CHAPTER IV

STATUS OF THE URBAN INFORMAL SECTOR IN THE DEVELOPING COUNTRIES
4.1 NATURE AND CHARACTERISTICS OF INFORMAL SECTOR IN DEVELOPING COUNTRIES

Historically economic production has been a joint venture of men and women in human society particularly in agrarian economy of developing countries. Contrary to the common belief that women are weak, her contribution in economic production has been quite high, though her share in the production has been extremely low. Presently women produce 50% of the world's food supply, account for 60% of the workforce and continued 30% in the official labour but receives only 10% of the economic benefits and more surprisingly owns only 1% of world's assets. According to ILO, more than 45% of women world-over in 15-68 age group contribute in the economy in a significant way. But they suffer two major types of discrimination firstly, the free-market discrimination in the form of lack in their access to factors like education, training, experience and so on which develops capital. Secondly, they face market discrimination due to differential wages for similar work.

In Tanzania, women work an average of 2600 hours a year in agriculture; it is only 1800 hours a year for men. In Africa as a whole, 60 per cent of all agricultural work, 50 per cent of food processing is done by women. For millions of women in third world who cook and clear, sew and wash, plant and weed, care for the old and bring up the young 16 hours a day is common. The informal sector studies under-taken in the 1970s and 1980, the majority of which tend to be socio-economic nature have used a large variety of definitions to develop the informal sector employment in developing countries lies in the non-availability of modern sector jobs, and therefore informal employment has come to be recognized as a sources of income for a large majority of the urban labour force in developing countries. Due to insufficient unstable wage employment in the modern sector to absorb the high growth in population and increasing rural urban migration to cities, they are absorbed in the informal sector will not wither
away. In the future national economies of developing countries, work opportunities in the informal sector will play even more important role where the modern formal sector continues to lag behind while the urban labour force and displaced agricultural labour due to modernisation are rapidly increasing.

The informal sector to be reviewed in this section consists of urban household or individuals with low incomes. Within the ILO, numerous such studies were undertaken under the auspicious of the world employment programme. These include urban employment studies conducted in the mid-1970s in Abidjan, Kolkata, Jakarta, Bogotá, and Sao-Paulo (Moser, 1978) and urban informal sector studies carried out later in cities of Ghana, Nigeria and Sierra Leone in Africa, cities of Indonesia, Philippines and Sri Lanka in Asia and cities of Argentina and Brazil in Latin America. (Sethuraman, 1981). These informal sector studies essentially existed a sample survey of all the different urban informal sector activities, i.e. construction, manufacturing, services, transport, commerce etc. Irrespective of the studies clearly indicated that the informal sector encompasses for more diverse activities than the shoeshine work and street vending, which are referred to thereafter. At the extreme the sector acts as an "employer of the last resort" with marginal activities, which offer scanty (inadequate) remuneration. At the other, it includes micro-enterprises which although on a very small scale and in a rudimentary form, show some division of labour and organisation of production and which are in congenial to in productive activities. Such as manufacturing e.g. furniture making, welding, tailoring and various repair activities (Haan, 1986). Sub-urban informal sector is not new issue, it is defined to include heterogeneous sets of activities and of people.
4.2 SCENARIO OF FEMALE WORKFORCE IN INFORMAL SECTOR OF DEVELOPING COUNTRIES

Studies of the sex composition of the work force in the informal sector found that more women than men are involved in this sphere of economic activity. The informal sector’s vastness in cities of Bangladesh is evident from the finding, that about 65 per cent of the total employment in Dhaka city of the country (World Bank, 2001). Informal labour force dominates the labour market, the labour force survey 1995/96 shows that about 40.1% were unpaid family workers. 17.9 were day labour. 12.4 % were regular employed workers and 29.6% were self-employed. The total civilian labour force of the country in 1996-97 was estimated at 42.97 million of which 34.7 million were male and 8.27 million were female. Thus figures however, excluded the female labour force engaged in activities like poultry, livestock, paddy husking, preservation of food etc. Conduced in rural households and considered as domestic work rather than economic activities. The 1995-96 LFS estimated the female participation rate at 18.1%. Total labour force in Bangladesh comprises 51.2 million and out of this 31.1 million are male and 20.1 million are female. (Statistical Report 2000-01). More than 65 per cent workers are employed temporarily in industrial sector, for women more than 72 per cent, for men this numbers 53 per cent. (Paulo Majumder, 1994). In the case study areas of Savar Thana total labour force counted 32.5% particularly in the construction and construction related work. (Upazila Statistics Office, 2004, Savar)

