CHAPTER - VI

Causes of Participation of Women in the Unorganised Sector and Their Contribution to Households Income

6.1 Factors Leading to Higher Participation of Women in the Unorganised Sector:

It is clear from our discussion in the previous chapters that unorganized sector is over represented by women workers. Proportion of women workers in the unorganized sector has been found much higher than male. This may be termed as informalisation of women's work (Satpathy 2004).

Women's participation in the unorganized sector has been studied under the conceptual framework of labour market theory. As per standard theory of labour, labour is a positive function of real wages. But the standard labour supply theory has certain limitations and is not applicable in case of labour supply in the rural economies and in urban informal sector. Supply of women labour is influenced by certain societal and institutional factors. Women's participation in the labour market depends more on some facilitating factors rather than wage rates. These facilitating conditions would include several factors like number of alive children, their age, type of family, size of the family, health of family members, nature and type of the job, distance of the workplace, etc. If these factors are favorable the level of wage rate is almost irrelevant for the decision to enter the labour market in the sense that minor variations in wage rate are not likely to affect the decision
Human capital theory suggests that women are equipped with low level of education and technology and so they are found to concentrate in the unorganised sector. Institutional theorists (Piore and Doeringer 1971) held the view that labour market is stratified by institutional barriers and it is segmented as primary and secondary sector. Institutional theorists consider women as the minority group among workers and hence are found more in the unorganised sector. Feminist theorists (Boserup 1970, Bhasin 2003) have found gender stereotyping and patriarchal norms as the basic cause of discrimination against women in the labour market. Patriarchal exploitation prevents women to work outside even when real wage rate increases. Sexual division of labour gives importance to women’s domestic role in terms of housework and child care. Familial patriarchal interests profoundly affect women’s access to education. The inferior educational achievement of women is rationalized in terms of their future domestic carriers as wives and mothers. As a result women face discrimination in the labour market and they have found their appropriate jobs in the unorganised sector. Even for the literate / educated women such patriarchal belief is applicable. Lack of socially desirable work for women restricted mobility and high status work for educated women. Lack of socially desirable, high status work for educated women and their restricted mobility confine them in unorganised sector. Again, the poor women, who are not in a position to refrain themselves from working have to counted with larger structure of patriarchy in discriminatory wages and occupational segregation (Lindberg 2001). So segmented labour market theory is applicable for women and they are concentrated in the low paying secondary sector.
With this theoretical and conceptual background on women workers, in the present chapter we have tried to identify the factors affecting the supply of women labour in the unorganized sector in the study area. For this purpose a multiple regression model is constructed taking proportion of unorganized women workers in the households (P) as dependent variable. The independent variables considered are proportion of male workers in the working age group, 15-65 years (MLW), number of children below six years of age in the households (CH06), proportion of female workers in the age group 15-65 years out of total female in the household (AGEF), number of female workers with below primary and primary level of education (EDNF), household’s income per month (HI) and agricultural landholding of household (ALH). Therefore, the factors affecting the size of unorganised women workers, that is, participation of women in the unorganised employment can be represented in the functional form as-

\[ P = f(MLW, CH06, AGEF, EDNF, HI, ALH) \]

The regression equation to be estimated is-

\[ P = b_0 + b_1 MLW + b_2 CH06 + b_3 AGEF + b_4 EDNF + b_5 HI + b_6 ALH + U \]

where U is random disturbance term.

The model has found significant at 5 per cent level of significance (Table: 6.1).
Table: 6.1
Linear Regression and Correlation Results

