CHAPTER I
CHAPTER - I

INTRODUCTION AND DESIGN OF THE STUDY

1.1 Introduction

In India around thirty crores people are working in the unorganized sector and the number is on the rise. The unorganized sector, popularly known as unprotected sector, may be defined as one without regular income through working throughout the year. The workers of this sector constitute the fringes of society who do not get a chance to be a part of the mainstream economy. Indian economy is, to a great extent, characterized by large number of people working in unorganized sectors as unorganized workers; transitional nature of the Indian economy, disparity in education, skill and training are some of the major factors abetting such a large concentration of workers in an area most vulnerable to exogenous economic vicissitudes. Unorganized or informal sector constitutes a pivotal part of the Indian economy. More than 90 per cent of workforce and about 50 per cent of the national product are accounted for by the informal economy. A high proportion of socially and economically underprivileged sections of society are concentrated in the informal economic activities. The high level of growth of the Indian economy from the 20th century is accompanied by increasing informalisation. There are indications of growing inter linkages between informal and formal economic activities. There has been new dynamism of the informal economy in terms of output, employment and earnings. Faster and inclusive growth needs special attention to informal economy. Sustaining high level of growth is also intertwined with improving domestic demand of those engaged in informal economy, and addressing the needs of the sector in terms
of credit, skills, technology, marketing and infrastructure. The unorganized sector, on the other hand, has no such clear-cut employer-employee relationships and lacks the coverage of social protection. Having no fixed employer, these workers are casual, contractual, migrant, home based, own-account workers who attempt to earn a living from whatever meager assets and skills they possess.

A distinction has been made by the NCEUS (National Commission For Enterprises in Unorganized Sector) between organized sector and unorganized sector employment and organized and unorganized workers. The unorganized sector refers to enterprises which employ less than 10 workers. But the unorganized workers refer to workers who are employed whether in the organized or unorganized sector but are not covered with social security benefits. The 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\(^1\). The invisible but the unbreakable boundary that divides organized and unorganized sector is not a wall but a steep slope. Indian society is like a mountain, with the very rich at the top, lush Alpine pastures where skilled workers in the biggest modern industries graze, a gradual slope down through smaller firms where pay and conditions are worse and the legal security of employment means less, a steep slope around the area where the Factories Act ceases to apply, a plateau where custom and the market give poorly paid unorganized sector workers some minimal security, then a long slope down through casual migrant labour and petty services to destitution. There are well defined paths up and down these slopes, which are easy and smooth for certain kinds of people.
1.2 Statement of the problem

The Indian constitution is one of the most progressive in the world and guarantees equal rights for men and women. Despite the advances, women enjoy only a step motherly treatment almost everywhere especially in unorganized sector in terms of level and quality of employment compared to males. But women workers are forced to continue to labour because of passing problems like Poverty, lack of illiteracy to education and inadequate health facilities. They have to work for long hours and wages does not certainly match the length or magnitude of their labour. They work hard in shops with a view to improving the present living conditions for themselves and opening the avenues of bright feature for their children through quality education, healthy and nutritious food. The women workers encounter in numerable problems the chief of which being the lower income compare to their male counterparts. They are further humiliated for not updating their knowledge and skills so as to fit into the requirements of the market. A women in Indian society in general and in the unorganized sector in particular is doubly burdened as she has to work for the family both inside and outside the home. In fact, they are doing double the amount of work and paid less than half when compared with their male counter parts. The women who are engaged in domestic work and street vending face further difficulties such as sexual harassment and abusive language. Domestic workers have to work in three to five houses every day without any bonus or overtime. The sexual harassment and the bad working conditions and fuel to fire.

Women working in the unorganized sector deserve special mention as they are marginalized. Women have always worked, albeit the definition of work if seen only
through the prism of contribution to national input will mean different things to
different people. Women, who might not be ‘working’ in the narrow definition of
work, are still engaged in socially productive and reproductive labor. It is observed
that there is no legal protection system, bearing and rearing of children remains the
first responsibility of women workers and there is not much help from the government
and legal framework of the country. Social security and sustained human
development for workers of the unorganized sector are big just like a mirage. A large
percentage includes migrant workers. High rents and living expenses, low and
irregular salaries, unequal wages for male and female workers, no overtime payment,
no standard daily working hours, no public holiday and no prior notice for dismissal
from work constitute some of their trials. The vendors face problems like dependence
on money lenders, lack of dignity, and delay in payments, underemployment, and
violence against employees, oppression and maltreatment by local authorities. Poor
relations between the employers and employees, discrimination at work, sexual
harassment, poor health/medical care and denial of terminal benefits, torture and poor
working conditions echo the common plight of workers in almost all spheres of this
sector. They are replaced frequently, in case of better wage demands, as they are in
surplus in the market. There are still cases where women workers are deprived of the
benefits and facilities like equal payment vis-à-vis their male counterparts, maternity
benefits, proper child care services and indifferent attitude of the employers towards
women workers. A significant proportion of women is self-employed which means
they are engaged in informal work. They have poor working conditions and they lack
social security. There is inequality within this informal work. Women are
disproportionately represented and they occupy lower quality jobs. In the case of highly but the gender pay gap still persists because of the inequality and the lack of anti-discrimination laws\(^3\).

