

Gender Dimensions of the Informal Sector and Informal Employment in India

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The division of labour by gender, referring primarily to allocation of paid and unpaid work between women and men in private and public life, also reflects the traditional division of women's and men's roles in society, which result in women's work being often invisible and therefore undervalued in national accounts and labour statistics.

Informal Employment

Informal employment and the related concept of the informal sector are relatively new topics in labour force statistics. In 1993, the International Conference of Labour Statisticians (ICLS) adopted an international definition of the informal sector to refer to employment and production that take place in unincorporated small and/or unregistered enterprises. In 2003, the ICLS broadened the definition to include certain types of informal employment outside informal enterprises, for example casual or day workers, industrial out workers and unregistered or undeclared workers. Those working in informal wage employment generally are without formal contracts, worker benefits or social protection and therefore, have little economic security.

Informal employment comprises a large and diverse category of workers, which can be divided into the more homogeneous categories, informal self-employment and informal wage-employment, according to status in employment.

Informal self-employment includes:-

- Employers in informal enterprises.
- Own-account workers in informal enterprises.
- Unpaid family workers (in informal and formal enterprises)
- Members of informal producers' cooperatives (where they exist).
- Own-account workers engaged in the production of goods exclusively for own final use by the household.

Informal wage-employment covers employees holding formal jobs, employed by formal or informal enterprises or households:

Employees are considered to have informal jobs, if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (e.g. advance notice of dismissal, severance of pay, paid annual or sick leave). Informal wage employment is common among the following categories of employees:

- Employees of informal enterprises.
- Casual or day labourers.
- Temporary or part-time workers.
- Paid domestic workers.
- Unregistered or undeclared workers.
- Industrial out workers (home workers).

The concept of 'Informal **economy**' has recently come into use to incorporate informal employment even outside the 'informal sector'. In other words, informality of both the enterprises and employment relations is incorporated in the concept of informal economy. A conceptual framework of informal employment was presented in the Fifth meeting of Delhi Group at New Delhi during 19-21 September 2001. It is, essentially a classification of jobs by status of employment of various categories of workers in different types of production units consisting of (a) formal sector enterprises (b) informal sector enterprises and (c) households, which produce

goods for their own final use and/or those employing domestic workers. They may be performing the jobs as (a) own account workers (b) employers (c) contributing family workers, (d) employees or (e) member of producers co-operatives. The status of employment may be formal or informal in many of the above categories. The framework, thus, recognizes informal employment in the formal sector, informal sector and households and consists of the following

- o Informal jobs both in informal and formal enterprises and in households
- o Employees are considered to have informal jobs if their employment relationship is, by law or in practice, not subject to standard labour legislation, taxation, social protection or entitlement to certain employment benefits

As a consequence of rapid economic development and specialization of services and the increase in demand for labour resources in the recent past, the business community has moved towards outsourcing of services. This phenomenon has contributed to the development of more casual arrangements between owners of enterprises and those contributing labour services.

The SNA (1993) characterized the informal sector as consisting of units engaged in the production of goods or services with the primary objective of generating employment and income to the persons concerned. They form part of the household sector as unincorporated enterprises owned by households. The broad characteristics of the informal sector are that these are:

- Private Un- incorporated Enterprises (Enterprises owned by individuals or households that are not constituted as separate legal entities independent of their owners)
- For which no complete accounts are available that would permit a financial separation of the production activities of the enterprise
- Produce at least some of their goods or services for sale or barter
- The employment size of the enterprise is below a certain threshold (to be determined according to national circumstances)
- And/or not registered under specific form of national legislation

The conceptual framework of the informal employment endorsed by the 17th ICLS relates the enterprise-based concept of employment in the informal sector in a coherent and consistent manner with a broader, job-based concept of informal employment.

India's Informal Sector

In India the term 'informal sector' has not been used in official statistics. The term used is '**un-organised sector**' which consists of the units, which are not covered under the regular statistical reporting mechanism in each segment of the economy.