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Explanatory Variables</th>
<th>Estimated Coefficient</th>
<th>Standard Error</th>
<th>t-value</th>
<th>Sig.</th>
<th>Pearson’s correlation coefficient (r) of P</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Constant (Intercept term)</td>
<td>1.607</td>
<td>0.179</td>
<td>8.997</td>
<td>0.000</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>MLW (Proportion of male workers in the households in working age group) (15-65 years)</td>
<td>0.240</td>
<td>0.165</td>
<td>1.449</td>
<td>0.149</td>
<td>0.180</td>
</tr>
<tr>
<td>3</td>
<td>CH06 (Number of children below six years of age in the households)</td>
<td>-0.181</td>
<td>0.087</td>
<td>-2.095</td>
<td>0.038</td>
<td>-0.124</td>
</tr>
<tr>
<td>4</td>
<td>AGEF (Proportion of female workers in the age group 15-65 years out of total female in the household)</td>
<td>-0.598</td>
<td>0.121</td>
<td>-4.959</td>
<td>0.000</td>
<td>-0.354</td>
</tr>
<tr>
<td>5</td>
<td>EDNF (Below primary and primary level of education of unorganised female workers)</td>
<td>0.249</td>
<td>0.080</td>
<td>3.113</td>
<td>0.002</td>
<td>0.071</td>
</tr>
<tr>
<td>6</td>
<td>HI (Total household income per month)</td>
<td>0.036</td>
<td>0.015</td>
<td>2.343</td>
<td>0.020</td>
<td>0.227</td>
</tr>
<tr>
<td>7</td>
<td>ALH (Agricultural land holdings of the households)</td>
<td>-0.010</td>
<td>0.042</td>
<td>-0.244</td>
<td>0.808</td>
<td>-0.117</td>
</tr>
<tr>
<td>8</td>
<td>P (Dependent Variable)</td>
<td>Proportion of unorganised women workers in the working age group 15-65 years in the household.</td>
<td></td>
<td></td>
<td></td>
<td>1.000</td>
</tr>
<tr>
<td>9</td>
<td>R Square = 0.233</td>
<td>Adjusted R Square = 0.204</td>
<td>F =7.867</td>
<td>Sig = 0.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A negative correlation is generally expected between number of male workers in household and the supply of women workers. But contrary to this expectation our correlation result shows that there is low positive association (r=0.18) between these two variables. This may be because male workers gather
information about female employability and they push women to work. The element of patriarchy appears here as supply of women workers in the unorganized sector is determined by their male counterpart. The regression result shows that proportion of male workers in the working age group 15-65 years is not significant in the model.

Low negative correlation (-0.124) is seen between proportion of unorganized women workers in the working age group 15-65 years in the household and the number of children below six years of age in the households. The regression result shows that the independent variable "Children below six years of age" is significant in the model. The coefficient of the variable 'number of children below six years of age' has negative sign which indicate negative association between the two variables. As the number of children below six years of age in the household increases the supply of unorganized women workers decreases. That is, the presence of young children affects women's labour supply negatively. This result indicates that sexual division of labour is visible in the study area which held the view that women's primary role is reproduction-the bearing and caring of children. Family responsibility restricts women joining labour market. This "child effect" on women labour supply has been observed by Uunk et al (2005). Hakan et al (2010). They stated that when women work outside, housework and child / elderly care are still considered as their natural responsibilities. As a result most women do not prefer to participate in the labour force. Purnamita Dasgupta and Bishwanath Goldar (2005) have established negative association between young children and supply of female labour with the help of NSS data.
The variable 'proportion of female workers in the age group 15-65 years out of total female in the household is found significant in the model. The negative sign of the coefficient of the variable indicates that an increase in the proportion of women workers in the age group 15-65 years will lead to decrease in the supply of unorganised women workers. The two variables have negative correlation ($r = -0.354$).

Field survey data exhibit that highest proportion of unorganized women workers in the study area lies in the group 15-25 years. It can be argued that at this younger age female workers are found physically strong, so they can perform informal activities with its all odds in this age. In the present study 82 female workers are found in this age group which constitutes 31.3 per cent of the total unorganized female workers. In this age group it has been found that 63 women workers (76.83 per cent) are unmarried and only 19 (23.17 per cent) are married (Appendix Table: 7.2). Since family responsibility is less on unmarried compared to married women they can enter the labour market easily. But there is no sufficient employment avenues in the organized sector for women workers in the study area. Again patriarchal domination and other conditional factors such as lack of education and sufficient training prevent them to enter in the organized jobs and confined themselves in the low paid unorganised jobs. Similar pattern of age distribution of unorganized women workers have also been observed by many researchers. Parul Saxena (2002) in her study about the women 'chikan' workers in Lucknow city found that majority of women workers (43.33 per cent) were concentrated in the age
group 21-30 years. In the field study on women domestic workers, Singh (2001) found that most of the workers (48 per cent) were less than 30 years.

The independent variable below primary and primary level of education of unorganised female workers is statistically significant in the regression model. The positive sign of the coefficient of this variable indicates its positive effect on the supply of unorganised women workers. However, low positive correlation ($r=0.071$) between level of education (below primary and primary) of unorganised female workers and proportion of unorganized women workers has been observed in the present study. This positive association between low level of education and proportion of unorganised women worker is consistent with the human capital theory. Human capital theory suggests that low level of education prevents workers to move organized sector. As female workers are equipped with low level of education and technology, they find their employment in the unorganized sector. Assuming below primary and primary level of education as low level of education, it is found that 46.74 per cent women workers in the unorganized sector in the study area have low level of education. Although manufacturing and other some industries are expanding in the study area they are not sufficient to absorb the women in the study area. Patriarchy also is another explanation of the positive relation between the proportion of unorganized women workers and low level of education. As the society prefers male to female, a household invests less on female education than male. A number of studies (Ravichandran 1988, Tripathy and Das 1991, Ramaswami 1993, Widge 1995, Sri Devi 1999) have been demonstrated that illiteracy and low level of education are the major determinants of women’s
participation in the unorganized sector. Gallaway and Bernasek (2002) found that people with the highest level of education were more likely to be found in the formal sector, whereas those with the lowest level had the highest probabilities of working in the informal sector.

