

Gender Dimension of Unorganised Manufacturing Sector in India

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Women engaged in unorganized activity in India constitute a large and significant section of our population. This basic fact has several dimensions. First, the unorganised sector is the primary source of employment for women. Existing data suggest that the majority of economically active women in India are engaged in the unorganised sector. Virtually all of the female non-agricultural labor force is in the unorganised sector: for example, in India the unorganised sector accounts for over 95 percent of women workers outside agriculture. The unorganised sector accounts for nine out of every ten women working outside agriculture. Secondly, the unorganised sector is a larger source of employment for women than for men (UN 2000). In fact, the proportion of women workers in the unorganised sector exceeds that of men in most developing countries, not only in India. Third, women's share of the total unorganised workforce outside of agriculture is higher than men's share.

However, there is persistence and expansion of the unorganised sector in India since the implementation of the new economic policy. The reasons may be the rate and pattern of growth, including the labor-intensity and sectoral composition of growth, economic restructuring or economic crisis, including privatization of public enterprises and cut-backs in public expenditures, and global integration of the economy, including the restructuring of global production characterized by outsourcing or subcontracting. In today's globalizing world, various demand factors are also at work. An increasing share of unorganised work is subcontracted from the formal sector; the low costs of subcontracted work contribute to profits in the formal sector. In their pursuit of global competitiveness, employers in a wide range of key export industries favor the kinds of employment relations associated, rightly or wrongly, with women, namely those with insecure contracts, low wages, and few benefits. Self-employed women producers are also affected by current trends. Given the rapid shifts in market demand, both domestically and globally, self-employed women producers find it difficult to retain their traditional market niche or negotiate access to emerging markets. There is also evidence to suggest that global integration and competition are associated with the erosion of both the employment arrangements of workers and the competitiveness of micro businesses. These trends have put pressures on the efforts by home-based workers.

Women are concentrated in production related occupations in the unorganised manufacturing sector whereas men are predominantly in sales activities in the unorganised sector. In fact 48.2 percent female non-agricultural workers were engaged in unorganised manufacturing sector in 2004-05 (NCEUS, 2007). The vast majority of women in the unorganised manufacturing sector are home-based workers. The term “home-based workers” refers to three types of workers who carry out remunerative work within their homes – dependent subcontract workers, independent own account producers, and unpaid workers in family businesses – whereas the term “homeworkers” refers to the first category only. Despite the limitations to existing official statistics, available evidence suggests that home-based work is an important source of employment, especially for women, throughout the world; over 85 percent of home-based workers in most countries are women. Homeworkers are less likely to be organised and unionised and hence have less bargaining power vis-à-vis their employers. Some studies show that homeworkers receive relatively lower amount of wage and non-wage benefits as compared to workers based in industrial premises (Labour Bureau 1996). However, homeworkers often do not have adequate work throughout the year. There is seasonality in the work with wide variations in the hours of work available per day and also the wages received per day.

Despite working from their homes, many home-based workers are linked to the global economy through global subcontracting chains, also called global value chains. A key dimension of global integration of the economy is a restructuring of production and distribution into global value chains. The exploitation of the homeworker by local employers can be just a first step in the exploitation through the global value chain.

The enterprises in unorganised manufacturing sector in India are divided into three type of enterprises, namely Own Account Manufacturing Enterprises (OAME), Non Directory Manufacturing Establishments, Directory of Establishments (DME).

Percentage Distribution of Enterprises by Type of Ownership and Employment Implications

An Own Account Manufacturing Enterprise (OAME) is an undertaking run by household labour, usually without any hired worker. In other words, in the case of OAMEs, it is safe to assume that owners are themselves the workers along with help of family members. Since the majority of the enterprises were OAMEs, it is appropriate to look over the ownership pattern of the enterprises.

Table 1 shows the distribution of enterprises by type of ownership in 1994-95, 2000-01 and 2005-06 in the unorganised manufacturing sector. In all the enterprises, we find that men owned 82.84 per cent of enterprises in 1994-95 and it has decreased to 61 percentages in 2005-06. On the other hand, percentage of enterprise owned by female has increased from 14.72 per cent to 36.78 percent during the same period. The percentage of enterprises owned by co-operative society, limited company and partnership with members of the same household is marginal. We observe that there is thus a feminization of ownership pattern of enterprises in unorganised manufacturing sector.

Table 1: Percentage Distribution of Enterprises by Type of Ownership

Type	1994-95	2000-01	2005-06
Proprietary male	82.84	72.32	61.00
Proprietary female	14.72	26.11	36.78
Partnership with members of the same household	0.98	0.87	1.44
Partnership between members not all from the same household	0.87	0.61	0.62
Co-operative society	0.02	0.03	0.03
Limited company	0.02	0.02	0.03
Others	0.01	0.05	0.05
Total	100	100	100

Source: Computed using NSS unit level data 51st, 56th and 62nd Round on unorganized manufacturing.

