

## THE PROBLEMS IN INFORMAL SECTOR

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### INTRODUCTION

- *The unemployment rate fell to 8.3%, yet the number of people living below the poverty line was 28%.*
- *India's rural unemployment rate stood at 7.15% and the Urban rate stood at 9.62%. What is strange is that while urban poverty in India is over 25%, at the national level, rural poverty remains higher than urban poverty.*
- *When around 90% of the population in the informal sector contributes only 50% to the GDP, policy makers are bound to scrutinize. What went wrong?*

Majority of the workforce in India and other developing countries are in the informal sector, also referred to as the unorganized sector. Informal sector has become an increasingly popular subject of study, not just in economics, but also in sociology and anthropology. Keith Hart was the first

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person to introduce the term informal sector. He introduced it while making a presentation on “Informal income opportunities and urban employment in Ghana” in the Institute of Development Studies (IDS) in September 1971.

Presence of a vast majority of informal or unorganised labour employment can be found in Indian economy. As per a survey carried out by the National Sample Survey Organisation (NSSO) in 2009–10, the total employment in the country was 46.5 crore comprising around 2.8 crore in the organised sector and the remaining 43.7 crore workers in the unorganised sector. Out of these workers in the unorganised sector, there are 24.6 crore workers employed in the agricultural sector, about 4.4 crore in construction work and remaining in manufacturing and service. Informal Sector refers to economic activities i.e. production and distribution of goods and services by the operating units of the households which essentially differ from the formal sector in terms of technology, economies of scale, use of labour intensive processes, and virtual absence of the well maintained accounts. It embraces a widely dispersed multitude of operating units with high rates of birth and death and substantial mobility. It is informal in the sense that they are not regulated by the government under any statute. Because of its contribution to the economy, which is quite visible and its strength in absorbing a huge portion of unemployed persons to whom the State is unable to provide adequate employment.

However, the informal/unorganized sector have prominent problems like job security, social security, the stability of living, migration, child labour and exploitation of working women. The worries in the informal sector are mounting and seem to be unbroken day by day.

## **SCOPE AND OBJECTIVE**

The objective of the paper is to study the informal sector employment and Informal employment scenario across India. This paper tries to answer some questions like - Why informal sector is present at this large scale in India, why informal workers are facing problems, what are the trends of formal and informal employment and the problems associated with Informal sector. Some serious issues like migration, plight of working women in informal sector and the child labour are being addressed in this paper for the analysis.

## **RESEARCH METHODOLOGY**

### **Selection of the study**

Indian informal sector was selected as the study, because of the following reasons:

- The informal sector has a large employment market in India. The informal sector contributes around half of the GDP of the country, its dominance in the employment front is such that more than 90% of the total workforce has been engaged in the informal economy. As per the latest estimation of a Sub-committee of the National Commission for Enterprises in the Unorganized Sector (NCEUS), the contribution of the unorganized sector to GDP is about 50% (NCEUS 2008).
- The informal sector at the same time has enormous problems associated with it, this is because such type of work is not controlled and organized under any legal provision.

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Secondary data has been used in order to analyze the situation of the informal sector in India and data is mostly collected from Government publications, reputed journals and reports of standard Non- Government organizations.

## **LITERATURE REVIEW**

Various micro as well as macro level studies on the informal sector and their impact on the economy have been conducted by different economists, in different parts of the region. So, it is compulsory to review first their work before starting our research.

Dr. Muna Kalyani, *Indian Informal Sector: an Analysis*, Jan 2016, has presented a dual view on informality. Their approach generates the strong prediction that the cure for informality is economic growth. The evidence strongly supports this prediction: informality declines, although slowly, with development. Their wisdom depends, in part on whether they encourage formalization, or discourage informal activity. On the other hand, rather than encouraging informal firms to become formal, such policies may have the effect of driving them out of business, leading to poverty and destitution of informal workers and entrepreneurs. There is accumulating evidence that growth that kills the informal sector is driven by the formation and expansion of formal firms managed by educated entrepreneurs. The evidence suggests that an important bottleneck to economic growth is not the supply of better-educated workers, rather the bottleneck is the supply of educated entrepreneurs—people who can run productive businesses.