The enumeration of female workforce in Bangladesh in (1990) Census found the female labour force participation rate to be 6.3 per cent, while the BBS survey (1993-94) showed the rate to be around 8 per cent. But many micro studies reveal that the female labour force participation rate in Bangladesh was between 8 to 18 per cent. (Bangladesh Union Parishad, 1982). The BBS survey (1989) show a spectacular change in women’s labour force participation. From 8 per
cent to climbed up to around 61 per cent in (1991). Subtracting the few owners in the informal sector, an overwhelming majority of these owner are found to be working in the informal sector. As a day labour 7.0 per cent (1991), 9.8 per cent (195-96), 10.2 per cent (1999-2000). (Report of the Labour force Survey Bangladesh 1999-02, BBS)

**TABLE 4.1: FEMALE LABOUR FORCE (MILLION)**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>5.4</td>
<td>8.6 (60%)</td>
</tr>
<tr>
<td>Urban</td>
<td>1.6</td>
<td>2.2 (87%)</td>
</tr>
<tr>
<td>Rural</td>
<td>3.8</td>
<td>6.4 (68%)</td>
</tr>
</tbody>
</table>

**TABLE 4.2: LABOUR FORCE PARTICIPATION (BOTH SEX) BY PERCENTAGE (1999-2001).**

<table>
<thead>
<tr>
<th></th>
<th>Both Sex</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>54.9</td>
<td>84.0</td>
<td>23.9</td>
</tr>
<tr>
<td>Urban</td>
<td>55.8</td>
<td>83.7</td>
<td>26.5</td>
</tr>
<tr>
<td>Rural</td>
<td>54.6</td>
<td>84.0</td>
<td>23.1</td>
</tr>
</tbody>
</table>

It is worth noting that, in these labour forces survey (1999-2000) tables have not been specified formal and informal sector wise labour force participation rate. In a Brazilian study (Merrick and Schmink, 1978) found that at least 80 per cent of working women were concentrated in the lowest income start of the population and that 86 per cent of married and widowed heads of poor house holds were employed in casual work. Although more women are working than ever before in the big cities of third world countries, their work is increasingly concentrated in the casual sectors and the majority of young migrant women engage themselves in the domestic service. Further, the nature of goods and services
distributed could be classified under: distributed of food items, vegetable and fruits, clothing and home based craft. This, it establishes indisputable fact that these workers of the informal sector not only produce goods necessary for its marginal population, who sustain a large number of economically viable activities to help a ready market, but also provide diverse services to a large segment of the working population.

In a study of the labour force and industrial organisation of the formal sector in the Dhaka city (Amin,1982) connected that the female participation in the informal sector labour force, appeared to be very low in Dhaka. However, a more recent World Bank Report (1990) revealed that in the urban area of Bangladesh, the majority of the low income female living in slums find work in the urban in formal sector and domestic maids. Some are able to find full-time employment in small factories making paper bag, coir-rope etc. but very little is known about the organisation of wage work and wage levels in the urban informal sector (World Bank Country Study, 1990).

4.3 WOMEN LABOUR FORCE / UNEMPLOYMENT STATUS IN INDIA

Similarly in India 89 per cent of women workers belong to the informal sector and surviving in subhuman conditions. These women workers are most visible a hawkers and vendors, they are mostly providers of urban serve home based petty-manufacturers, and traders among other. Over 20,000 women workers as paper pickers in Ahmedabad, picking waste paper on the road side roaming as far as 10 km. and working as many as 12 hours each day. These women do the work of collecting what society has judged worth less. All Harijon and poor paper pickers are unable to get any other employment and have simply fallen out of the bottom of the economy. There is no protective legislation, no job security and no respect for their work. The life of paper picking women are financially unstable and physically hazardous a day to day struggle. The income from this
work is miserably low even full-time work brings only Rs. 5-8 per day while the contractor can sale the paper to the paper mill for ten times as much. Their dependency on the paper contractions and the contractors occasional sympathy leads them to trust these men beyond what they deserve (Bentley-1988).