The majority of the women are working in unorganized sector, but many studies are focused on organized sector only. Hence, the researcher makes an attempt to make a microscopic analysis of the problems of “Women workers in unorganized sector in Madurai city”.

**1.3 Objectives of the study**

- To study the theoretical background of unorganized sector.
- To examine the socio economic background, the nature of work and working conditions of women workers in unorganized sector.
- To study the wage patterns and causes of discrimination in the wages of women workers in unorganized sector.
- To trace the basic problems faced by women workers in unorganized sector.
- To offer suggestions based on the findings of the study to overcome their problems.

**1.4 Scope of the study**

The scope of the study is limited to Madurai city only. The unorganized sector in Madurai city caters to the nature of work of the women workers in different socio economic layers. The present study deals with domestic workers, construction workers, and hotel workers in unorganized sector. The study is extended for working conditions of women workers, wage patterns and causes of discrimination in wages.
The study also intends to analyze the basic problems faced by women workers in unorganized sector.

1.5 Hypotheses

- There is no relationship between working condition, problems faced by workers and the profile of the respondents like age, marital status, educational qualification, type of family, nature of area of residence, and monthly income.

1.6 Operational definitions

1.6.1 Unorganized Sector

As per Ministry of Labour and Employment,(State Government) unorganized sector means an enterprise owned by individuals or self-employed workers and engaged in the production or sale of goods or providing service of any kind whatsoever, and where the enterprise employs workers, the number of such workers is less than ten.

1.6.2 Unorganized worker

According to Unorganized Workers Social Act, 2008 Schedule II, unorganized worker means a home based worker, self-employed worker or a wage worker in the unorganized sector. Agricultural workers, Forest workers, Fishermen, Rag-Pickers, Construction workers, Home-based workers, Domestic workers or helpers, Street vendors or sellers, Casual or temporary workers, fall under the category of unorganized workers.
1.6.3 Construction worker

A construction worker is a labourer or professional employed in the physical construction of the built environment and its infrastructure. Construction workers in general have no access to formal training in the construction industry and they upgrade their skills thorough practice or experience by working under skilled masons or carpenters.

1.6.4 Domestic worker

A domestic worker is a person who works within the employer’s household. Domestic workers perform a variety of household services for an individual or a family, from taking care of children and elderly dependents to housekeeping, which includes cleaning and household maintenance. Other responsibilities are cooking, laundry, ironing, shopping for food and undertaking other household errands, like sweeping mopping as the like.

1.6.5 Hotel worker

A hotel worker is a person who works in the hotels for cooking, serving, cleaning and other related works in hotels.

1.7 Data collection

The data have been collected from both primary and secondary sources of which the former are the main source for the study. Data have been collected from the construction workers, domestic workers and hotel workers in Madurai city. The secondary data are also very useful in this in-depth study, which have been collected from journals, other projects and websites.
1.8 Research design

This study has been made as a descriptive research. The main goal of descriptive research or statistical research is to discuss in detail the data and the characteristics of what is being studied.

1.8 Sampling design

Sampling design means measuring a small portion of something and then making a general statement about the whole thing. It is a process of selecting a number of units for study in such a way that the units represent the large group from which they are selected. In India, 93 per cent of the people are working in unorganized sector. According to Census of India 2011, there are 13,54,632 workers in Madurai district out of whom 4,51,928 are female workers, of this female workers 0.1 per cent is taken for this study, amounting to 450 respondents who of them from among construction workers, domestic workers and hotel workers. From each category 150 respondents are taken. This study is confined to women workers in unorganized sector in Madurai city only. In Madurai city the workers belong to various categories of work force under unorganized sector. In this study the researcher has used convenience sampling method. Primary data were collected from 150 construction workers from 15 construction companies, 150 domestic workers from 15 apartments and 150 hotel workers from 15 hotels in Madurai city. The particulars are presented in the following tables.
The researcher has selected 150 construction workers from 15 construction companies in various areas at Madurai city. Table 1.1 shows the 15 construction companies and its areas.