Findings by Kamala Kanta Mohapatra, *Women Workers in Informal Sector in India: Understanding the Occupational Vulnerability*, Nov 2012, finds that a highly visible percentage of women workers continue to live a life full of subsistence, compromises and most of their own access in terms of right to life is subsidized. The most important determining factor to such inaccess and denial primarily evolves out of poor literacy and lack of awareness resulting in self-exclusion from the mainstream opportunities.

P.N. (Raja) Junankar, *The Informal Labour Market in India: Transitory or Permanent Employment for Migrants?*, Aug 2013 :estimated a model of the probability of working in the informal sector as a function of demographic characteristics, education, father's education and occupation, caste and religion, and duration of a migrant in the present occupation. They found that most of the explanatory variables were significant and of the expected signs. In particular, education and father's education and occupational status were important. Getting more education is one way of getting a job in the formal sector, but perhaps more importantly family networks provide an entry into the formal labour market. There are segmented labour markets in the urban sector: people who are from the lower social classes (castes or religions) are more likely to work in the informal sector such as Muslims and Other Backward Classes were more likely to be working in the informal sector. When rural migrants move to the urban sector they initially find themselves working in the informal sector. The most interesting finding of the research is that the longer a rural migrant has been working in the urban sector, the less likely s/he is to be working in the informal wage sector. The results support the view that, for migrants, the informal wage labour market may be a stepping stone to a better life in the formal sector.



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James Heintz and Joann Vanek, EMPLOYMENT, THE INFORMAL SECTOR, AND POVERTY: DATA AND ANALYTICAL CHALLENGES , April 2007 shows why it is important to describe the employment structure of a country and to describe the quality of employment within various categories. For example -earnings from formal employment are generally higher than earnings from informal employment. However, one important exception is informal employers. Employers in the informal sector often earn more than private wage workers in formal employment. Therefore, treating everyone employed in the informal sector as identical will create problems for users trying to link informal employment to poverty. To avoid this problem, a relative measurement of poverty is used within different categories of employment. relative poverty rates in informal employment are higher than those in formal employment. Informal agricultural workers have the highest risk for poverty. In some cases, working women's poverty rates were lower than men's. The apparent reason for this can be women's employment earnings contributed to overall household income and often raised incomes above the poverty threshold. Therefore, households in which women do not work in paid employment may be at higher risk of income poverty.

*Women Working in Informal Sector in India: A saga of Lopsided Utilization of Human Capital (2011)* features that the women workers do not have a choice to work, or not to work, due to dire need of income. The limited opportunities available to women are mostly low paid, low status jobs in the informal sector; jobs which do not have any possibilities of betterment or enable them to enter better jobs at a later stage. Women hold a secondary place to men in the race of employment. Although there may be diversity in the nature of the work there is no variation in the problems they face. A very large proportion of women workers admitted that if they were given some help from the government in the form of money or training or machines etc., they could also have a more honourable living. A ray of hope has emerged in the form of Self Help Groups some of which are working in this area as well. This challenge has to be met in the interest of the country because the National Income consists of incomes of all the persons and if half of the workforce is forced to earn as low as two third of the other half, the ultimate sufferer is the economy as a whole.

## **INFORMAL SECTOR IN INDIA**

### **INTERNATIONAL DEFINITION**

The informal sector consists of units engaged in the production of goods or services with the primary objective of generating employment and income to the persons concerned. These units typically operate at a low level of organization, with little or no division between labour and capital as factors of production and on a small scale. Labour relations - where they exist - are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees. The informal sector forms part of the household sector as household enterprises or, equivalently, unincorporated enterprises owned by households.

### **DEFINITION IN INDIA**

NCEUS's Definition of **Informal/Unorganised Sector**

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According to NCEUS unorganized sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers”

The definition of the unorganised enterprise constituting the unorganised sector given here is a generic one in the sense that it has no legal personality of its own (other than the person who owns it); it is small in employment size and, more often than not, associated with low capital intensity and labour productivity. The diverse nature of these enterprises is often a response to the demand for a variety of low-price goods and services produced in different modes of self-employment, unpaid family labour and wage work (often concealed as self-employment).