There is a slow progress of employment in urban areas in unorganised manufacturing sector. Table 2 shows that the percentage of workers in unorganized manufacturing in urban areas has increased from 35.32 in 2000-01 to 35.63 (of what? Of total employment in manufacturing?). In particular, the percentage of workers engaged in DME units has increased from 9.58 per cent in 2000-01 to 10.77 per cent in 2005-06. On the other hand, the percentage of workers in OAME and NDME units (? , you said DME employ increased not declined) declined during the same period of time. The percentage of workers in rural areas has declined marginally from 64.68 per cent in 2000-01 to 64.37 per cent in 2005-06. In Particular, the percentage of workers engaged in

OAME units both in rural and urban areas has declined; from 51.64 per cent to 49.45 per cent (rural) and from 15.95 per cent to 15.55 per cent (urban). However, there is a marginal increase in the percentage of worker engaged in NDME and DME units in rural areas during same period of time.

There is evidence of feminization of workers in *unorganised manufacturing* sector both in rural and urban areas. There are many trends pointing towards this phenomenon which also indicates the nature of this phenomenon.

First, when we look at different types of enterprises, an interesting point to note is that while the share of total workers in OAME units has declined in rural and urban areas, the share of female fulltime workers in rural areas has, nevertheless, increased, while that of men has significantly declined. In urban areas, the share of both full time and part time female workers in OAME units has increased, while that of male full time workers declined.

Table2: Percentage of Workers by Nature of Employment across Enterprises

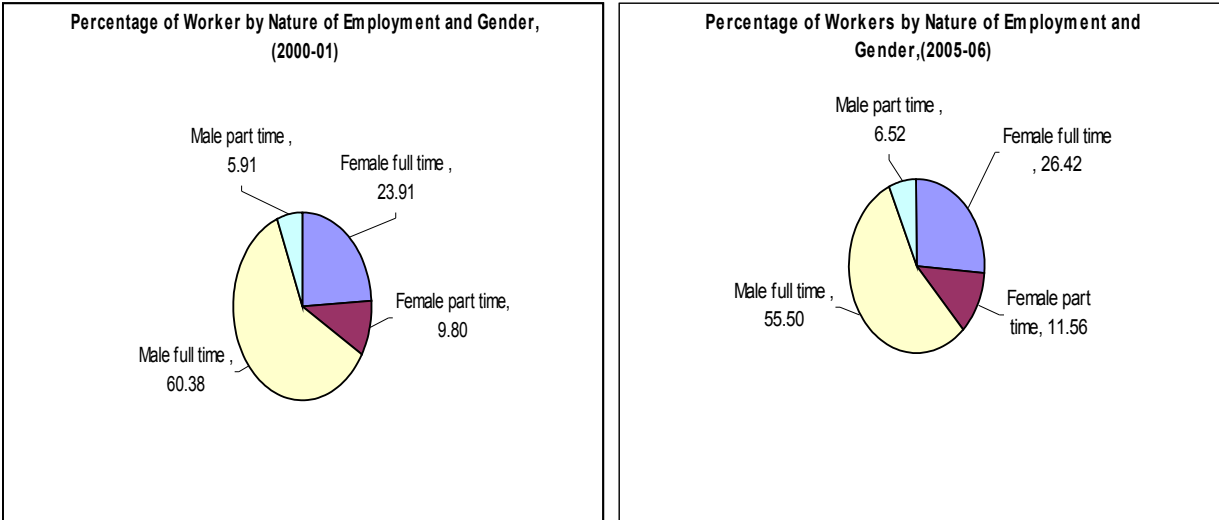
	Rural				Urban				
2000-01	OAME	NDME	DME	All types	OAME	NDME	DME	All types	TOTAL
Female full time	15.02	0.53	1.93	17.47	4.75	0.56	1.12	6.43	23.91
Female part time	7.20	0.17	0.18	7.55	2.03	0.11	0.10	2.25	9.80
Male full time	25.07	4.26	5.54	34.87	8.54	8.79	8.17	25.51	60.38
Male part time	4.34	0.25	0.19	4.79	0.62	0.32	0.19	1.13	5.91
Total	51.64	5.21	7.84	64.68	15.95	9.79	9.58	35.32	100.00
2005-06									
Female full time	17.03	0.66	1.98	19.67	5.27	0.51	0.98	6.76	26.42
Female part time	7.97	0.29	0.35	8.60	2.56	0.19	0.21	2.95	11.56
Male full time	20.05	5.19	5.71	30.95	6.94	8.28	9.33	24.54	55.50
Male part time	4.40	0.41	0.34	5.15	0.78	0.33	0.26	1.37	6.52
Total	49.45	6.54	8.38	64.37	15.55	9.32	10.77	35.63	100.00

Source: Computed from 56th and 62nd unit level data.

Second, one of the important finding is that the percentage of workers engaged in NDME units has increased in rural areas whereas it is declined in urban areas. In fact, the NDME units are expanding their manufacturing activities in rural areas and DME units are expanding

manufacturing activities in both rural and urban areas. But, women seem to have gained in share of work in both NDME and DME units. Even when the share of total workers employed by NDME units declined in urban areas, women have still increased their employment share.