**Table 1.1**

**Construction Workers (Chital)**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Construction companies</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>PKP housing Pvt Ltd</td>
<td>Iyar Bungalow</td>
</tr>
<tr>
<td>2.</td>
<td>Suriya Builders</td>
<td>SS Colony</td>
</tr>
<tr>
<td>3.</td>
<td>Mb construction</td>
<td>SS Colony</td>
</tr>
<tr>
<td>4.</td>
<td>Indian homes</td>
<td>Kochadai</td>
</tr>
<tr>
<td>5.</td>
<td>Max GV</td>
<td>Virattipathu</td>
</tr>
<tr>
<td>6.</td>
<td>Beema homes</td>
<td>Madurai</td>
</tr>
<tr>
<td>7.</td>
<td>Max properties pvt ltd</td>
<td>Opposite Fatima College</td>
</tr>
<tr>
<td>8.</td>
<td>Vaigai promoters</td>
<td>Kamarajarsalai</td>
</tr>
<tr>
<td>9.</td>
<td>Yasin Builders,</td>
<td>Mattuthavani</td>
</tr>
<tr>
<td>10.</td>
<td>Visuas Promoters(P) ltd.</td>
<td>Andal puram</td>
</tr>
<tr>
<td>11.</td>
<td>Jaya Bharath Homes</td>
<td>Kochadai</td>
</tr>
<tr>
<td>12.</td>
<td>Global City Housing (P) Ltd</td>
<td>Koodal Nagar</td>
</tr>
<tr>
<td>13.</td>
<td>Makudam Construction</td>
<td>Iyer Bungalow</td>
</tr>
<tr>
<td>14.</td>
<td>Siva shelters</td>
<td>LIG colony, KK Nagar</td>
</tr>
<tr>
<td>15.</td>
<td>Max Spring</td>
<td>Sikkandar chavadi</td>
</tr>
</tbody>
</table>

Source: Primary data
The researcher has selected 150 domestic workers from 15 apartments in various areas at Madurai city. Table 1.2 shows the 15 apartments taken for the present study and its areas.

Table 1.2

Domestic workers

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Apartments</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Iswaryam Apartments</td>
<td>Kochadai</td>
</tr>
<tr>
<td>2.</td>
<td>Agrini</td>
<td>Andal puram</td>
</tr>
<tr>
<td>3.</td>
<td>SanthiSathan</td>
<td>Kochadai</td>
</tr>
<tr>
<td>4.</td>
<td>Meenakshi Garden</td>
<td>Valarnagar</td>
</tr>
<tr>
<td>5.</td>
<td>JeyaBharath</td>
<td>Avaniyapuram</td>
</tr>
<tr>
<td>6.</td>
<td>Athirstam Veedugal</td>
<td>Villapuram</td>
</tr>
<tr>
<td>7.</td>
<td>Ponmeni Garden</td>
<td>Near Mattuthavani</td>
</tr>
<tr>
<td>8.</td>
<td>Max Vista Apartment</td>
<td>Opposite to Fatima College</td>
</tr>
<tr>
<td>9.</td>
<td>Malligai Apartment</td>
<td>K.K. Nagar</td>
</tr>
<tr>
<td>10.</td>
<td>E.M.H. Apartment</td>
<td>China chokkikulam</td>
</tr>
<tr>
<td>11.</td>
<td>Shanthinikethan</td>
<td>Anna Nagar</td>
</tr>
<tr>
<td>12.</td>
<td>Vijayasri</td>
<td>K.K.Nagar</td>
</tr>
<tr>
<td>13.</td>
<td>Malar Apartments</td>
<td>Incomtax colony, Madurai -14</td>
</tr>
<tr>
<td>14.</td>
<td>Vishtra Appartments</td>
<td>Vilangudi – MDU -18</td>
</tr>
<tr>
<td>15.</td>
<td>Ponmani Apartments</td>
<td>Anna Nagar</td>
</tr>
</tbody>
</table>

Source: Primary data
The researcher has selected 150 hotel workers from 15 hotels in various areas at Madurai city. Table 1.3 shows the 15 hotels taken for the present study and its areas.

