

**Exploring the Competitiveness of Home-Based Women Workers in Delhi: A  
Case Study of the Garment and Apparel Sector**

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## **Preface**

This doctoral thesis work originated from a fascination towards doctoral research and concern towards state of marginalized strata of Indian societies “The Home-Base Women Workers”. The chosen topic connects me to the communities from where I started my professional career. Informal Home-Based Workers, for whom I have worked about 20 years ago, but my approach was more technical, basically to map urban settlements using Geographic Information Systems.

I somehow, kept my motivation alive to do something with patience and confidence which I have acquired from university of Cologne which is known worldwide for exemplary research. In a consultation with my supervisor, the case study has been selected this time in Delhi with a different approach. This approach has allowed me not only to stay connected with renowned researchers and policy makers but also whole process has extended me opportunity to add research capabilities and grow academically, professionally, and most importantly, a human being.

I have been very lucky to get an eminent supervisor Prof. Kraas who has kept me motivated all the time in a long journey and supported with her excellence and apt advices to steer the work in the right direction. I extend my thanks to my second supervisor Dr Nipper to be very supportive and thoughtful towards my work.

Positive vibes from universe has always been very supportive and I too accept it with a notion that everything happens for a reason. I am always indebted to my wife Neeti and my parents for their continuous and unparalleled love, help and support. I am forever indebted to my near and dear ones for always being there to carry out this work successfully.

I wish to thank a number of people who have been a constant support for me Prof. Vinita Yadav along with other faculty members from School of Planning and Architecture (SPA) Delhi and CEPT university, and researcher and Professors from universities in Germany.

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My appreciation also extends to all past and present colleagues, who put up with me during the preparation of this thesis and finally, thanks to the Dr Anjana Vyas, who gave me my first exposure to this topic way back 20 years.

## **Eigenständigkeitserklärung**

Hiermit bestätige ich, dass ich die vorliegende Arbeit selbständig verfasst und keine anderen als die angegebenen Hilfsmittel benutzt habe. Die Stellen der Arbeit, die dem Wortlaut oder dem Sinn nach anderen Werken entnommen sind, wurden unter Angabe der Quelle kenntlich gemacht.

20.01.2020,



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## **Abstract:**

Der informelle Sektor, ein wichtiger Beschäftigungssektor, der einen großen Teil der durch Migration und Verstädterung verursachten zusätzlichen Arbeitskräfte aufnimmt, hat sich in seinen Konfigurationen geändert. Die Rolle eines Teilssektors, in dem die Frauen als ‚Home-based Workers‘ tätig sind, ist von entscheidender Bedeutung geworden, insbesondere nach der Liberalisierung, als die Wertschöpfungskette von einer formellen Einrichtung zu einer Heimarbeiterin ausgeweitet wurde. Dies hat sich auf die Trends und Beschäftigungsmuster insbesondere in der verarbeitenden Industrie ausgewirkt. Die Untersuchung der Trends auf Makroebene des informellen Sektors in Indien zeigt eine Dynamik auf Mikroebene, bei der das Wachstum des informellen Sektors eng mit dem formellen Sektor verknüpft ist. Mikro- und Makroverbindungen mit dem formellen Sektor haben zu dynamischen Veränderungen sowohl im formellen als auch im informellen Sektor geführt. Auf Arbeitnehmerebene können diese Änderungen in Bezug auf Produktivität, Qualifikationsentwicklung und Löhne für Unternehmen auf eigene Kosten ins Auge gefasst werden.

Es wird erwartet, dass Verknüpfungen und ein hohes Maß an gegenseitiger Abhängigkeit zwischen formellem und informellem Bereich zu einer sinnvollen Beschäftigung im informellen Sektor in Bezug auf Wachstum, Löhne, Einkommen und Produktivität geführt haben. Ein wettbewerbsfähiger Teil des informellen Sektors hat einen gewissen Übergang vom traditionellen zum modernen informellen Sektor erlebt. Die Forschung versucht, eine makroökonomische Perspektive des informellen Sektors in Bezug auf seine Verknüpfung mit dem formellen Sektor zu entwickeln und die Veränderungen seiner Produktivität, seines Arbeitsbeitrags und seiner Wettbewerbsfähigkeit zu analysieren. Auf Mikroebene werden wichtige Merkmale dieser Verknüpfungen mit Hilfe von Primärdaten analysiert, die für Heimarbeiterinnen erhoben werden, die mit dem Bekleidungssektor in Delhi verbunden sind.

Es wird eine Analyse der Verknüpfung von Unteraufträgen für informelle Bekleidungshersteller mit dem formellen Sektor durchgeführt, und welche Änderungen diese Wechselbeziehung im Hinblick auf das Beschäftigungs-, Produktivitäts- und Wettbewerbsfähigkeitsprofil der informellen Heimarbeiter in Bezug auf ihre Lebens- und Arbeitsbedingungen, Löhne und Gehälter mit sich gebracht hat. Beschäftigungsqualität, Rentabilität und vertragliche Vereinbarungen. Diese Studie zielt letztendlich darauf ab, die Schlüsselfaktoren für ihre Wettbewerbsfähigkeit und damit bessere Beschäftigungsmöglichkeiten für Heimarbeiterinnen für ihren Übergang in einen formellen Kontext zu ermitteln. Für Heimarbeiterinnen wurde eine Studie über politische und institutionelle Optionen für ihren Übergang in einen formalen Kontext durchgeführt, und es wird versucht, Empfehlungen für ihre Aufnahme in einen formalen Kontext zu geben.

## **Abstract:**

Post-liberalization value chain extended from a big retailer to a homemaker, which has affected the trends and patterns of employment in the formal and informal sectors. The informal sector emerged as a major employment provider and absorbing a large chunk of the incremental workforce arising out of migration and urbanization in which the role of Home-based workers has become crucial, particularly for the manufacturing sector. Study of trends and patterning at a macro-level structure of the informal sector in India indicates a dynamism at a micro-level for manufacturing where the growth of the informal sector is closely linked with the formal sector. Micro and macro linkages with the formal sector has induced a dynamic development in both formal and informal (sector and worker level), in terms of productivity, skill development, wages for own account enterprise and non-directory enterprise.

It is expected that linkages and a high degree of interdependence between formal and informal have given rise to meaningful employment in the informal sector concerning growth, wages, earning and productivity. A competitive part of the informal sector has met a degree of transition from traditional to the modern informal one. The research tries to develop a macro perspective of the informal sector concerning its linkage with the formal sector, and analyse the trends and patterns for employment, productivity and contribution. At the micro-level, quantitative and qualitative characteristics of these linkages are analysed with the help of primary data collected for Home-based workers linked to the apparel sector in Delhi.

An analysis of subcontracting linkage for informal apparel manufacturing units with formal sector is done and what changes has this interrelation brought, in terms of employment, productivity, skill development and the socio-economic profile of the informal, Home-based workers in terms of their living and working conditions, wages, quality of employment, profitability and contractual arrangements. This study ultimately aims at identifying the key factors of their competitiveness and thus, better employment possibilities for home-based workers for their transition in a formal context. A study of policy and institutional options has been done for Home-based workers for their transition in a formal context and recommendations have been given for their absorption in a formal context.

## Abbreviations:

ASI	Annual Survey of Industries
AIDIS	All-India Debt and Investment Surveys
ASLB	Annual Surveys of Labour Bureau
BPL/APL	Below Poverty Line/ Above Poverty Line
CWS	Current Weekly Status
DME	Directory Manufacturing Enterprises
DVAT	Delhi Value Added Tax
EC	Economic Census
FGDs	Focus Group Discussions
GDP	Gross Domestic Product
GOI	Government of India
GVC	Global Value Chain
HBW	Home-Based Work
ICDS	Integrated Child Development Scheme
ICFTU	International Confederation of Free Trade Unions
IDS	Integrated Child Development Services
IEMS	Informal Economy Monitoring Study
IHD	Institute from Human Development
ILC	International Labour Conference
ILO	International Labour Organisation
IMF	International Monetary Fund
INR	Indian National Rupee
ISID	Institute for Studies in Industrial Development
ISS	Institute of Social Studies
LFPR	Labour Force Participation Rate
LPG	Liquefied Petroleum Gas
MoSPI	Ministry of Statistics and Programme Implementation's
MSME	Ministry of Micro, Small and Medium Enterprises
NAS	National Accounts Statistics
NAS	National Accounts Statistics
NCEUS	National Commission for Enterprises in the Unorganized Sector
NCT	National Capital Territory of Delhi
NDME	Non-Directory Manufacturing Enterprises
NGO	Non-Government Organisation
NGO	Non-Government Organisation
NIC	National Industry Classification Code
NSC	National Statistical Commission

NSC	National Statistical Commission
NSSO	National Sample Survey Organization
OAME	Own Account Manufacturing Enterprises
PLFS	Periodic Labour Force Survey
PLFS	Periodic Labour Force Survey
PLFS	Periodic Labour Force Survey
PMSYM	Pradhan Mantri Shram Yogi Manndhan
RBI	Reserve Bank of India
INR/Rs	Indian National Rupee 1 ₹=80 INR
SEWA	Self-Employed Women Association
SHG	Self Help Group
SHG	Self Help Group
SJSRY*	Swarna Jayanti Shahari Rozgar Yojana
SME	Small and
TERI	Tata Energy Research Institute
TUS	Time Use Survey
TUS	Time Use Survey
TV	Television
UNDP	United Nation Development Programme
UNDP	United Nation Development Programme
UNICEF	Small and Mid-Size Enterprise
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UR	Unemployment Rate
USEP*	The Urban Self Employment Programme
UWSS	The Unorganised Workers Social Security
UWSSA	Unorganised Workers' Social Security Act
WEF	World Economic Forum
WELRP	Women's Economic and Legal Rights Program
WIEGO	Women in Informal Employment: Globalizing and Organizing
WPR	Worker Population Ratio

\*Researcher has working experience on the projects commissioned under the umbrella of these programs in Ahmedabad India. The projects were related to urban poor and home-based women workers in India where Geographic Information Technologies were used to identify urban poor and analyse results.

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# **Chapter 1: Informal and Home-Based Workers: Concepts, Characteristics, Data and Measurement**

## **1.1 Introducing the context**

The Informal sector is a large sector in which business, workforce, employment and associated gainful activities are not necessarily registered with the concerned government authorities in India. Studies (NCEUS 2008, NSSO 2012) suggest that the workforce in this sector is mainly characterized as workers engaged in small and informal enterprises, self-employed workers, daily wage workers, street vending, and small farming etc. In addition to this, there are many traditional occupations existing since historical times where activities have been largely invisible and home-based. Due to ambiguity in their nature and place of work, various processes of this home-based work have not been captured by surveys undertaken by the formal statistical system in India. Due to a lack of plausible data elements, key micro and macro issues concerning the dynamics of change in this sector remained under-researched.

Whilst various efforts have been made, through various surveys conducted periodically, to capture informal workers in informal enterprises, informal workers in formal enterprises, self-employed informal workers and workers engaged in contract work for informal or formal sector enterprises, yet there are some subsections of informal workers for which only sporadic data is captured. One category of this subsection and important constituents of the informal sector is “Home-Based Worker (HBW)”. In recent years, home-based workers, homeworkers and homeworking have become an important constituent of informal sector due to their increasing number in the informal workforce as well as their growing interrelation with the formal sector. This category of the informal workforce is also gaining attention due to its increased contribution in global production chains. As the absolute number of homeworkers are growing, NSSO data (55 round -1999-2000, 61 round - 2004-2005, 66 round - 2009-201, 67 round - 2010 -2011) trend suggest that this growth has seen more female joining home-based worker than men. In manufacturing sectors, these female home-based workers are often observed as the main agent of production where manufacturers are also linked to Global Value Chains (GVC).

Due to the growing participation of these HBW in the supply chain and their invisibility, efforts have been made to identify the various characteristics of home-based work in various surveys. NCEUS (2007), an advisory board for matters regarding the informal employment sector, has also given “home-based workers” a special category in their recommendation for future surveys. Earlier,

surveys considered HBWs under category of self-employed workers. However, based on the recommendation of NCEUS and other statistical bodies e.g. The Delhi Group<sup>1</sup> in India, further changes have been made in definition and survey design looking at their changing characteristics. Due to growing linkages for example in last NSSO survey in their classification of self-employed workers, ‘homeworkers’ or home-based workers have also been classified as ‘dependent sub-contract workers operating from home’. A new dimension of “place of work” is also added along with other data elements.

The nature of work of homeworkers is having a changing face and it’s also not exactly like dependent sub-contract self-employed workers. They are found to work under those arrangements, which are invisible, concealed and dubious in nature. While in some cases, they follow the specifications of the parent enterprise or contractor, whereas in other cases, they organise other facets of their working. International production chains tend to engage homeworkers or so-called dependent subcontract workers or homeworkers’ work for national or local markets for production. Studies of the production chains in Apparel-manufacturing sector hint that production links of international retailer are extended till home-based workers at the bottom end who carry out production tasks or sometimes are merely work as production agent. There are various other production and service activities which are supported by HBW, wherein the home is used as a workplace. Due to the distinctive settings of the production process, the typical cost-saving mechanism adopted by production houses and dubious working arrangements, home-based workers often face exploitation as well. The research aims at developing a macro perspective of the informal sector with respect to its constituent subsectors which link it to home-based workers. Further, develop a broad understanding of trends and patterns for their employment from secondary data and gain better insight of their characteristics and compositions and factors which have direct or indirect impact on their productivity. In the process, key macro and micro level issues of their lives and work are studied which play important roles in order to make them competitive or vulnerable. At this outset, the research also tries to explore the diverse linkages at macro and micro level with formal sector and find possibilities and situation if these workers grow in formal context.

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<sup>1</sup> Set up as an international forum to exchange experience in the measurement of the informal sector, document the data-collection practices, including definitions and survey methodologies followed by member countries, and recommend measures for improving the quality and comparability of informal sector statistics.

## 1.2 Rationale

Home-based working is witnessing growth, so is female participation as economic agent in the GVCs. The need was felt to explore the extent of contribution and changing role of the HBWs in global value chain. These female homeworkers are often hidden workers who are important value agents to Global Value Chains, despite that they end up getting a meagre share of the revenue. Studies on workers in the garment and apparel sector point to these female workers are located at the bottom end of domestic or international production chains and their role is often under-appreciated.

Home Based Workers (HBW) stay within the confines of their homes, which are located far away from the public gaze and their functions as a workforce is yet to be recognised by the government. Despite being linked to the production chain, also in a formal context, such workers remain dispersed. Despite their work adding key value to the production, as women work mostly inside their home, they are primarily considered as housewives and their role as an economic agent is often ignored.

Indian informal working, which is distributed across various layers of distinct informal subsectors along with their distinct “traditional” and “modern” way of working, has witnessed complex working arrangements building up with these homeworkers. Manufacturers or retailers increasingly focus on cost and flexibility of in order to stay competitive. As a result, the short-term dynamic production linkages are formed and which return instant benefit to production houses but do not return these benefits to important value agent i.e. HBW. Apart from economic gains these returns may come in form of economic value or any form of transition in a formal context. Particularly Post-liberalization in India in nineties, when companies started building global linkages as a part of a cost-saving mechanism, broad contours of these exploitative practices started emerging where female home-based workers are the main agent of global production chains. A trend can also be seen in modern informal firms to try to grow by maximising profits and avoiding labour regulations.

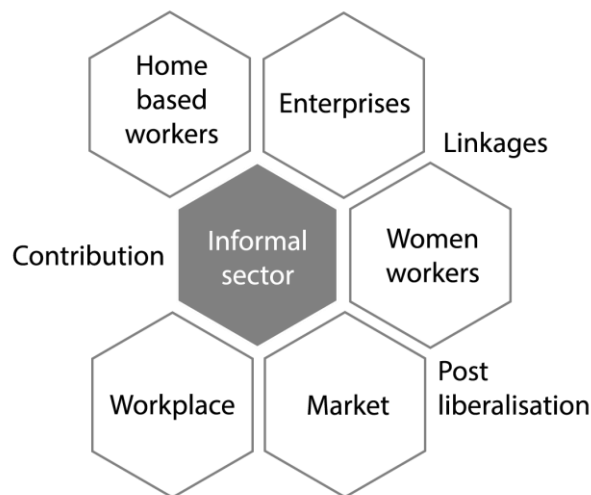
Theories on the informal and formal sectors suggest that linkages and a high degree of interdependence between formal and informal have a possibility to generate meaningful employment in the informal sector with an increase in wages, earning, productivity and to make it more competitive. As a result, a section of the traditional informal sector can meet a degree of transition from traditional to the modern informal one.



### 1.3 Literature Review: Design

A flurry of literature is available about the Informal sector, its characteristics and composition, its contribution to the economy and the positive and negative aspects of informality. Therefore, globally, a plenty of literature is at disposal which can be referred but home-based work and its distinctive characteristics are rarely part of survey methodologies. Overlapping and redundant contents are available on a group of informal sector, but less attention is there in capturing invisible characteristics of HBW. Particularly, studies which explore their linkage to formal sector, changing working patterns and dynamics of work arrangements is relatively under-researched. The context of the research revolved around subsection of the informal sector, i.e. Home-Based Workers, informal enterprises, characteristics of home-based workers, workplace and various nature and types of linkages at a micro and macro-level. Figure 1.1 shows the key aspects around which literature review is organised.

***Figure 1.1: Informal sector and key aspect explored in research***



***Source: Figure prepared based on contents***

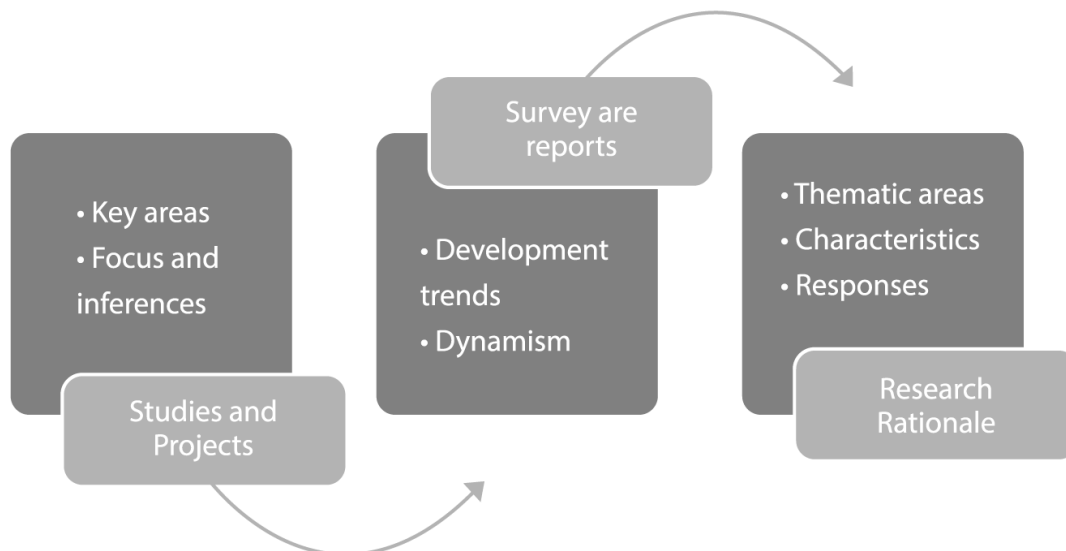
Literature from post-liberalization in 1991 has witnessed broad contours appearing on HBWs. During this time due to the financial crisis in India, many of the formal workers have lost their jobs, which resulted in the formal sector workforce adopting informal working arrangements. As some formal sector workers entered the informal sector, this puts additional pressure on labour-intensive industries such as the garment industries where there have been significant job losses with the onset of the crisis.

### 1.3.1 Structuring and Organizing

Project commissioned by different national and international organisation( WIEGO, IEMS, NCEUS) provide a deeper insights on working of HBWs. A review of the relevant research projects performed by the these organisation has been done. Studies were done by Informal Economy Monitoring Study (IEMS, 2014) and various studies performed by Women in Informal Employment: Globalizing and Organizing (WIEGO) have been found to be very relevant. To begin with, however, it generated more questions than answers as the statistical pieces of evidence fail to highlight key issues on characteristics and composition of Home-Based Workers. Survey agencies in India ( NSSO, EC, CENSUS) which have commissioned various surveys on informal workers, post-2014 there have stopped publishing the statistical data available particularly data on employment and unemployment in the informal sector.

Taking clues from this understanding and inferences from studies, diverse data elements on HBW has been reviewed to find answers of relevant aspects (refer Figure 1.1) in a systematic fashion. During the process, abilities were developed to use evidence as an answer to the questions (Figure 1.2). Whilst finding evidence, publications from various international and national agencies were searched, in the Indian context, review kept focus more on characteristics and peculiar solutions to some of the challenges faced by home-based workers.

***Figure 1.2: Schematic Diagram of Literature Review process***

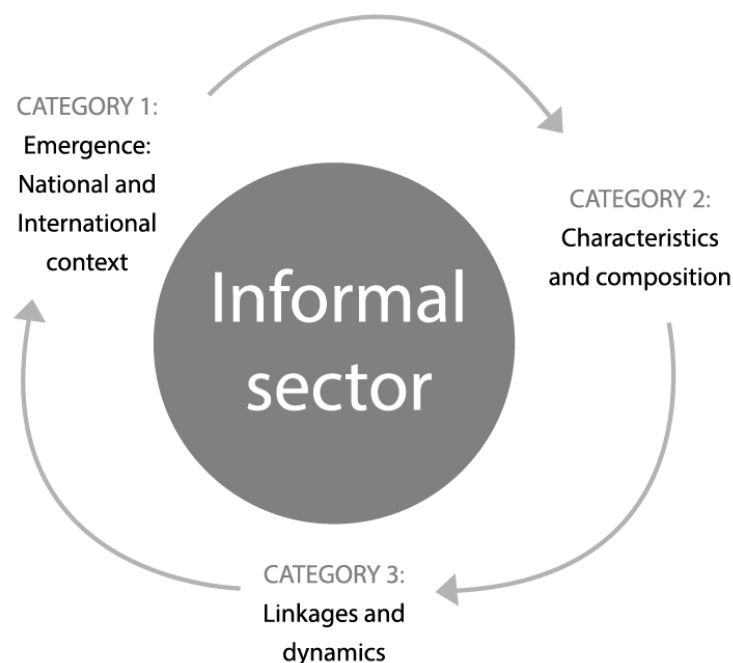


***Source: Figure prepared on basis of contents***

A large set of secondary data is available in form of macro-level data<sup>2</sup> on the informal sector in India with large coverage and overlapping. Surveys conducted by the National Sample Survey Organisation (NSSO) from 1999-2012 have to capture specific data elements but sometimes missed key micro-data on home-based workers due to survey design and changing definition. Therefore, only trends and patterns have been studied at a macro level to form the basis of research. At a micro level, looking at the heterogeneity of Indian informal sectors, the complexity of its constituents and to understand its composition and characteristics its historical emergence has been traced with the concept of informality and how it has evolved into its present state especially considering the growing diverse linkages in the post-liberalization era. Therefore, literature review covered secondary sources, which are spread across various disciplines.

Looking at the versatility and complexity of the capturing of various dimensions of informal sector, its characteristics and composition and various facets of home-based working and its linkages, it's considered paramount to follow the “structured” approach to categorize the literature review into three broad thematic areas, and to define what understanding is reached under each category of literature review (Figure 1.3).

**Figure 1.3: Thematic areas of literature studies**



**Source: Figure prepared by researcher on basis of contents above**

<sup>2</sup> Because of large sample size, can generate State-level estimates and estimates for sub-populations

### **i) Thematic Category one: Emergence and recognition**

To firm up the understanding of fundamental issues and scholarly view, theories given by different school of thoughts along with a broader understanding on the emergence of informality, how it is perceived, described, defined and legalized in international and Indian context is reached. While internationally, categorization of the informal and formal sector started on the distinction between income opportunities with the key variable being the degree of the rationalization of work. In India, the term 'informal sector' neither appears in official statistics nor in the National Accounts Statistics (NAS). The terms used in the Indian NAS are 'organised' and 'Unorganised' sectors. However, research communities and policy leaders use the term “informal sector” and “unorganised sector interchangeably.

#### **Objective: to gain understanding on**

- How informality is perceived and defined historically?
- How this perception about informality has changed over the years?
- To get answers to some key questions on regulatory environment, legal framework in India.
- To bring out key characteristics of informal working which existed pre-liberalizations.
- To reveal complex occupational types and how and when it has received legal recognition?

### **ii) Thematic Category two: Characteristics**

It broadly covers topics related to composition in the traditional and modern segments, key qualitative and quantitative aspects, characteristics of home workers, Home-based working, home-based unit, transit of employment patterns in informal and formal setting, working conditions and changes which have taken place post-liberalization. A broad idea is obtained on types and the scale of linkages to the formal sector and gender specific issues which participate to informal settings. Gaps are identified in informal collections of home-based working by various organisations.

#### **Objective: to gain understanding on**

- To get clarity on distinct characteristics of informal working in Indian context.
- To identify the competitiveness factors which also relate itself to the characteristics,
- Develop a salient perspective if any form of transition is evident of informal and formal sector workers with linkages.
- To understand framework of meaningful employment for informal sector workers

- Data elements of macro perspective, visibility of linkages in various surveys
- Exposure to working arrangements with a focus on subcontracting.

### **iii) Thematic Category three:**

This category of literature review attempts to dive into scholarly views on linkages, its manifestations, linkages and possible outcomes and whether it is having a positive or negative consequences on different segments of informal sector. Various aspects concerning legislation and regulatory framework, responses to policy actions for informal workers and home-based workers, which occur due to change in economy, or economic situations.

#### **Objective: to gain understanding on**

- Possible approach to develop a meaningful employment for informal worker in formal context
- Possible consequences of linkages and if at all they serve any purpose for informal work.
- Underlying reasons of these linkages, how they are formed, and linkage conditions which have an impact in the informal working

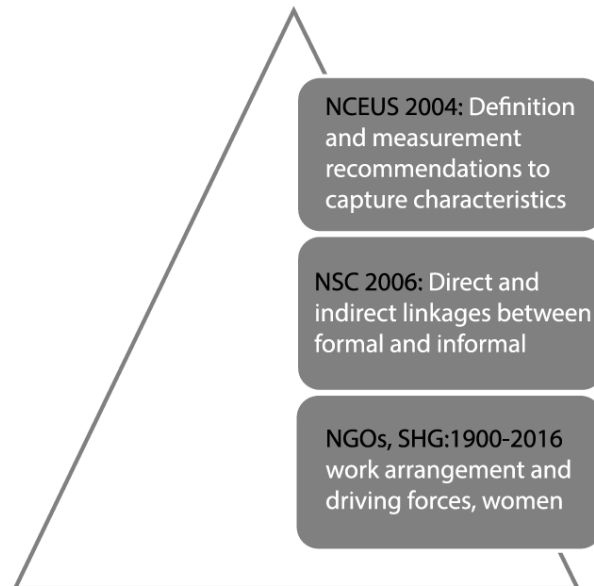
### **1.3.2 Literature Review of Survey and Measurement Data:**

Observation compiled from secondary survey data agencies in India such as NSSO, NCEUS, Census of India, Economic Census (EC), Annual Surveys of Labour Bureau (ASLB), Periodic Labour Force Survey (PLFS), Time Use Survey (TUS), data from Ministry of Micro, Small and Medium Enterprises (MSME). These survey data agencies on informal sector in India brings out some important facts about trends and patterns. General observation is made with theoretical and analytical generalization as a different definition is being used for different rounds of surveys.

Sometimes, this resulted also in developing blurred insights about data elements. However, important inferences are emerging out of observations and typology available amongst different sets of secondary data sources (Figure 1.4) and importantly case studies. Notable among various survey department them is National Sample Survey Organisation (NSSO) and NCEUS. Estimates from Employment and Unemployment surveys conducted by National Sample Survey Organisation (55 round -1999-2000, 61 round - 2004-2005, 66 round - 2009-2011, 67 round - 2010 -2011) have been considered most relevant to assess the composition and capture key characteristics of informal home-based workers.

Apart from NSSO and NCEUS, recommendations from Annual Surveys of Labour Bureau (ASLB) in year Employment-Unemployment Survey for the year 2010-11 post recessions have been found to be useful (Labour Bureau, 2016).

**Figure 1.4: Key aspects emerging out of survey agencies**



Periodic Labour Force Survey (PLFS) has been referred to understand dynamic behaviour of labour market at short intervals and Time Use Survey (TUS) provides some specifics of females and children including domestic work. Data from Ministry of Micro, Small and Medium Enterprises (MSME) surveys have been useful to collect insights on enterprises operating on small scale (Figure 1.5).

It is to be noted that aim of the data reviews did not seek to present comprehensive and detailed statistics of the informal sector in India rather, capture only relevant trends and patterning at the macro-level structure of the informal sector which have been captured from concerned survey authority. A detailed account of relevant data elements, data sources from various organisation and their applicability are provided in chapter three.

**Figure 1.5: Key thematic areas covered in different survey agencies**

Mapping informal sector in India:	<b>NSSO:</b> characteristics and composition: Coverage Category, Type of Data collection, Purpose of survey
a) Definitions used	
b) Purpose of data collection,	<b>ASLB:</b> Economic scenario resultant to global recession and employment and unemployment scenario with focus on informal sector
c)	
Measurements methods	<b>PLFS:</b> Dynamic behaviour of labour force, market response Worker Population Ratio (WPR), Labour Force Participation Rate (LFPR) and Unemployment Rate (UR)
d) Captured data elements	
	<b>MSME:</b> Small Enterprise, unorganised sector as residual of the data

*Source: Figure prepared on basis of contents above*

Census of India is arguably the key source to capture quantifiable data. Various rounds of NSSO data provided insight into the qualitative nature of formal-informal characteristics and composition. There are also case studies, research studies, departmental publications and yearbooks available with state and city level organisations, which highlight qualitative issues of select segments or a subsection of the informal sector.

### **1.3.2.1 Linkages and related theories**

Due to recent changes in the global market, the informal sector has also developed a unique linkage with the formal sector for which there is relevant literature available. However, the data related to the informal sector and its linkages with the formal sector in India still lack conceptual and statistical applicability. NCEUS provided an insight into working arrangements, analysed linkages and recommended a uniform approach to measure this sector in India. NCEUS has recommended appropriate measures to enhance the competitiveness of the sector in the emerging global environment and has also linked the sector with the institutional framework in areas such as credit, raw material, infrastructure, technology up-gradation and marketing. Suitable interventions for skill development of the workers of the informal sector are also under consideration of the Commission.