### NCEUS`s Definition of **Informal/Unorganised Employment**

NCEUS defined informal employment as follows: “Unorganized workers consist of those working in the unorganized sector or households, excluding regular workers with social security benefits, and the workers in the formal sector without any employment and social security benefits provided by the employers”

The employees with informal jobs generally do not enjoy employment security (no protection against arbitrary dismissal) work security (no protection against accidents and illness at the workplace) and social security (maternity and health care benefits, pension, etc.) and therefore any one or more of these characteristics can be used for identifying informal employment.

### **REASONS FOR INFORMALISATION**

- Restrictive labour laws – which promote contract hiring in order to circumvent rigid hiring and firing provisions
- Predominance of service-sector led growth – which requires skilled labour that was available with a miniscule section of the population.
- Absence of thrust on manufacturing – which can lead to creation of formal employment for millions looking to move away from agriculture.
- Market-mechanisms and competition led to closure of obsolete industries such as textile mills, reducing formal jobs. The newer industries were capital intensive rather than labour intensive, thus absorbing lesser workforce than what they laid to retrenchment of.
- Lack of an exit mechanism such as insolvency and bankruptcy laws has led to firms remaining small, barely breaking even, and not scaling up. Such small firms can circumvent formal sector laws rendering them informal.
- The advent of the Fourth Industrial Revolution and automation poses even more dangers to present formal sector jobs since workers with current skills will be rendered obsolete unless they undergo skill reorientation.
- India, with increasing integration into the global economy, also suffered during various global crises such as the Southeast Asian crisis, Global Financial Crisis in 2008 and the Eurozone Crisis in 2011. This shelved corporate expansion plans and led to closure of several industries, reducing formal sector employment.

### **CHARACTERISTICS OF INFORMAL WORKERS**

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- The unorganized labour is overwhelming in terms of its number range and therefore they are omnipresent throughout India.
  - As the unorganized sector suffers from cycles of excessive seasonality of employment, the majority of the unorganized workers do not have stable durable avenues of employment. Even those who appear to be visibly employed are not gainfully and substantially employed, indicating the existence of disguised unemployment.
  - The workplace is scattered and fragmented and there is no formal employer – employee relationship
  - In rural areas, the unorganized labour force is highly stratified on caste and community considerations. In urban areas while such considerations are much less, it cannot be said that it is altogether absent as the bulk of the unorganized workers in urban areas are basically migrant workers from rural areas.
  - Workers in the unorganized sector are usually subject to indebtedness and bondage as their meagre income cannot meet with their livelihood needs.
  - The unorganized workers are subject to exploitation significantly by the rest of the society. They receive poor working conditions, especially wages much below that in the formal sector, even for closely comparable jobs, ie, where labour productivity is no different. The work status is of inferior quality of work and inferior terms of employment, both remuneration and employment.
  - Primitive production technologies and feudal production relations are rampant in the unorganized sector, and they do not permit or encourage the workmen to imbibe and assimilate higher technologies and better production relations. Large scale ignorance and illiteracy and limited exposure to the outside world are also responsible for such poor absorption.
  - The unorganized workers do not receive sufficient attention from the trade unions and inadequate and ineffective labour laws and standards relating to the unorganized sector also worsen their situation.
  - Heterogeneity in activities, easier entry and exit than in the formal sector;
  - Usually minimal capital investment; little or no division between labour and capital;
  - Mostly labour intensive work, requiring low-level skills; there is usually no formal training as workers learn on the job;
  - Labour relations based on casual employment and or social relationships as opposed to formal contracts; employer and employee relationship is often unwritten and informal with little or no rights;
  - Due to their isolation and invisibility, workers in the informal sector are often largely unaware of their rights, cannot organise them and have little negotiating power with their employers and intermediaries (ILO 2000).

## **TRENDS IN FORMAL-INFORMAL EMPLOYMENT**

Looking into the composition of the Indian economy, the formal or organized sector and the informal or unorganized sector constitutes the Indian economy.