The **organised sector** (covered through Annual Survey of Industries (ASI)) mainly comprises manufacturing units registered under section 2m(i) and 2m(ii) of the Factories Act, employing 10 or more workers using power; and those employing 20 or more workers without using power. The ASI also covers bidi and cigar manufacturing establishments registered under the Bidi & Cigar Workers (Conditions of Employment) Act, 1966 with coverage as above. All electricity undertakings engaged in generation, transmission and distribution of electricity registered with the Central Electricity Authority (CEA) are covered under ASI irrespective of their employment size. Certain servicing units and activities like water supply, cold storage, repairing

of motor vehicles and other consumer durables like watches etc. are covered under the survey. Defence establishments, oil storage and distribution depots, restaurants, hotels, café and computer services and the technical training institutes, etc. are excluded from the purview of the survey.

The units not covered under the Annual Survey of Industries are treated as part of un-organised sector in respect of manufacturing activities. Apart from these, the units belonging to the Trade, Hotels and Restaurants are treated as un-organised sector except those in the public and private corporate sector and co-operatives.

The use of the term 'organised' and 'unorganized' as used in India is internationally known as 'formal' and 'informal'. In the Indian context the enterprise concept (i.e. to define the unorganized sector) and the employment concept (i.e. to define unorganized employment) lack in conceptual clarity and uniformity across the sub-sectors of the economy. For example, the Central Statistical Organisation uses the term 'organised enterprise' as small units with ten or more workers with power or 20 or more workers without power for the manufacturing sector. However, the absence of similar statistical data till now prevented this definition being extended to the service sector. Employment in the unorganized sector has hitherto been derived as a residual of the total workers minus workers in the organised sector as Reported by the Directorate General of Employment and Training (DGET). The DGET figures, however, fail to capture the informal/unorganized employment in the formal/organised sector - a phenomenon, which is becoming increasingly significant in the Indian economy.

However, certain attempts have been made in the 55th and 61st round of NSS, to collect data on Informal Sector and Informal Employment keeping in view the recommendations of the Delhi Group to the extent possible.

National Commission for Enterprises in the Unorganized Sector (NCEUS)

The National Commission for Enterprises in the Unorganized Sector was constituted in September, 2004. **The commission has treated unorganized & informal sector as the same.** It has defined the unorganized or Informal Employment as follows:

"Unorganized workers consist of those working in the unorganized enterprises or households, excluding regular workers with social security benefits, and the workers in the formal sector without any employment/ 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 work place) 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.

Estimation of unorganized sector employment by NCEUS

The first comprehensive survey of 'Informal Sector' using its definition was conducted in the NSS 55th Round during July 1999 to June, 2000. The NSSO during the 55th round survey (July 1999- June 2000), for the first time, collected data through employment – unemployment survey, in respect of workers engaged in the non-agricultural enterprises in the informal sector. Information was collected directly from the enterprises by canvassing a separate schedule of enquiry (Schedule 2.0). This schedule was canvassed for the informal sector enterprises, which covered all *unincorporated enterprises in the non-agricultural sector which operated on either proprietary or partnership basis*. The respondents were generally *owners/ managers of enterprises* from whom all information on workers was obtained. The emphasis was more on such details of the enterprises as their receipts, operating expenses, assets owned etc., and very few

items of information were exclusively on workers. The subsequent survey was conducted in NSS 61st Round during July 2004 to June 2005. The Commission has prepared direct estimates of employment in the unorganized sector based on its definition (*which include all of agricultural workers in the unorganized sector and defined organised employment more tightly to limit it to employees who receive provident fund and social security benefits from their employers*) and the NSS 55th & 61st round survey results. As per these estimates, in 2004-05, the total employment (principal plus subsidiary) in the Indian economy was 458 million, of which the unorganized sector accounted for 395 million (given in the following table). This direct estimation shows that the unorganized sector constituted 86 per cent of total workers in 2004-05, same as that in 1999-2000. Informal types of employment in organised and unorganized sectors taken together constitute 92% in 2004-05 against 91% in 1999-2000. Informal employment increased from 341 millions persons in 2000 to 394 millions in 2005. *Formal employment, on the other hand remained static at about 35 millions. Organised sector employment increased from 54.1 million to 62.6 millions during the period i.e. by about 9 million, which is entirely on account of what is classified as informal employment in the organised sector, workers who do not have the benefit of provident fund and social security.*

Table -1
Sector of Work vs Employment-Type Relationship
All Workers 1999-2000 & 2004-05 (UPSS)

