

ORGANIZING AGAINST THE ODDS: WOMEN IN INDIA'S INFORMAL SECTOR

ROHINI HENSMAN

It is estimated that less than 8 percent of the work-force in India belongs to the formal sector, leaving more than 92 percent—well over 350 million people in a labour force of almost 400 million—in the informal sector.¹ This is partly due to non-implementation of existing legislation, but mostly a result of the inadequacy of these laws. For example, the Factories Act, 1948, which covers working conditions, health and safety, basic amenities like toilets, working hours, creches and much else, does not apply to work-places with fewer than ten workers using power-driven machinery or less than twenty workers without such machinery; similarly the Employees' State Insurance Act, 1948, providing for sickness, accident and maternity benefits, also does not apply to work-places with less than twenty workers without such machinery, nor to workers earning more than a fairly low wage, above which unions have to negotiate their own schemes with employers. Thus employers have a variety of ways to evade these laws: for example, splitting up an establishment into smaller units which are supposedly independent of one another, putting out work to homeworkers, employing large numbers of contract workers (on site) who are supposedly employees of labour contractors and therefore do not appear on the payroll of the company, or subcontracting production to smaller work-places. The Contract Labour (Regulation and Abolition) Act, 1971, forbids the employment of contract labour for work of a perennial nature, but the way this legislation has been formulated leaves gaping loopholes which have been exploited by unscrupulous employers, including the government itself.

One of the biggest obstacles to organization of informal sector workers is the fact that they are not covered by provisions of the Industrial Disputes Act, 1947,

which prevent arbitrary closure of the enterprise and provide redress for workers subjected to dismissal for trade union activities. This means that although workers in theory have the right to unionize, in practice this means very little, because employers can either dismiss individual workers who join a union, or close down an entire unit and reopen it with new, non-unionized workers, and there is no redress for workers who are victimized in this way.

The other factor which must be taken into account when looking at the background against which women workers have had to work out their organizational strategies is the extreme social discrimination against women and girls, which begins even before birth with selective abortion of female foetuses, and carries on with female infanticide and less nutrition and health care for girls, so that India has fewer females than males in the population. The undervaluation of girls resulted in a female literacy rate of only 39.4 percent in 1991, one of the lowest in the world, as against 63.9 percent for males. This in turn affects the ability of women to get any employment except the worst, and makes it easier for employers to force them into adverse conditions.²

The problems are most acute for homeworkers, the vast majority of whom are women. Even their status as workers is not recognized without a struggle, and the lack of any formal employer–employee relationship makes it only too easy for employers to get rid of workers who are seen as trouble-makers by denying them work. Decentralization of production enables employers to evade labour legislation covering working conditions, hours of work, paid leave, weekly off-days and holidays, Provident Fund payments, etc. Organization in this sector is rare, and it is therefore worth looking at a some of the strategies that have been employed.³

THE NAVAYUGA BEEDI KARMIKA SANGAM

The production of beedis (Indian cigarettes) is a clear illustration of the employer strategy of decentralization in order to evade labour legislation. Beedi production used to take place in factories, but these were closed down in the 1970s, and the work put out to women homeworkers. This made the entire employer–employee relationship extremely hard to regulate. However, the Beedi and Cigar Workers (Conditions of Employment) Act, 1966, had extended the definition of the employer–employee relationship to include contract workers and homeworkers. Along with the Minimum Wages Act, 1948, this is one of the few labour laws applicable to homeworkers.

The Navayuga Beedi Karmika Sangam is a beedi workers' union in the city of Hyderabad, Andhra Pradesh, with a membership consisting entirely of women homeworkers. Here the struggle was, first and foremost, to be recognized as workers at all. When the Progressive Organization of Women (POW) and the All-India Federation of Trade Unions (AIFTU) began to organize these women, government statistics showed only a few hundred workers in the city; in fact, when the Labour Department was pressurized to investigate in 1986, they found there were approximately 10,000! The union contacted the

women by going from house to house; holding meetings was difficult because the only time they came together was when they were delivering the completed beedis and collecting fresh raw materials. Moreover, initially women were scared to be known to belong to the union, because they could easily be victimized and quite often were. Nonetheless, the union was registered in 1987, and by 1994 the membership had grown to around 5,000.