However our primary data reveal that a good proportion highly educated female are also working in this sector. Educated women worker accept the low paid jobs of unorganized sector because they may loss whatever earnings they are getting as there is no sufficient employment opportunity for these women in the study area. And societal norms and patriarchal dominations do not permit them to move to distant place for livelihood. It is established from the study that low level of literacy and education leads to higher incidence of women labour in the unorganized sector. It is also found that illiteracy is not a major determining factor in women’s participation in unorganized sector as about 80 per cent of such workers are literate in the sample area. But it is equally seen that women with high education also concentrate in this sector because of non-availability of employment opportunities. This finding is similar to the findings of Usha. P.E., which goes contrary to the common viewpoint that educated are averse towards white collar-jobs. NCEUS (2007) Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector also finds that low access to education and lower level of education keep women mainly in unorganised non-agriculture and agriculture sectors. But, it is also seen that the women regular unorganised workers in the organized sector have even higher mean year of schooling, 9.6 compared to 8.8 for men which reflects the gender bias in women’s entry into the organized sector so
that even with higher levels of schooling they are in regular jobs as unorganised workers.

The regression result shows that the independent variable household income is significant in the model. The positive sign of the coefficient of this variable shows that it has positive effect on supply of women labour in the unorganized sector in the study area. The two variables have positive correlation \( r = 0.227 \) in the model.

The independent variable ‘agricultural land holdings of the household’ is not statistically insignificant in our regression model. However, Correlation analysis shows low negative correlation \( r = -0.117 \) between proportion of unorganised women workers in working age group 15-65 years in the household and agricultural land holdings of the households. This finding positively correlates with the Sengupta Committee’s (2007) finding that the high incidence of landless or near landless among the agricultural wage workers and non-agricultural workers is perhaps the principal reason for they pursuing wage work or being in non-farm sector in rural India.

Thus, it has been observed from the study that some of the important factors leading to the higher participation of women in the unorganized sector are the number of children below 6 years of age in the household, age of female workers, the level of education (below primary and primary) of the female workers and total household income per month. While proportion of male workers in the households in working age group 15-65 years, below primary and primary level of education of unorganised female workers and total household income are positively correlated with proportion of unorganised women workers in the working age group.
15-65 years in the household, proportion of female workers in the age group 15-65 years out of total female in the household, number of children below six years of age and agricultural land holdings of the households are negatively correlated with it.

6.2 Contribution of Unorganised Women Workers to Household’s Income:

Informal sector women workers contributed roughly 40 per cent of the income of the family (Shramshakti 1988). Several other scholars like Kutty 1957, Banarjee 1985, Tripathy and Das 1991, Swami and others 1989, Gulati 1994 observed positive contribution of unorganized women workers to household income.

In the present study, household’s income is defined as a function of the unorganised women worker’s income and ‘other earners income’. By ‘other earners’ we mean all the others except unorganised women workers. That is household’s income comprises the income that accrues to the households through the earnings of the other earners, if any, and the earnings of the unorganised women workers. Here, an attempt has been made to evaluate the economic status of women worker’s households considering the household’s income independently of the income of the unorganised women workers.

Out of 220 sample households, 164 households have unorganised women workers. It is found that the highest proportion of households (having unorganised women workers) (27.44 per cent) derive monthly income between Rs 10,001 and Rs.15,000. It is also observed that 16.46 per cent of the households conglomerated around the income-group Rs. 5,001-10,000. The proportion of
The contribution of unorganised women workers to household income has been found positive. It is estimated that the average (mean) monthly income of the households having unorganized female workers is Rs. 23,232. More than half of the sample households have monthly income less than this average income as it is found that 61.58 per cent households earn less than Rs. 20,001 monthly. So, we have found a positively skewed distribution (coefficient of skewness is 0.64) i.e., most of the households earn monthly income less than mean households income. If the women worker’s income is deducted the average monthly income of the households decreases to Rs. 16,403.

That is mean monthly household income declines by about Rs. 7,000 if the income of the women workers is deducted. This signifies the positive contribution of unorganised women workers to household income.

Another important observation of deduction of women worker’s income from household’s income is that there is a steep decline in the proportion of households which were previously lying in the highest income group starting from Rs. 30,001-35,000 and onwards (Appendix Table: 6.1 & 6.2).