Likewise, the National Statistical Commission (NSC) panel also recommends a mechanism to capture data on direct and indirect linkages between the formal and informal sectors. It considered aspects such as forms of organisation; the existence of differences in employment status like unpaid family workers including self-employment; women's participation in extended activities, and variations in the nature of the unorganised sector across different locations amongst various other aspects. The panel also recommends systems to capture credit information through surveys to be undertaken on the lines of NSSO's All-India Debt and Investment Surveys (AIDIS) as well as surveys of all Non-Government Organisations (NGOs) and Self-Help Groups (SHGs) involved in micro-financing to collect financial data.

### **1.3.2.2 Data Challenges:**

There have been multiple surveys commissioned by the Government of India (GOI) with a different subject of enquiry. While multiple surveys have been conducted by government organisations to map characteristics and compositions of this sector at the same time attempts have been made by an organisation like PLFS to measure the impact of some policy actions and measure true growth in India. According to Papola (1981) and Sodhi & Wessels (2016), different criteria have been used to identify the informal sector in India, which often lacks universal applicability due to diverse statistical definition and standards. Kundu and Sharma (2001) and Jhabvala and Subrahmanya (2000) have explicitly written about the blurred yet prevalent overlap of the informal sector with the formal sector and vice versa existing in India. Definition and lack of recent data (from 2012-till date) on employment and unemployment have been the key challenge which has impacted the understanding.

- a) Definitional issues:** National Commission for Enterprises in the Unorganised Sector (NCEUS) was set up in 2004 as an advisory body and a watchdog for the informal sector to bring about improvement of informal workers. NCEUS also derived a standard definition, analysed characteristics and given recommendations to capture additional data elements with regards to Home-based workers.

National Statistical Commission (NSC) was formed in 2006. It is constituted to develop a reliable statistical database on the sector for standardizing concepts, definitions and harmonization thereof and promoting their use in census surveys. With respect to definitional challenge, the key universal definition, which is appearing recently for the



informal or unorganised sector is ‘Unorganised sector are those operating units whose activities are not regulated under any statutory act or legal provision and/or those which does not maintain any regular accounts. The units consist of unorganised enterprises or households operated on a proprietary or partnership basis with less than ten total workers (National Accounts Statistics (NAS) n.d., cited in Kundu & Sharma 2001; NCEUS 2008)’. However, challenges remain as new definitions still appear with different organisations.

- b) Non-Availability of Data:** The informal or unorganised sector includes all the small-scale household businesses, and other small or big economic activity. The sector still goes unregulated by statutory acts and is mainly characterized by the virtual absence of well-maintained accounts. The Indian government is in the process of restricting these surveys and for almost five years, less data is made public by concerned authorities like NSSO. In 2018, the Indian Government rolled out an ambitious plan to map quarterly employment in the informal sector. Since then, no data has been made public from NSSO. There have been consequences too, which have affected the informal sector after the introduction of “demonetization” in India in the year 2016. Due to this reason, the old secondary survey (prior to 2010) data is used to make a general observation on few aspects.

## **1.4 Development of Concept of Informal Sector**

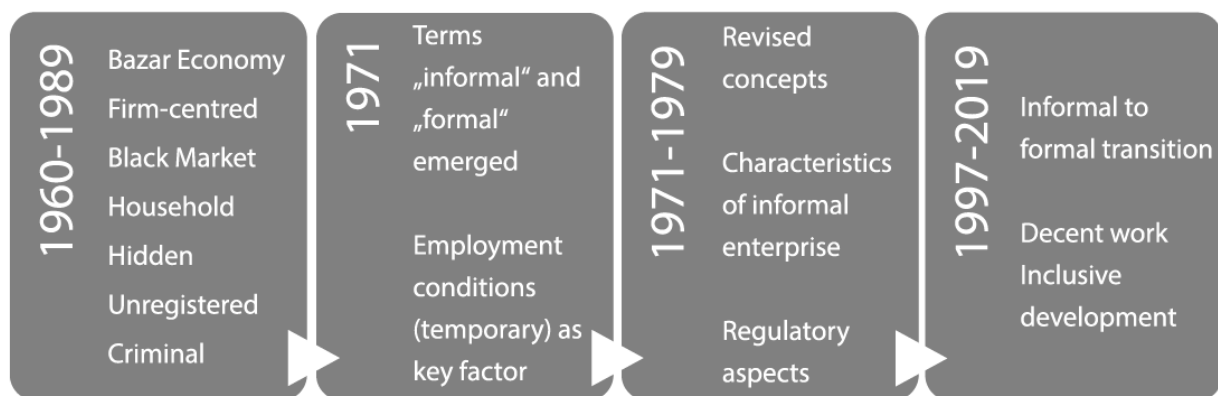
This section provides observations collected through relevant literature on the first two thematic areas to make a general perception about characteristics of this sector through understanding the emergence of the informal sector globally and how the perception of informality has changed over the years. While the nature and characteristics of informal working may differ from country to country, observation suggests that informal working globally has undergone significant changes over the years. In the Indian context, due to definitional challenges, distinct occupation types, and challenges in reviewing huge datasets, it is very difficult to track precisely the changes in chronological order. The following section provides a snapshot of the emergence of different conceptions as well as some perception of nature and characteristics of the informal sector both globally and in India.

### **1.4.1 Global perception of informal characteristics**

The concept of informality was first used in the study of Ghana and was later mentioned in a report of The International Labour Organisation (ILO)/ United Nation Development Programme (UNDP)

employment mission to Kenya. In the early 1960s, the Informal sector was phrased as the ‘bazaar economy’ (Geertz, 1963) and then later as the ‘firm-centred economy’, ‘black market’ economy (Smithies, 1984) and underground economy (Feige 1989). The other terms used to describe the informal sector are ‘second economy’, ‘household economy’, ‘clandestine economy’, ‘shadow economy’, ‘hidden economy’, ‘unregistered economy’, ‘subterranean economy’ and ‘criminal economy’ (Figure 1.6).

**Figure 1.6: Terms used for Informal Sector from 1960 to 2019**



In September 1971, at a conference titled ‘Urban Unemployment in Africa’ held at IDS-Sussex, Social anthropologist Keith Hart presented a paper on the informal sector and urban employment based on his work in the low-income neighbourhood of Nima in Accra, Ghana (Hart, 1973). He introduced the two-sector terminology as ‘informal’ and ‘formal’ sectors. This dualistic model was based on the distinction between income opportunities with the key variable being the degree of rationalization of work i.e. whether the labour was recruited on a permanent and regular basis for a fixed award. Hart’s concept incorporated many more activities that were previously ignored in theoretical models of development and in national economic accounts (Swaminathan 1991). The different perspectives in terms of occupation, average income and anything outside the formal sector have evolved since the coining of the term by Keith Hart in 1971 (Chen 2012).

Similarly, John Weeks introduced the concept of the ‘unenumerated sector’ in his paper titled ‘Urban Unemployment in Africa’ in the same conference. Within a year, these concepts were incorporated in a revised form into the report of the ILO on employment in Kenya. Kenya Report followed Hart in utilizing the characteristics of the enterprise as the basis of the two-sector dichotomy but enumerated detailed and specific characteristics of the two sectors involved in order to identify the target groups (Bromley, 1979). The report mainly characterized the informal sector

as the one, which avoids government regulations and taxes. It concluded that the informal sector was capable of both creating more jobs and growing faster than the formal sector and employment in the informal sector is economically efficient and profit-making (ILO, 1972). It resulted in a diversity of policy recommendations designed to generate growth largely by reducing the level of discrimination against it by the formal sector.

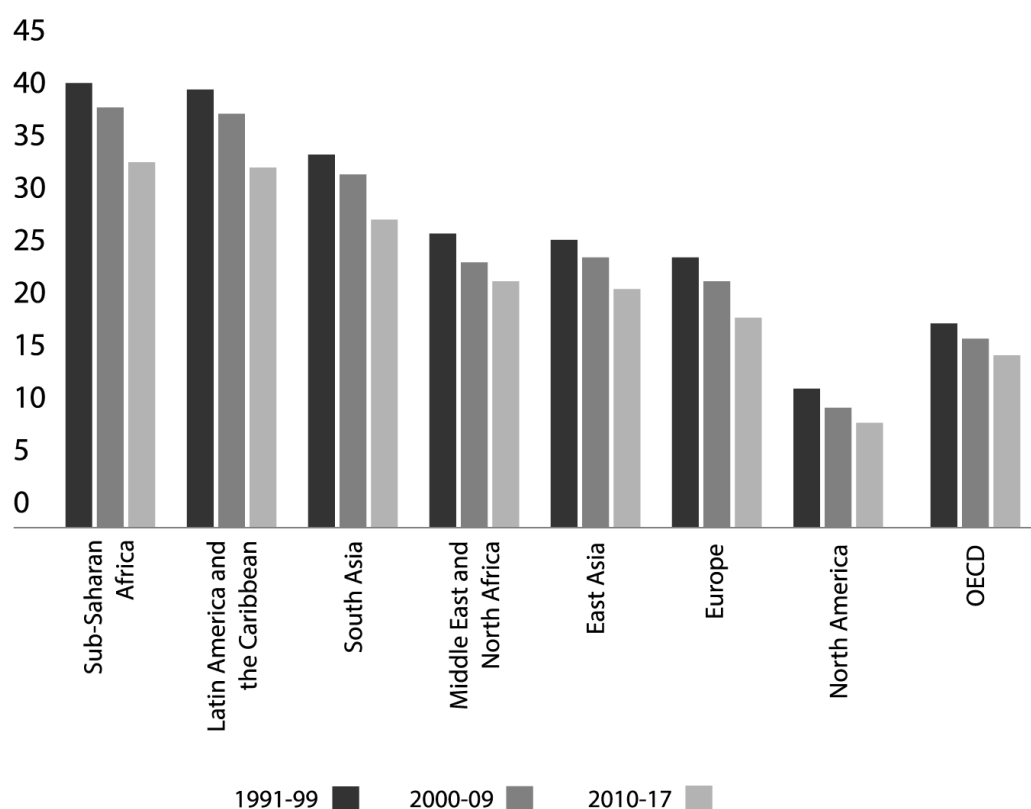
Since the year 2000, informal economy, which is generally associated with low productivity, poverty, high unemployment, and slower economic growth if measured as a share of GDP, has gradually fallen across all regions (Figure 1.7). Globally, efforts are being made by policymakers to create an environment where the formal sector can thrive while creating opportunities for people working in the informal sector (IMF, 2018). In other words, to make a transition of the informal economy to the formal economy, a general perception is developed with regards to the transition from informal to formal. As countries develop economically, it facilitates informal workers to transit to the formal sector.

ILO (2018) report recommendation No. 204 advocates for a practical approach to achieve decent work for all along with inclusive development. It puts an emphasis on integrated strategies in order to facilitate the transition to the formal economy, create new formal jobs and prevent further informalization. ILO press release 2018 ([www.ilo.org](http://www.ilo.org)) also stresses that a transition to the formal economy is a condition to recognise “Decent Work” for all.

Globally, efforts are being made to bring out the concerns of female workers in the informal sector due to their vulnerability. Women in Informal Employment: Globalizing and Organizing (WIEGO) founded in 1997, a Manchester-based global research-policy network, has made a significant contribution for working poor who make their living in the informal economy. WIEGO has extended support to working poor women by providing adequate information, knowledge and tools.

Projects commissioned by WIEGO have been a great source of deriving information on policy matters, rights, enhancing their safety and their earnings. WIEGO has been assisting homeworkers in their struggle for an international convention that would help secure their rights as workers. WIEGO has been providing technical and strategic advice, research and capacity building, such practical support allowed domestic workers to represent themselves at the International Labour Conference (ILC) in 2010 and 2011 (ILC, 2011).

**Figure 1.7: Falling trend of informal sector globally**



*Source: Media, Leandro and Friedrich Schneider (forthcoming 2019). “Shedding Light on the Shadow Economy”: A Global Database. IMF Working paper*

On June 16, 2011, governments, employers and workers from around the world adopted the Convention and accompanying recommendation on Decent Work for Domestic Workers (Convention 189) at the 100th ILC in Geneva, Switzerland. WIEGO has also made a significant contribution to the lives of informal workers in India.

#### **1.4.2 Perception of informal (unorganized) characteristics in India**

In India, the official terms used for formal and informal sectors are ‘organised and unorganised sector’. Researchers and policy leaders, however, use the two sets of words ‘informal sector’ and ‘unorganised sector’ interchangeably though they are not the same. The difference between ‘informal sector’ and ‘unorganised sector’ is that the concept of the informal sector focuses on a group of production units for economic/ social/ political reasons (Figure 1.8). The unorganised segment depends on country’s practices to generate information for different economic activities in an organised manner (Kundu et al. 2001). The first Indian National Commission on Labour (1966-69) defined the unorganised sector workforce as "those workers who have not been

able to organize themselves in pursuit of their common interest due to certain constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments” (SRC, 1969).

**Figure 1.8: Important milestones in the advancement of Informal Sector from 1966 to 2019**



*Source: Figure prepared by on basis of contents*

It is generally acknowledged by the research community that the informal sector in India is present everywhere, quite heterogeneous and some occupation types could not be placed under a category due to distinct nature, traditional working and outlook. As mentioned in section 1.3.2, since Independence in 1947, the Government of India (GoI) has constituted various departments, organised multiple surveys and made provisions to capture diverse characteristics of this sector.

In a recognized publication, the first mention of homeworkers appeared in 1966 for workers engaged in bidi making where the main place of work was home. The debate started in 1966 and the Bidi and Cigar Workers Act, 1966 was enforced only in 1974. It specifically mentions homeworkers as a category of worker and the minimum wage was declared on a piece-rate basis. Subsequently, these workers were given the Employees Provident Fund under government act in 1977.

NSSO data trend indicates that Post-liberalization (1991) more and more homeworkers started joining the workforce. The efforts had been made by survey organisations to identify and record these home-based activities. The major challenge was to put them into appropriate categories and capture various dominions of their working, particularly for females. Since then, various research and policy organisations have been raising voices to provide legal status to these home-based

workers, which have been kept out of development agendas mainly due to their hidden nature of work.

Post-liberalization, India initiated the integration of its domestic economy with the world economy. Due to liberalisation, several industrial units, including small home-based enterprises in the informal sector, have inherited risks of free-market competition.

Failing to get any clear assessment of the sector, in 2004, the Government of India made efforts to define various categories of informal work capturing dimensions under the purview of quality of work recommended by NCEUS. Several factors were identified which have a direct and indirect impact on productivity. Productivity is considered a measure of the efficient and effective use of inputs such as labour, capital, materials, energy or information.

## **1.5 Characteristics and Composition: Informal Sector**

The criteria's for conceptualising the informal economy nationally and internationally has been the emphasis on it's rather numerous and distinguishing characteristics. Some of the important characteristics have already been emerged out from previous sections (1.4.1 and 1.4.2). Nationally and internationally, there is always a mix of characteristics of the economic unit, the owner, the worker, and even the location. In the Indian context, due to its historical connection, the lists of characteristics tend to be very long. Hence, there is a need to classify these characteristics for easy conceptualization. Angela (2013) has presented the categorization of the characteristics of the informal economy by separating the characteristics of the business or the economic unit, the owners, the workers and locations to address the problem of mixing up the characteristics (Table 1.1).

Various surveys (NSSO, PLFS, Economic Census) have also described diverse characteristics with changing employment patterns, working conditions and dubious working arrangements. On the other side, scholars have proposed to make a distinction based on their value addition and division to be made on its "traditional" and "modern" characteristics for conceptualizing the informal economy. The traditional informal sector involved activities, which existed before and continued during the western capitalist influence whereas the modern informal sector activities resulted from foreign influence. Ranis and Stewart (1999) conform this finding while stating similar distinction between the traditional and modern segments of the informal sector, based on several characteristics of the informal enterprises.

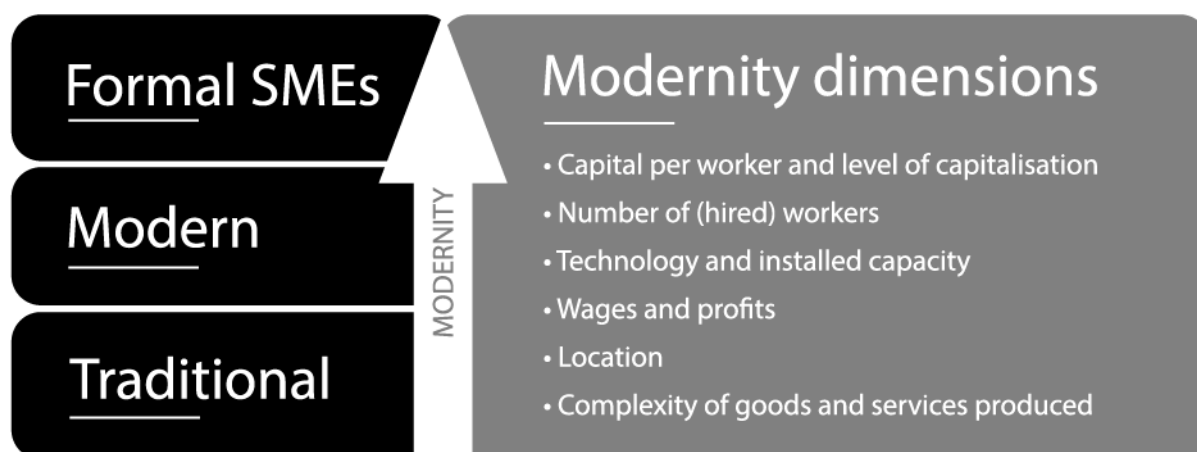
**Table 1.1: Characteristics of the Informal Economy**

Economic units	Owners	Workers	Locations
Labour-intensive	Sole ownership	Family members	Home-based
Poor infrastructure	Family business	Apprentices	Street vending
Simple production technology / technique	Poor management capacity	Low level of organisation/little voice/bargaining power	Multi-site Itinerant
Small scale	Partnerships / cooperatives	Paid casual workers	Ubiquitously located
Low access to credit	Low formal education	Paid workers	Formal sector sites
Low documentation	Easy entry and exit	Poor terms and conditions	

*Source: Akorsu (2010)*

Informal enterprises<sup>3</sup> are represented along a continuum of ‘modernity’ dimensions, wherein traditional informal enterprises are placed at a lowest level of the distribution (Figure 1.9). They undertake very low value-added activities, operate within the premises of a household or have no fixed location, use extremely low or no capital or hired labour.

**Figure 1.9: Informal Enterprise along a Modernity Continuum**

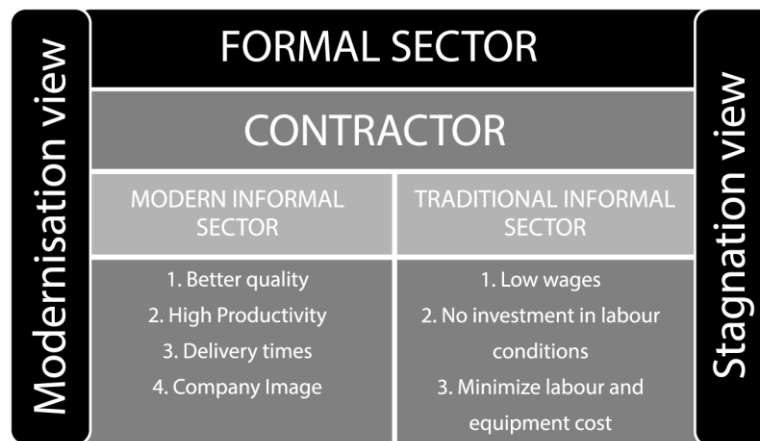


*Source: Ranis and Stewart, 1999*

<sup>3</sup> The word “enterprise” In this report the word “enterprise” and “Home-Based Worker” have been used interchangeably as majority of the workers though are dependent sub-contracted and even workers categorised as self-employed earn below the minimum wages.

The traditional segment is characterised as the one having a small size, low productivity, low wages, deplorable working conditions, low capital investment, lack of social security, lack of social standards and lesser use of technology. They do not get work throughout the year and have a preponderance of casual and contractual employment. They possess low levels of education, skill and training, which, in turn, result in poor working conditions and human capital base. On the contrary, the modern informal sub-sector is large, huge capital intensive, uses modern technology, skill set and generates higher income levels (Figure 1.10).

**Figure 1.10: Views on Formal and Informal Characteristics**



**Source: Ranis and Stewart, 1999**

Jhabvala and Kanbu (2002) observed that the modern and traditional informal sector have distinct characters in India and show a different level of adaptability while dealing with the formal sector. There is a fine line distinguishing this otherwise indistinct interrelationship while in other cases, there seems to be great distinction between the formal, informal and modern informal sector.

With respect to the composition, the Indian informal sector is heterogeneous and shows dissimilar composition. According to a survey on employment and unemployment carried out in the year 2004-05 by the National Sample Survey Organisation (NSSO), the informal sector accounted for 93 per cent of total employment including agriculture and 82.4 per cent of employment is in non-agricultural economic activities. The sector accounts for almost 50 per cent of India's Gross Domestic Product (Kolli, 2011). As per the NCEUS (2009) report, unlike global trends, high levels of growth in the Indian economy are accompanied by the increasing informal sector during the past two decades.

With respect to women home-based workers, In India, 51 per cent of women workers are Home-based as against 11 per cent of all male workers who are Home-based. Data analysis of different round of NSSO surveys reveals that HBWs continue to grow in numbers across 12 years. The percentage of Home-based women work is increased from 35 per cent to 51 per cent between the



year 2000 to 2005 respectively. The share of women in home-based work increased from 41.1 per cent in 1999-2000 to 46.1 per cent in 2004-05 and then declined to 42.8 per cent in 2011-12. The reduction was more in rural areas than in urban areas (Raveendran, Sudarshan, and Vanek, 2013).

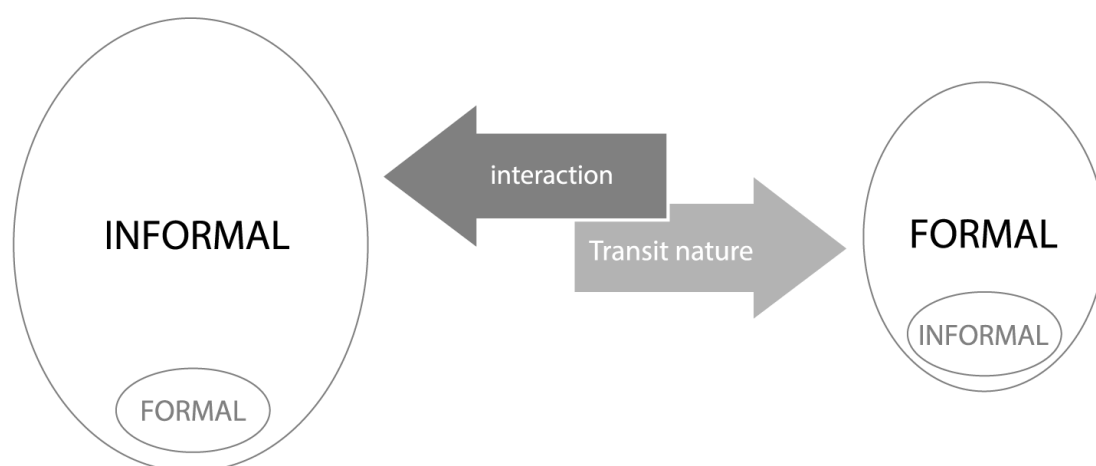
NSSO Data review suggests that HBW are concentrated mainly in manufacturing, trade and repair services. Another important observation from the survey data is that by 2011-12, the manufacturing of wearing apparel became the second most important industry employing 25.7 per cent of women in home-based manufacturing. A detailed account of the composition of Home-Based Workers is presented in chapter three.

### **1.5.1 Post-liberalization Developments**

Since the 1990s, India has adopted market-oriented policies and liberalized its economy to maintain a high growth rate. In the early 20 century, economic stability prevailed for a short span. Post-liberalization in India, like it, was started in IMF working paper (Figure 1.7) that that growth would entail more employment avenues in the formal sector, as well as better growth opportunities for informal firms, thereby bringing about a formalization of the economic structure. In developing countries, marketplaces were becoming more exposed to global forces, as the nation-state becomes more open to capital and trade flows (Kaothien and Webster, 2000). Therefore, in India, survey methodologies have also comprised data elements to capture a form of employment, its size, composition, security, productivity, skillset and use of technology and many more characteristics on exploring linkages. NSSO 55th round (1999-2000) of survey design had included many important data elements relevant for this research.

Later, NCEUS (2009) reports indicate that the post-liberalization period has also experienced growing interaction between the formal and informal sector due to growing production chains which have linked to informal workforce. The survey data indicates that there is a possibility of the formal sector having unregistered employees or have enterprises fully dependent on informal sectors (Figure 1.11). The proportion of employment of informal in formal, formal in informal, informal in informal and formal in formal sectors can be different in different arrangements.

**Figure 1.11: Dynamics of interaction between formal and informal sector**



**Source: Figure prepared on basis of NCEUS report**

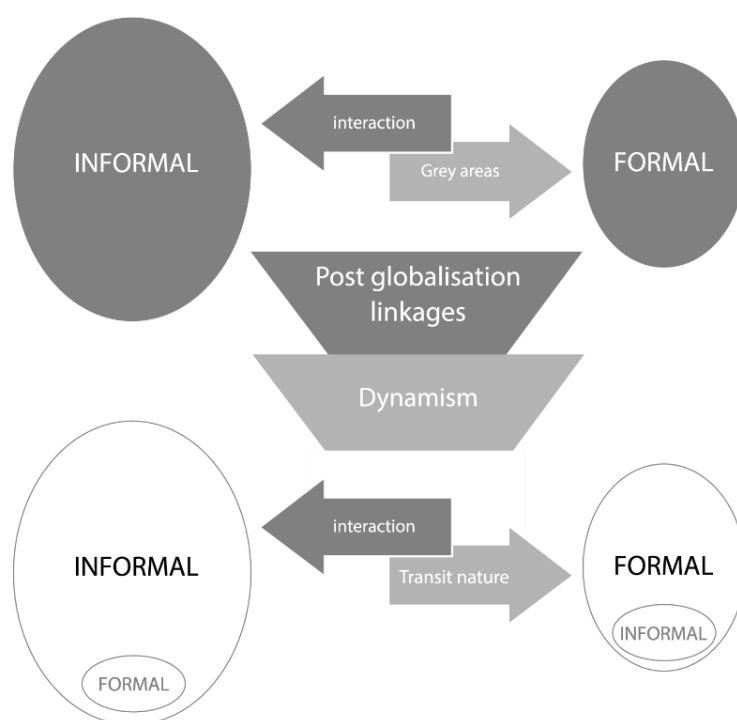
The report further adds that apart from its changing composition, rapid globalization and resultant work arrangements of production chains led to a situation where the informal sector shows a dynamic behaviour and transit nature. As a result, a requirement for a skilful, flexible temporary or part-time workforce particularly in traditional subsector has grown. These temporary and flexible workers are highly vulnerable in terms of job security and social protection. The insecurities and vulnerabilities of the modern informal sector labour are also on the rise, as there is a visible absence of worker mobilization and organised collective bargaining in these segments owing to a multitude of reasons (Remesh, 2004).

Contrary to the expectations that global production chain would bring better growth opportunities for informal firms in a formal context, data suggests that more workforce is added in this sector every year mainly due to the ease of entry and growing urbanization. Various reports (NCEUS, IMF, ILO) suggest that increasing size of the workforce in this period encounters issues of low productivity, low skill levels, irregular earnings, lack of social security, and access to markets, information and technology creating hindrance in maintaining competitiveness.

#### **1.5.1.1 Production Linkages**

It was around the liberalization period when large numbers of formal firms catering to global markets have started establishing strong links with informal sector enterprises. Their participation in a formal context varies according to the size and the lifetime of the firm (Damodaran 2011). Other than the number of firms, the proportion of informal/unorganised workers is also increasing within the formal sector (Figure 1.12).

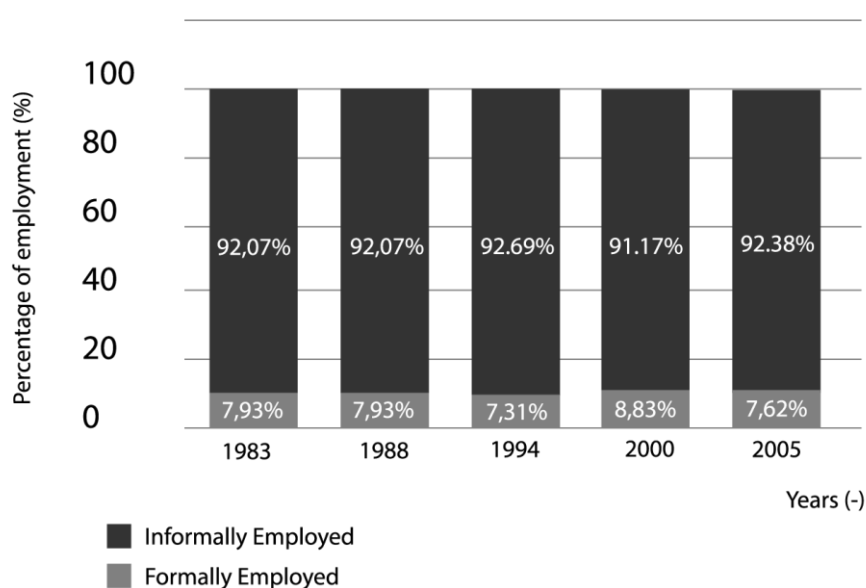
**Figure 1.12: Post Globalisation Linkages between Formal and Informal Sector**



**Source:** Figure prepared by researcher on basis of contents

To support the view, while comparing NSSO Employment Data for 55 (1999-2000) and 61 Rounds (2004-05), a NCEUS study pointed out that India is undergoing a process of “Informalization of the formal sector” and the entire increase in the employment in the organised sector has been informal in nature (Figure 1.13).

**Figure 1.13: Share of Formal and Informal Employment in Total Employment, 1983-2005**



**Source:** Bairagya, 2010

Over the last few years, there is an absence of any officially released employment-unemployment statistics in India since the Labour Bureau's household survey of 2015-16. In the absence of any recent reliable data (barring that of the Centre for Monitoring Indian Economy, a private agency), there is no estimate if traditional informal sector workers are absorbed by the modern sector as expected with robust economic growth. However, in 2018, ILO provided comparable estimates on the size of the informal economy at the global and regional levels for the first time (ILO 2018). The report found that 88 per cent of employment in India was informal. The figure is significantly higher than the global average of 60 per cent. It also indicates that with little job security and limited access to safety nets, most of the informally employed remain vulnerable to health hazards, economic downturns and natural catastrophes. The ILO estimates that three out of four workers in India will fall into the category of vulnerable employment by 2019.

