empowerment has become a buzzword in the glossary of bureaucrats and politicians in India after the official announcement on the women status and the enactment of the constitutional amendments. The amendments make provisions for reservation of not less than one third of the total number of seats in panchayats and municipalities for women. The amendments have resulted in about three million elected representatives in panchayats and municipalities and out of this one million are women. But question arise here that who are those women. They have some support like financial support, educational support and their husband’s political approach. What about those women who are uneducated, poor and helpless. Especially a major number of women are not only left out from the social protection system but also live in poverty. These women are related those form of works which are unregistered and unregulated. According to Visaria (1966), the informal economy in India employs about 90 per cent of the country’s work force and 97 per cent of its women workers. Many of these women workers are primary earners for their families. Their earnings are necessary for nothing but survival. Their informal work, characterized by irregular employment, low earnings and unsafe working conditions with escalates in the coming years influenced by the economic reform. The women workers especially in the informal sector are vulnerable groups in the Indian economy. The reasons for their vulnerability are – (a) low economic status (b) irregular work, (c) lack of control over earnings, (d) need to balance paid work with care for children and homework, (e) little or no bargaining power, (f) little or no access

to institutional credit, training and information, and (g) lack of assets. Given their vulnerable status at home and at work, women who attached to the informal sector their empowerment cannot take place only income generation.

**Conclusion**

Representation of women in every area is necessary for the women empowerment while in India women generally have limited control over land and other productive assets, which keep out them from access to institutional credit and other services. They are disadvantaged of exposure to knowledge and hardly to take part in the process of decision making. It is clear that half of the workforce is women and the informal economy in India employs about 90 per cent of the country’s work force and 97 per cent of its women workers. It means this sector is a rescue home for the women workforce. But, informal sector cannot become only weapons for the women empowerment but other sector’s support is also necessary. Informal sector only improve the income level of the engage women but empowerment can take place only if the participation of women increase in every field like social activities, economical activities and political activities.

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