Sector/Worker	Total Employment (Million) ¹		
	Informal	Formal	Total
1999 - 2000			
Unorganized sector	341.3 (99.6)	1.4 (0.4)	342.6 (100.0)
Organised sector	20.5(37.8)	33.7 (62.2)	54.1 (100.0)
Total	361.7 (91.2)	35.0 (8.8)	396.8 (100.0)
2004 - 2005			
Unorganized Sector	393.5 (99.6)	1.4 (0.4)	394.9 (100.0)
Organised Sector	29.1 (46.6)	33.4 (53.4)	62.6 (100.0)
Total	422.6 (92.4)	34.9 (7.6)	457.5 (100.0)

Women's Share in Informal Employment

The total employment in 2005 consisted of 303 million male and 155 million female workers. Rural workers were 342 millions and urban workers were 116 million. Out of the total workforce of 458 million persons, unorganised/ informal sector constitute 395 million persons as

¹ Notes :

a. Figures in brackets are percentages.

b. Based on NSS 61st Round 2004 - 2005 and NSS 55th Round, 1999-2000, Employment-Unemployment Survey.

c. UPSS - Usual activity status considering Principal and Subsidiary Status taken together

d. Source: National Commission for Enterprises in the Unorganized Sector's (NCEUS) report on Conditions of Work and Promotion of Livelihoods in the Unorganized Sector

on 1st January, 2005 calculated based on the 61st round NSS survey. The gender differential in proportion of workers engaged in the non-agricultural and **Agricultural sector Excluding Growing of Crops** (AGEGC) enterprises by type of enterprises is presented in Table-2 at the all-India level. The two types of enterprises – proprietary and partnership – have been clubbed together and denoted as P&P. **As per definition P&P constitute the Informal Sector.** The statement shows that a high proportion of non-agricultural and AGE GC workers, in the rural and urban areas, worked in the *informal sector*. The survey estimated that during 2004-05, among workers in the non-agricultural and AGE GC sectors, about 82 per cent in the rural areas and 72 per cent in the urban areas were employed in the *informal sector*. This proportion was higher for the females (86 per cent) than that for the males (79 per cent) in the rural areas, while in the urban areas, the proportion was higher for the males (74 per cent) than that for the females (65 per cent).

Table -2

Percentage of workers engaged in proprietary/ partnership (P & P) enterprises and 'employer households' among workers according to usual status (ps+ss) engaged in Non-Agricultural and AGE GC enterprises during 2004-05			
All-India			
Category of persons	P & P	Employer households	Total
(1)	(2)	(3)	(4)
Rural			
Male	79.2	0.6	79.9
Female	86.4	2.1	88.6
Person	81.6	1.1	82.7
Urban			
Male	73.9	0.9	74.8
Female	65.4	11.9	77.3
Person	72.2	3.1	75.3
Rural+Urban			
Male	76.7	0.8	77.4
Female	79.7	5.3	84.9
Person	77.5	2.0	79.5

Gender Distribution of Workers in Non-Agricultural sector and AGE GC

The distribution of all workers as per **usual principal status and usual subsidiary status (ps+ss)** between *non-agricultural* sector and **AGE GC**, market gardening, horticulture and growing of crops combined with farming of animals *AGE GC* is given in Table-3. Between these two sectors of activities, the non-agricultural sector alone accounted for almost 87 per cent of workers (ps+ss) and AGE GC engaged remaining 13 per cent. In the urban areas, the distribution was in favour of the non-agricultural sector with nearly 98 per cent of workers being engaged in the non-agricultural activities and merely 2 per cent in the AGE GC. The corresponding shares for the rural areas were, however, 79 per cent and 21 per cent, respectively. The distribution of workers between these two sectors, the male-female difference too was significant – in rural areas, nearly 46 per cent among females were engaged in the AGE GC compared to 9 per cent among males and in the urban areas, nearly 6 per cent among females were engaged in AGE GC compared to only 1 per cent among males. As AGE GC is a part of the agricultural sector, a higher proportion of female workforce in this sub-sector compared to their male counterparts, in both the rural and urban areas, shows the dominance of male workers in the non-agricultural sector.