#### **1.5.1.2 Global Value Chains and subcontracting:**

With regards to the manufacturing sector, post-liberalization, diverse working arrangement of mainly “putting out” nature started emerging as firms started connecting and linking themselves to Global Value Chains (GVC). Formal firms in India have started establishing links with informal enterprises and started taking advantage of large pool of manpower through subcontracting. Modern informal firms have established forward production links with formal firms, while traditional informal firms lagged in developing the same (Pieters et al. 2010). NSSO data also confirms that these arrangements have largely benefitted manufacturing sector in India by increasing growth and competitiveness of the modern informal sector.

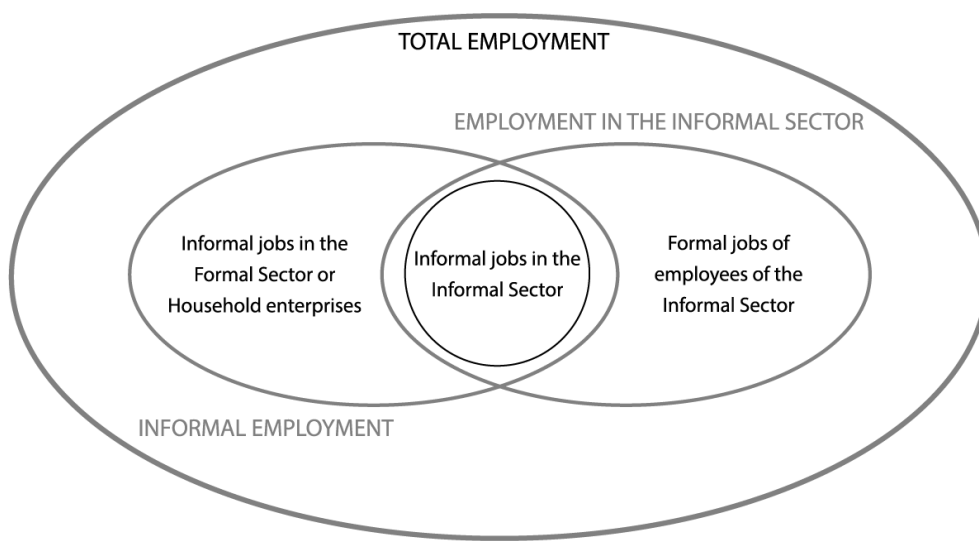
As per Duane (2011), informal employment is both complimentary and substitutes to the formal sector. Therefore, the arrangement of subcontracting is being used in various forms by the formal sector. The informal sector is playing the role of sub-contractor with diverse working arrangements linked to own account manufacturing enterprises (OAME). As per Kesar (2017), traditional informal enterprises or the OAMEs account for almost 85 per cent of the total informal manufacturing sector (IMS) characterised by the family-based household production units.

#### **1.5.2 Working arrangements:**

In some manufacturing sectors, household units were given an option to procure their own raw materials, maintain their own tools of production, put in their input costs and provide for their own transport. This has given rise to new working arrangements and a new form of workers started

appearing in India i.e. independent employers/ own account workers and dependent subcontract workers. NCEUS (2008) has also proposed to capture the growing trend in employment and unemployment survey and how these household enterprises are making themselves competitive with growing global production links. In this process, a part of the informal sector has transformed itself to a formal working style. This reflects the share of informal sector employment in the total employment scenario (Figure 1.14). Purely informal (employment) is an overlap between the informal employment in the formal sector and formal employment in the informal economy.

**Figure 1.14: Overlap between the Informal and Formal Employment**



*Source: UNECE Stat, 2012*

### **1.5.3 Subcontracting linkages:**

Subcontracting is one of the most common linkages among modern informal, traditional informal sectors and formal sector. There has been a higher incidence of sub-contracting amongst urban units through inter-firm linkages. To understand nature and type of subcontracting linkages and their consequences a lot of literature is available. Diverse views are given by scholars if they have the potential to transform the informal manufacturing economically,

Kesar (2017) in her study of subcontracting linkages on the informal manufacturing sector between 2001-2010 periods of high economic growth poses doubts about the role of such linkages in achieving the agenda of formalization of economic structure. However, Moreno-Monroy et al., (2014) adhere to a significant positive relation between formal sector subcontracting and total employment in the relatively modern segments of the informal sector. However, they also find evidence of the rapid growth of the relatively traditional segments of the informal sector. Krishna et

al., (2018) compared productivity growth between formal and informal enterprise and concluded that as a result of growing inter-firm and global production linkages, a new dynamism can be seen in some subsections of informal working in terms of output, efficiency, skill development, use of technology, employment and earnings to enhance its productivity particularly in garment and apparel sector. Various case studies (IEMS, 2014, WIEGO, 2015) also point out towards the role played by household enterprises in this sector, which has a significant contribution. The women homemaker constitutes as an important element. Unlike the formal sector, women constitute a substantial proportion of firm-owners in the informal sector, managing their own micro and small enterprises with or without paid and unpaid workers (Daymard, 2015).

#### **1.5.4 Subcontracting: Trends and data analysis**

Typologies of the subcontracting arrangements are traced from NSSO 55, 61 and 68 between 1999-2000, 2004-05 and 2011 respectively. Between 25 and 30 per cent of enterprises in the unorganised (Informal) sector operate under diverse systems of subcontracting. As per the Ministry of Micro, Small and Medium Enterprises (MSME), there is an upward trend recorded in subcontracting. There are higher incidences of subcontracting to increase price competitiveness. According to Rath, Jena and Sahu (2005), it is 39 per cent while as per Pais (2002); it is as much as 46 per cent. Their conclusion is based on a sample survey of small-scale units.

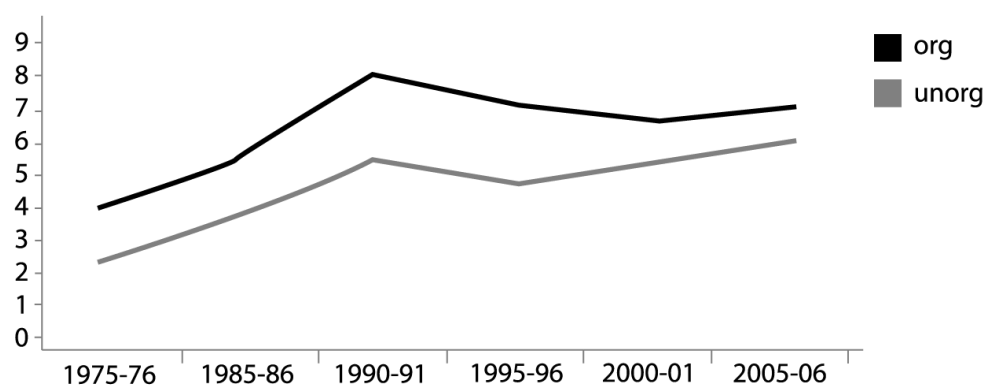
Regarding the sectoral pattern of subcontracting, it varies widely across industry groups. The industry groups involved in making tobacco products, garment and wearing apparel etc. account for more than 70 per cent of total subcontracting units. The nation-wide NSSO, 2012 surveys of unorganised manufacturing enterprises gave information about the magnitude of subcontracting separately in rural and urban India for the first time since 2000–01. The data suggests that the overall incidence of subcontracting has increased, albeit marginally, from 31 per cent in 2001 to 32 per cent in 2005-06. In addition, the incidence is greater for urban units for all the three types of enterprises i.e. own Account Medium Enterprises, establishments with 2-5 hired workers and those with 6-9 hired workers. Within subcontracting enterprises, the female-based workers who were working solely for the contractors/master units and did not sell independently in the market consisted of 24.4 and 26.6 per cent in 2000–01 and 2005–06 respectively.

The 1999–2000 NSSO survey of non-agricultural enterprises in the informal manufacturing sector also gives an estimate of the incidence of subcontracting. It shows that nearly 27 per cent of rural and 31.5 per cent of urban enterprises work under a subcontracting system. The incidence of sub-

contracting is relatively larger among tiny enterprises (OAEs) as compared to large-sized units (establishments). However, the magnitude of the contract is higher both for OAEs and establishments for the urban located units.

NCEUS commissioned a field-based study to the Institute for Studies in Industrial Development (ISID) in the National Capital Region Delhi to conduct a survey of 60 small and micro-enterprises that are actively engaged in subcontracting with larger enterprises. It revealed important insights about the nature and benefits of subcontracting. Most of the surveyed enterprises undertook subcontracting activities to optimize capacity utilization (Pais, 2008). Some of the entrepreneurs/owners had prior market contacts either through working with large firms or otherwise, which motivated them to begin subcontracting activities. Many subcontracting units had two or more buyers. On average, a subcontracting unit had six buyers. These units were produced on an average of 23 items and products. Nearly 60 per cent of total output was supplied to one important buyer firm. Many of the surveyed enterprises reported getting repeated/regular orders, with bidding and quotation being the important mechanism for price fixation. Therefore, there was a competitive relationship between the vendors and subcontractors. The survey also examined the nature of linkages between the firms. While the marketing linkage, which is assured off-take of the product, was the most important linkage. It resulted in technological linkage through the provision of product specification and design. Some of them also got the advantage of receiving tools and visits by technical experts and assistance in quality control. Significant growth has occurred in both sectors from 1975 to 2006 through sub-contracting (Figure 1.15).

**Figure 1.15: Comparison between the Average Annual Growth Rate of informal and formal Sectors**



Source: <http://www.investopedia.com/terms/a/aagr.asp>

Figure 1.15 explains that the growth rate of the organised (formal) sector is slightly higher than the unorganised (informal) sector in Phase 2 and 3. In phase 4, both curves are showing the decreasing

trend because sectors were unable to compete with foreign firms in an open economic environment post-trade liberalization. In Phase 5, the organised sector faced a decreasing trend, but the unorganised sector has maintained its position and both curves seem to be converging towards each other. In the last phase, both curves have maintained growth at an increasing rate. Thus, the subcontracting has clearly made the relationship of both sectors corresponding in nature. Subsequently, the informal sector is aiding in the expansion of the formal sector.

## **1.6 Perspectives on Informal and Formal Linkage**

There are studies carried out in Kenya, Senegal, South Africa and South Asian countries, which explore the relationship of the informal and formal sector, and how informal sector contributes in the value chain of global production (Mehrotra and Mario Biggeri, 2007). In the review above the primary issue of interest is the linkage between the formal and informal sector. Many economic relations of production falls somewhere between the two extremes of pure formal segments and pure informal segments. In the manufacturing sector, workers are known to move between points in this spectrum with varying ease and speed (Chen, 2004).

The primary objectives of the liberalization of economic policies adopted by India was to encourage the competitiveness and efficiency in manufacturing sector. It enables the sector to reach higher growth path. Analysis provided by Raj and Sen (2016) brings out useful insights for the role played by informal (unorganized) manufacturing sector in India. They analysed the existence of a positive relationship between the wages of workers and the firm productivity in the informal manufacturing firms. These firms have to face the social and economic barriers in order to raise their level of productivity. Goldar et al. (2011) have analysed the performance of informal (unorganised) manufacturing in India in the post-reform period. They considered output growth, employment growth, labour productivity growth and employment elasticity, making a comparison between formal and informal manufacturing. The labour productivity growth rate was relatively lower in informal manufacturing. However, the elasticity of wages with respect to labour productivity was relatively higher in informal manufacturing than formal manufacturing.

The employment generation capability of the informal sector is also reflected in the share of labour income. For the entire period from 1980-2011, the labour income shares in the informal manufacturing segment remained at a high of i.e. around 70 per cent while in the formal segment, the share declined over time (Goldar, 2013; Nagaraj, 2000). The share of wages in gross value-



added informal manufacturing fell from about 33 per cent in the triennium ending 1995-96 to about 22 per cent in the triennium ending 2007-08 (Goldar, 2013). The use of labour-intensive technology is probably the main contributor to the large employment generation and by consequence, the large income share. The informal segment does indeed play a very significant role even within the manufacturing sector and it makes sense to dwell a bit further into the linkages between the segments. (Krishna et.al, 2018).

### **1.6.1 Scholarly Views on linkages**

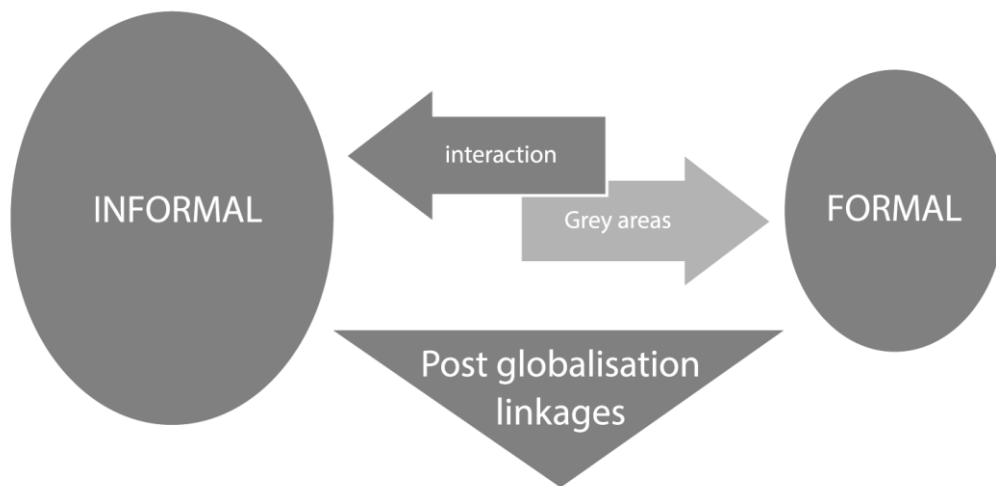
It is established that informal and formal sector linkages are likely to act as channels to facilitate a transformation of the traditional informal enterprises into the larger modern ones. However, there are contrasting views exists too. There are predominantly three schools of thoughts i.e. “dualistic labour market view”, “neo-liberal view” and the “structural articulation view” which are explained below to basically provide positive and negative consequences of linkages:

- **Dualistic Labour Market View**

The dualistic labour market view considers informal employment as a substitute for formal employment. This school of thought sees informal employment as a leftover option for surplus labour from the formal sector, though they regard this employment as involuntary, less capital intensive, traditional and the one providing subsistence wage. Kingdon and Knight (2007) study also support this view and propagates that the informal sector is incapable of generating capital accumulation or economic growth and is ultimately seen as a liability for the overall economy.

- **Neo-Liberal View**

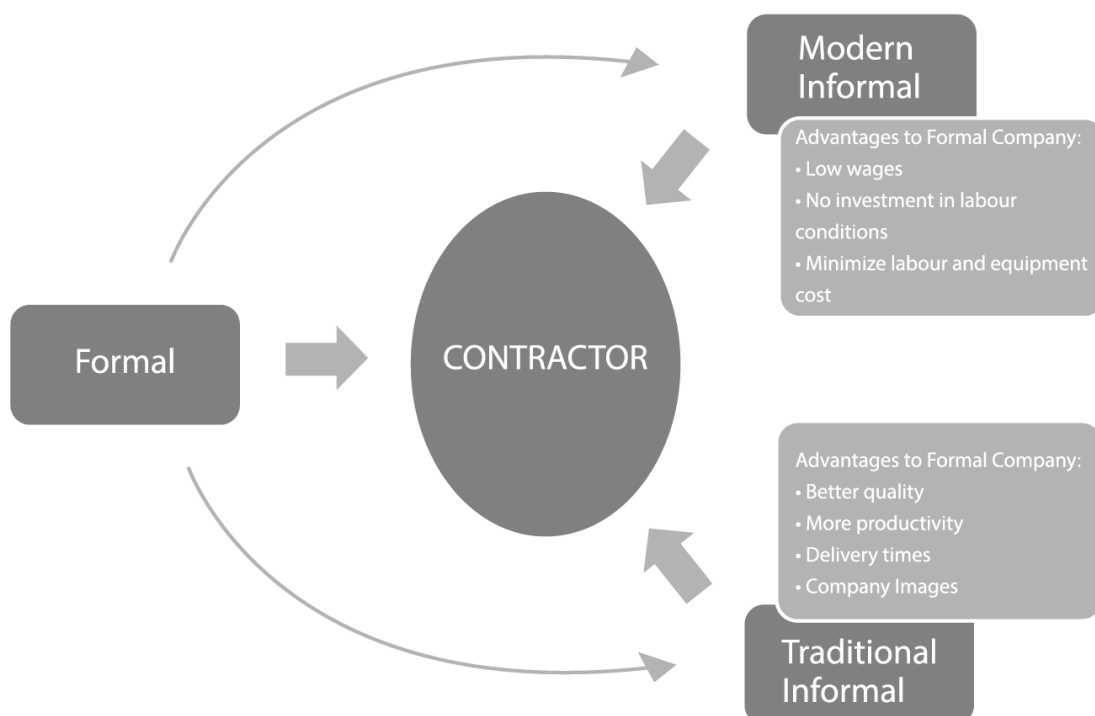
The neo-liberal view describes the types and nature of linkages due to globalization and liberalization of economies. According to neo-liberal view, the informal sector compliments formal sector with established production links through diverse sub-contracting arrangements, which increases its competitiveness. These linkages can further be categorized into inter-firm linkages; labour market linkages, financial linkages, and diverse arrangements formed as a result of global value chains (Figure 1.16). As these inter-firm linkages are largely formed connecting it to global production links through subcontracting, a lot of literature has appeared probing the types of such linkages and their impact on the overall economy (Rogerson 1997; Ranis and Stewart 1999; Arimah 2001; Pieters et al. 2010).



**Figure 1.16 Neo-liberal View: Post Globalisation Linkage**

Ranis and Stewart's (1999) also subscribe to similar views of the “traditional” segment and a “modernizing” segment of informal firms (Figure 1.17). According to them, the modern informal sector firms are intimately connected to formal markets through business relations and output demand from the formal sector. This school of thought further outlines the positive impact of such linkages and suggests that such linkages lead to the growth of economy. Pieters et al. (2010) and NSSO 68 round of data in India arguably supports this view. It can be inferred that modern informal firms have forward production links with formal firms and growth and competitiveness in the formal sector benefits the modern informal sector.

**Figure 1.17: Informal and formal linkages with changing work arrangements**



In India, these modern informal business owners and entrepreneurs usually connect to the informal sector in an organised way to represent a cost-saving strategy, on one hand, and to avoid arduous and costly additional labour regulations, on the other. In some cases, owners of these enterprises accumulate considerable capital to establish their business. Therefore, it is not clear if this benefits the informal sector or to business owners.

Banerjee and Goldfield (2007) consider the informal sector as highly complex, which does not fall into two distinct modern and traditional subsectors. One of the sub-sections of this sector, which has similarities with the modern informal sector, is very similar to the definition given by neo-liberal. However, the characteristics and occupation types largely differ and relate it to traditional Indian occupations. These modern informal firms are having cost-saving mechanisms and try to grow by avoiding labour regulations. The home-based workers are largely linked to this kind of production chain as this sub-sector is driven by labour demand.

- **Structural articulation view**

The structural articulation view, the third school of thought, deals with another sub-sector, which demonstrates a very different dynamic with the overall economy and largely disconnects with the formal economy. This subsector witnesses an excess labour supply and involuntary subsistence strategy. The workers belonging to this sector are majorly unskilled and often live below the poverty line. NCEUS in a survey conducted on composition, quality of work and characteristics highlighted that large section (70%) of workers belong to this subsector. Therefore, it is recommended that both skill development and growth policies are to be focused on and discriminately applied to this section of the informal sector (Duane, 2011).

### **1.6.2 Analysing Linkages**

The literature on formal-informal linkages was very limited until the 1990s. Post-1990, there was a flurry of literature, particularly of empirical origin. These pieces of literature largely touched upon the types of linkages, nature of linkages, the impact of globalization and liberalization on linkages and policy prescriptions. Linkage typologies can be traced in some of the literature of the informal sector (Chen, 2006; Siggel, 2010; Kate Meagher, 2013). These studies have categorized the literature on economic linkages into inter-firm linkages, labour market linkages, financial linkages,

and global value chains. The succeeding sub-sections present the literature review on the linkages under these typologies.

*i) Inter-firm Linkages*

The inter-firm linkages largely focus on subcontracting. Many works of literature have probed the types of such linkages and their impact on the overall economy (Rogerson 1997; Ranis and Stewart 1999; Arimah 2001; Pieters et al. 2010). Ranis and Stewart (1999) introduce a distinction between a “traditional” and “modernizing” segment of informal firms. Their study on Thailand and Philippines presents a positive outlook of such linkages and suggests that such linkages lead to the growth of the economy. Pieters et al. (2010) also traced similar findings in the study of India and argued that modern informal firms have forward production links with formal firms, while traditional informal firms do not. With the help of NSSO data, they confirm that in Indian manufacturing, growth and competitiveness in the formal sector benefits the modern informal sector.

There have also been studies in the African countries, which inquires the formal-informal linkages. However, these studies show relatively weaker informal segments resulting in stronger backward linkages over forwarding linkages. Arimah (2001) finds backward linkages to the formal sector two to three times more extensive than forwarding linkages for all types of informal firms in a study of Nigeria. A study by UNIDO/GTZ (2008) also finds out that the dominance of backward linkages with the formal economy generates an exploitative dynamic, in which formal sector firms gain most and informal sector loses out.

*ii) Labour Market Linkage*

The labour market linkage is another aspect, which has been covered in a few pieces of literature. The various dynamics of informal workers in informal firms and informal workers in formal firms have been evaluated and analysed through several empirical research across the globe. Kate Meagher (2013) has classified the literature on labour market linkages in two broad types – rationalist and structuralist. The rational individualist approach to labour market linkages finds space in the work of Levenson and Maloney 1998; Maloney 2004; Levy 2008; Perry et al. 2007 particularly located in Latin American countries. On the other hand, the structuralist perspectives are elaborated more in the work of Indian and African cases by Kanbur and Guha-Khasnobis 2006; Devey et al., 2006; Harriss-White and Gupta 2001.

Latin American studies indicate that labour movements between the formal and informal firms are not the outcome of a regulatory mechanism, but it is largely determined by maximization of income and flexibility by the workers. The latter helps them to avoid taxation and social protection arrangements. The informal sector is characterized by low productivity, promotes poverty and ultimately affects the growth of the economy. These studies suggest having universal social protection measures that cover formal as well as informal workers, funded by measures to extend taxation to the informal economy. In a comparative study of Mexico and China, Jutting et al. (2008) concluded that if selective government regulation and social protection are extended into the informal sector, it can bring out positive changes and can lead to the growth of the economy.

Studies from South Africa (Devey et al. 2006; Valodia 2001, 2008) and Kenya (Bocquier, 2005) suggest that formal-informal linkages in the labour market often lead to impoverishment and affect growth. However, these studies expose the opportunism of the formal rather than informal workers in which youth and women from the informal workers are the worst sufferers. They view the informal sector a den of poverty and sufferings. Therefore, they too, prescribe for extending basic levels of social protection to the informal workers as a policy measure.

There are ample studies on formal-informal linkages in the Indian labour market (Siggel, 2010). Breman (1996, 2010), Harriss-White and Gupta (2001) studies show that the formal-informal linkages in the form of subcontracting, putting-out and casualization have accentuated poverty and vulnerability amongst informal workers. Guha-Kasnobis and Kanbur (2006) edited the book 'Linking the Formal Informal Economy' presents examples of formal-informal relationship from the Indian labour markets. In their chapter, Marjit and Maiti (2006) argue that manufacturing in India have benefited from the liberalization and globalization and have contributed in the flow of capital into the informal economy which has helped in maintaining a better wage for the informal workers. They also noticed the flip side of the capital transfer in the form of attached or tied labour that often increases the dependence of these labours and results in their exploitation.

Sinha and Adams (2006) argue that outsourcing and jobless growth in India have been accompanied by a fall in real wages in the informal economy and demand a measure of state regulation to prevent excessive exploitation. In the study of Indian manufacturing and service sector, Siggel (2010) observes that linkages in the form of formal-informal subcontracting and rising exports generate expanding demand for skilled informal labour. It improves competitiveness without affecting informal wages. He noted that individuals might experience a fall in wages as they move from the formal to the informal sector. Indian studies also suggest various policy measures in order to reduce

the vulnerabilities of informal workers. These include the availability of universal social protection measures, labour regulations and promotion of the formation of unions or associations so that they can demand their rights in a collective voice.

### *iii) Financial Market Linkages*

Access to formal finance is an important aspect of the informal sector study. Formal-informal linkages in the financial market are another aspect where there are several pieces of literature. The literature on this has particularly emerged in abundance during the late 1990s. Soyibo (1997) and Steel et.al. (1997) has carried out empirical studies on informal sector of African countries and contended that boosting the formal-informal linkages has been more effective than formalization in extending financial support to small business and rural producers. However, owing to the use of monopolistic and interlocked markets to manage information problems and contract enforcement, informal financial systems increased or subsidized credit from the formal sector. This may increase margins and reduce access to credit for informal borrowers (Bose 1998). Another important study of successful formal-informal financial linkages involving 11 countries across Asia, Africa and Latin America find out that financial linkages are mostly top-down arrangements, which help to enhance the capacity of informal institutions in order to widen markets for financial services. The flip side is that it mostly uses a contract mechanism, which usually shifts the risks to informal partners (Pagura and Kirsten 2006).

### *iv) Global Value Chains*

The research (Bair 2005; Henderson et al. 2002) has been conducted in order to study the formal-informal linkages in the global production network or global value chains. Global value chains usually highlight the distribution of value across various segments of the chain and global production networks privilege the effects of local social and political regulatory processes in which global chains are embedded.

The key questions under probe in the literature studying the formal-informal linkages in global value chains or global production network with the informal firm or workers is to assess whether such linkages lead to the betterment of the workers at the end of the chain or whether it adds up to their exploitation. Few studies suggest positive effects of such linkages on informal firms and workers (Dunn and Villeda 2005; Murphy 2007; Grant and Oteng-Ababio 2012). Dunn and

Villeda (2005) studied the linkages of Guatemalan informal handicraft firms with the global value chains and show that such linkages facilitate improvement in the informal firms, increase the incomes and improve the access to markets. Therefore, such studies suggest for better and firmer linkages of local informal firms with the global value chains as policy measures.

There are many studies that highlight the negative consequences of informal linkages with global value chains or global production networks (Barrientos, Dolan and Tallontire 2003; UNIFEM 2005; Phillips et al. 2012). Carr and Chen (2002) through their study argue that such linkages are basically mean to evade the regulation and avoid providing the benefits of social protection measures to the workers. Studies also point out that such linkages are developed in order to maximize the profits at the top of the chain by cutting the cost and transferring the risks at bottom of the chain (Nadvi, 2004; Chen et al. 2005; Oxfam 2004). Du Toit and Neves (2007) and Phillips (2011) in fact argue that such linkages of the informal sector with global value chains are creating a sense of “adverse incorporation” which accentuates poverty and vulnerability. Barrientos (2000, 2008) study highlights the role of contractors in evading labour regulation and linking the global value chains with the informal sector. It concludes that such a system is only strengthening labour informalization and their exploitation. A study of metal ware chains in India shows a complex relationship between formal and informal and finds out that such chains are driving dangerous and dirty works in the informal economy (Ruthven, 2010). The usual policy measures of extending social protection and strengthening labour regulation are suggested to avoid the involvement of middlemen or labour contractors and link the informal sector directly with the global markets (Barrientos 2008).

## **Chapter 2: Research and its components**

### **2.1 Key research aspects regarding Home-based Workers:**

The last chapter has provided the rationale to take up the research and broader orientation of key research aspects through literature studies which basically targeted to capture diverse characteristics and composition of the informal sector, data elements which relate to varied characteristics of informal workers and discussion on diverse linkages conditions with their positive and negative consequences. It is hinted by recent studies (NCEUS, 2008, Raj and Sen, 2016) that few linkage conditions could entail better employment avenues in the formal sector, as well as better growth opportunities for informal units, thereby bringing about a formalization of the working conditions. In this regard, the role of subcontracting linkages is seen as facilitating a transition of the traditional informal enterprises into larger and more dynamic modern ones has been discussed.

The other point which catches attention in the literature study was the extension of Global Value Chain (GVC) which is linked to distinct category of informal home-based workers. Globally, production/supply chains are becoming increasingly dependent upon labour from the informal sector as a source of cheap, disposable, non-unionized, and predominantly female labour (Boris and Prugl 2016). Recent studies (WIEGO, 2014, 2015) point to an increasing trend of female participation in global production chains. These females constitute part of the Global Value Chain (GVC) and located at the bottom end of these production chains. Because of global linkages, a transition of these workers is envisaged from traditional working to a modern one. A competitive state of the affair can be framed up in which informal working, could experience meaningful employment generation and improvements in its productivity, efficiency, skill development, use of technology, employment and earnings to enhance its competitiveness.

In India, post-liberalization, as per NSSO data (Round no 55, 61, 66), growth is seen in an absolute number of informal workers. Participation of female informal labour has witnessed increasing trend but key changes which have taken place as a result of linkages with value chains have not been studied or rather could not be studied either due to the non-availability of data or due to missing data elements in the data agencies. Data from survey agencies have multiple gaps and are not enough to capture these micro changes. There is hardly any mechanism to capture the dynamic of linkages, which reflects the changes and their working pattern in formal context. Due to a lack of reasonable data, key Macro and macro issues concerning the dynamics of change in this



sector remained under-researched. In the changing economic landscape, a micro-level investigation is to be done to estimate the changes. There is a growing need to map if these linkages have extended any growth opportunities and what type of impacts can be seen in the lives of informal workers, particularly in the women home-based workers.

It is evident from recent studies (IEMS, Ahmedabad, Centre for development economics, 2018) that new form of working arrangements is shaping up through linkages, but the need is to explore whether they have any impact on their working arrangement or productivity? How their working environment is shaping up and what are the forces which contribute to their competitiveness? In this context, understanding of the following aspects needs to be analysed critically to establish the rationale:

- Global Chain (GVC) and women HBW
- Dynamics of Linkages
- Transition possibilities
- Consequences :Exploitation

Garment and Apparel sector is considered as its fitting the research context as industry registered highest number of informal women workers. It is a traditional labour-intensive industry and is organised in the form of clusters. NSSO (2011-12) data shows manufacturing of wearing apparel became the second most important industry employing 25.7 per cent of women in home-based manufacturing. NCEUS (2009) report indicates that the garment sector has experienced 4 per cent average growth rates of employment over the period 1983 to 2004-2005 compared to all-industry sectors average of 2.5 per cent.