Formal sectors represent all jobs with specific working hours and regular wages and the worker's job is assured. The workers are employed by the government, state or private sector enterprises. It is a licensed organization and is liable to pay taxes. It includes large-scale operations such as banks and other corporations. Conversely, informal or unorganized sectors are the ones where the employees or the workers do not have regular working hours and wages and are exempted from taxes. It is mainly concerned with the primary production of goods and services with the primary aim of generating employment and income on a small scale. A street vendor selling his farm products on the street to generate and earn his daily bread is an example of informal economy. Ragpickers, moneylenders, brokers are considered as a part of an informal economy. It is also described as the grey economy.

At present, only 10% of India's over 470 million workforces is in the formal sector. In other words, 90% of India's workers do not have the privileges—like social security and workplace benefits—enjoyed by their counterparts who are formally employed. It is also estimated by NSSO that 84.7% of jobs in the Indian economy are in the informal or unorganised sector.

According to the definition of informal employment by NCEUS, informal workers are present in both formal/organised sector and informal/unorganised sector.

**Table-1 : Formal-Informal Employment across Organised- Unorganised Sectors**  
(in million)

2004-05			
	Organised	Unorganised	Total
Formal	32.06 (52)	1.35 (0.3)	33.41 (7.3)
Informal	29.54 (48)	396.66 (99.7)	426.20 (92.7)
<b>Total</b>	<b>61.61</b> <b>(13)</b>	<b>398.01</b> <b>(87)</b>	<b>459.61</b> <b>(100)</b>
2011-12			
	Organised	Unorganised	Total
Formal	37.18 (45.4)	1.39 (0.4)	38.56 (8.1)
Informal	44.74 (54.6)	390.92 (99.6)	435.66 (91.9)
<b>Total</b>	<b>81.92</b> <b>(17.3)</b>	<b>392.31</b> <b>(82.7)</b>	<b>474.23</b> <b>(100)</b>

Source: Computed using unit level data of NSSO various rounds

Note:- Population projected for year 2004-05 and 2011-12 using decadal population growth rate between Census 2001 and 2011.

Figures in brackets indicate per cent share

The composition of employment in the organised vs unorganised sector was in the proportion 13:87 in 2004-05 and 17:83 in 2011-12 (Table-1) indicating an increase in organised sector employment from 13 per cent in 2004-05 to 17 per cent in 2011-12. But this increase in organised sector employment was informal in nature (48 per cent in 2004-05 increased to 55 per

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cent in 2011-12) while the share of organised formal employment decreased (52 per cent in 2004-05 decreased to 45 per cent in 2011-12). But in the unorganised sector the share of formal employment marginally increased from 0.3 to 0.4 per cent and that of informal employment declined marginally from 99.7 to 99.6 percent. On the whole the number of formally employed increased from 33.41 million in 2004- 05 to 38.56 million in 2011-12 , while informally employed increased from 426.20 million to 435.66 million during this period.

Over the years, it is evident that formal sector employment has grown more slowly than the total employment, reflecting the faster growth of employment in the informal sector. As a result, there has been increasing informalisation of employment over the years. This informalisation has been more pronounced in the case of female workers. As a whole, about 96% of female employment is in the informal sector as against about 91% of males. In urban areas, the percentage of informal sector workers is close to 65-70%. Not all of them are poor but crude estimates suggest that close to half of this number is in dire need of occupational up-scaling. The past trends and all the available evidence suggest that the bulk of the growth in employment in future will come from the unorganised sector. It will be an important challenge to ensure that employment in this sector consists of jobs with safe conditions of work, decent and growing earnings and a measure of income and social security. Moreover, increasing the proportion of organised sector employment will be an important task to accomplish in the near future.

## **PROBLEMS OF INFORMAL SECTOR**

Increased rural landlessness, growing urbanization and rapid growth of population have resulted in an expanded labour force that falls short to take up work in the organized/formal type of industries. Further, the insufficient labour laws in India encourage the problems of workers particularly the problems like no social security, no guaranteed minimum wages, and bonded labour are the outcomes of poor labour laws. There are several serious issues which demand an immediate attention of the government to be addressed. The issues like increased migration, child labour and exploitation of working women are the greatest hurdles that require correction. Migrant labour, child labour and women workers are highly vulnerable on account of their lack of physical assets and human capabilities coupled with their initial conditions of extreme poverty and low social status. This results in their low bargaining power in the labour market that further reinforces their already vulnerable state and traps them into a vicious circle of poverty and deprivation. Not only is it more difficult for them to find avenues for gainful work, but it is also harsh when some such work is found; the conditions of work are often miserable, hours of work long, wages meagre and security of work non-existent. For developing countries like India, these are the outcomes of the informal sector.