Table -3

<i>Percentage distribution of usual status (ps+ss) workers engaged in industry groups/ divisions by non-agricultural and AGEGC during 2004-05</i>			
<i>All-India</i>			
<i>category of persons</i>	<i>industry group/division</i>		
	<i>AGEGC</i>	<i>Non-Agricultural</i>	<i>all</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>Rural</i>			
<i>Male</i>	9.2	90.8	100
<i>Female</i>	46.2	53.8	100
<i>Person</i>	21.3	78.7	100
<i>Urban</i>			
<i>Male</i>	1.3	98.7	100
<i>Female</i>	6.0	94.0	100
<i>Person</i>	2.3	97.7	100
<i>Rural+Urban</i>			
<i>Male</i>	5.4	94.6	100
<i>Female</i>	33.2	66.8	100
<i>Person</i>	13.0	87.0	100

AGEGC: [ag]ricultural sector [e]xcluding [g]rowing of [c]rops, market gardening, horticulture and growing of crops combined with farming of animals

Gender Distribution of Non-Agricultural Workers

The proportion of non-agricultural workers to all workers obtained from NSS 61st round has been compared with the corresponding figures for NSS 55th Round survey in Table-4 at the All-India level. **The comparison has been given for the workers engaged in the non-agricultural sector since in the 55th round, information regarding the particulars of enterprises were collected only from those engaged in that sector.** Over a period of 5 years since 1999-2000, as expected, there has been a significant change in the proportion of non-agricultural workers in the rural workforce; it increased from 24 per cent in 1999-2000 to 27 per cent in 2004-05. This rise in the proportion of workers in the non-agricultural sector was observed for both males and females, and more significantly for women. However, during this period, the share of the urban workforce in the non-agricultural sector remained unchanged at 91 per cent. The proportion of males and females also remained more or less same in the urban areas during this period.

Table -4

Percentage of non-agricultural workers among workers according to usual status (ps+ss) during 1999-2000 and 2004-05				
All-India				
Category of persons	55th round (1999-2000)		61st round (2004-05)	
	rural	urban	rural	urban
(1)	(2)	(3)	(4)	(5)
Male	28.6	93.4	33.5	93.9
Female	14.6	82.3	16.7	81.9
Person	23.7	91.2	27.3	91.2

Gender Differentials of Informal Employment in Non-agricultural sector

Table-5 below shows the proportion of employment in the **informal sector (P&P)** enterprises in Non-agricultural sector obtained from 55th & 61st round surveys. In the five years period between two surveys, proportion of employment has increased perceptibly. Overall increase in the proportion of employment in the informal sector (P&P) was 6% for All-India. The increase for rural sector was 7% while it was 4% for urban sector. Further, there was a fall of 5 percentage points for the urban females; it may be largely due to fall in the share of proprietary female-enterprises. Moreover, the workers employed in the private households (Employer household) in the 55th round, were included largely in the proprietary type of enterprises. This may be one of the reasons why the proportion of urban female workers employed in the informal sector enterprises declined between 1999-2000 and 2004-05. This decline has also contributed to the overall decline from 72% to 71% in females' P&P employment at the national level.

Table -5

Percentage of workers engaged in proprietary and partnership enterprises among workers according to usual status (ps+ss) in non-agricultural sector during 1999-2000 and 2004-05		
All-India		
	enterprise type 55th round (1999-2000)	61st round (2004-05)
	(P&P)	(P&P)
Rural		
Male	69.5	78.1
Female	75.0	77.1
Persons	70.7	77.9
Urban		
Male	67.4	73.7
Female	68.5	63.5
Persons	67.6	71.7
Rural + Urban		
Male	68.4	75.9
Female	72.0	71.0
Persons	69.1	74.9

Gender Differentials in Activity Status of Employment in Informal Sector

In the 55th round survey the characteristics of the enterprises were collected for the non-agricultural sector only. Therefore, the proportion of workers in the *informal sector* obtained from the 61st round survey could be compared with the results of 55th round only for the non-agricultural sector. It can be seen that the proportion of non-agricultural workers in the *informal sector* has increased substantially for all types of work status, except for the regular wage/salaried females. This is possibly due to separating out the workers engaged in the *employer households* in the 61st round. The rise in the proportion of workers in the *informal sector* during 2004-05, as compared to 1999-2000 is found to have gone up among the casual labourers in both the rural and urban areas. In the rural areas, the rise in the proportion of the casual labours was observed for both the males and females but for females the rise was slightly higher compared to males. In the urban areas, though the proportion of the male casual labours in the *informal sector* increased during 2004-05 by nearly 11 percentage points, in the case of urban females it declined by nearly 3 percentage points – from 72 per cent in 1999-2000 to 69 per cent in 2004-05.