At the time the union was started, the rate of pay was about Rs 8.00 for rolling 1,000 beedis—a long day's work for a skilled worker, and many needed help from children in order to reach this target. The union organized strikes, but even more effective, perhaps, were the demonstrations and other agitations which obtained city-wide publicity for the plight of the workers. They succeeded in getting the rate increased, but it still lagged behind the minimum wage, which kept increasing as inflation eroded its value (e.g., in early 1995, when the minimum wage was Rs 28 per day, the union won an increase to Rs 20 per 1,000 beedis). The struggle to regularize employment was less successful. Although employers were required to issue identity cards and appointment letters to the workers as proof of employment, hardly any of them were doing so. However, the workers did succeed in getting welfare cards from the government after a long, hard struggle. These entitled them to maternity benefit of Rs 250 for each of two births and scholarships for their children from the central government. Paid holidays, leave and weekly off-days were not given anywhere; it was strictly a matter of 'no work, no pay'.

There were also domestic problems. Many of the women were beaten by their husbands, and often encountered as much opposition to their union activities from their homes as from employers. In some of these cases the women subsequently dropped out of union activities, but sometimes other workers and the POW intervened to put pressure on their husbands to allow them to participate actively in the union.

One factor which seems to have been crucial to the success of the union is the existence of legislation which applies to this section of workers, which provided both a legal resource which could be used against recalcitrant employers, and a psychological source of strength to the women. However, many problems remained. The level of their earnings was still barely at subsistence level, and they had no paid leave or other benefits. Worst of all, they were still extremely vulnerable to victimization for trade union activities. This undermined their bargaining position *vis-à-vis* employers, and also left them with an underlying sense of insecurity.

SARBA SHANTI AYOOG

Sarba Shanti Ayog (SSA), based in Calcutta, West Bengal, was started in 1978 as a development organization to promote artisan/craft producer groups. Subsequently, the Sasha Association of Craft Producers separated out as a specifically marketing organization. The Sasha shop was set up in 1981 in Calcutta, and sales in other parts of the country are handled through regular exhibitions

and a wholesale unit supplying to craft shops in different cities. A significant export market has also been built up through Alternative Trade Organizations like Oxfam and Traidcraft. Marketing is carried out on a professional basis, and this has been crucial to the survival of the project.

By 1995, SSA consisted of a network comprising approximately fifty craft groups and fifteen communities. The majority of craft groups ranged in size from four or five to a hundred people and were involved in a wide variety of activities, including weaving, printing, embroidery, batiks, garments, terracotta, leather, toys, musical instruments, etc. The groups would come to SSA seeking help in setting up production units and SSA would find out if they had any skills which could be built on. Once an activity had been identified, SSA would carry out a skills training programme, usually provided by people from other groups. SSA also provided guidance on financial and production management and group functioning; in some cases this involved training not only in accountancy but even in basic literacy. The network would provide the new group with an advance of up to 75 percent—in exceptional cases 100 percent—to stock raw materials if they were cheaper in bulk.

Once the group is set up SSA continues to provide assistance with product design and development, partly through specialized designers, partly through workshops in which there is interaction between the groups. It provides continuing support of other types too, and, most crucially, assistance with marketing. Other community activities sometimes branch out from the producer groups. The health programme was most in demand and had developed furthest; health workers—mainly women—had been trained in preventive health. Education, child care and environment programmes were also in operation, often started on the initiative of producer group members or their relations.