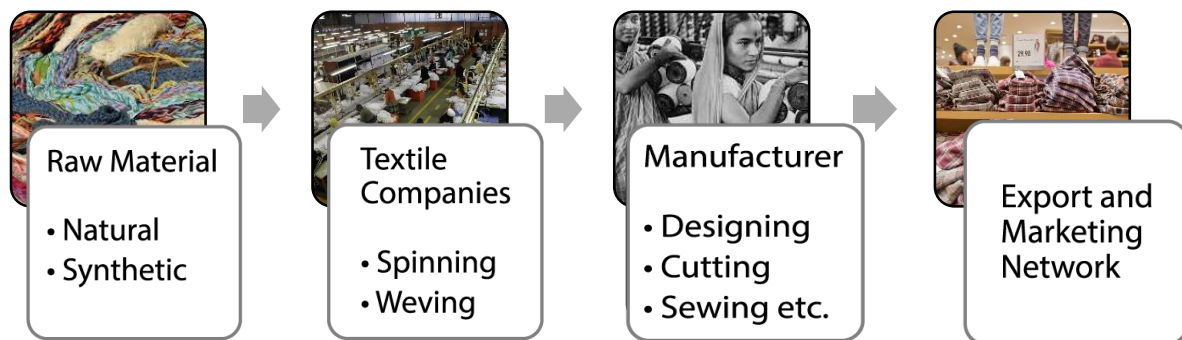
### **2.1.1 Global Value Chain and Home-Based Women Workers**

Indian industry has been greatly incorporated into GVC post-liberalization. Irrespective of the extent and level at which such integration has taken place for a specific product, as explained in section 1.5.5 of chapter 1, a substantial part of such production takes place in the unorganised or informal sector. Data from NSSO 68th round reveals that about a third of informal enterprises in India operate on contract and the industry sector analysis reveals that there is a growing trend in other sectors to get connected to GVCs.

### i. Women home-based workers in Garment and Apparel Sector

Apparel is an ideal industry considered for examining the dynamics of changes. The sector is characterised as having extensive backward and forward linkages, for many jobs associated with the industry (Figure 2.1). The apparel value chain is organised around five main parts: Raw material supply including natural and synthetic fibres; provision of components, such as the yarns and fabrics manufactured by textile companies; production networks made up of garment factories, including their domestic and overseas subcontractors; export channels established by trade intermediaries; and marketing networks at the retail level (Gary Gereffi, 1994).

*Figure 2.1 Apparel Value Chain*



*Source: based on Gary Gereffi and Olga Memedovic (2003)*

The Garment manufacturer, which are part of the production network involve prime contractor, sub-prime contractor, sub-contractors. Home-based workers are a vital part of this production network in garment/Apparel manufacturing (Cutting, sewing, tailoring etc) and are located at the bottom end of domestic or international value chains. In global chains, lead firms exercise control through such factors as design, lead time and quality parameters (Unni and Scaria, 2009)

### ii. Global Supply Chain in the Apparel Sector

The basic supply chain in the garment industry starts when clothing retailers placing orders with big manufacturers who then subcontract to smaller factories, who in turn often outsource to home-workers. Retailers are the companies which sell to the public or "consumers". Retailers may own their own chain of stores, "brand names or labels", sometimes famous player in many countries. They may sell their goods in other shops, by mail order, or nowadays also through the Internet. Retailers do not make the goods. Retailers are also known as the 'buyers'. Some retailers also have national offices in the countries where their garments are made. Their job is to carry out factory checks to monitor quality and help with scheduling and shipping of the finished garments.

### iii. Manufacturers

They organise the making of the clothes after “winning” the bid. They negotiate price, materials and delivery. The retailer selects the manufacturer that offers the best deal. Big retailers like to work with big manufacturers who can produce large volumes of garments at high quality and have textile wings to supply the cloth. Cloth and supplies such as thread, zips and buttons come in from other suppliers too.

### iv. Smaller informal enterprises

Often a big manufacturer subcontracts production to smaller factories. It may do this when it cannot handle the volume, meet the deadline, or do the work for the agreed price. Quality standards and working conditions are worse in smaller informal enterprises (Figure 2.2). According to demand, they keep their costs down by hiring and firing workers to force them to do overtime. Some big retailers, especially those that are conscious of their image among consumers, do not like their manufacturers to subcontract. Very often, the big retailers do not even know where their goods are produced lower down the chain.

*Figure 2.2: Who gets what profit from a shirt?*



### (iii) Homeworkers

Smaller factories sometimes also subcontract part of the work such as stitching or finishing to individual agents. They may be former employees, or still working in the factory, for example, line-leaders. The agent takes the work out to the local community. This may be to a sweatshop that they run or to homeworkers, mostly women working in their own homes. This is how garment work is sent down the supply chain.

### (iv) Back up the supply chain

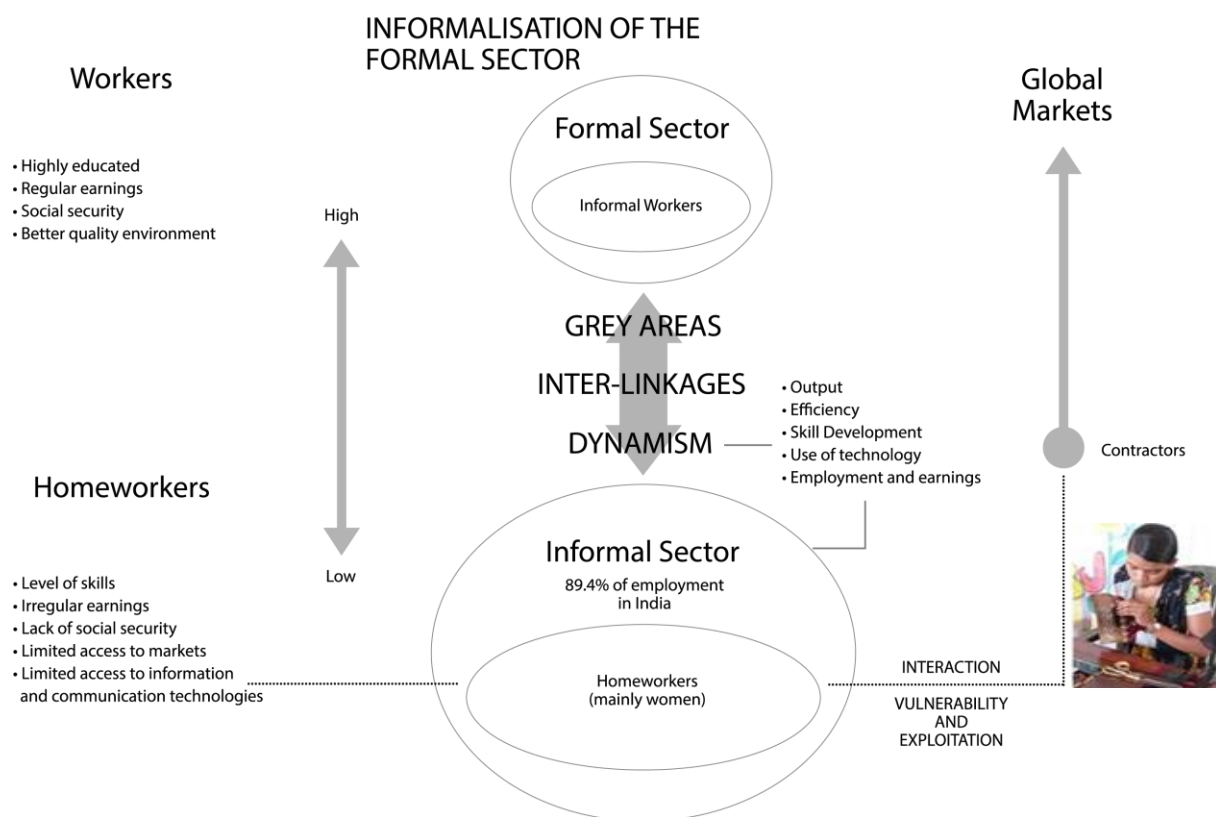
The finished garments go back up the value chain. They cross the world often to find their markets.

### 2.1.2 Dynamics of Linkages

In section 1.5.5 of chapter 1, some important facts are provided, how subcontracting linkages between the informal and the formal sectors are established through the formal or informal manufacturing units subcontracting certain labour-intensive stages of production to the informal sector. Figure 2.3 outlines the relation between different players and indicates the zone in which formal and informal players interact, which falls mostly in the grey zone. This linkage situation is a critical point where the situation for a worker may lead them to become more competitive or make them vulnerable to exploitation.

The “structuralists” school of thought contends that the informal sector is integrally linked with the formal sectors. Hence, given a constant level of state regulation, the informal-formal sector relationship is complementary. Thus, expansion or contraction in one necessarily implies an expansion or contraction in the other. This kind of linkage is more prominent in the form of subcontracting.

**Figure 2.3 Relation between different players of Formal and Informal Sector**



*Source: Figure prepared on basis of contents*

In some other arrangement, large retailers are linked through buying agents at different levels. This is to direct exporters located in different clusters who themselves undertake production as well as have diverse links with large numbers of smaller firms. These smaller firms consist of full producers of garments, on the one hand, and of fabricators who obtain cut components of garments from direct exporters, stitch the garments and send back to the main units for further process or of machine embroidery units, on the other hand. In production, typically activities such as embroidery take place in home-based units and are coordinated by contractors. Such units get linked through different levels, to direct exporters or their suppliers.

Over time, there has been an increase in the size of direct exporters. Although in the apparel industry, the nature of the products, seasonality of demand and the fragmented nature of markets offers inherent advantages to small-scale production. Yet, the middle segment of small-scale producers is large and consists of thousands of firms in typical garment clusters (Vijayabaskar 2008).

### **2.1.3 Transition possibilities**

In the literature study, a vast section is emphasizing the possibilities of better growth opportunities for the interlinked informal sector because of linkages. Therefore, formalization of the economic structure is key to the competitiveness of units. The matrix in Table 2.1 illustrates the characteristics, which change from subsistence enterprise to a formal official enterprise. The prime objective is to attain the dynamism of formal enterprise to stay competitive and support the formal sector.


At a worker level, these characteristics will reflect in terms of attainment of legal recognition, social security, bargaining power, skills, better working conditions, use of technology and better productivity etc. In context to home-based workers, they are yet to get recognition and mostly do not comply with existing regulations. The literature review indicates that the crucial role of various policies where linkages are seen as a means to facilitate the transition of the traditional informal enterprises into larger and more dynamic modern ones has not made enough impact. Apart from that, a better growth opportunity for informal firms to bring about a formalization of the economic structure has been recognized for achieving decent work agenda propagated by ILO. Therefore, possibilities and situations can be explored for Home-based worker on the following:

- I.** Exploration of an integrated framework (policies, strategies) to promote the transition of home-based workers to formal employment.

- II.** For home-based workers, the expectation is about the attainment of regulatory framework pertaining to rights at work, employment, social protection and social dialogue for a progressive transition to the formal economy and decent work.
- III.** It is expected that the entrepreneurial potential of the informal economy could flourish, and a home-based workers/unit would have the possibility to upgrade them if they improve their productivity and would probably contribute substantially.

Other competencies which can be considered as determinants and conditions that are directly or indirectly responsible for a better working condition of Home-based workers can also be considered.

**Table 2.1 Transition from Informal to Formal enterprises**

Aspects	Informal Sector Characteristics		Formal sector Characteristics	
	Subsistence Enterprise	Unofficial enterprise	Unofficial enterprise	Official enterprise
Degree of Informality	100%	High. Proportion of sales, unregistered works	Some proportion of undeclared sales, partly unregistered workers, may use outside the official purview (e.g. Internet)	
Type of activity	Street trader, cottage/micro enterprise, farmers	Small manufacturer, service provider, distributor, contractor	Small and medium manufacturer, Service provider, software firms	
Technology	Labour intensive	Mostly labour intensive	Knowledge and capital intensive	
Owner profile	Poor, low education, low skills	Poor and non-poor, well educated, high level of skills	Non-poor, highly educated, sophisticated level of skills	
				
Market	Low barriers to entry, highly competitive, high product	Low barrier to entry, product differentiation, highly competitive,	Significant barrier to entry, established market/product niche	
Finance need	Working capital	Working/investment capital, supplier credit	Invested capital and working capital, letters of credit, supplier credit	
Other needs	Personal insurance	Personal and business insurance	Personal and business insurance, development services	
	Least dynamic, Completely informal		Highly dynamic, Partially formal	

*Source: Schneider 2002*

#### **2.1.4 Vulnerability Aspects**

Home-based workers are linked to production chain where a complex cost-saving mechanism is developed by avoiding labour regulation but following a practice like a modern informal sector. Studies commissioned by the NCEUS show that while the brunt of market fluctuations is borne by workers all along the chain, informal sector units themselves function with high levels of vulnerability, resulting in the transfer of the vulnerability to the contracted workers.

IEMS (2012) study and NSSO data indicate that more and more HBW are connected to the production chain and their type and dynamics of linkages with formal sector decides whether the linkage is for increased competitiveness or put them into exploitative conditions. Likewise, an investigation is required to comprehend the local determinants and conditions, which are directly or indirectly responsible for their vulnerability.

Employment status, less regular assignments, longer working hours, an absence of collective bargaining and representation rights some of the aspects which need attention. Workers are physically and financially more vulnerable because work in the informal economy is either excluded from or is effectively beyond the reach of social security schemes and safety and health, maternity and other labour protection legislation. (ILO, 2009)

### **2.2 Need of the research**

Rapid and transformative shifts are induced due to the changing form of linkages. Contrary to the above conceptions that linkage bring a meaningful employment, more and more female HBW who are joining the informal workforce end up working in a poor working condition. Though they contribute a major part in the process along the value chain, yet their contribution goes unseen and they become vulnerable to exploitation. Due to lack of data on key characteristics and insight on the dynamics of linkages and working conditions, results of any policy actions are not giving the desired results.

Present survey data mechanism is not designed properly to map changing characteristics of home-based workers therefore, it's difficult to provide dynamics of changes taken place in this subsection.

Research studies try to explore if linkages can transit enterprise from typical informal set-up to more formal working set-up and most of the studies utilize macro-level data elements which does

not provide a clear picture of the changes taken place at a worker level. Absence of these insights makes workers vulnerable to exploitation even if they are linked to the formal sector.

The assumption is if a higher level of productivity brings them better economic gains. Would better access to technology, markets and information as well as their individual characteristics with bargaining power improve their competitiveness and thus, decrease their vulnerability?

Apparel and apparel sectors have witnessed a visible change in the participation of women HBW. This sector has potential to bring changes in their productivity and efficiency by using technology, skills or market linkages. Therefore, the sector was picked up to explore all aspects including their working conditions and benefits derived from diverse linkages that exist with the formal sector.

The research is expected to explore the answer of the above questions and examine the scenarios in which home-based workers have a high probability of interaction with formal institutions/enterprises.

## **2.3 Research Objectives**

Drawing on broad-based typology available amongst key aspects emerging out of literature review and the inferences emerging out of observations from a literature review, the research focuses on the following objectives:

1. To understand the key aspect of home-based working in value chain, its characteristics and examine what characteristics, factors and conditions make a female home-based worker more competitive?
2. To investigate the living and working condition of home-based workers in Delhi engaged in the Apparel and apparel sector and what interventions are required to improve their living and working conditions and extend growth opportunities?
3. What measure and policy interventions are required to facilitate their transition to meaningful employment.

The research is a significant contribution to the existing knowledge in four distinct ways:

- i. It will bring forth evidence-based outcomes about issues and potential of women home-based workers whose contribution to the value chain is often under-appreciated.



- ii. The research plans to bring out critical aspects of their working condition, working arrangements, productivity and output and analyses the range of driving forces to make them productive to have better growth opportunities.
- iii. Through the study of critical local and regional linkages, determinants and driving forces, the research investigates the measures to minimize the vulnerabilities of home-based workers associated with the apparel market.
- iv. It will enhance the ability of policy leaders to include critical data elements as well as identify the macro and micro level factors, which are directly or indirectly responsible for changing the state of the art of HBWs.
- v. In the long term, the outcome of the study is going to serve as an important input for more effective strategic interventions related to the development of policies for women HBWs.

### **Context of competitiveness for Women HBWs**

Competitiveness typically is analysed at the country, regional, industry or enterprise levels. While the competitiveness factors differ from one context to another, yet there has been a similarity in methods applied. Competitiveness and productivity are closely related. The World Economic Forum (WEF, [www.weforum.org](http://www.weforum.org)) defines competitiveness as the collection of factors, policies and institutions that determine the economy's productivity and thus, its level of prosperity.

Assessing competitiveness for a home-based enterprise or for a home-based worker is to navigate what products and services can be delivered effectively and efficiently under given situation and if there are conditions which make them give better performance of its competitors. Therefore, exploration of underlying macro and micro factors specific to primary production factors is of prime importance. HBW are mostly using the home as their workplace. Therefore, worker's competencies, working conditions, and characteristics of the workplace are to be understood and what economic gain is achieved.

Assuming if certain linkage conditions are supportive of productivity, literature does not give any pointers. Therefore, it is important to investigate under which factors and conditions these linkages work better? Therefore, special attention is required to investigate the process of formation of various (subcontracting, forward, backward) linkages and its impact. Thereby, it assists in deepening the understanding of working of a home-based worker and their linkage to the global value chain.

Research does not intend to provide a comprehensive and detailed analysis of the competitiveness, but rather tries to highlight some of the key aspects that directly affect competitiveness and productivity of HBWs. This is apart from many other local and regional factors, which differ from one region to another.

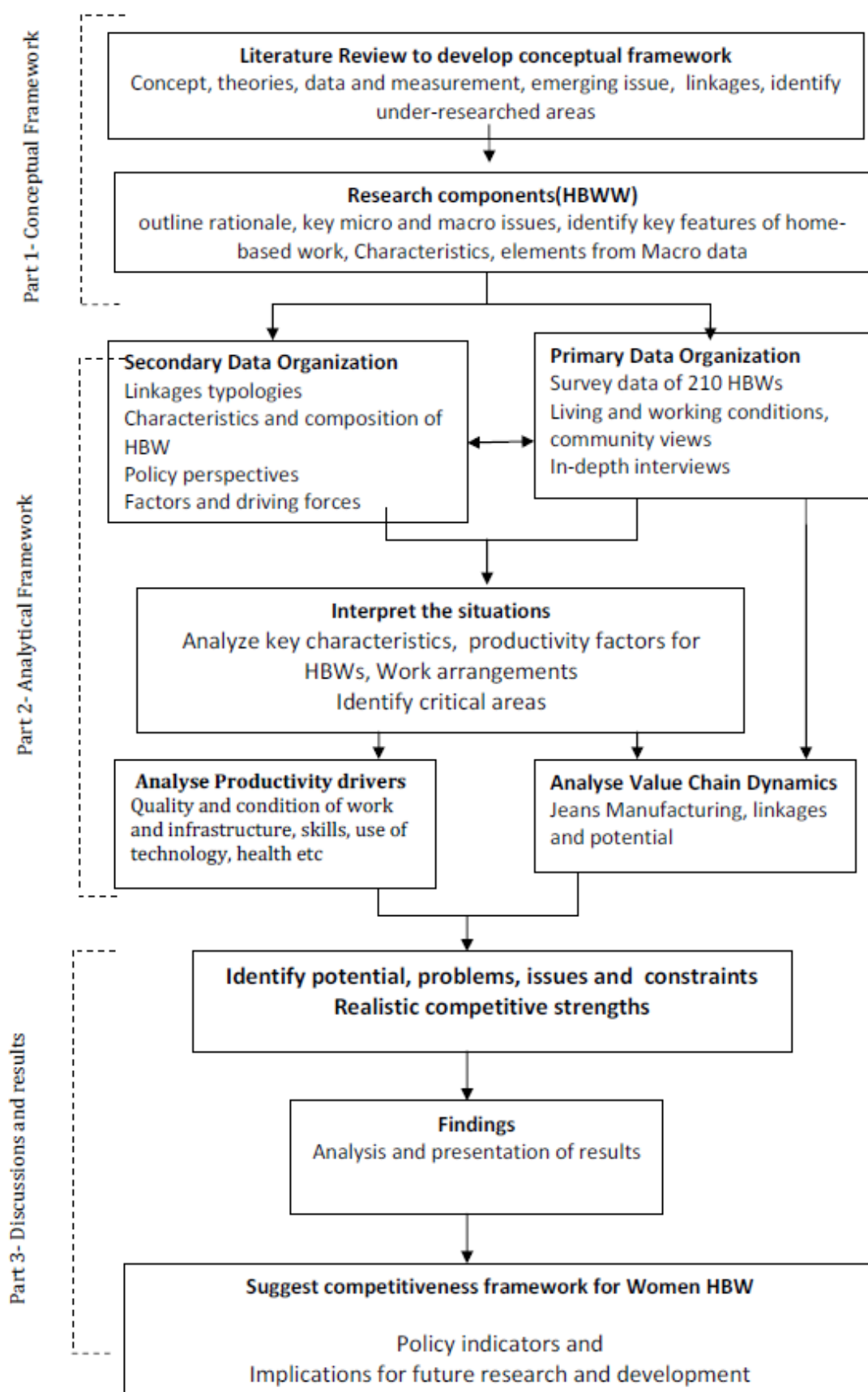
A part of the questionnaire has been drawn up keeping in mind the above possibilities and situations. The factors affecting productivity at industry or enterprise level will differ from one regional set up to another depending on their socio-economic conditions, micro-economic and many other factors. Therefore, research does not cover these aspects to analyse the competitiveness of the study area.

## **2.4 Methodology**

At first, a thorough review of the literatures including research studies, data and papers etc. is done to establish a conceptual framework. A deeper understanding is reached through study of the dynamics of formal-informal linkages considering globalized and liberalized policies, and study of data layers to determine key characteristics and composition of changing informal sector and female HBWs. For developing an in-depth understanding of the nature and process of home-based work, a thorough review of the secondary literature is done. Macro-level Linkage typologies were traced from survey data which provides enterprise-level data and work arrangements of the female homeworkers and extent of linkages between female homeworkers with other stakeholders.

Using these observations, a questionnaire (Annex. 1) was formulated with key parameters including workers profile, income, skills profile and use of technology etc which relates basically to productivity of workers, their working conditions and what situations and possibilities exist to improve their productivity. It was planned to collect quantitative as well as qualitative data using a mixed method. To collect worker level data on the above parameter's, a questionnaire survey was performed among 210 women home-based workers in three locations of Delhi. Salient features of value chain dynamic were captured through a participatory method. Informal and formal Apparel(jeans) manufacturing units were investigated with respect to their linkages, value chain and check the involvement and emolument of home-based workers. What stages of this manufacturing process are manual intensive where involvement of HBW is sought and means of cost-saving, what possibilities and situation exist for home-based workers to form linkages and get a fair share of their efforts. This participatory study also helped to study linkages and check is there are exploitive

**Figure 2.4: Methodology flow chart**



situation exist which make them vulnerable. The section has also tries to make a perception of local conditions, collect opinions and analyse linkages and role of different stakeholders. Perceptions were also made to understand the relations between the different working arrangements including role of middleman involved in the manufacturing process (Figure 2.4). This approach has given a clear idea of the linkages and check the possibilities and situations which exist for the home-based worker to establish formal linkages. Additional information about regulatory environment and legal framework regarding recognition and policy intervention collected through expert's opinion.

## **2.5 Case Study Area: Delhi**

The research uses New Delhi as its field study area to decipher the composition and characteristics of home-based workers and three clusters of home-based workers within Delhi to gain an understanding of their working conditions and diverse linkages. For the purpose of the questionnaire survey and primary data collection, home-based clusters associated with the garment industry based in Delhi are chosen.

### **2.5.1 Apparel industry in Delhi**

The grounding for the selection of garment industry is based on India's significant growth in the Garment sector in the past 15 years. The purpose of choosing this industry is that it plays a pivotal role in the Indian economy. India is the world's second-largest producer of textiles and garments after China. Textiles and garments accounted for about 16 per cent of industrial production and 18 per cent of export earnings (Devaraja 2011). This is also one of the major industries, which is heavily dependent on the informal sector for its competitiveness.

Delhi has 354 garment and apparel factories spread across 11 districts (ASI, 2011-12). Delhi alone accounts for 18 per cent of garments' enterprises in India (Phillips, Bhaskaran, Nathan and Upendranadh 2011). Out of total employment in non-agriculture enterprises of Delhi, 8 per cent is engaged in the manufacturing of apparel (NSSO Survey 67 round).

The industry in Delhi is predominantly export-driven. It caters primarily to the international market and local markets within the country. NSSO, Economic Survey and Census data of the last decade suggests that nearly 85 per cent of employment generation in Delhi was in the unorganised sector and with low wages. Nearly ninety-seven per cent of informal workers lack any kind of social protection.

### 2.5.2 Value Chain

In order to contextualise and understand the garment industry and its organisation in Delhi, it is useful to understand the overall value chain of the industry. The garment industry in Delhi has both the organised and unorganised sectors. The organised sector comprises of registered units and manufacturers governed by the regulatory mechanisms, but the unorganised sector is just as huge and active as the organised sector. The unorganised sector thrives on the phenomenon of sub-contracting and outsourcing within the value chain.

### 2.5.3: Classification of industry

The firms in the garment industry can be classified into five types (Table 2.2). Type -1 unit is the largest unit to cater exclusively to the international market. It has state of the art facilities in industrial estates. It undertakes a complete range of activities from design to shipment/delivery however outsources activities such as embellishment, thread cutting etc., to the unorganised sector. Type 2 units cater to both the international and the domestic market. Such units employ a large number of workers, managerial staff, with written contracts, HR benefits and good wages; depending on the workload they may also hire workers on a fixed-term seasonal contract or on a daily wage.

**Table 2.2: Classification of Garment Industry in Delhi**

Type of units	Description
<b>Type 1</b>	Unit is largest unit cater exclusively to the international market located in industrial area of Delhi.
<b>Type 2</b>	Medium sized unit which caters to both international and Indian market. Type 2 units are also located in industrial area of Delhi.
<b>Type 3</b>	Units usually cater to Indian brands and to Type 1 and 2 units that are usually found in locations adjacent to major export clusters.
<b>Type 4</b>	Units are micro-enterprises, usually unregistered and focusing on an outsourced activity such as printing, dyeing, embellishment, tailoring, machine embroidery and button stitching and button hole making.
<b>Type 5</b>	Units comprise of the non-factory and unorganised sector of the garment industry

*Source: Figure prepared by researcher on basis of contents above*

These units have the capacity to undertake all activities from design to delivery and maintain high-quality standards; only in-case of orders beyond the capacity of the unit, are some activities such as stitching, printing, dyeing, washing/ironing etc., outsourced to other factory units. Type 3 units usually cater to Indian brands and to Type 1 and 2 units that are usually found in locations adjacent to major export clusters. These units may be registered or unregistered and are part of a competitive

market based on low production costs; in such units, the workers are paid on a piece-rate basis with no benefits.

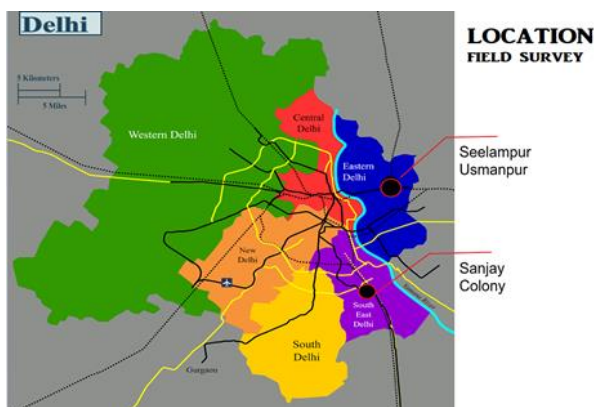
#### **2.5.4 Home- Based Workers Linkage with Formal Industry in Delhi**

Sub-contracting is a distinguishing feature of the garment industry of Delhi. Since most of Delhi's garments are exported to foreign markets, there is a boost in the demand during peak season. Delhi being the manufacturer of cotton garments has seasonal significance in the international market. Therefore, when manufacturing factories face an overload of orders, the work is outsourced. In all above-mentioned firm's typology, intermediaries are involved for outsourcing the embellishment, thread cutting, buttoning and packaging activities, which is carried out by home-based workers. In brief, the value chain in Delhi forms a pyramid. At the top of the chain is the exporter/merchant who is directly linked to the international buyer or to the large garment companies in the country and at the bottom of the pyramid the non-mechanised household units and home-based workers.

#### **2.5.5 Study Location and Selection criteria**

Based on the outcome of the literature study, internal discussions, interaction with the government officials of labour department in Delhi and based on information received from the Non-Government Organisations (NGOs) working for the welfare of female homeworkers, 3 clusters of female homeworkers were finalised to conduct questionnaire survey of total 210 female homeworkers in Delhi (Annexure 1). Three residential colonies were finalised as study locations near 3 major industrial areas spread over two districts- North East Delhi & South East Delhi. (Figure 2.5) New Seelampur and New Usmanpur are located near Gandhi Nagar, a prime garment market which is Asia's biggest readymade garments/textile market whereas Sanjay colony is located in the vicinity of Okhla Industrial area.

***Figure 2.5 Location of Clusters within Delhi***



### **2.5.6 Selection criteria:**

In view of the previously mentioned objectives, primary desk research was held to determine the major industrial areas of the garment industry. The criterion is predominant activity in manufacturing (garments related) in chosen areas, HBW concentration in the area where female is the main agent, different type of activities in informal residential settlement in Delhi out of eight residential typologies in Delhi to understand effect of social, economic and physical environmental and their linkages, housing typology, settlement typology and type of activity practiced in bulk in the area, and there should be some scope for improvement in the areas chosen.

Four clusters from residential colonies located near 3 major industrial areas (one each) known for Apparel and apparel businesses, were finalized as study location in the first stage. The prime characteristic of selected locations is their proximity to large or small garment manufacturing units, proximity to industrial areas, the coverage of a wide variety of works carried out by female homeworkers and geographical spread across three districts i.e. East Delhi, North East Delhi and South East Delhi of Delhi. However, due to lack of identification of homeworkers in the Gandhi Nagar locality in East Delhi, a detailed survey could not be carried out. Hence, another location in North East Delhi with a higher concentration of home-based workers was chosen for detailed surveys in the second stage. Thus, finalized 3 survey locations are located near 2 major industrial areas spread across 2 districts of North East Delhi and South East Delhi. The details of the final survey location are as follows:

1. New Seelampur – Sahadra Industrial area, North East Delhi ( December 2016)
2. New Usmanpur - Sahadra Industrial area, North East Delhi ( December 2016 )
3. Sanjay Colony - Okhla Industrial Area, South East Delhi ( December 2016)

Site visits, as well as surveys, were undertaken to get the first-hand idea of the case study areas (Figure 2.6). From the clusters, the attempts were made to select a total of 250 female home workers. However, a few female workers were either unavailable or unwilling to give a reply to the questions. Hence, finally, in totality, responses from only 210 out of targeted 250 female homeworkers were collected i.e. 70 female homeworkers from each cluster based on purposive sampling and tabulated for detailed analysis.