Gender differentials for jobs with no written Contract

Table -6 Percentage of workers engaged in <i>informal sector</i> (P & P) enterprises among non-agricultural workers according to usual status (ps+ss) for each status in employment during 1999-2000 and 2004-05						
All-India						
Usual Activity	55 th			61 st		
status	Male	Female	Persons	Male	Female	Persons
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Rural						
<i>Self-employed</i>	90.7	92.1	91.1	95.0	96.6	95.4
<i>Regular wage/ salaried employees</i>	33.6	28.4	32.8	44.0	25.8	40.5
<i>Casual labour in other than public work</i>	69.8	63.7	68.7	80.5	73.8	79.4
Total (excl. casual labour in public works)	69.7	75.4	71.0	78.1	77.1	77.9
Urban						
<i>Self-employed</i>	95.1	92.8	94.7	97.3	96.8	97.2
<i>Regular wage/ salaried employees</i>	40.2	40.8	40.3	46.5	27.8	42.9
<i>Casual labour in other than public work</i>	74.0	72.1	73.7	85.2	68.9	82.3
Total (excl. casual labour in public works)	67.5	68.7	67.7	73.7	63.5	71.7

In the NSS 61st round survey, information was collected about the employees' job contract about or agreement regarding duration of employment with the employer. The proportion of different categories of workers, viz. regular wage/ salaried employees, and casual labourers who had no written job contract with the employer is presented in Statement 2.

In the **Non-agricultural Sector**, about 79 per cent of employees in rural areas and 68 per cent in urban areas had no written job contract with their employer. As expected, among the casual labourers nearly 96 per cent in the rural areas and 97 per cent in the urban areas had no written job contract. In contrast, a lower proportion of the regular wage/salaried employees had no written job contract: 59 per cent each in both rural and urban areas. Gender differentials regarding this condition of employment was found to be marginal for wage/salaried employees, - while in the rural areas nearly 59 per cent of the male workers had written job contract, for females the corresponding proportion was 57 per cent and in the urban areas the proportion of males with no written job contract was 59 per cent as compared to 61 per cent for females.

Table -7: Percentage of employees who had no written job contract among employees according to usual status (ps+ss) engaged in the non-agricultural and AGEGC enterprises for different status in employment during 2004-05

All-India

category of persons	status in employment								
	regular wage/ salary			casual labour			all workers		
	industry groups/ divisions								
	AGEGC	non-agricultural	Total	AGEGC	non-agricultural	Total	AGEGC	non-agricultural	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rural									
male	72.2	59.4	59.8	89.0	95.7	95.3	84.5	79.2	79.4
female	65.3	56.8	56.8	93.9	96.3	96.0	92.1	76.9	78.0
person	71.7	58.9	59.2	90.6	95.8	95.4	86.5	78.8	79.2
Urban									
male	76.5	58.6	58.7	87.4	96.8	96.6	82.3	68.0	68.1
female	41.7	61.2	61.2	95.0	96.7	96.7	90.8	69.3	69.4
person	75.6	59.1	59.2	88.9	96.8	96.6	83.4	68.2	68.3
Rural+Urban									
male	73.1	58.9	59.1	88.9	96.0	95.7	84.2	73.4	73.7
female	63.6	59.6	59.7	94.0	96.4	96.2	92.0	72.8	73.6
person	72.5	59.1	59.2	90.4	96.1	95.8	86.1	73.3	73.7

AGEGC Sector: The incidence of jobs without written job contract was more prevalent in this sector - 87 per cent in the rural areas and 83 per cent in the urban areas. In this sector too, the proportion of the regular wage/salaried employees with no written job contract was lower (72 per cent in the rural areas and 76 per cent in the urban areas) than the corresponding proportion for casual labourers (91 per cent in the rural areas and 89 per cent in the urban areas). The female regular wage/ salaried workers displayed distinct pattern with respect to this condition of employment compared to their male counterparts in the non-agricultural sector. In the rural areas, among the regular wage/ salaried workers, nearly 65 per cent of female workers had no written job contract compared to 72 of male workers, while in the urban areas nearly 42 per cent female workers had no written job contract compared to 77 per cent of male workers.