Table 1.3

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Hotels</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Kumar mess</td>
<td>Mattuthavani</td>
</tr>
<tr>
<td>2.</td>
<td>Sathya mess</td>
<td>Thallakulam</td>
</tr>
<tr>
<td>3.</td>
<td>Gowri Krishna</td>
<td>Bye pass road</td>
</tr>
<tr>
<td>4.</td>
<td>Arasan Sapthakiri</td>
<td>Anna Nagar</td>
</tr>
<tr>
<td>5.</td>
<td>Sri Sabarrish</td>
<td>Theppakulam</td>
</tr>
<tr>
<td>6.</td>
<td>Archana</td>
<td>Bye pass road</td>
</tr>
<tr>
<td>7.</td>
<td>Meenakshi Bhavan</td>
<td>Simmakkal</td>
</tr>
<tr>
<td>8.</td>
<td>Vasantham</td>
<td>Periyar bus stand</td>
</tr>
<tr>
<td>9.</td>
<td>Temple City</td>
<td>K.Pudur</td>
</tr>
<tr>
<td>10.</td>
<td>Anchaneeya</td>
<td>K.K.Nagar</td>
</tr>
<tr>
<td>11.</td>
<td>Saravana</td>
<td>K.K.Nagar</td>
</tr>
<tr>
<td>12.</td>
<td>Akshaya</td>
<td>Surveyor colony</td>
</tr>
<tr>
<td>13.</td>
<td>Melaku Boutique</td>
<td>North masi street</td>
</tr>
<tr>
<td>14.</td>
<td>Patchiyamman</td>
<td>Villa puram</td>
</tr>
<tr>
<td>15.</td>
<td>Kathiravan</td>
<td>Arapalayam</td>
</tr>
</tbody>
</table>

Source: Primary data
1.8.4 Data processing

The collected data were processed thorough tabulation, charts and graphs. The collected data were arranged in a concise and logical order. The charts and graphs are used in diagrammatical representation which describes the informal through the tabulation.

1.9 Period of the study

The study were carried out from June 2012 to April 2015. The primary data was collected during January 2014 to December 2014.

1.10 Statistical Tools

The researcher has used the statistical tools namely Percentage analysis, Chi-square test, Garrett’s ranking technique, Kolmogorov Smirnov test, Intensity value methods, Weighted average method and Factor analysis for analyzing the data procured from the respondents from different areas selected for the study.

1.10.1 Percentage Analysis

Percentage refers to a kind of ratio used in making comparison between two or more series of data. Percentages are used to describe relationships. The easiest method used in the analysis is percentage method.

\[
\text{Percentage} = \left( \frac{\text{Individual respondent}}{\text{Total number of respondents}} \right) \times 100
\]
1.10.2 Chi – Square Test

The Chi - square test is a non-parametric test used for comparing a sample variance to a theoretical population variance. When the cell frequency is more than five the chi-square test is applied.

\[ \chi^2 = \sum \frac{(O - E)^2}{E} \]

Where

\[ O = \text{Observed Frequency}, \ E = \text{Expected Frequency} \]

\[ E = \text{Row total} \times \text{Column total} \over \text{Grand Total} \]

\[ \mu = (C-1) (r-1) \]

\( \mu \) = Degrees of freedom

When the calculated value is less than the table value, the null hypothesis is accepted.

Yate’s correction

If the cell frequency is less than 5 then yate’s correction is applied.

\[ \chi^2 = \sum \frac{(O - E - 0.5)^2}{E} \]

Where

\[ O = \text{Observed Frequency}, \ E = \text{Expected Frequency} \]
1.10.3 Garrett ranking technique

This technique is used to rank the preference of the study. The orders of metric given by the respondents are converted into ranks by using the following formula

\[ \text{Per cent position} = \frac{100 (R_{ji} - 0.5)}{N_{ij}} \]

Where

- \( R_{ji} \) = rank given for \( i^{th} \) factor by \( j^{th} \) individual
- \( N_{ij} \) = number of factor ranked by \( j^{th} \) individual

The percentage position of each rank thus obtained is converted into scores by referring to the table given by Henry Garrett. The responses for each factor of the scores of the individual are added together and divided by the total number of respondents for whom the scores are added. These mean scores for all the factors are arranged in the descending order, ranks are given and the most important aspects are identified.

1.10.4 Weighted average method

The researcher has adopted the weighted average method to rank the general attitude of the respondents towards farming for different aspects of the study by using the following formula,
\[ X_w = \frac{\sum W X}{\sum W} \]

Where

\( w = \) weighted average \quad \( X = \) number of respondents \quad \( W = \) Weight or frequency of the respondents

### 1.10.5 Factor analysis

Factor analysis is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors. This analysis is used to study the respondents’ opinion about the factors like specialties allowances status in society, wages and the like influencing them in impulse buying. Factor analysis is related to principal component analysis (PCA), but the two are not identical. This factor analysis involves three steps to conclude. But before that it has to be verify whether the data in the study are fit for factor analysis for which KMO (Kaiser- Meyer- Olkin) test is employed. If adequacy measure exceeds 0.6 then the data are fit for the factor analysis. After that the following steps are followed:

- Initial Eigen’s values.
- Rotation sums of square loading.
- Rotated factor matrix.
Initial Eigen Values

The Eigen value for a given factor measures the variance in all the variables accounted for by that factor. The ratio of Eigen values is the ratio of explanatory importance of the factors with respect to the variables. If a factor has a low Eigen value, then it is contributing little to the explanation of variances in the variables and may be ignored as redundant with more important factors. Eigen values measure the amount of variation in the total sample accounted for by each factor.