Figure 1



Third, when we look at overall employment (not enterprise level) women’s engagement in both full time and part time work seems to have increased. Figures 1 shows that the percentage of female full time worker in the economy has increased from 23.91 per cent in 2000-01, though by a small extent, to 26.42 per cent in 2005-06. During the same period the percentage of female part time workers has increased from 9.80 per cent to 11.56 per cent. The same trend is followed in both rural and urban areas when we break up the data.

Fourth, it seems evident that women participate more than men in part time work. The percentages of female part time workers are higher than male part time workers in both the time periods (see Table 2 above). This is also true for rural and urban areas taken individually (see Table 3 below).

Fifth, there is dominance of male full time workers in unorganised manufacturing activities, but its percentage in total workers has declined. It is observed that the percentage of male full time workers has declined from 60.38 percent in 2000-01 to 55.50 percent in 2005-06. There is also a marginal increase in percentage of male part time worker in total workers. It has increased from 5.91 per cent in 2000-01 to 6.52 per cent in 2005-06 (see table 2 above)

Sixth, another point to note is that the share of female participation in unorganized manufacturing seems to be higher in rural areas compared to urban areas. While women contributed 43.92% of total rural employment in 2005-06 when we take full time and part time work together, they contributed a much lower 27.25% of total urban employment (see Table 3 below). However as discussed earlier, both these shares have increased from 2000-01, and corroborates the increasing presence of women workers in both rural and urban areas.

	2000-01		2005-06	
	Rural	Urban	Rural	Urban
Female full time	27.01	18.20	30.56	18.97
Female part time	11.67	6.37	13.36	8.28
Male full time	53.91	72.23	48.08	68.87
Male part time	7.41	3.20	8.00	3.85
Total	100	100	100	100

Source: Computed from 56th and 62nd unit level data

Sub-contracting Enterprises and Employment Implications for Homeworkers

Subcontracting represents a form of inter - firm relationship where large firms procure manufactured components, sub - assemblies and products from a large number of small firms. In some cases, subcontracting is associated with ‘job work’ where a parent firm provides the necessary raw materials to small firms which return these materials after turning them into a required form (as per the technical specification), at a pre - determined rate. The percentage of unorganised manufacturing enterprises operating on contract basis has increased from 30.67 percent in 2000-01 to 31.72 percent in 2005-06 which are likely to be with units or capital from the organised sector. It is also evident that 26.90 per cent of units are working solely for contractor or enterprise.

Table 4: Percentage Distribution of Enterprises working on Contract Basis

Type of Contract	2000-01	2005-06
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(i) Working solely for enterprise/contractor	24.39	26.90
(ii) Mainly on contract but also for other customers	2.72	2.58
(iii) Mainly for customers but also on contract	1.65	2.22
(iv) Solely for customers	1.69	NA
(A) Working under contract basis (i+ii+iii+iv)	30.67	31.72
(B) Not working under any contract basis	69.33	68.28
Total (A+B)	100	100

Source: Computed using NSS unit level data 56th and 62nd Round on unorganized manufacturing.

In fact 80 per cent of the enterprises working under the contract system enter into contracts solely with a master contractor/enterprise. It is presumed that the contract system is more prevalent in urban areas than rural areas. The fact that there is a possibility of penetration by merchant capital in search of cheap home-based production sources that ensures the required returns. Most of the units are getting inputs from the parent enterprise and there is little choice for the household units to bargain.

One of the common exploitative practices adopted by the middlemen is to deduct wages for 'rejection'. Many a times, the middlemen withhold partial payment to maintain a hold on the worker and to discourage him/her from leaving for competitors. The strategy of denying work to the most vocal leader amongst the workers is often adopted by the traders. The homeworkers tend to remain with the same contractor, even in the absence of written agreements or benefit payments. The inertia in seeking alternatives is accounted for by the high opportunity costs of change (lack of alternative or excess supply of labour), debt bondage, delayed payments, and contractors preferring to keep workers isolated (Mehrotra and Biggeri 2007). As mentioned before the majority of these homeworkers are women.

Low income seems to be an important feature of this kind of work. The homeworkers earn very little, are paid on piece rate, at very low rates, and are often dependent on the middlemen for work and wages. Based on the 1999-2000 NSS data, it was noted that enterprises involved in contract work at home (homework) received annual incomes much lower than the other enterprises. In fact the women homeworkers received incomes that were close to Rs.27 per day or way below any acceptable norm (NCEUS, 2007).

Overall, women workers in unorganized manufacturing sector suffer under highly insecure and vulnerable working conditions. There are no social security measures to provide risk coverage and ensure maintenance of basic living standards in times of crises such as unemployment or health issues. There are no laws to ensure they work under suitable working conditions and are not subject to any health hazards. There is no fixity of working hours, no compliance to minimum wages and in most cases these are governed by local factors. The insecurity, lack of safety, occupational hazards and incidence of exploitation is even more in the case of migrant labourers and forced labour. This is because of lack of organization and unionization among the group, which is mainly on account of poor literacy and awareness levels and high levels of poverty prevalent among the groups. There is also very little legal protection available.

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