Engendered Information on Social Security Benefits

Information on eligibility of the regular wage/salaried employees and casual labourers for different social security benefits was collected in the NSS 61st round survey. It was ascertained from the employees whether they were covered under any of the specified social security benefits or a combination of them. **The different social security benefits covered in the survey were Provident Fund (PF) scheme, Gratuity and, Health Care & Maternity Benefits. The term Provident Fund (PF) included General Provident Fund, Contributory Provident Fund, Public Provident Fund, Employees Provident Fund, etc.** It may be mentioned that coverage under any of these Social Security schemes would mean that the employers' contributed/arranged/paid in implementing the social security benefits for the worker. If an employee operated, in his/her individual capacity, a PPF account and the employer was not contributing to that account, it was not considered a social security benefit. On the contrary, a scheme, in which both the employee and the employer contributed, was considered a social security benefit. Similarly, in case an employee was eligible for paid leave for a specified period of pre-natal/childbirth/post-natal stages or if the expenditure for maternity care or childbirth was born by the employer as per the conditions of employment, then such benefits were considered to be social security benefits.

Table -8 presents the proportion of usual status (ps+ss) employees not eligible for any social security benefit, mentioned above, for different categories of employees at all-India level. Non-existence of social security benefit is a measure of insecurity in the job one performs. As high as 71 per cent of the employees in the non-agricultural and AGEGC sectors were not covered by any social security benefit. The proportion was even higher in the rural areas (78 per cent) than in the urban areas (64 per cent). Though, among the casual labourers, it is expected that a very higher proportion of them would be outside the social security net, even for the regular wage/salaried employees, the proportion of workers left out of the coverage of the social security benefits was considerable. While, almost none among the casual wage labourers (96 per cent) were covered under any of the specified social benefits, the proportion for the regular wage/salaried employees not covered by any of the social security benefits was also nearly 55 per cent. In the rural non-agriculture sector, among the regular wage/salaried employees, while 56 per cent of male employees were not covered by any of the social security benefits, in case of females it was nearly 61 per cent. In the urban areas, the proportions of regular wage / salaried employees, who were not covered under any social security benefit, were 60 per cent for females and 52 per cent for males.

Table-8 Percentage of employees not eligible for any social security benefit² among employees according to usual status (ps+ss) engaged in the non-agricultural and AGEGC enterprises for different status in employment during 2004-05 all-India

category of persons	status in employment								
	regular wage/salaried			casual labour			all employees		
	industry groups/ divisions								
	AGEG C	non-agricul tural	Total	AGEG C	non-agricul tural	Total	AGEG C	non-agricul tural	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
rural									
male	72.9	55.5	56.0	88.6	95.8	95.4	84.4	77.5	77.8
female	65.3	60.8	60.9	92.8	96.3	95.9	91.0	78.9	79.8
Person	72.3	56.5	56.9	89.9	95.9	95.5	86.1	77.7	78.2
Urban									
male	71.7	51.9	52.0	82.0	96.4	96.1	77.2	62.8	62.9
female	41.7	59.6	59.5	100.0	96.6	96.7	95.5	68.0	68.1
Person	71.0	53.4	53.5	85.6	96.4	96.2	79.6	63.8	63.9
rural+urban									
male	72.6	53.2	53.5	87.9	96.0	95.6	83.4	69.9	70.3
female	63.6	60.0	60.0	93.2	96.4	96.1	91.3	73.1	73.7
Person	72.0	54.5	54.7	89.5	96.1	95.7	85.3	70.5	70.9

Homebased Workers- An Invisible Dimension of Informal Sector

In the ILO (2002) report on “*Women and Men in the Informal Economy: A Statistical Picture*”, home-based workers are defined and related to homeworkers as follows:

“The term “home-based worker” is used to refer to the general category of workers who carry out remunerative work within their homes or in the surrounding grounds. It does not refer to either unpaid housework or paid domestic work. Within the general category of home-based workers, there are two basic types of workers: those who work on their own (the self-employed)

² For the purpose of the survey, the social security benefits considered were PF/ pension, gratuity, health care and maternity benefit

and those who work for others (mainly as industrial outworkers). The term “homeworker” is used to refer to a sub-set of home-based workers : namely, industrial outworkers who carry out paid work from their home. It is important to distinguish, both conceptually and statistically, between the following two categories (and related terms):

Home-based workers: all those who carry out market work at home or in adjacent grounds or premises whether as self-employed or as paid workers.

Homeworkers : those home-based workers who carry out paid work for firms/businesses or their intermediaries, typically on a piece-rate basis.”