## **CHILD LABOUR**

The problem of child labourers is more complex and is intertwined with the twin issues of poverty and lack of access to quality school education. It is also not rare to find situations when a child worker is a migrant and bonded to the employer.



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The term “child labour” is often defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

It refers to work that:

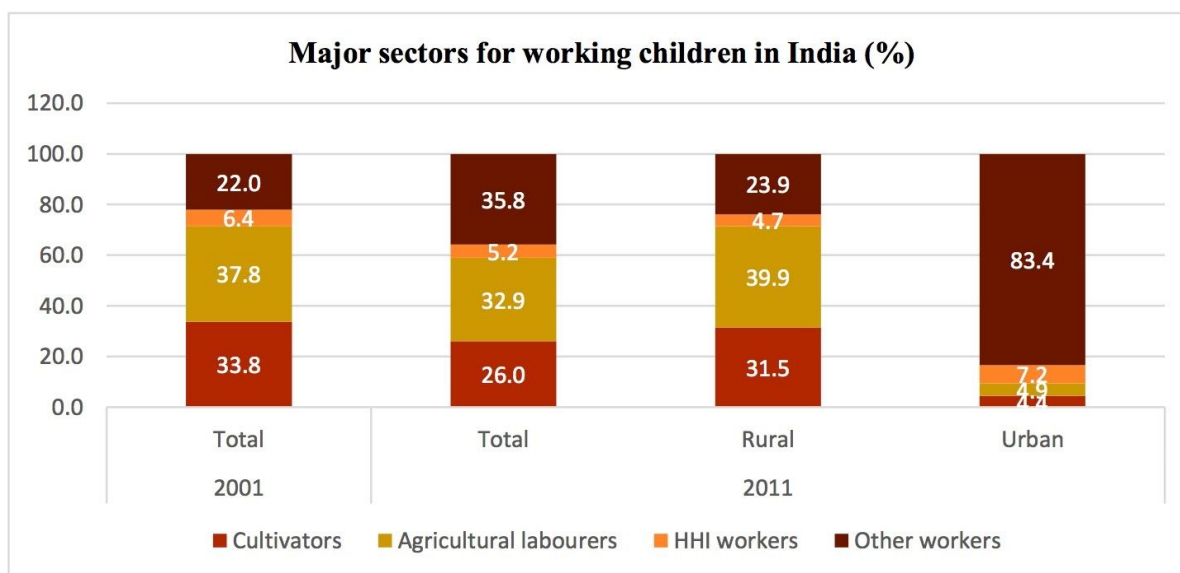
- is mentally, physically, socially or morally dangerous and harmful to children; and/or
- interferes with a child’s ability to attend and participate in school fully by obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.

Child labour impedes children from gaining the skills and education they need to have opportunities of decent work as an adult. Inequality, lack of educational opportunities, slow demographic transition, traditions and cultural expectations all contribute to the persistence of child labour in India. Age, sex, ethnicity, caste and deprivation affect the type and intensity of work that children perform. Agriculture and informal sector employment continue to be sectors where children end up working.

In India, Child labour was grown up to 12.67 million in 2001; despite various laws and regulation, this curse of child labour still exists. However officially government is showing that there was a radical change in child labour in the census year 2011 which has come down to 4.35 million still it was very high and much more child laborers remains unnoticed and does not become the part of the total count. Child labour will lead to the serious problem in future, if we want cheap labour today, uneducated, and inefficient workforce will be our tomorrow, not only this the long working hours and the hazardous working environment is great health impact on child and can lead to the deadly diseases.