*Figure 2.6 Characteristics of selected locations*

Indicators	Study Location	
	Seelampur/Usmanpur	Sanjay Colony
Organised Sector	Type 3 & Type 4 Units	Type 1, 2 & 3 units
Unorganised Sector	Work is undertaken by men-women in households	Work is undertaken by women in households and neighbouring factories.
Activities undertaken	Thread cutting (mainly for jeans and Pants, Embroidery, Packaging	Thread cutting, embroidery, stone pasting & Embellishment
Reason for it being a hotspot for garment work in Delhi	Proximity to Seelampur, Sahadra Industrial area and Gandhinagar	Proximity to large manufacturing units in Okhla

### 2.5.7 Primary Data Collection Strategy

Women Home-based workers engaged in different kinds of work in the garment sector such as Embroidery and embellishment, knitting, buttoning, finishing, crochet work etc. were interviewed through a semi-structured interview. The primary survey (interview) was conducted on the following aspects of their occupation:

- **Personal information:** religion and caste, age, marital status and education status & level of education, family size, numbers of earning members in the family, family income, women's contribution to the total family income.
- **Type of work:** working hours, period of occupation, condition at work place in home, work security. Employees benefit, leave benefit, crèche facility.
- **Living and working conditions:** housing conditions, type of accommodation, type of house, number of living rooms, ventilation in the house, water supply conditions. Overall sanitation conditions, drainage of water, household waste disposal, electricity provisioning, the dependency of work on quality and physical environment of workspace in house.
- **Ownership** of assets: telephone, mobile, vehicle, internet, TV, Fridge, LPG connection.
- **Support systems:** financial, social and professional such as organisational linkages financial linkages
- **Use of technology:** quality of production, access to training.



- **Health condition** and access to health services and benefits, vulnerability, survival strategies and aspirations.

### **2.5.8 Qualitative Approach:**

A separate qualitative approach has been adopted in the side-lines of a questionnaire survey to investigate the value chain and linkages. A unit of Jeans Manufacturing is for its manufacturing process is contacted and the role of home-based workers was studied with respect to diverse linkages.

Inferences were drawn from an analysis of responses received from the questionnaire survey. Key observations were made to get a better idea of forward (i.e. market) and backward linkages (supply of raw material) and usage of technology to get the work or supply the material. Observations have been made on the efficiency of Government programs in addressing the basic problems associated with the working conditions of the homeworkers, poor returns, exploitations and harassments.

The perceptions were also made regarding housing structure, structural conditions, activity space relationship, infrastructure and living Environment, Perception about existing environmental conditions.

Suggestions have been collected from home-based workers to improve the design of policy initiatives aimed at integrating Home-based work by incorporating the employment needs of urban poor and migrants, with adequate attention to the occupational health aspect and wage regulation of these workers.

## **2.6 Scope of work**

Largely, the characteristics and composition of India's informal sector are relatively unknown. Survey agencies in India provide employment data at the state level which does not cover micro-level observations. Therefore, research methodology does not include data analysis coming out of survey data from various survey organisations. Though, use of a different set of statistical data is made to analyse the trends. Research, in general, would not touch upon the structural change or effect of economic trends on Home-based workers. The analysis and interpretation would focus more on subcontracting linkages in the manufacturing sector if it is facilitating any form of transition of the traditional working into larger and more dynamic modern ones. The topics such as Global Value chains, exploitation etc. are covered to justify the context but research does not seek to explore these aspects in detail.

**a) Assumptions**

International terms and Indian specific definitions associated with informality and Home-based working and terms are used interchangeably. Policy leaders are often found to be, using the two sets of words, interchangeably. Likewise, terms such as homeworkers/ home-based workers and female/women have been used interchangeably

**b) Limitations of the Field-Survey**

Due to the location of the study area in a foreign country and local intercultural constraints, the scope was limited to only a few clusters and the limited sample size was collected. Statistical data is not available at cluster level across city. Hence, it was difficult to use stratified sampling method for identifying the households where female home-based workers are located throughout different parts of Delhi. The data, thus, collected may represent the entire sector but still provide a small picture of the linkages prevalent in the formal-informal sector. Therefore, generalization has been made with caution.

## **Chapter 3: Home-Based Working and Key Aspects of Competitiveness**

### **3.1 Home-Based Work and Key Context of competitiveness**

Home-based work has existed historically as many of the traditional occupations such as weaving, tailoring, pottery, craftwork, carpentry, metalwork, coir goods making etc. were largely Home-based in India. Despite handling the household chores, female home-based workers work additionally to acquire income to support the family financially. Over the years, this category of worker has experienced neglect due to its invisible characteristics and since then, multiple changes have taken place in their definition.

Competitiveness characteristics for home-based worker is understood as the collection of individual characteristics, factors, policies and institutional environment that determine productivity, well-being and thus make them better performer from its competitor. Competitiveness and productivity are closely related, therefore, exploration of underlying macro and micro issues with respect to home-based worker is done with the help of secondary data sources.

Home-based workers are mostly using home as their workplace. Therefore, worker's individual competencies, working environment, working conditions, and various other characteristics of workplace are investigated. Data elements from secondary sources are explored to understand what dimensions are captured in line with competitive characteristics of home-based workers. They are classified also in terms of income and their status in employment and nature of their job. In some cases, nature of their job may not include home as workplace. Figure 3.1 showing worker using place outside her home but still considered as home-based.

Certain linkage conditions which have been discussed in chapter one, are found supportive to productivity, however, at a first glance, literature does not seem to give much information. Nevertheless, an investigation is done what factors and conditions where these linkages work in a complementary way. The chapter also tries to trace the typologies of production linkages through literature review in the global value chain, various linkages post-liberalization and factors which are important to make them competitive or less vulnerable to exploitation.

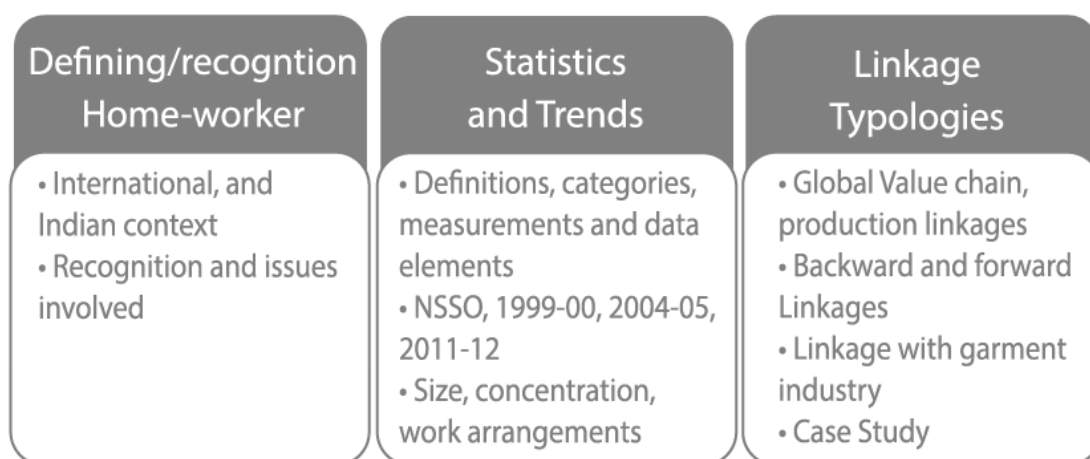
This chapter takes the approach to present the observations from secondary data on all spheres of HBW's working including aspects of how they are defined, their legal recognition, socio-economic characteristics and linkage typologies, if any, available on survey data.

The key idea of the chapter is to review the traces of home-based workers, home-based working and review also the various data elements on survey data if there are data elements present which cover these characteristics.

***Figure 3.1 Home-based Female Worker Engaged in clothe segregation Work***



This following section is organised under three broad themes i.e. defining home worker, statistics and trends and linkage typologies (Figure 3.2). First, literatures related to emergence of homeworkers nationally and internationally are discussed followed by definitions which have been used by different organisations in India and internationally.



**Figure 3.2 Broad Themes Coverage**

## **3.2 Home-based workers: Major Developments**

This section outlines historical traces of the recognition of homeworkers as a separate category in national and international context.

### **3.2.1 Recognition of HBW in Global Context**

At the international level, the International Labour Organisation (ILO) focused on home-based workers (HBW) related issues, especially on the questions of how they can be given legal status? and how various characteristics of their working can be captured? This is on the suggestion from an Indian NGO i.e. Self-Employed Women's Association (SEWA) in the mid-1980s. Thereafter, growing concern on HBWs emerged in the eighties as ILO brought its report on their working conditions. The ILO Convention No. 177 of 1996 put forth its definition, classified 'homeworkers' as industrial outworkers and gave suggestions for improving their working conditions (ILO, 1996). The ILO Convention No. 177 of 1996 was a watershed in the movement for recognition of homeworkers and their rights and classified HBW as industrial outworkers (ILO 1996). In the millennium year 2000, Kathmandu declaration adopted the cause of homeworkers by preserving the rights of South Asian home-based workers (Table 3.1). HBW are also creating increased interest in this category of employment in India.

**Table 3.1 Recognition of Informal Sector vis a vis HBW Globally**

Year	Proponent of Informal Sector	Understanding of the Sector	Major Development in the field of Home-based Workers		Legal Recognition
			Year	Organisation	
1960-63	Keith Hart	Bazaar Economy and Underground	1980	SEWA-ILO	Home-based workers Legal Recognition
1971	John Weeks	Informal Sector	1996	ILO	Improving their Working Conditions
1972	ILO	Unenumerated Sector			
1997	WIEGO	Women in Informal Sector	1997	WIEGO	Women in Informal Sector
2011	ILC	Decent Work	2014	Informal Economy Monitoring Study (IEMS)	Home-based Workers

WIEGO in 2014 has commissioned an Informal Economy Monitoring Study (IEMS, 2014) in 10 cities in Ghana; India; Thailand; Brazil; Colombia; South Africa; Pakistan; Peru; Kenya in which two cities Ahmedabad and Pune were picked up from India. By combining qualitative and quantitative research methods study has provided a deeper understanding of the effect of economic trends, urban policies and practices on home-based workers. The study has also investigated the issue of recognition of home-based workers.

### **3.2.2 Recognition of HBW in Indian context**

In the Indian context, various forms of home-based work exist but all types and nature of home-based works are not captured by agencies. Many forms of home-based work which exist in India are not fully recognized as an economic agent and there is a blurred understanding if all forms of home-based works are economically gainful. The working from home is often considered as a leisure activity. This section strengthens understanding about recognition of these workers in India, and they have been defined.

Official acknowledgement and mention of home-based working dates to 1966 when for the first time in *bidi* making the role of home-based workers were recognized (Table 3.2).

**Table 3.2: Important Developments regarding Home-Workers in India**

<b>Year</b>	<b>Developments related to Home-Based workers (India)</b>
<b>1966</b>	BIDI makers recognition, Provident fund and Minimum wages
<b>1974</b>	Bidi and Cigar Workers Act
<b>1975, 1977 and 1988</b>	Recognition of Employee Provident Fund
<b>1988</b>	Shram Shakti Report
<b>2000</b>	All India recognition
<b>2006</b>	NCEUS
<b>2008</b>	Unorganised Workers' Social Security Act
<b>2019</b>	The Pradhan Mantri Shram Yogi Manndhan

*Source: Figure prepared by researcher on basis of above information*

In 1975, Report of the Committee on the Status of Women in India' has raised the issue of recognition of female homeworkers. Later, in 1988, Shram Shakthi report has also raised the issue of self-employed women and informal sector workers. This report listed many important aspects of working informally and responsibilities of both the government and formal sector toward these workers.

The report of National Commission on Rural Labour brought out in 1991 and Ministry of Labour discussion paper prepared in 2000 for the national consultation on homeworkers are some of the important documents giving recognition to Home-based workers (Sinha, 2006).

In this regard the role of trade unions has also been significant, stand of "Trade Unions' has seen changing nature over time. In the beginning, trade unions perceived that such dispersed work detracts the organisation of workers. This position later changed as home-based work began to be accepted as a growing reality of the globalized times. In 1988, the International Confederation of Free Trade Unions (ICFTU) passed a resolution to demand for a census of home-based workers, adoption of international standards and national legislation and guaranteeing their basic rights in terms of working conditions, wages and welfare (Sinha, 2006).

Since 2004, the role of National Commission on Enterprises in the Unorganised Sector (NCEUS) has been signed regarding the informal sector. NCEUS has prepared guidelines for the welfare of - employed workers and those in informal, micro and small enterprises the emerging global environment. It has also reviewed social security if it can be made available for informal sector workers. Various report of the NCEUS 2006, points to the holistic approach towards social security benefits and measures to enhance the competitiveness of the unorganised sector. Recommendations

also considered life insurance, hospitalization and maternity benefits, and old age security etc. for workers in the informal sector.

Another landmark development was “Unorganised Workers' Social Security Act” passed by Parliament of India in 2008. This act was enacted to provide for the social security and welfare of the unorganised workers (including home-based workers, self-employed workers or daily-wage workers). This act received the assent of the President of India on 30 December 2008.

The Pradhan Mantri Shram Yogi Manndhan (PMSYM) for the unorganised workers was announced in the interim Budget of February 2019 and Rs. 500 million was allocated for a monthly pension of Rs 3,000 after the age of 60 years for the unorganised sector workers.

### **3.3 Defining Homeworkers**

Defining home-based workers and homeworkers is one major step involved in giving them due recognition as well as conferring rights to them. The term “Home-based work” is used recently in relation to “informal employment” also.

#### **3.3.1 Definitions of Homeworkers: International Context**

The ILO has recognized the category of “home workers” in 1989. The term has been included in ‘The Conditions of Work Digest’ of the ILO. The definition of the home-based worker got amended from time to time and evolved considering two important characteristics i.e. the “place of work” and the “status of employment” (Table 3.3). The ILO definitions are given below.



**Table 3.3 Change in Definitions of Home-based Workers from 1989 to 1996**

Definition of 1989: The conditions of Work Digest of the ILO	Definition of 1996: Convention No. 177 of the ILO
<p>Home-based work implies an employment relationship between the home worker and the employer, subcontractor, agent or middleman. The agreement may be implicit or explicit, verbal or written, as specified in the national legislation. The place of work is outside the premises of the employer. However, not all forms of homework are necessarily "home-based. They can be carried out from neighbourhood workstations, workshops or premises that do not belong to the employer. This also implies there is very little supervision or regulation of methods of work by the employer. The form of payment is usually by the piece or unit of production, but not all piece-rate workers are homeworkers. Home workers own their tools, while in others the employer provides the tools on loan or on hire-purchase basis.</p>	<p>The work carried out by a person referred as a home worker, in his or her home or in other premises of his or her choice, other than the workplace of the employer for remuneration. It results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used, as long as this person does not have the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions.</p> <p>The term "employer" means a person, natural or legal, who either directly or through an intermediary, if any, gives out home work in pursuance of his or her business activity.</p>

*Source: ILO, 1989: 4*

### **3.3.2 Definitions of Homeworkers: Indian context**

In the Indian context, the initial definitions were found with reference to the Minimum Wage Act 1948 followed by the contract labour (Regulation and abolition) Act 1970. The acts indirectly define the term "homeworker" or outworker. It implies that the existence of outworkers was recognised in India much before it was defined in the conditions of work digest of the ILO. There exist many definitions, but the statistical definition of home-based workers was developed by the "Independent Group" on Home-Based Workers in India, set up by the Ministry of Statistics and Programme Implementation (MoSPI) of the Government of India in the year 2007. An overview of definitions given by key organisations i.e. NCEUS, Ministry of Statistics and Programme

Implementation's (MoSPI) and The Unorganised Workers Social Security (UWSS) are given in Table 3.4.

**Table 3.4 Overview of the definitions given by Key organisations**

<b>NCEUS -2007</b>	<b>MoSPI-2007</b>	<b>UWSS-2008</b>
<p>There are two types of home-based workers:</p> <ul style="list-style-type: none"> <li>• Independent employers or own account workers (purely self-employed)</li> <li>• Dependent sub-contract workers.</li> </ul> <p>The term home worker is used to designate the second category of dependent workers only. The former characterizes more independent production relationship.</p>	<p>Defines home as dwelling unit, structure attached to dwelling unit and open area adjacent to the dwelling unit whereas home-based workers are defined as:</p> <ol style="list-style-type: none"> <li>a) Own-account workers and contributing family workers:</li> <li>b) Workers carrying out work in their homes for remuneration,</li> <li>c) Resulting in a product or service as specified by the employer(s) irrespective of who provides the equipment etc.</li> </ol>	<p>Home-based worker means a person engaged in the production of goods and services, for an employer, in his or her home or other premises of his or her choice, other than the workplace of the employer, for remuneration, irrespective of whether the employer provides the equipment, materials or other inputs.</p>

*Source: Figure prepared on basis of data from NCEUS, MoSPI and UWSS*

There are nationally and globally diverse opinions from scholars on the definition of home-based workers. The activists are struggling to include more categories and better specifications. For the purpose of this study, the definition provided by the unorganised Workers Social Security Act 2008 is most likely to be used.

### **3.4 Home-based Workers: Data elements from Survey Agencies**

The purpose of this section is to review the survey methods employed by different government organisations in India to find traces of data elements on home-based workers. This will also firm up the understanding on the definitions used for home-based workers and what characteristics are covered with this definition.

The lesson learnt from the definitions above is that some of these HBWs are self-employed and some are sub-contracted. Therefore, data elements are to be checked if different dimensions of their working are captured by data collected during labour survey. Data collected using different definition results in developing data not useful to detect the changes.

Counting and classifying home-based workers has been a mammoth task for survey agencies. There are always situations which lead to the ambiguity such as question about their “place of work” which significant indicator is to identify if the worker is really a home-based worker. There are other challenges which relate to the “invisibility” and acknowledgement of workers themselves who often do not perceive or report themselves as workers. Many categories of work are still considered as unpaid and domestic work. Lastly, Women taking these details herself is not trained adequately to recognize and count home-based workers as economic agent.

The review will help to identify critical data elements and find out the aspects, which are critical to be complemented through primary survey to fill the gaps with respect to home-based workers. As per secondary data review, most of the surveys have been designed to focus mainly on self-employed workers (NSSO 55 round). However, various dimensions of home-based working, its composition and characteristics have not been added in the recent survey design post 55 round of NSSO surveys. Even in the formal statistical system, many important facts were missing due to ambiguity about place of work as they were not having enough options. Therefore, it is pertinent to review and evaluate the available secondary survey data related to HBW and Women HBW in India with respect to the following:

- a. Definitions used
- b. Purpose of Data Collection
- c. Measurements Methods
- d. Captured Data Elements and survey methods employed.

This is because how various characteristics of home-based workers are enumerated is also largely dependent on the above considerations. The section, therefore, also dwells upon inferences emerging out of observations and typology available amongst a different set of secondary data sources and case studies. The succeeding sub-sections will explore further with the help of available secondary data from other sources and explore the engagements of women Home-based workers in the production chain. The brief description of sources from where data elements are studied is explained next:

### **3.4.1. National Sample Survey Organisation (NSSO) Data**

A nationwide survey of Employment and Unemployment is conducted by the National Sample Survey Organisation (NSSO) in different years. NSSO has been a most sought-after source of statistics on unorganised enterprises and the informal sector workforce.

NSSO surveys provide basic labour force indicators in the cross classification of age, sex, education, industry, occupation, etc. in an interval of one year or more. These surveys capture the two broad dimensions i.e. “context of enterprises” and the “nature of employment”. However, no such distinction exists in case of services and trade. In the case of manufacturing industries, which is the key sector linked to HBWs, the enterprises not covered under the Annual Survey of Industries (ASI) are taken to constitute the un-organised sector. In the case of service industries, all enterprises, except those that are run by the Government (Central, State and Local Body) and the corporate sector, were regarded as un-organised (Raveendran, 2006). In the Table 3.5, NSSO data of different survey rounds have been compared with reference to their category, data types and primary purpose.

NSSO has applied different criterion as each round of survey has a different focus. For example, the 55<sup>th</sup> round gave detailed numbers of enterprises and employment on the informal sector, while in the latter two rounds only proportion of employment per thousand was to be found with respect to all the aspects studied in 1999. Some of the key observations with respect to capture characteristics of home-based workers in NSSO data are as follows:

- i.** Qualitative characteristic such as “Durability of employment”.
- ii.** Quality of employment, “working conditions”, “working environment”, duration of work, earnings, safety of workers, durability of employment, labour productivity; protection of labour rights. Data on self-employment could also collect inherent constraints in collection of data on earning from self-employment.
- iii.** Detailed information on duration of work and earning is required to assess labour productivity and labour efficiency. Majority is categorized as of self-employment in overall work profile.
- iv.** Information on safety provision could face challenges as issue of safety is not same in different occupation types.

The data on “Place of work” and “Type of contractual arrangements” from NSSO 55 round survey has been considered as the most critical and important data element and has been linked to the definition given for “homeworker” by ILO. On the other hand, there has been ambiguity in data collection too as instead of “Self-employed” workers, HBW has been classified as ‘dependent sub-contract workers operating from home’

**Table 3.5 Observations on Key Data Elements from Various Rounds of NSSO Surveys**

NSSO Round	Coverage Category	Type of Data collection	Purpose of survey
<b>55 rounds Socio-Economic Surveys (July 1999 to June 2000)</b>	(i) Households Enterprises (ii) Enterprise i.e. proprietary and partnership enterprises (iii) Employment	Principal status / subsidiary status type of enterprise service trade with < 10 workers) workers in the non-agricultural sector Categories i. Proprietary ii. Partnership iii. Government/public sector iv. Public/private limited company v. Other non- profit institutions vi. Employer's households vii. Others	Identification of the household/ persons working in such enterprises Characteristics of the enterprises, fixed assets, employment, expenses and receipts, value added, employment etc. from enterprises Unincorporated proprietary and partnership enterprises defined as informal enterprises
<b>61 rounds (2004-2005)</b>	Enterprises characteristics principal status and subsidiary status (regular wage/salaried) or employment and casual status)	<ul style="list-style-type: none"> <li>• Type of job contract</li> <li>• Whether eligible for paid leave,</li> <li>• Availability of social security benefits (PF/pension/ gratuity/health care and maternity benefits).</li> </ul>	Contract type (no written job contract, written job contract: for 1 year or less, more than 1 year to 3 years, more than 3 years).
<b>66 round (2009-2010)</b>	Probing questions on non-agricultural sector	<ul style="list-style-type: none"> <li>• Type of job contract</li> <li>• Whether eligible for paid leave,</li> <li>• Availability of social security benefits</li> </ul>	part of the agricultural sector excluding "growing of crops" and "growing of crops combined with farming of animals
<b>67 round (2010 -2011)</b>	un-incorporated non-agricultural enterprises in manufacturing, trade and other services, excluding construction	❖ estimated total number of enterprises, number of workers, gross value added per worker, fixed capital per enterprise, gross fixed capital formation (GFCF) per enterprise, outstanding loan per enterprise, capital productivity (GVA/Fixed Capital) and other	For construction, there is neither an enterprise survey for the formal sector nor for the informal sector operational/economic characteristics of enterprises

*Source: Figure prepared by researcher on basis of above information*

### **3.4.2 National Commission for Enterprises in the Unorganised Sector (NCEUS)**

NCEUS was set up in 2004 and as already mentioned in section 3.1.2 above, it was set up to review the state of the art of different surveys with respect to its design, the methodology used and coverage. To its expectation, NCEUS has important insights about the qualitative and quantitative characteristics of the informal sector in India and made practical recommendations. Apart from Definitions, it has propagated various ways to capture compositions and characteristics of the informal sector and its important constituents.

With respect to home-based workers, the recommendation also points to capturing “contractual relationship” apart from other framework of working environment and availability of technology, skills, infrastructure, raw material, credit etc. The concept of the informal sector and informal workers proposed by NCEUS is more appropriate in the context of the Indian statistical system and is better compatible with the international definition of the informal sector.

### **3.4.3 Economic Census (EC)**

Economic Census is relevant to check the enterprises level data along with details on hired persons in the enterprise. It also reveals the details of male, female and children and if they work from own premises or outside the premises. Entrepreneurial activity performed by a household can also be found. The drawback is that it's not carried out so often and there was no possibility of it covering all the enterprises without having a fixed premise. The enterprises that were carried out within residential premises were due to field difficulties. Due to constrained in follow up surveys of the sampling frame, EC result were showing less number of enterprises, especially own account enterprises and its use. It provides a comprehensive frame for any future enterprise survey “organised or unorganised”, “formal or informal” without any distinction for manufacturing and non-manufacturing, trade and other service sectors.

### **3.4.4 Annual Surveys of Labour Bureau**

The proposal came perhaps to check the impact of the global recession, started in 2010 to gauge the situation of employment and unemployment. During April to August 2010, the survey covered 300 districts of 28 States/Union Territories (UTs) selected from four strata within each State/UT, based on the population of 2001 census followed by the selection of 16 villages/urban blocks from a range of districts that had been carefully selected. The second Annual Employment-Unemployment Survey for the year 2010-11 was conducted in all the districts of entire States/UTs. The rural and

urban sample size is almost the same in the Labour Bureau survey and NSS Employment-Unemployment survey. In the approach of usual status, the fixed reference period of the last financial year (April - March) is taken, unlike in NSS where the reference period is preceding 365 days. There are no new data elements found excepting the new coverage.

### **3.4.5 Periodic Labour Force Survey (PLFS)**

To measure the dynamic behaviour of the labour market at short intervals, the National Statistical Commission (NSC) recommended the collection of labour force data more frequently. The Ministry of statistics and Programme Implementation (MoS&PI) was recommended to constitute a Committee on the “Periodic Labour Force Survey (PLFS)” in early 2009. This was to develop a survey methodology for generating monthly/quarterly labour market data at the national and state levels in urban areas.

The data included indicators on Labour Force Participation Rate (LFPR), Worker Population Ratio (WPR), and Unemployment Rate (UR) by implementing Current Weekly Status (CWS) approach. A pilot survey was conducted before launching regular PLFS on the following items:

- i.** Characteristics of the household: household type, household size, social group and religion.
- ii.** Demographics of the household: age, gender, marital status, education level along with the number of years in formal education.
- iii.** Current weekly activities of the household members of age 15 years and above:
- iv.** If the person has worked for at least 1 hour in any reference day and week
- v.** If the answer is yes, then how long was the duration on each day and major activities. It has also collected data on Paid work and Type of enterprise for the regular paid employees.

By comparing it with NSSO, it lacks information on availability for additional work/alternate work. NSSO survey have also collected information on employment details like number of people, type of enterprise, type of job contract, social security etc.

### **3.4.6 Time Use Survey (TUS)**

This was initiated to capture one or multiple (more than two) activities carried out by females and children but the survey was targeted to mostly rural areas. It has covered multiple activities including domestic work carried out simultaneously or pursued by the persons cannot be accounted

for. This has extended a basic idea on how people spend their time in the entire 24 hours span with special emphasis on women participation. This was a wonderful initiative, but it could be carried out only in -state of Haryana, Madhya Pradesh, Gujarat, Orissa, Tamil Nadu and Meghalaya from July 1998 to June 1999. Looking at the vastness and highly resource-intensive nature this was discontinued.

### **3.4.7 Ministry of Micro, Small and Medium Enterprises (MSME)**

Government of India has entrusted MSME to develop the enterprises operating on a small scale in terms of output. It has been collecting data on the SSI sectors since 1973-74 through the census. Till now, four All India censuses have been conducted. However, only under the third and fourth census of small sector enterprises of MSME, some information on unregistered enterprises i.e. the enterprises not registered with District Industries Centres were collected. Some of these unregistered units may fall under the category of unorganised enterprises if judged by the available definitions. However, there is a need to decide on measures to be taken for capturing data on unorganised enterprises of this sector from the MSME census data.

## **3.5 Compositions of HBW**

### **3.5.1 Size of HBW**

Due to difference in definitions, survey method and invisibility, it was a difficult task to reach a credible figure on the size of HBW. Though labour surveys design has improved in recent years, yet data available from NSSO for the period 2011-12 has been considered as most close to real estimation. Different estimate from the above surveys suggests that HBW represent nearly 14 per cent of total urban employment and 32 per cent of women's urban employment in 2010-11 (Chen and Raveendran 2014). The data analysis of different round of NSSO surveys reveals that HBWs continue to grow in numbers across 12 years. However, there has been a decline in percentage in recent years. The decline is mainly due to the decline in the share of rural workers. Out of the total non-agricultural workforce, HBW increased by a per cent from 1999-2000 to 2004-05 (14 per cent to 15.2 per cent) but reached to the same level in the next five years i.e. 15.2 per cent in 2011-12. Yet, in absolute terms, the number of home-based workers has increased from 23.3 million to 37.4 million in 1999-00 and 2011-12 respectively (Table 3.6). As stated above, after 55 rounds (1999-2000), these surveys often have not included a question on "place of work" and were unable to make the distinction between domestic unpaid work and Home-based work. Due to which, there are chances that the counted numbers are likely to be underestimations. Since no question was asked



about "place of work", the estimate suggests that around 95 per cent were put under the category of "self-employed" in 1999-00, 2004-05 and 2011-12.

**Table 3.6 Home-based Workers (in Millions) and Non-Agricultural Workers (in %)**

Population Segment	Year		
	1999-2000	2004-05	2011-12
<b>Women, Rural</b>	5.67 (40.7)	8.63 (43.8)	8.71 (32.8)
<b>Women, Urban</b>	3.91 (26.0)	5.66 (29.4)	7.34 (30.5)
<b>Women, Total</b>	<b>9.58 (33.1)</b>	<b>14.29 (36.7)</b>	<b>16.05 (31.7)</b>
<b>Men, Rural</b>	7.89 (14.2)	9.63 (13.3)	11.79 (12.7)
<b>Men, Urban</b>	5.85 (8.2)	7.09 (8.4)	9.61 (9.4)
<b>Men, Total</b>	<b>13.74 (10.8)</b>	<b>16.72 (10.7)</b>	<b>21.4 (11.0)</b>
<b>Worker, Rural</b>	13.56 (19.5)	18.26 (19.9)	20.51 (17.1)
<b>Worker, Urban</b>	9.76 (11.3)	12.74 (12.3)	16.94 (13.4)
<b>Worker, Total</b>	<b>23.32 (15.0)</b>	<b>31.01 (15.9)</b>	<b>37.45 (15.2)</b>

**Note:** Figures in bracket indicate the per centage of home-based workers to total non-agricultural worker aged 15+

**Source:** NSSO/WIEGO 2013, Employment-Unemployment surveys conducted in 1999-00, 2004-05 and 2011-12

In Rural and urban area, combined share of women home-based workers has increased from 41 per cent to 46 per cent from 1999-2000 to 2004-05 respectively. However, it has declined to 42.8 per cent in 2011-12. Amongst women non-agricultural workers, women HBW were 33 per cent in 1999-2000, which rose to 36.7 per cent in 2004-05. In line with the similar trend as women home-based workers, their share in non-agricultural workers too declined to 31.7 per cent in 2011-12. Among men in the same category, slight increase has been observed from 10.8 per cent in 1999-00 to 11 per cent in 2011-12. There are no estimates available after 2011 on official records which is a roadblock in understanding the trend.