The Self Help Handicrafts Society was a group producing garments, with a membership of forty-five women. Most were earning Rs 6–700 per month in early 1995, but some earned less and a few earned more, the maximum being about Rs 1000 per month. Sunday was an unpaid off-day, but the workers had decided to give themselves casual leave of 10 days and annual leave of 10 days per annum, paid at the rate of Rs 16 per day. They also had sixteen public holidays annually, paid at the rate of Rs 9 per day. Medical allowance was Rs 180 per annum, and they got three months maternity leave which they could not as yet afford to pay for. If there was an accident at work, treatment was free. Bonus was according to profit, and there was an Internal Savings Scheme, to which members contributed 10 percent of their wages and Self Help made a matching contribution. Normally this would be made available to members on retirement, but they had the option of taking loans out of it in an emergency. The women clearly had much greater control over their own working conditions and remuneration than most women workers in the informal sector.

However, problems still remain, the main one being that earnings are still at the low level characteristic of the informal sector. The most likely reason for

this is the very low productivity of the work done in the groups, much of which is handicrafts; it would probably not be possible to break through to a substantially higher level of earnings unless more sophisticated technology and mass production are used. One experiment of this sort was in progress, namely the manufacture of herbal cosmetics using modern machinery.

SELF EMPLOYED WOMEN'S ASSOCIATION (SEWA)

SEWA, begun in 1972 and based in Ahmedabad, Gujarat, was registered in 1972 as a trade union under the Trade Union Act, 1926, and combines the functions of a bank, trade union and co-operatives. SEWA co-operatives are registered under the Co-operatives Act, and each one elects its own executive committee. All members of co-operatives are also members of SEWA. The link with SEWA is important in many ways. SEWA provides the co-operatives with training in skills and business management, initial working capital and help with tackling policy issues; it also helps them with design and marketing, including market research and assistance with attempting to keep up with changing market demand by adapting designs to it. Apart from handicrafts SEWA also has co-operatives performing services like cleaning, cooking and childcare.

The existence of SEWA as an umbrella organization provides co-operatives with a medium through which they can interact with one another. Thus artisan co-operatives can share skills and designs while service co-operatives can provide one another with services. More interestingly, the link has proved very useful to the trade union constituents of SEWA. Since the women in these belong to the informal sector where legal protection is virtually absent, the attempt to organize themselves and demand even minimum wages is often met by victimization and loss of employment. After a number of such experiences, 'The workers realized that unless alternative sources of work were provided their bargaining power would always remain low' (*SEWA in 1988*, p. 49). Thus co-operatives were seen as complementing the union function and strengthening the bargaining power of the workers.

The experience of the *chindi* workers illustrates this very well. Women homeworkers sewing *khols* (patchwork quilts) out of *chindi* (small scraps of waste from the textile mills) first came to SEWA in 1977 because they had heard that SEWA helped poor women. They were getting less than 40 paise (net of the cost of thread) to sew a *khol* requiring about one-and-a-half hours of labour, and decided to demand that the rate be raised to Rs 1.25. The traders refused to consider their demand, but SEWA filed a complaint in the State Labour Court and the labour commissioner arranged a series of meetings between workers' representatives and traders. Negotiations continued for over a month, during which the women maintained a strike, and the traders finally agreed to pay one rupee per quilt.

After the agreement, however, the traders victimized some of the women by refusing to give them work. The other women at first tried to help the victims by sharing work with them, but then came to SEWA suggesting it

could set up a small production unit for these women. SEWA obliged, and after some teething problems succeeded in setting up the Sabina Chindi Workers' Co-operative, which was registered in 1982. The fact that they were paying better rates than the traders put pressure on the latter to keep up the rate, although even then they paid only 70 to 80 paise per quilt, not the rate they had agreed to. Since the quilts were sold to very poor rural consumers who could not afford to pay more than a few rupees per quilt, Sabina could maintain the piece-rates paid to workers only by running at a loss. They therefore decided to train younger members in patchwork production of bed-covers, cushion covers, skirts, kurtas, table-mats and tea-cosies for middle- and upper-middle-class markets. The surpluses earned by this part of their production compensated for losses on khol production.