STATES	PERCENTAGE	NUMBER IN MILLIONS
UTTAR PRADESH	21.5	2.18
BIHAR	10.7	1.09
RAJASTHAN	8.4	0.85
MAHARASHTRA	7.2	0.73
MADHYA PRADESH	6.9	0.70

**(TABLE:2) STATES WITH HIGH INCIDENCE OF CHILD LABOUR**



The total workforce of child labour in an unorganized sector is 11.18%, moreover women child share more percentage in the workforce of women in an unorganized sector that is 13.55 percent of women working in an informal sector are girls under the age of 19.

The working condition in which children work is completely unregulated and they are often forced to work 14-16 hours a day. The modern phenomenon of using child labour as domestic workers in urban India is a serious threat to the modern economy and child health because most of the children are made to work without food and low wages. Serious issues like physical, sexual, and emotional abuse impact these child labourers. The child labour employed at hazardous places in the informal sector is a serious problem that requires immediate attention, so as to save each and every child's future. A Child engaged in labour not only suffers educationally but also suffers physically, intellectually, emotionally, and psychologically. Thus, these children remain illiterate and have limited ability to contribute to national productivity.

Any national policy that aims at improving the conditions of work in the unorganised sector should aim at elimination of all types of child labour in agriculture as well as in the unorganised non-agricultural sector enterprises. Even though we have laws like fundamental rights and directive principle of state policies, factories Act 1948, Mines Act of 1952, child labour Act of 1986, Juvenile justice of child Act 2000 which prohibits child labour below the age of 14 years, they have not proved to be very effective, further legislative effort should aim at regulating child labour and restricting their employment in all sectors, consistent with the needs of their development. Further, efforts should be made to promote relevant, child-centred primary education of good quality, and expand employment and livelihood opportunities for adult workers.

## **MIGRATION**

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Domestic migration of workers is seen throughout the world but they are more prevalent in poorer countries as compared to developed nations. Migration has been the main component of mass urbanization and this is an important issue which needs to be addressed because it can lead to higher levels of poverty, famine, disease and conflict especially in the countries like India. Migrant workers are mostly those who are driven from their homes in search of means of earning a livelihood. Lacking any skills and assets they tend to end up in the unorganised sector, both in rural and urban areas. Such labourers are often sourced by labour brokers. More often than not, they end up in rural areas as farm labourers and construction workers or rikshawala for street vendors in urban areas. Women from poor rural households often end up as domestic servants in urban centres.

In India we have two groups of migrant laborers, one is temporary workers overseas, and another is migration domestically on a seasonal and work availability basis. The domestic migration is further divided on the origin and destination place of a migrant. The migration is alienated in four major streams namely, rural to rural, rural to urban, urban to rural, and urban to urban migration. Generally believed rapid growth of population has increased unemployment in most of the countries and rural areas are the one who are hit hard by this unemployment. This led to the foundation of two factors of migration; one is the pull factor and second is the push factor. The pull factors are those which attract an individual to migrate. Examples: employment opportunity, education, housing facilities etc. Push factors: the push factors which motivate migration are poverty, indebtedness, social outcast, unemployment, natural calamities etc.

Temporary or short duration migrants need special attention because they face instability in employment and are extremely poor. Such migrants work in agriculture, plantations, brick kilns, quarries, construction sites and fish processing. Some estimates suggest that the total number of seasonal migrants in India could be in the range of 30 million.

During recent times it is observed that regional imbalances in development within the country along with rising unemployment have accelerated the pace of migration. The rural poor, especially from the low productivity eastern and central states, migrate to western and southern India where jobs are being created especially in urban centres. Rural-urban migration is found to be temporary or semi-permanent. States where poverty levels are very high including Bihar, U.P and Orissa have a high rate of out-migration to relatively better off states such as Punjab, Haryana, Maharashtra and Gujarat. These groups of migrants are characterized by meagre physical and human capital assets and belong to socially deprived groups such as the Scheduled Castes (SCs) and Scheduled Tribes (STs) and weaker groups such as the women.

Migrant workers, particularly at the lower end, including casual labourers and wage workers in industries and construction sites, face adverse work conditions as well as living conditions. This group is highly disadvantaged because they are largely engaged in the unorganized sector with weakly implemented labour laws. Migration often involves longer working hours, poor living conditions, social isolation and inadequate access to basic amenities. Migrant wage workers often face economic exploitation when they are paid wages which are lower than what are received by local counterparts. Employers prefer migrant labourers to local workers because of

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the former being cheaper. Statutory minimum wage rate guidelines are rarely observed. Wages for women migrant workers are lower than the male migrant workers.