### 3.5.2 Economic Activity/Industry of HBWs

NSSO Data review suggests that HBW are concentrated mainly in manufacturing, trade and repair services. Most of the women engaged in home-based work in all the survey years were in manufacturing. In 1999-2000, 70.6 per cent of women home-based workers were in manufacturing, 15.8 per cent in trade, and 6.9 per cent in 'other community, social and personal services' (Table 3.7). These three industries accounted for over 93 per cent of women in home-based work.

**Table 3.7: Distribution of Home-Based Workers (in per centage) by Industry**

Industry	1999-2000			2004-05			2011-12		
	Women	Men	Worker	Women	Men	Worker	Women	Men	Worker
Mining and Quarrying	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.1
Manufacturing	70.6	45.8	56.0	74.4	48.1	60.3	72.7	41.2	54.7
Electricity, Gas and Water Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Construction	0.1	0.7	0.4	0.1	1.9	1.1	0.0	1.1	0.6
Wholesale, Retail Trade	15.8	32.1	25.4	11.8	27.1	20.1	14.1	35.1	26.1
Hotels and Restaurants	2.8	2.8	2.8	2.8	2.4	2.6	3.3	4.1	3.7
Transport, Storage and Communication	0.2	5.3	3.2	0.4	5.2	3.0	0.1	3.4	2.0
Financial Intermediation	0.2	0.6	0.4	0.4	1.1	0.8	0.6	1.5	1.1
Real Estate, Renting and Business Activities	0.3	1.7	1.1	0.3	3.0	1.8	0.4	3.8	2.3
Education	2.9	1.6	2.1	4.5	3.2	3.8	4.1	2.3	3.1
Health and Social Work	0.3	1.6	1.1	0.4	1.7	1.1	0.6	1.4	1.1
Other Community, Social and Personal Services	6.9	7.8	7.4	4.9	6.1	5.6	4.0	6.0	5.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Source: NSSO/WIEGO 2013, Employment-Unemployment surveys conducted in 1999-00, 2004-05 and 2011-12*

By 2004-05, the share of manufacturing increased to 74 per cent while that of trade and “other community, social and personal services” declined to 12 per cent and 4 per cent respectively. The share of manufacturing decreased to 72.7 per cent and trade increased to 14 per cent by 2011-12. The other important industry groups for women home-based workers were education and hotels and restaurants with a share of 4.1 per cent and 3.3 per cent respectively.

Within the manufacturing sector, the type of products produced by women home-based workers shifted during the 12-year period (Table 3.8). In 1999-2000, 30.9 per cent of women engaged in home-based manufacturing produced tobacco products (notably, hand-rolled cigarettes called *bidis*)

and 24 per cent produced textiles. However, by 2011-12 the percentage of women HBW in these industries had fallen to 28.9 per cent and 22 per cent respectively.

**Table 3.8: Distribution of Home-Based Workers Aged 15+ in manufacturing by Industry Groups**

Manufacturing Industries	1999-2000			2004-05			2011-12		
	Women	Men	Worker	Women	Men	Worker	Women	Men	Worker
Manufacture of Food Products and Beverages	9.8	15.0	12.3	6.0	9.9	7.7	6.02	11.12	8.21
Manufacture of tobacco products	30.9	8.4	20.0	23.8	7.3	16.7	28.94	6.80	19.42
Manufacture of textiles	24.0	21.6	22.8	23.3	22.2	22.8	22.05	20.01	21.17
Manufacture of wearing apparel	6.2	8.1	7.1	21.3	15.3	18.7	25.71	21.10	23.72
Manufacture of wood and products of wood and cork	12.9	17.7	15.2	12.3	17.7	14.6	6.57	11.25	8.58
Manufacture of other metallic mineral products	4.0	7.6	5.7	3.3	7.5	5.1	2.09	4.34	3.06
Manufacture of furniture	4.5	7.8	6.1	4.5	7.9	6.0	5.01	12.33	8.16
Others	7.7	13.9	10.7	5.4	12.2	8.3	3.63	13.04	7.68
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Source: NSSO/WIEGO 2013, Employment-Unemployment surveys conducted in 1999-00, 2004-05 and 2011-12*

By 2011-12, the manufacturing of wearing apparel became the second most important industry employing 25.7 per cent of women in home-based manufacturing. It has increased from 6.2 per cent in 1999-2000. Over the period, the importance of home-based manufacture of other products also shifted. Wood and products of wood and cork decreased in importance from 12.9 to 6.6 per cent and metallic and mineral products from 4 to 2.1 per cent from 1999-2000 to 2011-12 respectively.

Manufacturing was the single most important industry in which home-based workers both women and men were employed throughout the entire period. Manufacturing of textile accounted for 22.8

per cent of home-based workers in the overall manufacturing sector in 1999-2000, while the manufacturing of to-bacco products employed 20 per cent of such workers. By 2011-12, wearing apparel's man-ufacturing emerged as the largest employer of home-based workers with a share of 23.7 per cent.

There is an important and growing role of home-based manufacturing for women. In 1999-2000, 60.7 per cent of women employed in manufacturing were home-based which had grown to 68.8 per cent by 2011-12. In contrast to this, home-based manufacturing was a far less important source of employment for men with only about 20 per cent of men engaged in manufacturing throughout the period.

### **3.6 Informal Economy in Delhi: Observations based on Data Sources**

The informal economy includes Informal enterprises, unincorporated enterprises that are also unregistered or small, Informal jobs: employment without social protection. Actual trends and statistics have been studied by analysing various surveys mentioned above. This section provides a snapshot of informal enterprise in case study area Delhi with help of Economic Census in Delhi 2005 and NSSO Surveys on Employment & Unemployment in Delhi for only manufacturing sector (Leaving trade and service sector). Both Urban and Rural Delhi has a variety of enterprises and activities with formal/ organised and informal/ unorganised industries (Table 3.9). Other Economic activities include Own account enterprises as well as Enterprises running as Establishments.

***Table 3.9: Enterprise and activity type in Delhi***

Area Type	Activity Type	Enterprise Type
Urban Rural	Primary Secondary Tertiary /Service	Own Account Enterprise (OAE) Establishments ((Directory Manufacturing Enterprises -DME and Non-Directory Manufacturing Enterprises - NDME

***Source: NSSO***

Sectors which have historically existed and have significant informal/ unorganised employment include apparel, leather goods, tobacco products, textile, furniture, metallic and mineral, construction and chemical products. As far as Textile and Apparel sector is concerned diverse job title exists such as stitchery, tailors, sewing machine operators, dressmakers, sewers, upholsterers etc.

### 3.6.1 Economic Census 2005: Delhi

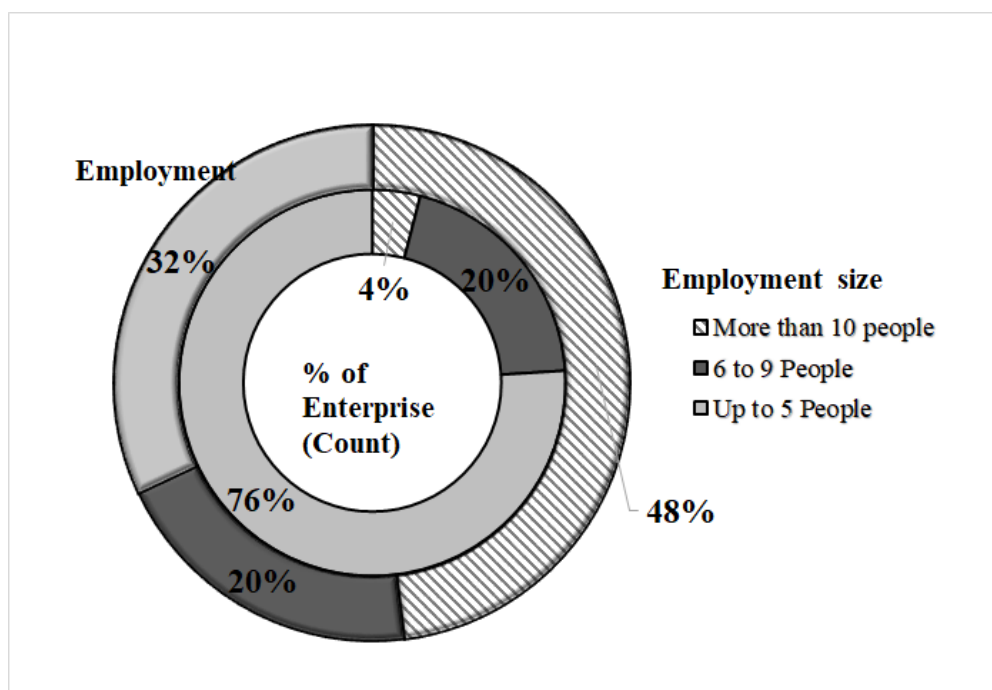
Economic Census has been undertaken in 2005 for urban and rural areas. Out of 7,58,000 enterprise, 96.52 per cent of the enterprises were in urban areas and 3.48 per cent in rural areas in Delhi. The coverage includes all types of enterprises in the agriculture (except crop production, plantation) and non-agricultural sector in Delhi. Own account enterprises (OAEs) operating with household members accounted for 41 per cent (314,000) of total enterprises. Table 3.10 provides data about manufacturing activity Group.

**Table 3.10: Enterprises & Employment types**

Urban (without Agriculture)	Enterprises type and %				Employment type and %			
Main Economic Activity Group	OAE	ESTT	TOTAL	%	OAE	ESTT	TOTAL	%
Manufacturing related	20739	88291	109030	14.96%	30813	1051354	1082167	31.14%

Source: Economic Census 2005

**Figure 3.3 Enterprise with Employment Size**



The other major Categories other than manufacturing are Retail Trade (48%), Business Services (7.11%) and Community, Social services (9.93%). OAE are with or without hired workers. Detailed classification (Table 3.10) of employment revealed that 'Manufacturing (including repair)' activity was the largest employer (31%) followed by retail (25.27%) (figure 3.3).

The observation in Figure 3.3 suggests that relatively lesser (4 per cent ) of enterprises extend employment to over 48 per cent workers ( where enterprise employs more than 10 workers ). Due to the fact that many enterprises (76%) cater to small but sizable employment where self-employed or hired workers in small and micro scale are present.

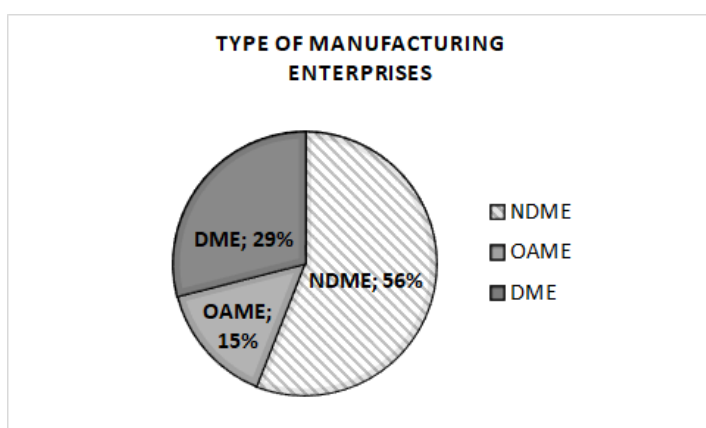
Inferences based on Fifth Economic Census of Delhi is as follows:

- Overall, in Delhi, informal activities and labour force is increasing, though a significant increase has also been noted for salaried workers in the informal sector.
- Enterprise Survey reveals that Retail trade accounts for 60 per cent followed by Manufacturing and Services sector, which is over 30 per cent.
- In accordance with the definition of “unorganised sector”, manufacturing sector followed “Indian Factories Act 1948” and enterprises which have 10 or more workers engaged in them were registered.
- Department of Trade and Commerce deals with traders registered with Delhi Value Added Tax (DVAT) Act and not accounts for Informal sector.
- According to Section 2m(i) and 2m(ii) of the Indian Factories Act, a substantial number is not considered for formal sector. These enterprises utilize houses or buildings on rents for economic activities.
- Generally, it can be said that 60-70 per cent of total enterprises work in the unorganised sector i.e. unorganised manufacturing and tertiary sector including unorganised retail trade enterprises.

### 3.6.2 NSSO Data: Delhi

In NSSO 2009 Survey, the unorganised manufacturing sector has three layers classified based on employment namely, a) DME (Directory Manufacturing Enterprises) Employing six or more workers including household members b) NDME (Non-Directory Manufacturing Enterprises) Small establishments where workers don't exceed 5 in number. c) OAME (Own Account Manufacturing Enterprises) Household enterprises not employing hired worker on regular basis and the which included household members (Figure 3.4).

**Figure 3.4 Types of Informal Manufacturing Enterprises**



Out of the total enterprises surveyed, 15040 (14.93%) were OAME and 85700 (85.07%) were others. The total employment generated by these enterprises was estimated at 482,000. In this number, 71.24 per cent were hired workers, 23.39 per cent were owners but also working and the remaining 5.37 per cent were engaged in misc activities. These misc. activities include workers engaged as helpers and exchange workers without regular salary. Out of total persons employed in this sector, about 24,000 persons (4.93%) were employed in household enterprises (OAME's).

Looking at the Distribution of Enterprises on Type of Activities at NIC 2-digit level, out of the total enterprises, manufacture of wearing apparels etc. (NIC 18) account for 28.29 per cent and ranked first followed by manufacture of fabricated metal products (NIC 28) with 22 per cent of share. Table 3.11 presents data about manufacturing activity in which textile and apparel sector is presented.

**Table 3. 11: Manufacturing Enterprises and workers Employed at NIC two-digit level.**

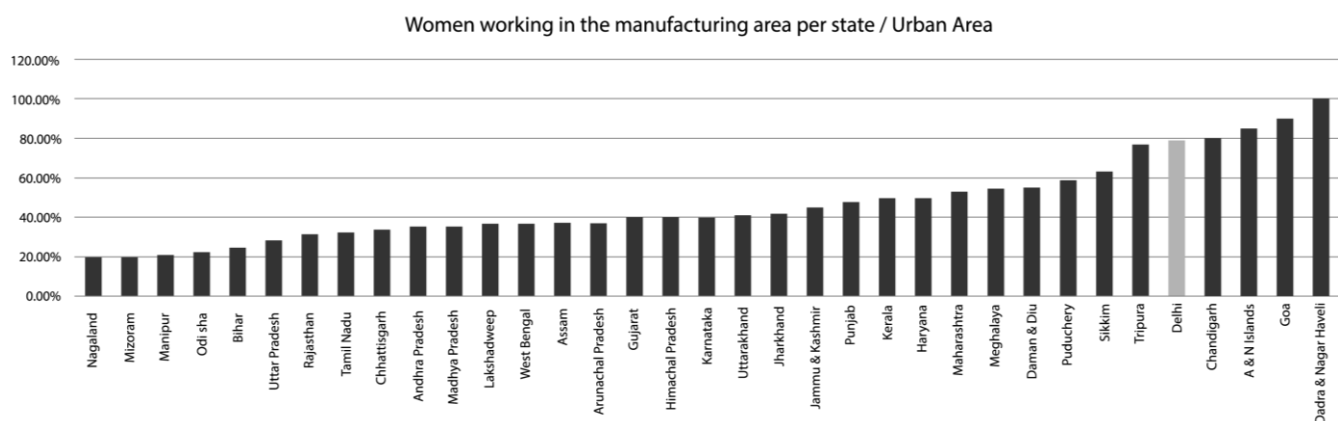
Industry Code NIC	Type of activities	enterprise in Delhi			Employment in Delhi		
		Enterprise	%	Rank	Employment	%	Rank
15	Manufacture of Food Products & Beverages	5907	5.86	4	17372	3.61	9
17	<b>Manufacture of Textiles</b>	3941	3.91	8	14677	<b>3.05</b>	10
18	<b>Manufacture of Wearing Apparels; Dressing &amp; Dyeing of Fur</b>	28495	28.29	1	135847	<b>28.21</b>	1
19	Tanning & Dressing of Leather: Mfg. Of Luggage, Handbags, Footwear etc.	3467	3.44	10	20333	4.22	7

*Source: NSSO, 2009*

### **3.6.3 Women HBW in Manufacturing in Case Study Area (Delhi)**

According to NSSO (2012), one of the highest percentage of women home-based workers for the area of Manufacturing in Delhi is 78 per cent (Figure 3.5). This makes Delhi the fourth state regarding women working in the manufacturing area. In India, average women home-based workers engaged in urban areas in the manufacturing is 39.3 per cent, which means that Delhi is way above the Indian average. Other states with high per centages of women home-based workers working in the manufacturing area are Andaman and Nicobar Islands, Chandigarh, and Goa (NSSO, 2012).

**Figure 3.5 Women working in Manufacturing Sector**



*Source: NSSO, 2012*

Inferences from Informal manufacturing in Delhi from NSSO data is as follows:

- Large number of enterprises are marked as centre of informal activities.
- Major part of the informal sector employment took place in the urban part of Delhi that too in establishments which hired help as opposed to OAEs.
- Female presence is relatively more and more in Own Account Manufacturing Enterprises (OAME's) whereas males are generally hired workers.
- Over 15 per cent of enterprises operate from their premises.
- Manufacturing sector, which is the largest employer (56%), involves household members as well as hired workers from same locality.
- Apparels manufacturing, fabricated metal products, furniture manufacturing accounts for majority of enterprises.
- North East district is having widespread presence of Apparel manufacturing in Delhi. Over 90 per cent of work is carried out in Gandhi Nagar, Welcome, Jafrabad Colony, Seelampur Village/ Resettlement colony/ JJC's, Kailash Nagar, Subhash Mohalla, etc. Data is not presented above.
- Migration in this sector is prevalent mainly because of the direct connectivity of Delhi through railways with West Bengal, Uttar Pradesh and Bihar state.
- Gross value added per enterprise is six times of the National average (Rupees 51,307) in Delhi. This indicates why such a large population is working in informal manufacturing enterprises in Delhi.



- Networking and personal contacts are considered key to Forward and Backward linkages which works mostly without any formal system.
- Own Account Enterprise (OAE) dominates with 66 per cent as the family members of the OAEs, primarily supply the workforce without any hired help from outside.
- The phenomenon of subcontracting (outsourcing) by manufacturing firms.

### **3.7 Classification of Home-based Workers**

Observations from NSSO and recommendation of NCEUS point to various characteristics of home-based and informal workers. There can be many criteria which can be applied to classify the home-based workers whether its income, employer, status of work, seasonality etc. for HBW, income levels vary, and its regularity also changes likewise, status of their employment is not stable.

Broadly following classified categories can be seen:

- (a) Employer: owners of informal enterprises, owner operators of informal enterprises,
- (b) Self-Employed: own-account workers, heads of family businesses, unpaid family workers,
- (c) Wage Workers: Employees of informal enterprises:
- (d) Casual workers without a fixed employer
- (e) Homeworkers (also called industrial outworkers) “domestic workers: temporary and part-time workers” unregistered workers.

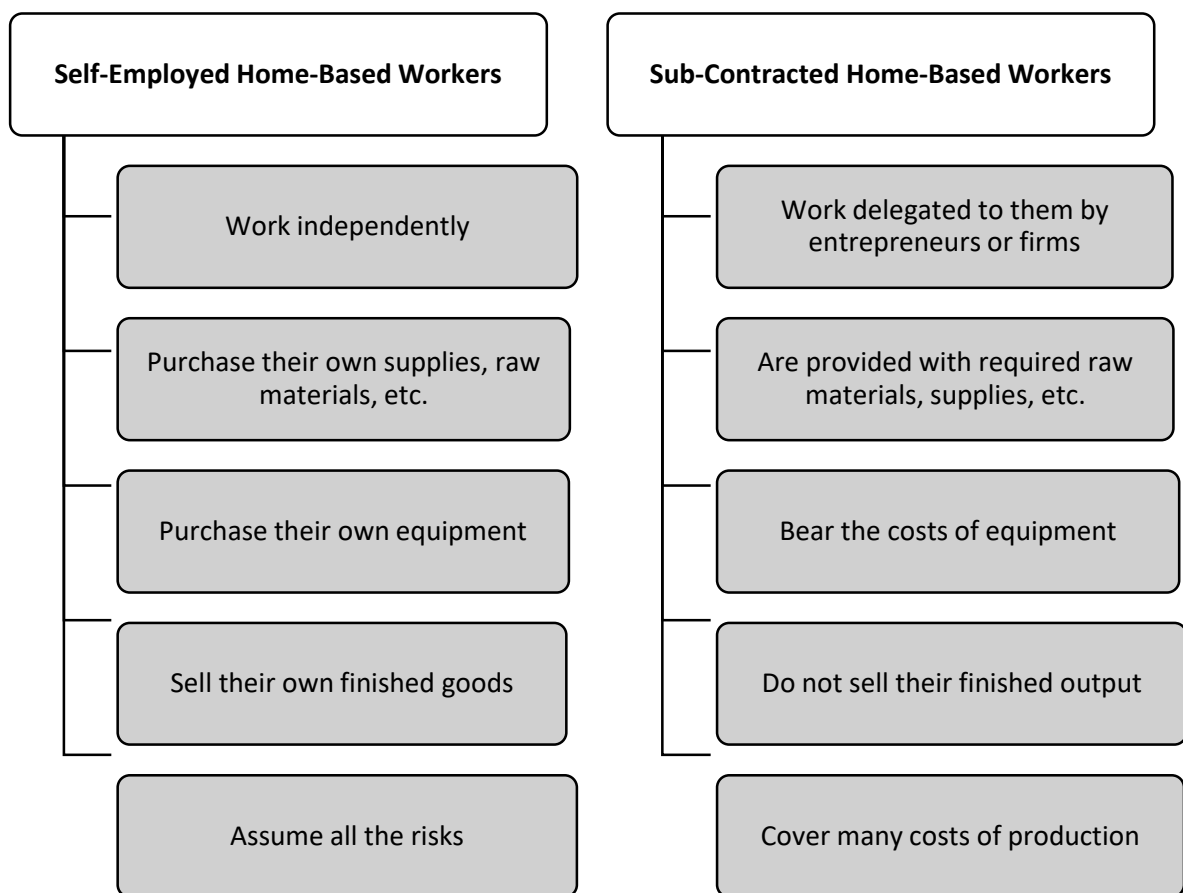
The category “Self-employed” and “Homeworkers” are found to be of prime importance for the research. All other classification types are most likely to be connected to informal enterprise.

#### **3.7.1 Self-employed and Subcontracted workers: Secondary Data**

According to Chen (2014), home-based workers are classified into two major categories. While one category consists of the self-employed home-based workers, the second category is of those who are sub-contracted. Though self-employed home-based workers have the leisure to operate independently, they also must bear the burden of purchasing their own raw materials, equipment, among others, and incurring the utility bills and transportation costs on their own. Besides, they also must find their own markets to sell their finished goods, whether it be domestic or international. They can have their family members voluntarily willing to give them a hand in this, but they generally do not hire other people to assist them in their job.

Subcontracted home-based workers enter into sub-contracts with either individual entrepreneurs or companies via an intermediary (Figure 3.6). They get their raw materials from these entrepreneurs and/or companies themselves. They are remunerated in terms of how many pieces they produced. Compared to self-employed home-based workers, they do not have to look for a market to sell their products because this process is undertaken by their contractors. Their main task is to smoothen this process by carrying out some of the manufacturing part. However, they are not spared of the costs involved to manufacture those goods. For example, they must bear the rent, utility, transport expenses, among others.

**Figure 3.6 Comparisons of Self-employed with Sub-contracted HBW**



**Source: Chen 2014**

These observations are further supported by Edgell, Gottfried and Granter (2016) who classified home-based industrial outworkers as being either fully independently self-employed or fully dependently wage employed. Those who carry out fully dependent wage employment do not even enter a formal contract. Instead they work under sub-contracts which do not guarantee them a

bargaining power even though they do get a price for each piece they manufacture. The contract between the contractor and the home-based worker is oral in nature.

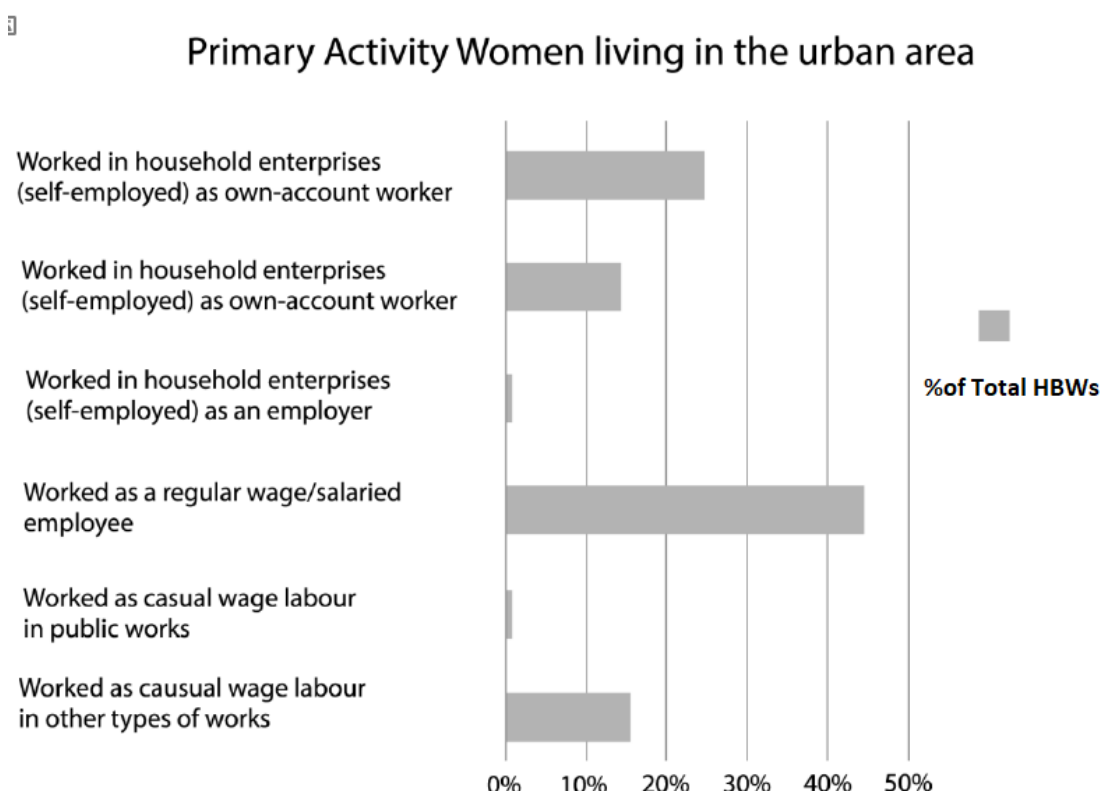
Raveendran, Sudarshan and Vanek (2013) also provided a detailed account on definition, and classification of worker. Though their definition seems to be same as any other definition, but authors have pointed to the risk factors while selling the products by self-employed workers and working with contractors who issue them work orders, supply them with required inputs and sell their finished output. Regarding the sub-contracted category of home-based workers, they are referred to as self-employed but without any supervision extended by employer.

Study brings out also important facts about how a balance is made with workspace and equipment and with contractor. Simultaneously, since companies or contractors act as clutches for HBW when it comes to the procurement of raw materials, and sale of their output, therefore a “grey zone” exists i.e. between fully independent self-employed home-based workers and fully dependent employees.

While defining Home-based workers, NCEUS report (2007) clearly state that there are two types of home-based workers namely Independent employers or own account workers (purely self-employed) and Dependent sub-contract workers. The term home worker is used to designate the second category of dependent workers only. The Figure 3.7 provides the indication if women opt to be self-employed or willing to join as regular employee. The preferred option is to work as salaried employee but according to NSSO (2012), the rate of women that falls into the category of self-employed, including home-based workers, is higher in rural areas than in the urban areas. However, the numbers and per centages for urban areas are still high.

Sub-contracted HBW lubricate production along the value chains. Generally, they have no single clue of the backward or forward connections in the value chains as their interaction is limited to their contractors.

**Figure 3.7 Primary Activity of Women living in the Urban Area**

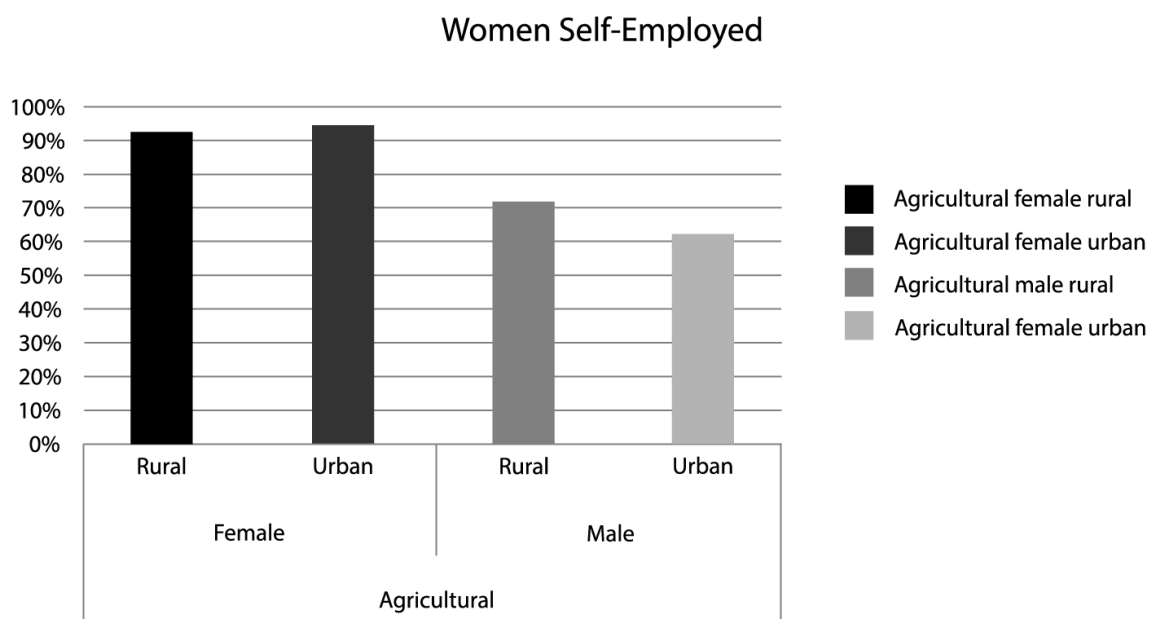


### 3.7.2 Homeworkers

Homeworkers are different from self-employed workers. Typically, self-employed workers organize all facets of their production or service activity themselves while ‘homeworker’ manufactures product based on the specifications of the parent enterprise or contractor, which also often supplies the raw materials (Figure 3.8). Manufacturing or retail companies typically ‘put-out’ labour-intensive work that does not require heavy machinery.