The important point to be noted in the above formulation is that the concept of ‘home-based workers’ is broader than that of ‘homeworkers’ and the two terms need to be related and yet differentiated. While there is an internationally recognized definition of ‘homeworker’ given in the ILO Convention on Home Work (1996), there is no such status, as yet, for a definition of ‘home-based worker’.

In the Employment and Unemployment Survey conducted by National Sample Survey Organisation (NSSO) in India during 55th round, 1999-2000, the data item on “location of workplace” for the usual principal and subsidiary activity status workers was introduced for the first time with provision for separate codes for: no fixed workplace; own dwelling; own enterprise/office/shop outside own dwelling; employer’s dwelling; employer’s enterprise/office/shop but outside employer’s dwelling; street with fixed location; construction site; and others.

The same survey also has taken some pioneering steps in an effort to collect data on outwork in general and homework in particular. A series of questions/data items were addressed to/collected from self employed (employer, own account and unpaid) non-agricultural workers in the usual principal and subsidiary activity status.

An Independent Group of Experts constituted by the CSO with membership from the Government and other stakeholders has provided definition of homebased workers as follows:

Home-based workers are-

- (a) own-account workers and contributing family workers helping the own-account workers, involved in the production of goods and services, in their homes, for the market and
- (b) those homeworkers, who work in their homes for remuneration, resulting in a product or service as specified by the employer(s), irrespective of who provides the equipment, materials or other inputs used; and those contributing family workers helping such homeworkers.

Such homeworkers cannot be classified unambiguously into any one of the existing ‘status of employment’ categories. For data collection purpose, such homeworkers may be classified as own-account workers.

‘Home’, referred to above, is defined as (i) living place and/or (ii) structure attached to living place and/or (iii) open area / detached structure adjacent to the living place.

It may be noted that in the above definition of home-based worker, *a homeworker carrying out work not in his or her home but in other premises of his or her choice, other than the workplace of the employer, is excluded.*

Table-9 that follows, gives the number of workers, usual principal and subsidiary statuses (ps+ss) taken together, by broad industry, residing in rural and urban India separately, for those working in proprietary and partnership enterprises only as per NSS 61st round (2004-05) EUS. Percentages

of workers working in their own dwellings are also presented. Since separate estimates for own account workers and contributing family workers helping such own account workers were not readily available, the data on workers presented in this table include other types of workers like employers and employees. *It is to be noted from this table that percentage of workers working in own dwelling is much higher for females as compared to males.*

Table 9: Percentage of workers working in their own dwellings, NSS 61st round (2004-05)

Industry	Number of workers ('00) (P&P)			Percentage of workers (P&P) working in own dwelling		
	Male	Female	Person	Male	Female	Person
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Rural India						
Agriculture*	61,697	161,698	223,394	39.7%	72.4%	63.3%
Non-agr.	527,733	149,287	677,020	17.5%	59.3%	26.8%
Combined	589,429	310,985	900,414	19.8%	66.1%	35.9%
Urban India						
Agriculture*	7,691	9,796	17,487	35.7%	76.2%	58.4%
Non-agr.	489,456	102,424	591,880	11.7%	49.8%	18.3%
Combined	497,147	112,220	609,366	12.1%	52.1%	19.5%

The definition of homebased workers will be used in the ensuing EUS of the NSS for enumerating this new dimension of informal sector, which is predominantly women's realm as evident from the Table above.

Gender Perspective of Informal Sector

Women are the bigger workforce of the Informal sector as they are more likely than men to undertake 'unpaid' activities, whether economic or non-economic, women are also more likely than men to be involved simultaneously in unpaid care work and in unpaid or low-paid economic activity. More generally, women are less likely than men to be engaged in full-time regular employment as 'employees' in formal sector enterprises, which is the simplest form of work to capture in surveys. Often the work of women is unrecognized by society, their families and even themselves. They are instead regarded as homemakers, and thus not economically active, even though they are engaged in economic work.

Gender sensitive statistics are needed to understand how a range of different factors is affecting women and men, especially those who are poor, and their families. These factors include:-

- A large and possibly expanding, informal economy;
- Globalization-increased economic integration and advances in technology;
- The impact of work and lack of work on family and personal lives;
- The linkages between unpaid care work and production;
- The extent to which women and men are affected by decent work deficits

The National Statistical System has to widen its scope to cover contextual evidences to establish or quantitatively demonstrate the value and validity of this set of postulations, which inter-alia provide overarching objectives for statistical investigations.