CENSUS YEAR	FEMALE	MALE	TOTAL
2001	218707813	90677712	309385525
2011	143000000	57000000	200000000

**(TABLE:3) POPULATION OF MIGRANT WORKERS ACCORDING TO THE CENSUS OF 2001 AND 2011**

The migration of women is predominating the man in the census of 2001 and 2011. The ratio in the year 2001 has touched the mark 21.87 crores out of the total migrants. the total migrates in the past 40 years, which has to have a great emergent trend till the year 2008 and in the year 2011 the continued effort of government schemes has brought down this growing trend of migration. The rate of growth of migrates was 39.69 in the year 2001 but in the census year 2011 the rate of migration has decreased to (-3) percent that is the migration has decreased by 10900000 and it is to be expected that the migration will be reduced further in the upcoming years by introducing different rural programs to provide sufficient employment to the rural people.

Schemes like Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA), and Pradhan Mantri Gram Sadak Yojana, 2000 (PMGSY) have reduced migration of workforce from rural to urban at a large content. It has been proven by different researchers that MGNREGA is continuously reducing migration by providing increased employment locally and PMGSY has improved the connectivity which makes people move easily from home to workplace and back to their homes after completion of day work. The effort of such schemes reflects in the migration report of the census 2011 which shows that migration has reduced by 10900000.

Certainly, this is true that migration cannot be gridlocked and some economists believe that, to some extent migration is satisfying for the urban and for the people who actually migrate but beyond the limit this migration can become destructive for urban development. However this growing issue of migration needs strong government policies and substantial implementation of the above mentioned policies. The migration can be tackled down by providing employment, economic alternatives, modern farming technology, education facilities and establishment of basic social and economic infrastructures.

## **WORKING WOMEN**

1. Problems of the women workers in general and in the unorganised sector in particular deserve special emphasis and focus in view of their marginalised position within the class of workers. Even when women are not employed in the sense of contributing to the



national output, a considerable share of their time is consumed by socially productive and reproductive labour. This is what is called the 'double burden of work' that distinguishes women from men. For women workers in the informal economy the double burden of combining the tasks of production and reproduction is even more arduous because they are already engaged in activities that require long hours to obtain a subsistence wage.

Sector	Informal sector		Formal sector		Total	
	1999-00	2004-05	1999-00	2004-05	1999-00	2004-2005
Rural	98.63	117.21	5.39	6.82	104.02	124.03
Urban	13.89	17.88	5.07	6.12	18.96	24
Total (women)	112.51	135.09	10.46	12.94	122.98	148.03
Total (Male+female)	342.64	394.9	54.12	62.57	396.76	457.46

**Table 4:** Women workers in an informal sector and organized/formal sector between 1999-2000 and 2004-2005 (in million).

The first problem with women's work is despite loads of work women receive zero attention and all work goes unaccounted and unnoticed. However, women work doesn't remain confined to the house only, women work participation share a healthy percentage in the formal and informal sector. It is observed that the growth rate of female workers both in rural as well as in urban areas is greater than male workers growth rate and within the female worker's growth rate of urban female informal workers (5.60%) is more than rural female (3.64%) between 1999-2000 and 2004-2005. Female employment in India grew by 9 million between 1994 and 2010, but the ILO estimates that it could have been increased by almost double that figure if women would have given equal access to employment in the industries and occupations as their male counterparts. Besides that ILO takes strong note that women assist their male partners/husband who are directly involved in productive distributive or services such as pottery clay and water, painting, and firing the vessels but man amounted as the potters while women are considered non-workers, as their work is invisible similarly another example is, women prepare food at home for sale by men on the streets but unfortunately goes incalculable and invisible in the economy of a state.

While male participation is high, female labour force participation (FLFP) has been dropping at an alarming rate. FLFP fell from a high point above 40% in the early-to-mid 1990s to 29.4% in 2004-2005, 23.3% in 2009-2010 and 22.5% in 2011-2012. According to the ILO's Global Employment Trends 2013 report, India's labour force participation rate for women fell from just over 37% in 2004-2005 to 29% in 2009-2010. Out of 131 countries with available data, India ranks 11th from the bottom in female labour force participation.