SEWA is a very diverse and broad-based organization, and this has been its strength. The combination of bank, union and co-operatives has given it a great deal of flexibility, enabling it to offer credit, union organization or income generation to its members as the need arises. In particular, the combination of union and co-operatives seems to be a potent one for workers in the informal sector, strengthening the bargaining power of the union by providing a fall-back source of income if workers lose their employment. The formation of service co-operatives is also a novel and potentially powerful idea; performing the functions usually done by housewives and mothers, it offers them a low-cost service which helps to reduce their double burden. At the same time, a co-operative would be in a stronger position to obtain better remuneration and working conditions for its members than isolated domestic helpers or contract workers performing these same services.

However, the very low level of earnings continues to be a problem. For example, in 1995 the members of Soundarya, the cleaning co-operative, were earning only Rs 150 per month for part-time work of two hours a day for six days a week; members of Trupti, the catering co-operative, were earning Rs 600 per month for working eight hours a day, six days a week. The women themselves complained that the income was inadequate, and some even joined other unions in order to bargain with their own organization for better pay!

PROBLEMS AND POSSIBILITIES

Surplus labour, insecurity and victimization

Both SEWA and SSA set up production units in which women workers could earn a livelihood. These experiments provided an environment in which women could have some control over their own working conditions, and the experience of SEWA showed that they also enhanced the bargaining power of workers in employment. By contrast, the beedi workers, despite their militancy, suffered chronic insecurity and extreme vulnerability to victimization. In a labour market where extremely high levels of unemployment and under-employment constantly exert a downward pressure on wages and conditions,

it makes sense to try and create alternative sources of livelihood through workers' co-operatives. This requires an elaborate and sophisticated support structure, especially to cope with the difficult task of marketing.

It is noteworthy, however, that the incomes of the women in these co-operatives remained at the extremely low levels characterizing the informal sector. This is highlighted if we compare their incomes with those of women workers of comparable seniority in the formal sector at the same period (the mid-1990s), who were earning five to ten times as much. One answer to this problem is to enhance the technological level of the production units. Although the argument that advanced technology is not suitable for surplus-labour societies is widespread, the experience of the chindi workers' co-operative shows the inherent limitations of this approach: if you produce cheap goods for poor people, you run at a loss, and the only alternative is to produce for the more affluent in order to break even. Only one production unit of SSA was trying to break out of this dilemma by adopting more advanced mass-production technologies.

The main problem, however, is that these co-operatives compete with sweated labour in the rest of the informal sector: the members of Soundarya, for example, are competing with contractors who can offer cleaning services at a lower rate because they pay their workers even more abysmal wages. The only solution, of course, is regulation. There is no way of tackling this difficulty unless the whole rationale of the existence of an unregulated informal sector where workers have few or no rights is challenged. The ostensible justification for not regulating it is that it creates more employment, but the example of the beedi industry shows (and other studies confirm) that the consequence, rather, is to shift production from the formal to the informal sector. In any case, we have to question the morality of a policy that seeks to expand employment by a *de facto* denial of the most basic rights of the vast majority of workers. The large sums of government money spent in subsidizing these enterprises would surely be better spent assisting workers to form and run their own co-operatives.

The example of the beedi workers, as well as the entire formal sector, shows that where protective legislation exists, workers have used it to their advantage. Winning equal rights for women workers in the informal sector would require a co-ordinated challenge to the existing system of virtual industrial apartheid, not only from organizations in the informal sector, but also from formal sector unions. The formation in 1995 of the National Centre for Labour, an umbrella federation of informal sector workers' organizations with a strong representation of women in the leadership, was a step in the right direction, but it has yet to formulate such a policy and press for it within the wider trade union movement. At the international level, while SEWA played a major role in pushing through the ILO Home Work Convention, 1996, which safeguards the rights of homeworkers, getting the government to ratify and implement this convention is a much more difficult task. Given the determined opposition of

employers in India to any extension of workers' rights, and their demand, on the contrary, for the curtailment of existing rights, it is not likely that this struggle will succeed unless it becomes part of a common strategy of the international trade union movement for the defence of workers' rights globally.