The economic contribution of the unorganized women workers to households’ income can clearly be understood by looking the proportion of households falling in the different range of income. It is observed that with women
workers income the proportion of households in the income range (monthly) Rs. 0 - 5,000 is only 1.83 per cent. But the proportion of households without women workers is found as 16.46 in this low income range. Again, whereas 16.46 per cent of households are found in the monthly income range Rs. 5,001-10,000 with women workers income; the proportion in this income range becomes 35.37 per cent without women workers income. In the income range Rs. 10,001-15,000, the proportion of households is 27.44 per cent with women workers and 11.59 per cent without women workers income. It is seen that whereas a substantial proportion of households are placed in the income range Rs.10,001 - 15,000, but with the deduction of women workers’ income, the concentration of households has centered round the income group Rs. 5,001 - 10,000. That is, when women worker’s income is deducted from household income then the largest number of households (35.37 per cent) falls in the income range Rs. 5,001 - 10,000.

As a result of the deduction of women worker’s income from the household’s income it is found that the proportions of households become smaller in the income range Rs. 10,001 - 15,000 than the proportion of households with women workers income. Interestingly, in the higher income range Rs. 60,001 and above we find 6.71 per cent households with women workers income. But when women worker’s income is deducted, only 3.66 per cent households are observed in this comparatively higher income range (Appendix Table: 6.2 ).

This data analysis suggests that unorganized women workers have positive contribution to household’s income. To verify this we fit a regression equation of the form \( Y=a+bX \) taking household income as dependent variable (Y)
and the proportion of unorganized women workers as independent variable (X) and have taken the null hypothesis that unorganized women workers do not contribute positively to household income.

Low positive correlation ($r = 0.24$) between households income and number of unorganized women workers in the households has been found. R-Square value indicates that only six per cent variation in the dependent variable is explained by the variation in the independent variable. However, the regression model is found significant. With per unit increase in the number of unorganized women workers in the family, household income increased by 5458.24 units (regression coefficient, $b = 5458.24$). The value of standard error, t-value and Sig.-value imply that our parameter estimate is statistically significant at five per cent level (Table: 6.2). So, we reject our null hypothesis and accept the alternative hypothesis that unorganized women workers have positive contribution to household's income. Thus, the statistical finding holds true with our empirical findings.

However, the contribution of male unorganised workers to the household income is greater than that of unorganised female workers. After deduction of the male unorganised workers income, the average monthly income of the households becomes Rs.11,098. As the average monthly income of the households with all the workers is Rs. 23,232, so it is seen that average monthly income of the households decreased by Rs.12,134 because of the deduction of male unorganised workers income (Appendix Table: 6.3). Again, it is observed that average monthly household income decreased by Rs.7000 because of the deduction of unorganised women workers income (Appendix Table: 6.1 & 6.2).
Table: 6.2
Regression Result of Household Income on Unorganised Women Workers.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Indicators</th>
<th>Description / Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Y (Dependent variable)</td>
<td>Monthly household income in Rupees.</td>
</tr>
<tr>
<td>2</td>
<td>X (Explanatory Variable)</td>
<td>No. of unorganised women workers in the households.</td>
</tr>
<tr>
<td>3</td>
<td>b (Estimated coefficient)</td>
<td>5458.24</td>
</tr>
<tr>
<td>4</td>
<td>Standard Error</td>
<td>1758.6</td>
</tr>
<tr>
<td>5</td>
<td>t-value</td>
<td>-3.104</td>
</tr>
<tr>
<td>6</td>
<td>Sig. at 5 per cent level</td>
<td>0.002</td>
</tr>
<tr>
<td>7</td>
<td>r (Correlation coefficient)</td>
<td>0.24</td>
</tr>
<tr>
<td>8</td>
<td>R square</td>
<td>0.06</td>
</tr>
<tr>
<td></td>
<td>F value</td>
<td>9.633</td>
</tr>
</tbody>
</table>

Although the average monthly income of organized female worker (Rs. 20,357.60) is much higher than the average monthly income of the unorganised female worker (Rs. 5,393.00), the contribution of the organized female workers to the household’s income is not very significant. Once the income of the organized female workers is deducted from the household income, then the mean monthly household income in the sample area stands at Rs. 22,836. That is, monthly average household income is decreased by only Rs. 396 because of deduction of organized female workers income (Appendix Table: 6.4 & 7.6).

Thus, it is found that although the average monthly income of the unorganised female worker is much lower than that of male workers and of organized female workers, yet they have much contribution to the household’s
income. Their contribution to the household’s income is lower than that of unorganised male workers but higher than that of organized female workers.

6.3 References:


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