In south India, on the other hand, a large number of women workers, especially in urban areas are self-employed; vending or hawking on the streets as flowers or operating services among their neighbours (Snacks, meal shops). Nearly, all tend to be continued to the lowest end of the trading hierarchy. Typically, the women trade only in a single item or good at the level of one hand-carried basket. Some home-based producers are unpaid a low piece-rate for production or assembly work like Agarbati and Beedi (cigarette) making labeling and lace making. Women work maximum hours at detailed respective work for extremely low-earnings, at time less than, Rs. 20 per day. Doing such work women suffer eye, hip and long ailments from sitting long hours focusing on the filed work or breathing in natural dust. Virtually, the majority of women workers in the informal sector whether, petty or home based producers in urban or rural areas, suffer social tension, of insecure common law marriages, bigamy, desertion, and draw. Pressures, male alcoholism and physical violence, and the responsibility of childcare and housework. In addition, many women although not widowed or deserted, are the main food providers because their husbands are either casually employed or do not contribute fully to family income.

Usha Jumani (1986) included the income of home-based workers as very low. In her study she gives an account of the carrying of various home based women workers, as beedi workers get paid Rs. 1518 for rolling. 1000 beedis, agarbatti get Rs-8 for printing three bed sheets, sewing one quilt cover get 1.50 Rs. and ready made garments workers get Rs. for sewing a dozen sari, petticoats; and Rs, 15-20 for sewing a dozen baby frocks or shirts. All these goods are sold at substantially higher prices to the final consumers with the producers getting very
low prices and piece rates. Most home-based women workers are poor and illiterate when they work as helpers in a family unit for own account work they are often ignored as workers. Female work participation in India where 89 per cent of women workers belong to the unorganised sector (IS). According to 1991 Census Government of India total workforce in unorganized sector is 352.86 million out of it 199.56 million are male and 153.30 million are female. This constitute nearly 74.3 per cent of the total workforce of the country.

As per the 1991, Census the women participation rate is 23% for rural women is 27 %, and for urban it is 10 %. The UN. estimates in 1996 India had 60 million economically active women and in 1998 the number had increased to 76 million. According to 1991 census 19 per cent of the total female workforce constitute of unpaid family labour.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number (Million)</th>
</tr>
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<tbody>
<tr>
<td>1971</td>
<td>11.86</td>
</tr>
<tr>
<td>1981</td>
<td>14.44</td>
</tr>
<tr>
<td>1991</td>
<td>22.69</td>
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</tbody>
</table>

Census -1991, India

It has been found from the table that female workforce being increased up to 11 millions i.e. women workforce became double over the last 20 years in India. Despite greater emphasis on the growth of modern organized sector, women's participation is only 6 per cent because of rigid norms. Whereas unorganised or informal sector has employed about 94 per cent of women labour force in India. As per 1981 Census India, about 90 per cent of women employed in IS. In 1991 it was 11% in construction sector in IS (Statistical Profile of Women Labour 3rd Issue Ministry of Labour, 1991). The National Commission on Self
Employed in IS constitute that 94% of the total female workforce is to be found in this sector (GOI, 1988). They participate extensively in agriculture animal husbandry. Dairying, social and agro-forestry, fisheries, handicrafts, khadi and forestry, village industries, handloom, weaving and sericulture etc. agriculture includes weeding, transplantation and harvesting.

4.4 WOMEN LABOUR FORCE STATUS IN PAKISTAN

According to the World Bank (2001) similar situation exists in Pakistan. Still there are differences in the nature of mode of work. Women in the urban informal sector are either home-based, self-employed or in family enterprises e.g. leather workers, launderer and vendors or 'outside home' wage workers e.g. brick makers, construction workers and domestic home-based workers, the largest group is to be found in the lower middle to lower income categories. On the other hand, most poor household women's income is inadequate specially where the women is widowed, divorced or abandoned or the husband is sick, disabled or unemployed.