Homeworkers, like self-employed, are not directly supervised, but like the wage workers they typically do not market products, or negotiate prices (NCEUS, 2007). Homeworkers category of or dependent subcontract workers are more and more engaged by international production chains or work for national or local markets for production. Within manufacturing, female homebased workers’ concentration is in food products, tobacco products, wood products, textile, and apparel industry (Tripathi, 2011). These female homeworkers are hidden worker due to their invisibility. This compounds to their vulnerabilities and discrimination.

**Figure 3.8: Self-Employed Women Home-based Workers**



### 3.7.3 Type of Home-based work arrangements

This section provides the idea of job types under two broad categories of home-based working. IEMS (2014) study on women informal home-based workers in Ahmedabad points to typically five types of home-based jobs derived from traders. These jobs are namely,

- a) The first one is in factories. The women can undertake any petty job such as stitching, among others.
- b) Employer establishes a special centre to offer the job and the home-based worker works as a sort of an intermediary who helps in the delivery of raw materials and finished goods. The HBW may entail in jobs like delivering goods to shops or markets.
- c) A large manufacturer procures raw materials from an entrepreneur who works in a small manufacturing centre. The main task of the HBW would then be to work in this small production centre along with the small entrepreneur.
- d) A fourth type of HBW is the one who works for a shopkeeper, facilitating the transportation of raw materials and finished goods.
- e) Apart from jobs delegated by traders, type five involves contractors who work as agents for different employer's issue work orders to HBW and the latter reap from a commission in

return. They can also be assisted by the other members of their family after working hours. However, HBW who do not receive a remuneration can also seek help from their family members during normal working hours.

Apart from this, study done by WIEGO (2010) points out to another type of Home-based working wherein home-based workers are being assisted by family members in their tasks. Most often, they engage in child labour by coercing their kids to give them a hand in their work, instead of letting them live their normal childhood era. Governments from various countries unanimously agree that children should not engage in labour even though it is from home.

### **3.8 Characteristics of Home-Based work**

This section reviews the characteristics of a typical Home-based worker with respect to diverse “factors and constraints” in which home-based workers have a possibility to carry out production activity. The term “factors and constraints” is used to refer to diverse factors that may impact, in positive or negative ways, the productivity and/or competitiveness of urban home-based worker. This section discusses the broad categories of these aspects considered to be important.

The sphere of Home-based working encompasses living and working environment, physical environment, physical infrastructure, and credit, use of technology, skills, safety, sector-specific value chain dynamics including the work arrangements and linkages, informal workers and their suppliers and buyers, and the role of intermediaries in the value chain have already been covered in the following section.

External forces such as impact of economic condition, competitors, change of technology, macro-economic conditions such as inflation, recession, and patterns of growth may influence working conditions but are not considered as part of “factors and constraints”.

#### **3.8.1 Key characteristics**

In order to gain better understanding on the typical profile of Home-based worker, NSSO data hits almost a dead end on certain key characteristics. Therefore, this section is compiled by taking help of NSSO data and information derived from other similar case studies or research works. This section outlines only selected features of Home-based workers to evaluate the competitiveness of these workers, though not all the characteristics mentioned below relate to competitiveness.

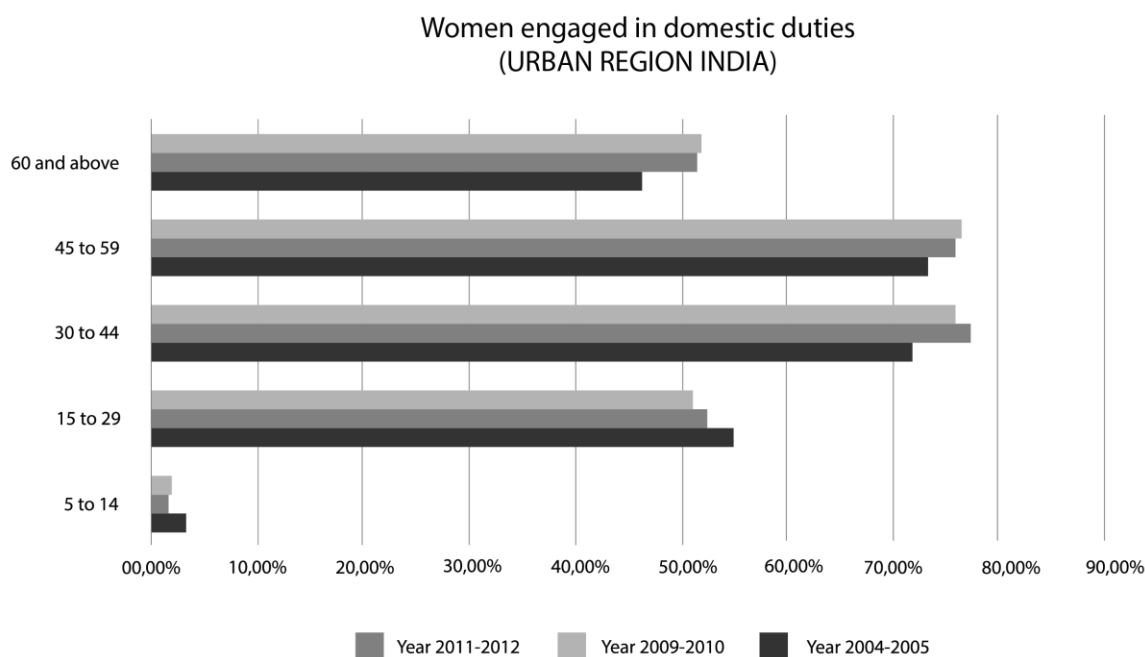
### i) Invisibility

One of the typical features of workers is their invisibility. The figure 3.9 provides an idea of women engaged in domestic duties in urban regions in India. According to a report conducted by NSSO in 2012, 48 per cent of all the female population of urban regions was engaged in household activities. In other words, they were listed as unemployed, or they were not getting any money. These women were engaged in activities like free collection of goods, sewing, tailoring, weaving, etc. for household use.

### ii) Age group

The most productive time of the homeworkers is within age groups of 30 to 59. This trend has been consistent since year NSSO 2011-2012. From another study by IEMS, it was observed that 72 per cent of the home-based workers are aged between 40 and 59; 3 per cent between 20-29; and 11 per cent above 60 (Figure 3.9).

**Figure 3.9 Women Engaged in Domestic Work in Urban Region, India**



### iii) Social Status, Marital Status, Presence of Children

The social status of the person heavily influences his/her decision of undertaking such precarious jobs. As per different studies, it can be observed that the majority of HBW are normally married. Hence, they are compelled to engage in such works in order to both cater to

the need of their family and to secure the future of their children. The latter is mostly improbable given the fact that the wage they earn is barely enough for them to even earn their bread and butter.

In an article written by Cunningham and Ramos (2001), the authors went deeper into this analysis by putting forward that home-based work is the work arrangement, which these women will be inclined to undertake if they have both home-related duties and work-related tasks to complete. He also put the emphasis on the role played by the social status of these women in their selection of jobs. It is highlighting by the fact that women with offspring and/or who are tied in a marriage bond have a greater tendency to engage in home-based work.

This analysis was strongly supported by Jelin, Mercado and Wyczykier (2001). After an interview of these women, they concluded that female home-based workers, who are constricted by their offspring to perform home-based work, still have this candle of hope lit inside waiting for the time when their children would leave home so that they can finally engage in jobs outside their home.

Widows, divorcees and/or women who married but living separately are other groups of women who are more likely to end up as home-based workers (IEMS, 2014).

#### **iv) Level of Illiteracy**

Another factor which seems salient among Indian female home-based workers is the level of illiteracy or the lack of formal studies (IEMS, 2014). The lack of education puts further restrain on the women who are already considered as liabilities by the Indian society. They are very much in need of being economically empowered, and this urges them to set their foot in the informal sector, which is much easier for them to access as compared to the formal sector. There are strong patriarchal traditions, which might be dating centuries back, but are still prevalent in India. These old conventions deter the empowerment of women and leave these women with no choice than to earn their bread and butter in the informal sector (Saarthak, N/A).

#### **v) Migration**

According to 2011 census data, Delhi has the second highest population of inter-state migrants in India. Uttar Pradesh tops the list when it comes to migration in Delhi. More than two-thirds



of Delhi's migrant population came from Uttar Pradesh (nearly 50%), Bihar, Jharkhand and Uttarakhand. Inside Delhi, in a paper written by Raveendran, Sudarshan and Vanek (2013), it was reported that most home-based workers still dwell in rural regions, even though women home-based workers began to gradually move to urban areas.

**vi) Intergenerational Transfer**

According to IEMS (2014), “one worker stated that s/he liked this work so much so that s/he started it when s/he was only seven years old. s/he was inspired by her/his mother who was also a stitching worker”. Given this statement, it can be deduced that home-based workers are not solely influenced by the factors previously mentioned. This practice can also be intergenerationally transferred just like other customs and traditions that are passed on from one generation to another. HBW has practicality and easiness with which they can enter the informal sector. These are some other reasons of its widespread influence as compared to the formal sector.

**vii) Caste, Societal and Religious restrains**

Women are considered as liabilities while men are idolised and revered (Saarthak, N/A). This phenomenon is even more pronounced when it comes to societal hierarchies and religions. For instance, according to IEMS (2014), the Scheduled Caste (SC) women are primarily engaged in agarbatti rolling and Muslim women in garment works. According to Jaitunbhen, a staff member of SEWA, “In our Muslim community, women are not allowed to go outside the four walls of the house to work. It is the garment work that provides an opportunity to Muslim women to earn and support their family”.

**viii) Gender Factor**

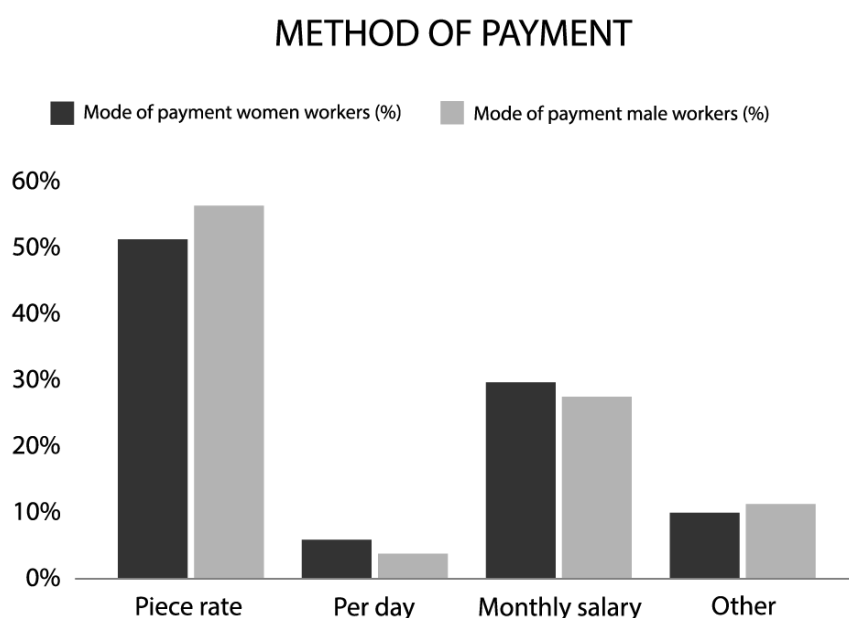
Even though the constitution confers equal rights to women in India, societal norms and patriarchal traditions tend to have the upper hand in the country. Hence, this hampers the effective implementation of legal protection and women are still considered as inferior and subordinate to men. Indian women are victims of discrimination from the very moment they are born and further got marginalized when they work from home.

### 3.8.2 Characteristics and Constraints of Home-Based Working

#### i) Remuneration

Studies suggest that HBW are paid meagrely irrespective of type of engagements i.e. piece workers, part-time workers or regularly hired (Figure 3.10). The main cause of this is the criteria applied to calculate the remuneration. Instead of taking into consideration the number of hours the home-based workers invest, the amount of output produced per worker is considered. Hence, the incentive of the home-based workers remains focused on their output. Consequently, when the women home-based workers feel they must tighten their belts, they are inclined to lean towards their kids for help.

*Figure 3.10 Method of Payment*

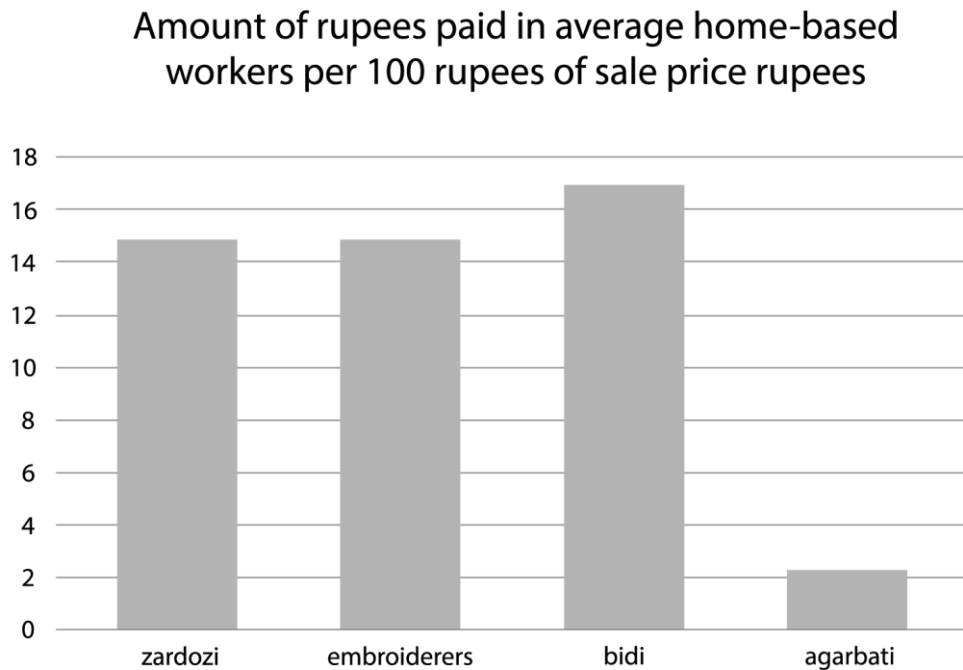


It has been agreed by many international organisations that the best way to deter the exacerbation of such a phenomenon is to ensure a better organisation so that home-based workers are able to negotiate a more decent salary based on reasonable terms. In most developing countries home-based workers seldom get even the minimum salary (WIEGO, 2010).

Before wrapping up with this section, it will be wise to have a brief overview over how payment is effectuated with homeworkers. The HBW get paid as per the work they do. According to the research undertaken by SEWA, 50 per cent of the home-based workers are paid as per piece manufactured, whereas only around 30 per cent of the home-based workers were receiving a regular monthly salary. It is quite an overwhelming task to decide upon the amount paid per piece

produced, since this not only varies among different industries, but also in terms of sizes and types of products. For example, in the garment industry, the prices range from about rupee one for a really small piece to Rs 100 for big pieces (Doane, 2007).

**Figure 3.11 Amount (in Rs.) Paid to Home-based Workers**



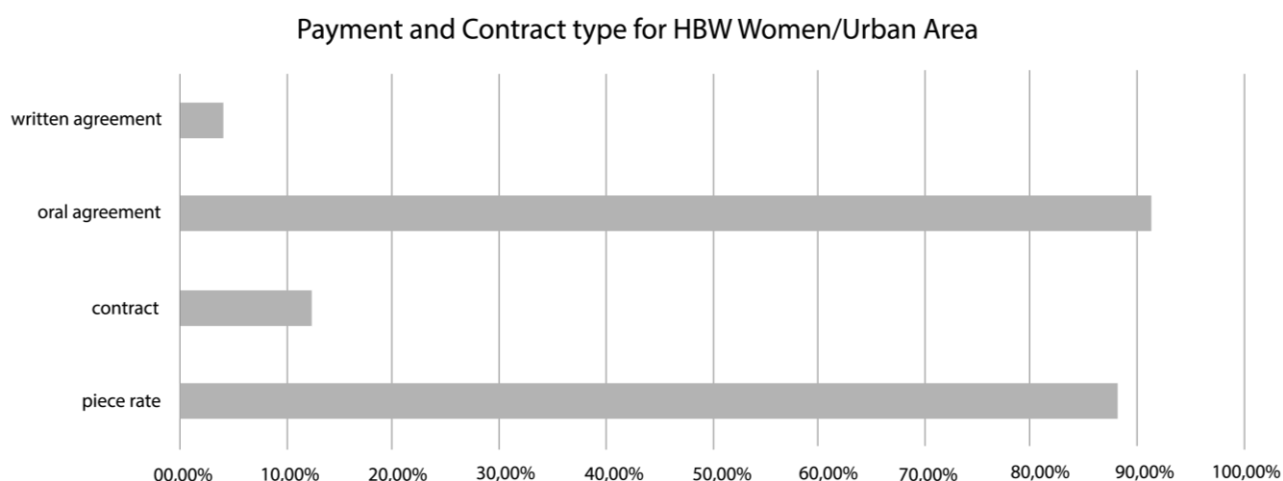
**Source: Chen and Shalini, 2016**

On an average, home-based workers earn very low salaries. WIEGO's research shows that for every 100 rupees paid by the customer, the worker usually receives only around 15 rupees (Figure 3.11). However, some home-based workers undergo even more severe exploitation. For example, agarbatti rollers receive as little as 2.3 rupees for every 100 rupees paid by the customer (Chen and Shalini, 2016). The data gathered by WIEGO on agarbatti rollers and garment workers reflect that while agarbatti rollers earn a salary between 1400 to 1600 rupees per month, garment workers usually earn 2100 to 2500 rupees per month. However, before concluding, it is important to take into consideration the fact that most of the garment workers involved in this study had extra costs to bear in terms of transportation given that their contractors' residence was located far away from their dwelling units while on the other hand the agarbatti rollers did not encounter this problem (IEMS, 2014).

## ii) Lack of Contract

Home-based workers are linked to production chain where a complex cost-saving mechanism is developed by avoiding labour regulations. Sub- contracted home-based workers do not get the work awarded with regular and legally binding contract (Figure 3.12).

**Figure 3.12 Types of Contract for HBW from Urban Areas**



**Source: NSSO, 2012**

The studies suggest that the contract between the contractor and the home-based worker is oral in nature. There are evidences that those who carry out fully dependent wage employment do not even enter a formal contract. This observation is further supported by Edgell, Gottfried and Granter (2016) who questions home-based industrial outworkers if they are “really” fully independently self-employed or fully dependently wage employed.

## iii) Lack of collective bargaining

The contractor or middleman, who do not want to give them a bargaining power, put them intentionally into this “weak” contractual condition even though they do get a price for each piece they manufacture.

## iv) Working Hours

According to WIEGO’s studies performed in India, on an average working hour vary from 5.2 to 9.2 hours per day. The longest span of time observed has been 15 hours in a day (Chen and Shalini, 2016). Hence, by comparing this data with that of the amount of time the workers in the garment industry spend, it is the same. In the light of the above, one can deduce that home-based workers usually work for extended hours, either just as many hours as a regular full-time job or even for a

more prolonged span of time per day. Although in certain societies in India, there is a popular belief that home-based workers only work in their spare time, this is a purely fictitious statement (Sinha, 2015).

The workers in the garment industry form 46 per cent of the workforce of the informal workers out of which 65 per cent of the workers (which represents the per centage of female home-based workers in the garment industry) on an average work for about 7 to 8 hours as compared to men who work for more than 9 hours. This is an interesting factor, which should not be overlooked, as this might be the reason why men are more prone to get a higher salary than women in the garment industry (Unni, Bali and Vyas, 1999).

**v) Market linkage**

Self-employed home-based workers have access to the market and have a fair idea of the forward linkages. Sub-contracted home-based workers also have access to the market, but their approach is defined by other players like contractor. Sub-contracted workers are often unaware of sources of supply of raw material or network where a finished product can be sold. In the value chains, as their interaction is limited to their contractors.

**vi) Unpaid Family Members: Child Labour**

Another characteristic which is worth mentioning is the age at which a girl adopts a home-based work in pretext to help a family member. Various report indicate that almost half of the girls less than 15 years of age adopt this initially as unpaid job and gradually enter this work. The issues are also reported by Chronic Poverty Research Centre in India where Over 46% of these girl's work are as unpaid family member.

This issue must be given much thought because a rise in this trend will only fuel the creation of a cycle of girls not going to school. This is because they are constricted to stay at home and working, which will have afterwards consequences on their lives. They will face difficulties in getting a proper job due to their lack of schooling, and ultimately, they will also end up following their elders' footsteps and will settle for home-based work (Doane, 2007).

**vii) Mobility constraint**

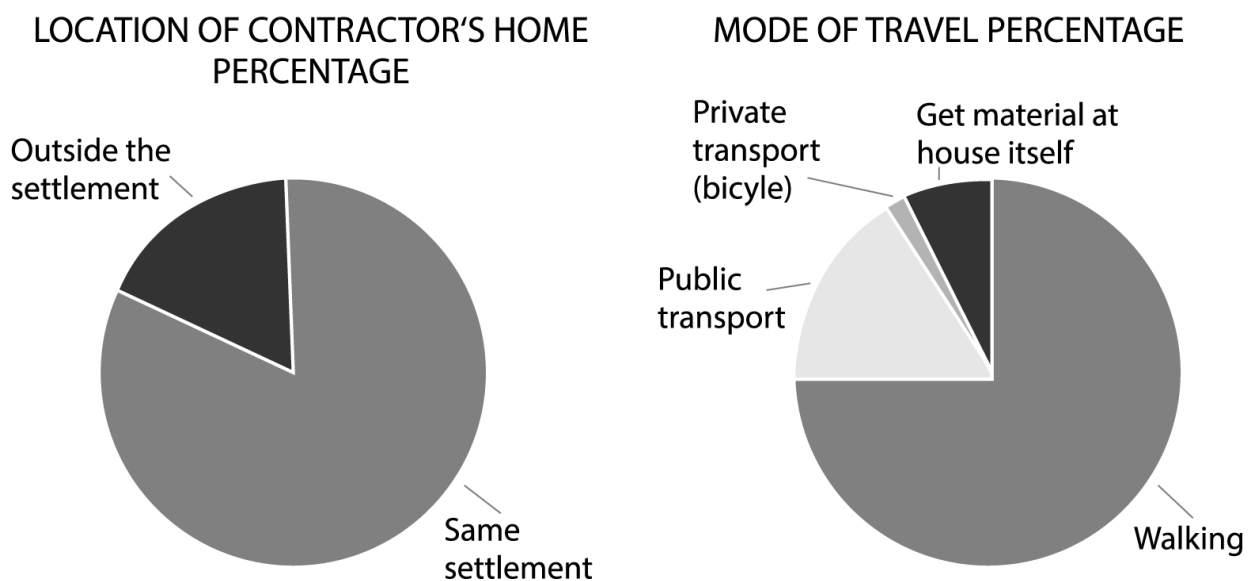
Mobility and additional costs incurred towards mobility particularly in manufacturing has been a significant feature. Mobility is an integral part of work, whether to meet the contractors' or to get

their supplies and raw materials. Though in some cases contractors go to them to procure the outputs of their production. According to the IEMS study of 2014, maximum families of HBW own no vehicle and 14 per cent owns only cycle. Presented data clearly indicates that lack of ownership of vehicle affects mobility of HBW in seeking and delivering work on time and access to raw materials and market linkages. Mostly other family members help these workers to get their raw materials, but they still face difficulties to connect to the market directly or indirectly.

#### viii) Mode of transportation

According to studies conducted by WIEGO, only 8 per cent of the home-based workers receive raw materials from their contractors and have the latter come over to their place to pick up the finished goods from their home (Figure 3.13). Around 78 per cent of the workers must get their own raw materials and then deliver the finished goods in a location in their own neighbourhood. Hence, they must use certain modes of transportation in order to travel (Mahadevia, Mishra and Vyas, 2014).

**Figure 3.13: Location constraints (Left hand side figure) Mode of Commutation Used by HBW (Right hand side figure)**



#### ix) Education, Lack of Resources and Knowledge

Edgell, Gottfried and Granter (2016) in his analysis on industrial home-based outworkers and shed some light on another important aspect that hinders their growth and prosperity. The study claimed that the industrial home-based outworkers are also disadvantaged knowledge-wise. Given their illiteracy and lack of resources to become better informed, it is almost impossible for them to know

about the market and the market price at which their raw materials and finished goods are traded in the marketplace. Hence, they cannot exert control over either their inputs or outputs, even though they play a greater role in the global value chain. Many of them manufacture products for famous brand-name companies located abroad but get no credit for their efforts and are limited both in terms of power, money and lifestyle.

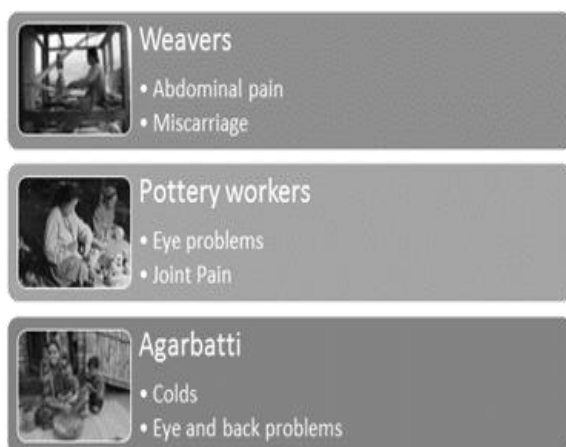
#### x) **Health Restraints**

Home-based workers encounter various health problems. For example, pregnant weavers suffer from abdominal pain and in some extreme cases, can even experience a miscarriage out of the stressful workload (Figure 3.14). The workers engaged in intricate embroidery work become prone to eye strains and joint pain. As for agarbatti workers, working in cramped spaces coupled with inadequate lighting expose them to health problems ranging from eye strains to recurrent colds due to agarbatti powder inhalation (Sinha 2013).

According to a study undertaken by Roy and Dasgupta (2008), in Kolkata, though the “papad-making” industries in India provided ample opportunities to the women HBW, 60 per cent of the interviewed people reported being in this occupation for more than 10 years and spending 5 more hours above their household chores over this job, which ultimately developed musculoskeletal problems in the majority of the HBW. Apart from this, the study also showed a high prevalence of diseases like pallor, angular stomatitis, pedal edema, and chronic energy deficiency.

**Figure 3.14 Health related Problems**

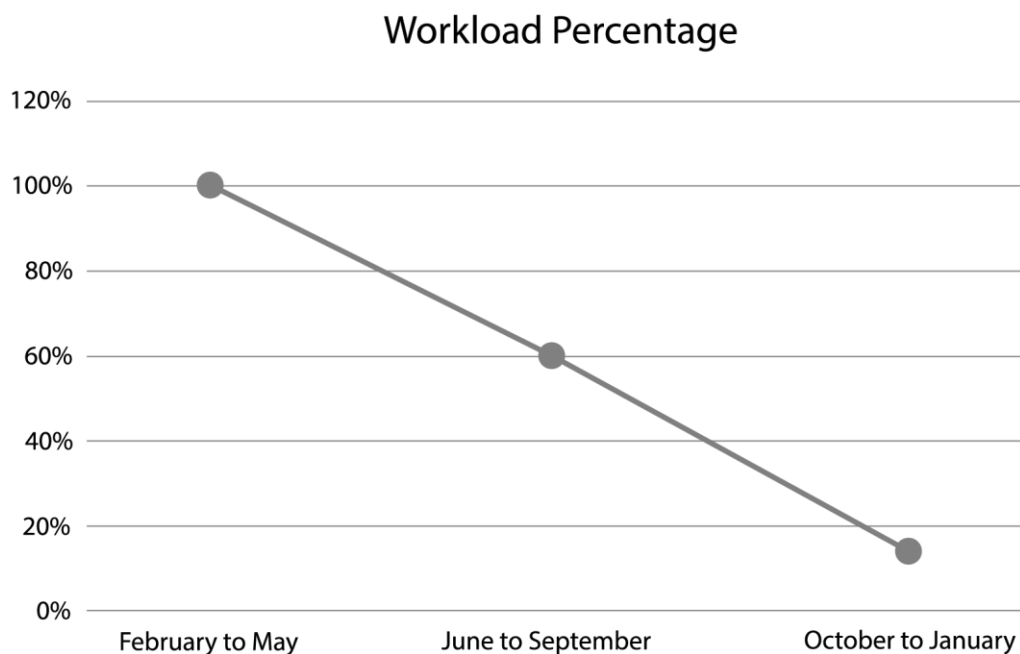
#### **Health problems associated with different occupations**



### xi) Seasonality

Between the contractor and worker, usually the amount of workload changes with different seasons. To explain it, study undertaken by the Women's Economic and Legal Rights Program (WELRP) of the Asia Foundation has given crucial insights. The study was based on the women working from their homes in India in the garment industry. According to the WELRP study, the peak season of the work is between February to May which is also known as the marriage season in India. On the other hand, the slack season was from June to September in which most of the women were not receiving any salary (Figure 3.15).

**Figure 3.15 Variation in Workload in a Year**



### xii) Work Arrangement: Exploitation

There is an increasing pressure on the industrial firms to reduce costs to withstand the domestic as well as international competition. Kothari (2014) made mention of women who obtain temporary jobs from contractors due to seasonal shifts or sporadic changes in demand. The contractors supply them with the necessary raw materials and collect the final output at a specified date. This presents only one side of the coin. On the other side, these women also must contribute some capital in order to procure tools i.e. needles, wax, staplers necessary to assist them in their work (Kothari, 2014).

However, even the fact of receiving raw materials from their sub-contractors bears a hidden risk. According to several workers interviewed by WIEGO (2014), most of the home-based workers are



summoned to reimburse the cost of the raw materials if they are subject to any damage. This imposes a mental strain on them during rainy seasons as poor-quality houses suffer from leakages or even flood like condition due to which their raw materials get damaged. Usually when the raw material is damaged, its cost is directly deducted from the worker's salary (Alter Chen, 2014).