Rotation sum of square loadings

After the factors are extracted by using principal component method, the factors should be rotated. To rotate the factors which are listed, varimax method is applied. Varimax rotation tries to maximize the variance of each of the factors, so the total amount of variance accounted for is redistributed over the eight extracted factors.

1.10.6 Kolmogarov Smirnov Test (Ks Test)

For the purpose of analysis, a question as to whether there is any difference in the importance of rating given by the respondents on 25 statements is asked and suitable hypothesis is formulated. The formulated hypotheses have been tested by the researcher with the help of the Kolmogarov Smirnov test. Suitable hypothesis is formulated for finding the difference in the importance of rating given by the respondents on various statements. The formulated hypothesis has been tested by the researcher with the help of Kolmogorov – Smirnov Test (hereafter known as KS test). Formula:
$D = O - E$

$D =$ Calculated Value

$O =$ Cumulative observed proportion

$E =$ Cumulative Expected proportion

### 1.11 Limitations of the study

- The study is confined to Madurai city only.

- The findings and suggestions are based on the perception of the respondents and hence cannot be generalized.

### 1.12 Chapter scheme

**Chapter I**

The study is presented in seven chapters. Under the title of “Introduction and Design of the study the first chapter introduce the subject selected for this study. In such an introduction naturally necessitates the definition and description certain key terms like unorganized sector, unorganized worker they also find a place in this chapter. Then the details pertaining to the study like the statement of the problem, objectives, Scope of the Limitations are outlines. In this chapter carrier a detailed list of books employed in this study and this chapter ends with a note on cauterization.

**Chapter II**

An in depth study of past literature pertaining to the chosen subject helps the researcher in more then one way first of all it shows sufficient light on the subject on how and thus what in researches mind in dark. Secondly it shows gaps like to unnoticed or ignored by the predecessor which enable the building researcher to fill
in this gaps. Again it helps in identifying the areas to the explored further and thus in parts thus scholar on the right path. The second chapter is devoted exclusively for this purpose under the caption of Review of Literature

**Chapter III**

It deals with the theoretical background of unorganized sector. As such, first of all it traces the historical background of unorganized work force with due focus on Indian Scenario. Major characteristics this sector are discussed in detail like main industries are informal sector are taken up for a thread bare analysis and a detailed analysis of various acts promulgates for the welfare and social security of unorganized sector is generally attempted in this chapter also sufficient light is thrown upon the various problems faced by women workers in the work place.

**Chapter IV**

Under the titles of “socio economic background and nature of work of the respondents” makes a beginning of the analytical part of the study which is, infect, the concept of the thesis. Here the socio economic variables like age, education, marital status and the like are taken up for necessary classification which would be much helpful and useful in further analysis. The classification of respondents is presents both in Table and Figures. Also all details regarding their nature of work, periodicity of placement, reason for work and the like find a place in this chapter.

**Chapter V**

The first part of analysis is attempted in Chapter V where the factors
like wages, nature of work, overtime and the like are brought under the microscope. Most important the level of satisfaction and important factors are measured on Five point scale and the results are presented. Again the level of satisfaction and variable like age, education and the like are cross tabulated to arrive at the results. It is in this chapter that the tools like chi square and garret scale are employed to find proper and prompt results.

Chapter VI

It is entitled problems faced by women workers. This chapter, in fact, completes the analytical part of the study which was virtually steered in chapter IV. A sincere attempt is made here to analyse the frame work and the level of satisfaction regarding various problems in the working place. Various tools like chi square, KMO test, likert scale and garret scale are employed to arrive at proper results. The results presents both in the Tables and Figures.

Chapter VII

It presents the summery of findings and based upon these major findings suggestions are offered, which, it is hoped would help not only the workers and employer but also the policy makers in the Government in formulating and implementing necessary facilities for the improvement of this unorganized sector which is little to unnoticed or ignores by those at the helps of affairs for some reason or other. This chapter as well as the thesis ends with necessary and relevant concluding remarks.
Foot Notes


2. Fedina.org/777/2011/10. UNORGANIZED SECTOR IN INDIA.DOC