Home-based workers have lack of access to inputs and services like credit input, supplies, markets and new technology that could increase their productivity. Several factors have been identified. Women are often in purdha and they tend to be 'invisible' hence their work and productive potentials tend to go unorganised. As they are generally poor and lacking both in education and self-confidence.
4.5 WOMEN LABOUR FORCE STATUS IN LATIN AMERICA

Latin America increased much faster during the post war period and a considerable proportion of this growing labour had no alternative but to create low-productivity jobs for itself (Souza and Tokman, 1976). In studies on Asuncion, Guayaquil, Quito, San-Salvador and Santo Domingo, it was found that there was a much higher rate of female component in the informal than in the formal sector. Souza and Tokman (1976) postulated that wages are not the most common form of remuneration inspite of the fact that production is instead mainly for the market. There is instead a multitude of tiny enterprises operating virtually without capital or formal organisation and using very simple technology.

Moser's case study from Guayaquil, Equador (1981:1929) examines the function and importance of women's work in the survival strategies of low-income households. The question of occupation between men and women is examined in two very different and contrasting sectors, which provide income-cramping opportunities for the majority of women. The first is domestic service, which is termed women's work and consequently remains largely a protected sector; the second is retail selling. Where there is no sexual segregation and both men and women work, when men are employed, looking for work, or involved in very unremunerative economic activities, their wives are frequently forced to look for work in domestic services. In this way women's work is used as an adjustment mechanism in the market. Women perceive this as an extension of domestic labour while men continue to control the financial aspects of the enterprise, and to change occupations as and when it suits them. The majority of women are involved in different domestic related income earning activities throughout their adult lives, despite the fact that this work includes low rates of pay, no security of work and exploitative labour relations; the income earned provides a considerable proportion of the 'family income'.
4.6 OVERALL SCENARIO IN THE INFORMAL SECTOR SAARC COUNTRIES

An overwhelming majority of women in the informal sector is to be found in the tertiary sector consisting of trade, related to manufacturing for example, women are primarily concentrated in activities which are at the bottom end of the scale of earnings; they are typically the poorest of the working poor, unequal access to limited training opportunities is certainly to be included among the range of factors which explain this situation. Women's employment in the neighbourly countries has been growing in part-time, casual, precarious or unprotected forms of work. These forms or work have highly exploitative labour relations as well as low and irregular incomes. To the extent these activities are carried out without any formal approval from the government, they escape the administrative machinery responsible for re-enforcing minimum wage legislation and other similar instruments concerning the conditions of work.

There is also labour market discrimination which explains why women are increasingly marginalised even within the informal sector as well. It is believed that sex-based discrimination in market and working places both in formal and informal sectors are a major factor explaining the situation (Sethuraman, 1986:31). Women in the informal sector have attempted to overcome such market imperfections through various means. One response has been to seek work as domestic servants rather becoming self-employed in their own business, e.g. in Bangladesh women generally lack direct access to credit and other resources, to know-how, to skills, training, to markets, to infrastructure and so on. Certain cultural factors also inhibit free mobility, as in the case of Pakistan exchange of information vital to the successful operation of small business by women (World Bank. Report, 2001). The reasons why women workers prefer the home as a work place has been clearly identified by Jumani (1986). Most recently, there have been extreme interventions to overcome the
markets. These include among others, organisations of women workers, which made it possible to improve women's access to credit and markets of finished products and to create a legal framework in favour of such women and so on. Most importantly it has been possible to influence policy making through such workers organisations.

The overall picture of women's participation in market based activities shows that the bulk of the women remain involved in such economic activities as provide values of household services or minor manufactured products. They continue to perform as marginal segment of the labour force, constituting a reservoir of cheap labour which is largely tapped by various informal sector activities whether as poorly paid wage workers or as unpaid family labours. As for women's wage employment, the critical considerations for the employment have been the lack of bargaining capacity of female workers in the labour process, and their acceptance of abnormally long hours and abysmal working conditions and wage rates considerably lower than the men.

In most of the developing countries women workers are characterised and divided into various groups like class and employment and activity. Poor women are not a homogenous group. The division of work is highly sex based. In construction work, for example, men do the skilled jobs like brick laying, while women mix-mortar, carry head loads of earth clay and brick. In the urban informal sector, some of the lowest paid occupations have a high percentage of women. Even in the organised sector 90 per cent of the women are found in unskilled or semi-skilled jobs. But it can hardly go unrecognised, that phenomenal growth of the urban informal sector in the last few decades has opened up a new route to the labour market for women in Bangladesh.
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Ibid. 37-49.

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