Mostly the women in the informal sector is fronting discrimination in wages, nature of work, availability of work, on the basis of sex and lack bargaining power which is mostly exploited by the employers. Migrant women suffer from difficulties of gaining employment compared to migrant men. Even when they are hired, the terms and conditions are more adverse and wages paid lower than for men and local female wage workers. Very often the norms of the Minimum

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Wage Act 1948 are not followed. They are paid in piece rates and are hence preferred by employers as it helps them in cost cutting. They also suffer from malnutrition. The maternity benefits are not provided and further worsens their situation. Child-care facilities are also lacking subjecting their children to the hazards at the workplace as they have to accompany their parents to the work site. It was estimated that there were nearly 8.6 million child workers less than 14 years of age in 2004-05 of whom 3.9 million were girls. The girls are likely to be helping their mothers in the homework activities that they may be engaged in. The two dimensions of women's work, viz. the social and cultural norms and double burden of work, appear to be operating on the girl child as well. Being kept out of school and helping the mother in work and domestic duties, would reduce her capacity to compete in the labour market in future. Her future is, thus, in jeopardy even from the age of 10, if not from earlier. This is particularly true of the girls in rural areas. It is possible that the majority of these girls also belong to the poor households and are being used by their families to maintain their subsistence incomes.

The informal system has treated women as a reserve army of labour whenever or wherever the informal sector needs them they utilize them and once their work is over they apply the fire strategy to reduce overheads. Working women in an informal sector do not have a choice to work, or not to work; they just work for the desire and for the quest of survival. In addition to this the limited opportunities available to women are mostly low paid, low-status jobs in the informal sector. These women are mostly provided jobs which do not have any possibilities of betterment, advancement of efficiency or training, to enable them to enter better jobs at a later stage. In addition, reducing the large gaps in wages and working conditions, often observed between women and men, could help provide a boost to the number of women seeking employment. At very low levels of education and income, women have no choice but to work to help support the family. But as men in the family start earning more income, women tend to cut back their work in the formal economy to concentrate more on household activities.

Government schemes like Beti bachao, Beti padhao, Sukanya Samriddhi Account, One Stop Centre Scheme, Pradhan Mantri Ujjwala Yojna, Mahila-E-Haat, Rajiv Gandhi National Creche Scheme for Children of Working Women and Maternity Benefit Program has helped in alleviating the issues of women in India. Thus, effective implementation of such schemes and provision of proper education and opportunities in every sphere of our country are the solutions to the problems faced by women in our country.

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## CONCLUSION

The issues of the informal sector highlighted in this paper is practised everyday irrespective of the repercussions they pose to our economy. Exploitation has become a common thing for the owners to engage labour in work. The problems of child labour, migration and exploitation against women arise due to the reasons like; ignorant attitude towards present situation, poor application, formulation and incorporation of government schemes.

Informal sector plays an important and controversial role, it provides employment to numerous population but at the same time exploits the rights of workers such as more working hours with less payments, unsafe working environment, difference between male and female workers, using child labour without considering the laws and rights of the country and more importantly no guarantee of job in future. It is indeed striking that women migrants are more than the men, this high ratio definitely shows that women are more responsible for the families but at the same time women are exposed to more risk at the workplace and get exploited to the maximum.

Relatively informal sector provides a high percentage of employment to the susceptible people of India. It was observed that the formal/organized sector could not keep pace with the growing workforce, but in order to attain development of the economy, it is necessary for the formal sector to expand. The government can also give special attention to improving measures of those working at home, on the street, or in the open air and must take keen interest about the educational right of those who are put in child labour. Statistically it has been found that, issues of working women and issues of migration are directly related to the welfare of economy and child labour, growing migration are indirectly related to future problems. Government should increase the level of social security and conduct awareness drives or campaigns, so as to make the informal workers aware about their rights and advantages in the form of government schemes and programs available for them. Informal Sector requires continuous and overall development of the informal workers. Therefore, it is crucial for government as well as non- government organisations to come forward to mitigate the problems of informal workers.