Unions and the gender dimension

But the possibilities of such a strategy will clearly be very limited unless the gender dimension—in its fullest sense—is front and centre. Even among the examples we have examined here, only the beedi union took up cases of domestic violence and attempts to control women by husbands and in-laws, but these instances show how important it is to tackle such problems. It was very clear that patriarchal authority within the family worked in tandem with employer resistance to prevent many women from playing an active part in the union, and in some ways reinforced the putting-out system by discouraging women from going out to work. Most of the women were quite ready to work outside the home, and older ones who had worked in beedi factories regretted their demise. They felt they could produce and earn more if their children were cared for in a work-place creche while they concentrated on their work. But this option was not available to them, and it was not only the employers who wanted them at home.

Sexual harassment was not mentioned explicitly, but could have been the reason why some women in Self Help who had previously worked in mixed sweatshops said so emphatically that they preferred an all-women work-place. Women in the informal sector, especially if they are non-unionized, are particularly vulnerable to sexual harassment, often faced with the choice of submitting to it or losing their jobs. Gender discrimination was not mentioned either, but was practiced blatantly in beedi production, where the worst-paid workers, rolling beedies at home, were all women, while it was men who did the better-paid packing and labelling jobs in the beedi workshops. Even existing legislation, like the Equal Remuneration Act, is not implemented in the informal sector; but the broader issue of equal opportunities and non-discrimination has not been addressed even in the formal sector.

Both SEWA and SSA had branched out into community activities such as childcare, health care and education, indicating that the working life of women links work-place, home and community. This is, of course, especially true of homeworkers, for whom the work-place *is* their home. It appears from these examples that organizing women successfully involves taking up gender issues which are not usually considered to be trade union issues. Yet if they are not taken up, women workers—even in the formal sector—tend to play a marginal role in their organizations, or even drop out altogether.

These cases of women organizing in the informal sector are not isolated ones. There are other examples of relatively large-scale organizations, like the Working Women's Forum in Chennai and Annapurna in Mumbai, as well as a plethora of smaller community-based efforts like Jeevan Nirvaha Niketan in

Mumbai, which includes producer co-operatives, child care, health care, and shelter from domestic violence. In addition, women are also members of mixed informal sector unions of construction workers, agricultural workers, fish workers, and so on. While the proportion of women in India's informal sector who are organized still remains small (the exact numbers are not known), these successes show what can be achieved by determined efforts in this direction. Women who were interviewed said they felt empowered by their membership of an organization, not only in relation to employers, but also within their families. The more activist elements appreciated their knowledge of 'the system' and ability to confront and deal with officials and the police, while those who were less active enjoyed the sense of community and solidarity with other women. What the organization of women workers in India's informal sector shows is that, while the obstacles to organizing are formidable, the unions in this sector, once formed, can be extremely strong. There is a lesson here for the working classes globally.

NOTES

1. The *Economic Survey 1997–98* estimated that the total labour force in 1997 was 397.2 million, while the workforce in the organized (regulated) sector was 27.94 million. The informal sector is defined in various ways, but for the purposes of this paper, I have used it to refer to all workers, both urban and rural, who are not covered by basic labour legislation, including informal workers (e.g. contract workers, temporary and casual workers) in large-scale production.
2. See United Nations Development Programme *Human Development Report 1995* for an assessment of India's poor performance in bringing about gender equality.
3. These case studies were carried out in 1994–5 by staying for a while in the place where the organization was located, collecting any documentation available on it, and interviewing the organizers as well as several women workers. Where the organization covered different communities (e.g., Hindus, Muslims, etc.), members from the different communities were interviewed.