### **3.8.3 Production factors**

In order to gain better understanding on production factors, secondary data provides very limited insights. The productivity of homeworkers is dependent upon many factors and influenced by diverse driving forces. The major factor behind low productivity and earnings in the informal sector is related to the poor support system in terms of workplace, work environment, and poor competencies in use of technology, training, and skills etc.

Space availability, working environment and living/working conditions are emerging as most critical factors having a direct impact on productivity and quality of output. It would be pertinent to outline some of the key constraints by taking clues from secondary data with grounded evidence to evaluate the reality of these workers' lives for the range of productive forces.

#### **i. Quality of Physical Environment: Space Availability**

Home-based workers are living in cramped spaces whether they live as tenants or in their own houses. The problem of living in crowded spaces is highly prevalent in India. More than 50 per cent of the homeworkers interviewed in India by IEMS study claimed that they dwell in a house that consists of just one room and they share it with 4 or more people. The space of a single room packed with 5 people is not considered convenient and does not provide stimulating environment to work. Cramped spaces are not the only issue that the female home-based workers must deal with. Sinha (2013) pointed out that home-based workers must deal with issues like thatched roofs leaking during rainy days, damped walls, white wash or paints falling off the wall and semi pucca floors with several rat holes. In addition, houses usually do not have drinking water supply, electricity and other amenities required for basic living and working (WIEGO, 2013).

#### **ii. Ownership**

In India, home-based workers live in cramped rented spaces as they do not possess their own dwelling and tend to pay exorbitantly higher rent (Sinha 2013). IEMS (2014) indicated in a study that more than 40 per cent of the home-based workers do not have their own houses and are, thus,

living as tenants in rented dwellings. However, it would be highly erroneous to believe that those who have their own house are better off. Since most of the workers, who reported to have their own house, also claimed to be living in informal settlements under the constant fear of having their house demolished.

### **iii. Use of Technology**

In the changing time, use of technology can be of huge benefit when it comes to driving productivity in the workplace. Various studies on HBW indicate that maximum families own basic assets required for daily needs but usage of any form of technology to enhance productivity or technical equipment is very low (Figure 3.16). Internet penetration is barely 4 per cent in IEMS study, which is a weak signal for productivity. A lack of exposure to the world of Internet severely limits the absorption of knowledge and information by these workers.

***Figure 3.16 Home-based Garment Workers***

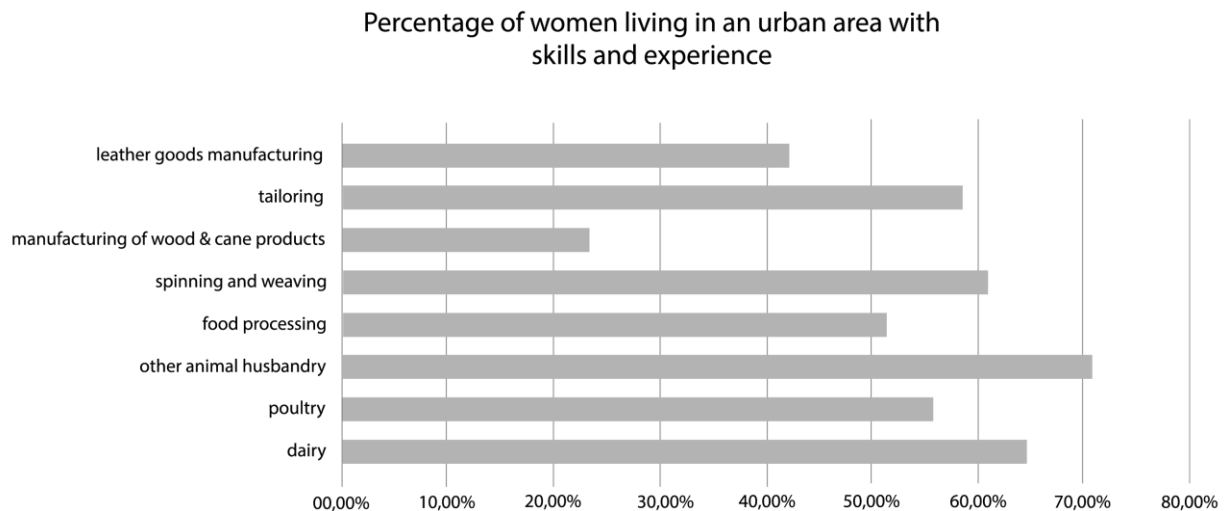


According to the World Bank (2016), World Development Report on digital dividends highlighted that 228 million people were using the Internet in India which represents only 18 per cent of internet penetration in the country as compared to a world average of 41 per cent. This report also showed that 8 out of 10 Indians own their own cell phone (Express News Service, 2016).

### **iv. Skills Development**

By doing the same tasks over and again, the home-based workers refine their skills and produce work of high quality. It is also considered pertinent to explore the skill of the workers whether they have any skills to get engaged in the home-based work, or they require skill upgradation or feel a

need for formal training (Figure 3.17). According to a survey carried out by Naqeeb, Saigol and Azhar (2014), more than 27 per cent of home-based workers produce a quality of work.



**Figure 3.17 Skills and Experience of Women's Living in Urban Area**

As per NSSO (2012), women are not willing to take up any additional job. They want to take up Home-based jobs because many of them have required skills and would be willing to engage on it to have an additional income. Therefore, most of them (73%) stated that they would like to work part time in the tailoring industry. Also, 57 per cent of the women living in urban areas reported that they already have some experience and skills to accept jobs related to tailoring.

### 3.8.4 Productivity Constraints

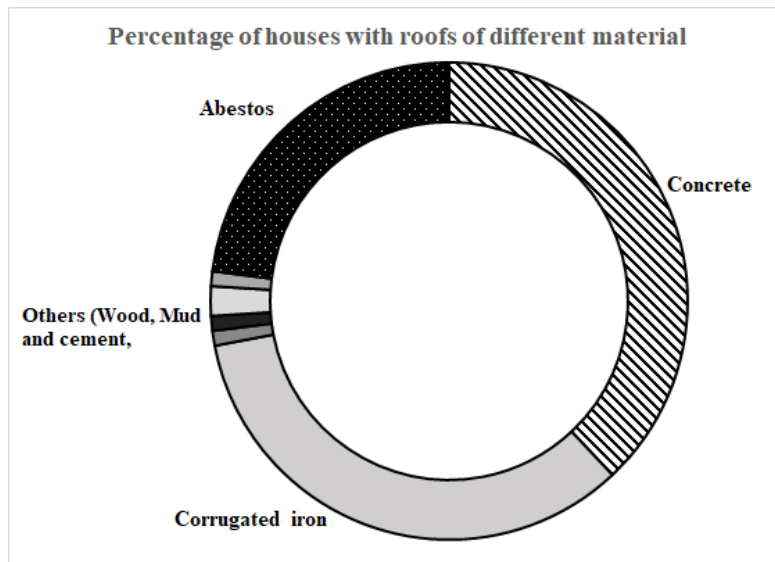
For home-based workers, home is their workplace. Poor quality of living conditions can affect not only their productivity but also have impact on their occupational health and safety. These risks become far complicated when the home-cum-workplace does not have proper infrastructure facilities (water, sanitation, lighting or ventilation). This section explores the various facets of living and working environment and key amenities.

#### i) Quality of construction

It would be imperative to get closer understanding of the quality of construction of the home-based workers' houses. Majority of dwelling units have used poor quality of material to construct them. Figure 3.18 provides an overview of the different types of materials used in their houses. Materials used in the dwelling units of home-based workers can have an indirect negative

correlation with the quality of production. Case studies suggests that quality of material used has high impact on productivity and health.

**Figure 3.18 Type of Material Used for Roof**



Raw material as well as finished products need to be stored for longer period and must be made secured during bad weather particularly during monsoon period. According to IEMS, 96 per cent of the houses of the home-based workers were made of bricks, even though the materials utilized in the roofs do vary a lot. However, these materials are generally of poor quality and lead to issues like water leakage which, in turn, can cause damage to the home-based workers' raw materials and finished goods.

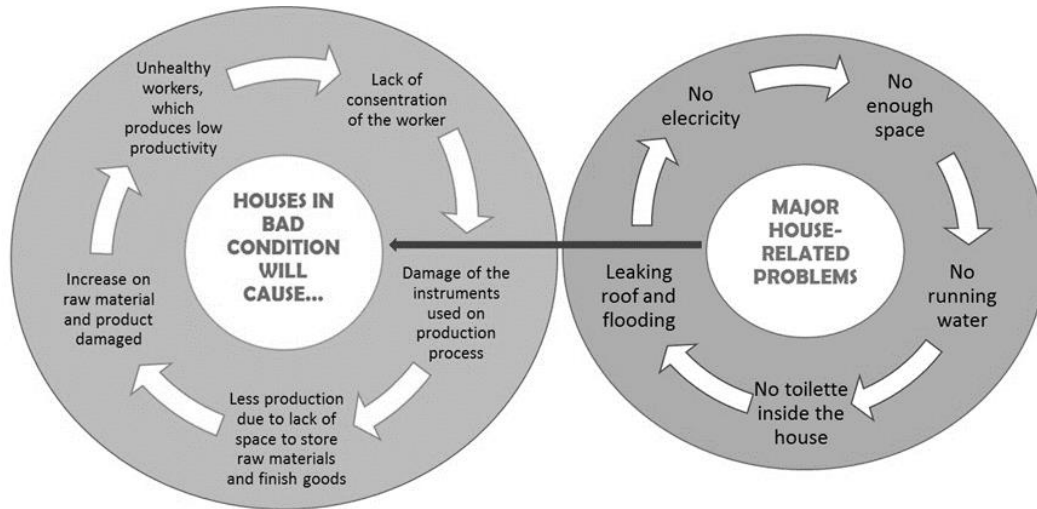
## ii) Workplace constraints

Data from other studies indicate a different view. According to Sinha (2013), home-based female workers encounter many difficulties when it comes to the pathetic workplace, they are compelled to work in. Given these women's financial restrains, it is inconceivable for them to work in a hygienic environment, coupled with the amenities imperative for them to perform at their most optimal level. They must deal with not only the inadequacy of lighting but also with insufficient space both for working and to store their raw materials and finished goods. Hence, this prevents them from taking big work orders.

These women suffer from a lack of proper sanitation and waste management. Since they live in extended families, it is very cumbersome for them to work effectively. There are constant interruptions by other family members, and to make things worse, they are constantly nagged by

their landlords who issue recurrent threats of evictions. The Figure 3.19 provides a thumbnail sketch of the relationship between the housing conditions and productivity of the HBW.

**Figure 3.19 House Related Problems faced by Home-based Workers**

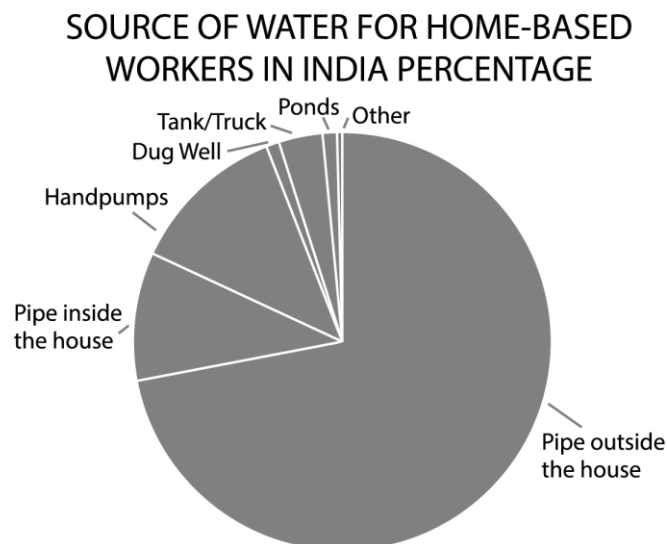


### iii) Toilets facilities

As per the IEMS study in Ahmedabad, there is an absence of a toilet in about 45 per cent of the households. The people interviewed reported that they have to do with the unavailability of a toilet inside their homes. They are under the compulsion of sharing a toilet with their neighbouring households. The hardships endured by these workers not only affect their health state, but also has an adverse impact on their productivity and hence, shrinks their production rates (Mahadevia, Mishra and Vyas, 2014).

### iv) Water availability

**Figure 3.20 Sources of Water Availability**



The Figure 3.20 reveals different sources of water which shows relatively better piped water supply which can save significant time compare to id worker has to fetch water from This issue should not be taken lightly as the task of fetching water relies mainly upon the women and/or children (Mehrotra and Biggeri, 2002).

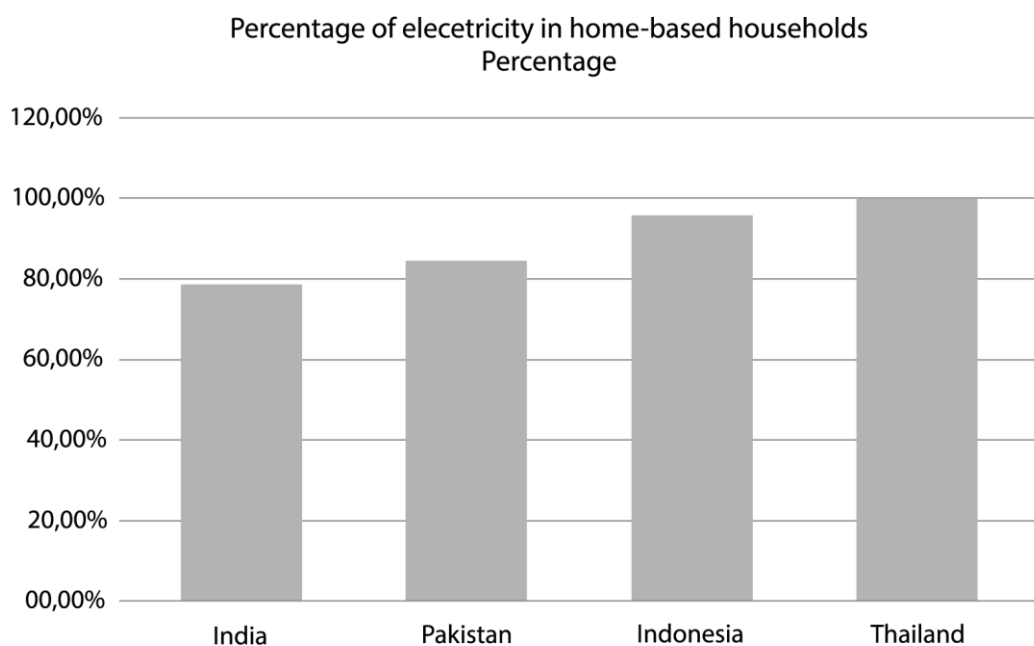
Apart from being a cumbersome task, fetching water over long distances can have other repercussions on the health of the home-based workers, who usually are not even backed by any insurance firm (Muthusamy and Ibrahim, 2016).

The availability of water and sanitation (or lack of it) not only affects the wellbeing of the workers, but also their productivity, especially if their productive hours are wasted in water collection from community taps or tankers. The high tariffs put a strain on their slender income and reduce their productivity.

#### v) **Electricity**

Availability of electricity is critical for home-based work particularly when it comes to production of goods in given time. A UNICEF study suggests that 78 per cent of Indian household have access to electricity. The Figure 3.21 portrays the per centage of electricity in home-based households in four countries namely India, Pakistan, Indonesia and Thailand.

**Figure 3.21 Per centage of Electrified Home-based Workers' Households**



Another factor is the cost and intermittent availability of electricity. In a study by IEMS in Ahmedabad, 16 per cent of the garment workers interviewed mentioned that the cost of electricity was one of the major obstacles HBW must surmount in order to get their job done. Sankrit highlighted the financial aspect of using electricity in these areas. According to Sankrit (2016), “electricity also plays a critical role in productivity, but the tariffs on electricity are extremely high”. However, the cost and irregularity of electricity do not affect all the home-based workers to the same degree. For example, HBW engaged in garment sector would be more severely affected as their main tasks are reliant on the use of electricity. Sinha (2015) conducted a research on HBW in Sunder Nagari slum in Delhi by walking in two Indian women’s (Shama and Phoolbano) shoes to better understand the outlook of female HBW on the world. The two HBW confirmed the previous findings of Sinha in terms of frequent power cuts and cramped spaces with inadequate ventilation.

### **3.9 Linkages**

Typologies of different linkages have been discussed in detail in chapter 1. There has been a radical change in production and distribution links of many key industries characterized by outsourcing or subcontracting through global commodity chains but there is blurred observation available on manufacturing sector. The economic reforms in India led to an expansion of markets and a growth in the output and employment in the unorganised manufacturing. There are mixed opinion emerging out from different literature.

In this context, Moreno-Monroy et al. (2014) offers a positive relation between formal sector subcontracting and total employment in the relatively modern segments of the informal sector. However, they also find evidence of a rapid growth of the relatively traditional segments of the informal sector as well. However, regarding OEMs, there are other studies (Kesar, 2017), which pose a serious doubt if these subcontracting linkages develop and facilitate transition and if they have a potential to transform the informal manufacturing economically.

Institute for Studies in Industrial Development (ISID) in the National Capital Region Delhi conducted field survey of 60 small and micro enterprises that are actively engaged in subcontracting with larger enterprises indicates to positive impact of subcontracting.

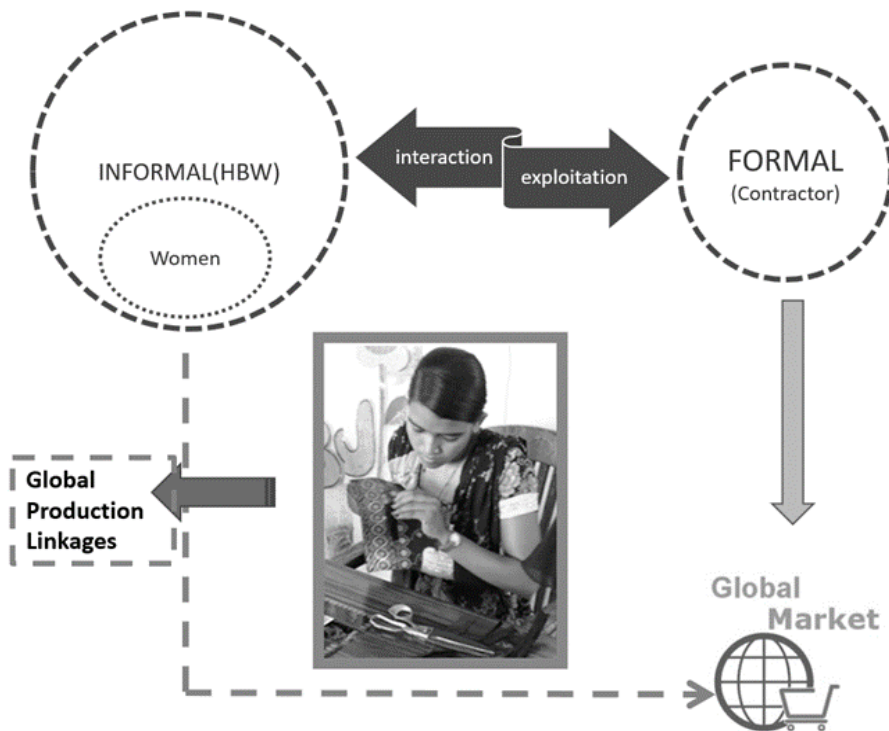
National Sample Survey Organisation (NSSO) surveys and reviews of the National Commission for Enterprises in the Unorganised Sector (NCEUS) reports confirm the growth of linkages between

informal and formal economic activities. A deeper review of the NSSO data suggests that within the formal sector also, there is an increasing informalization of the workforce. The reviewing of NSSO Employment Data for 55 and 61 rounds (1999-2000 and 2004-05 respectively) and correlating it with data from the NCEUS (2007) report on ‘Condition of informal work’ provides evidence that India is also constantly moving towards ‘informalization of the formal sector’, where the entire increase in the employment in the organised sector has been informal in nature. However, NSSO 68 round (2011-12) has shown a marginal decline in this trend.

### 3.9.1 Global linkages in Apparel sector

The value chain extended from international large firms to small firms and down to the home workers is noticeable particularly in Apparel sector. Figure 3.22 connects the earlier conception of dynamics between informal and formal sector linkages with production linkages which ultimately find home-based worker at the end of this chain. The spread of globalized production has gone together with intensified exploitation of a decentralized, flexible and cheap labour force (Mezzadri 2008).

**Figure 3.22 Interaction between Informal and Formal Workers**





This linkage requires a further probe on role of HBW, if they get a fair share of the efforts involved and in what precarious working conditions these works are performed. Global Value Chains are utilizing them as a main element of cost reduction and chain of retailer, manufacturer and subcontractors, have established themselves as a preferred alternative. Consequently, these workers despite being an important production element, find themselves in a situation where risk was transferred to them in the overall production process. Home-based workers are located at the bottom end of domestic or international value chains. In global chains, lead firms exercise control through such factors as design, lead time and quality parameters. Unni and Scaria (2009)

Apparel and chemical-product industries having a largest share of women, in general and homeworkers experienced a positive impact from reforms. Overall, economic reforms turn out to be insignificant as a determinant of growth in women's Home-based employment (Rani and Unni, 2004; 2009).

### **3.9.2 Subcontracting Linkages**

NSSO surveys (55 round - 2001 and 61 round - 2005) indicate that the overall incidence of subcontracting has increased though there is no direct mechanism to identify sub-contracted workers. At enterprise level, 25-30 per cent of enterprises in the unorganised (Informal) sector operate under diverse systems of subcontracting.

Ministry of Micro, Small and Medium Enterprises (MSME) suggest that subcontracting is in upward trend. There are certain industrial groups where share of home-based women worker is higher than non-Home-based workers. The incidence of sub-contracting is relatively larger among the tiny enterprises (OAEs), as compared to large sized units (establishments). The industry groups involved in making tobacco products, Garments and wearing apparel, etc. account for more than 70 per cent of total subcontracting units. Enterprises undertook subcontracting activities to optimize the capacity utilization. Bidding and quotation are the important mechanisms for price fixation. The probability is higher for urban units for three types of enterprises i.e. Own Account Medium Enterprises, establishments with 2-5 hired workers and those with 6-9 hired workers. Within subcontracting enterprises, those who were working solely for the contractors/master units and did not sell independently in the market, consisted of 24.4 and 26.6 per cent in 2000–01 and 2005–06 respectively.

### **3.9.3 Subcontracted home-workers**

Regarding Home-based workers, in 55 and 61 rounds of the survey "own dwelling" was given as an option within "place of work" question, which further expanded in the 66<sup>th</sup> round to find further details of dwelling i.e. attached structures and adjacent open areas. In the second stage, the questions related to self-employment including employer, own account worker have been asked to comprehend whether they work under given specifications". Further questions related to credit, raw material and equipment, etc. were asked if the answer was 'Yes' to the previous question.

Sub-contracted workers numbered about 7.8 million in 1999-2000, which was about 33 per cent of all HBW. This number is 45 per cent for women HBW while 25 per cent of men HBW. In 2011-12, out of own account working under self-employment category, men were 80 per cent and for women, it was 67 per cent. For women, the increase was by 13 per cent from 54 per cent in 1999-2000.

This indirect approach of contracted home-based workers can be contrasted with an article reported on the WIEGO website about home-based workers who fall in our previously mentioned definition of self-employed home-based workers. There exists the direct links between informal home-based workers with formal companies. Approximately 30 per cent of the self-employed home-based workers in the IEMS buy their supplies directly from formal companies, and only slightly below 30 per cent of home-based workers sell directly or manufacture for formal companies.

Home-based workers are located at the bottom end of domestic or international value chains. In global chains, lead firms exercise control through such factors as design, lead time and quality parameters (Unni and Scaria 2009).

## **3.10 Legislative environment for Home-based Workers**

The introductory section of this chapter has emphasized the need to recognize the home-worker as economic agent. In India, issues of recognition of rights at work, and crucial need of social protection of female homeworkers have been raised from time to time. Internationally, ILO has commissioned various studies which emphasize the how gains of the economic growth will create more employment avenues in the formal sector, as well as better growth opportunities for interlinked informal sector.

This section explores the role of key government policies and support extended by NGOs and Self-Help Groups (SHG) to Home-based workers to act as channel for their transition from traditional to modern one. In these regards, key aspects like social security measures, availability of credit and availability of finance is of prime importance. Adequate Social security measures are required at least to consider the home-workers in formal context.

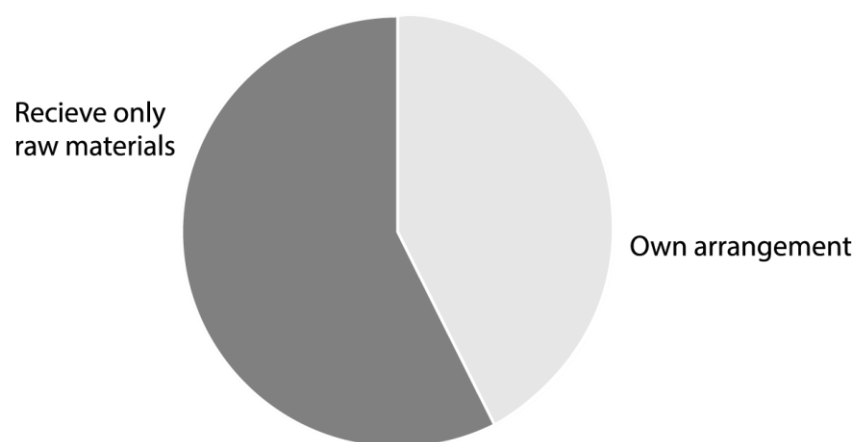
### 3.10.1 Social security

The HBW are deprived of any social security and insurance. They are also coerced to keep on working no matter how pathetic their plight may be. The break in work is on account of either illness or any personal crisis or obligation. As per IEMS study (2014), 83 per cent of the workers do not get any support to continue their work in case they were not able to do work due to illness or other reasons. Only 12 per cent of workers get support from other household members who take over their work. A few workers reported that they work more hours after they return to work after a break in order to compensate for the loss (Figure 3.23).

Since home-based workers do not operate in the formal sector, they are unaccountable for the welfare benefits that the workers in the organised sector usually have. Hence, they cannot enjoy from fringe benefits like maternity leave, pension, and days of paid vacation per year, among others. As for private insurances, these are usually out of their reach, given their prohibitive costs (International Labour Organisation, 2015).

**Figure 3.23 Sources of Financial Support**

#### SOURCE OF FINANCIAL SUPPORT TO START WORKING FEMALE/URBAN AREA STATE DELHI



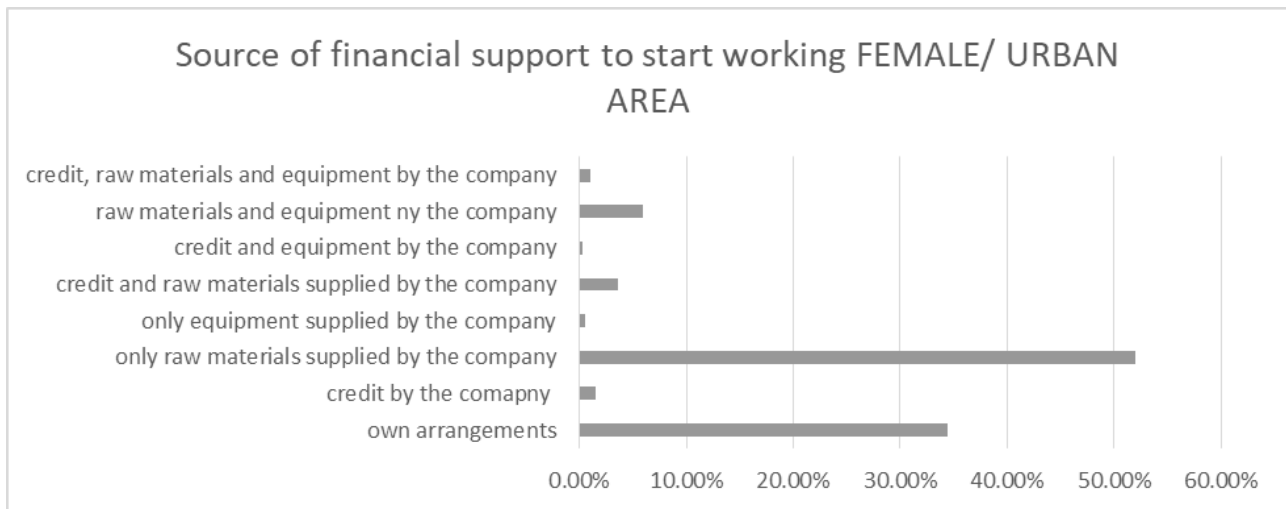
### 3.10.2 Source of Financing

Secondary data is searched to explore the subject “source of finances”, if they are linked to any banks or any lenders, how they organize their finances, microcredit or some other informal form of financing. Since home-based workers simultaneously use their dwellings as their workplace, it is crucial for them to gather enough funds in order to make repairs or upgrade the dwelling they live in. Irrespective of the category the home-based worker is in, that is whether the home-based worker is self-employed or sub-contracted, she must arrange some source of funding in order to be able to carry out her work effectively, as even the sub-contracted home-based worker incurs expenditures like purchase of equipment on her own.

In NSSO 2012, the data related to workers seeking financial assistance or support, 27% women workers revealed that they need initial finance on easy terms and around 27% have revealed they would rather go for training (NSSO, 2012).

According to reports by NSSO (2012), 34.5 per cent of female home-based workers living in an urban area are getting the finance through their “own arrangements”. They intended to use it to purchase their equipment, raw materials, etc. For other support is extended by enterprises they are working for which can be in form of credit, raw materials or equipment. However, 52 per cent of the female workers reported that they only received the raw materials from their employers, but other forms of support are almost negligible (Figure 3.24). Specifically, in the case of the women living in the city of Delhi 53.8 per cent mentioned that they only received the raw materials from the company they were working for, while 46 per cent stated they had to do their own arrangements to get the financial support needed (NSSO, 2012). Some options in form of act, policies and programs are also provided by Government to support unorganised sector:

- Microfinance Development and Equity Fund (MD & EF), 2001
- Micro Finance Programme (MFC), 2004
- Micro Finance Bill (2006)
- SEWA Co-operative Bank (1974)
- Self Help Groups (SHGs)
- Rashtriya Mahila Kosh (RMK), 1993
- Small Industries Development Bank of India (SIDBI), 1994
- SHG-Bank Linkage Programme (1996)



**Figure 3.24 Sources of Financial Support in the Starting of HBW Work**

### 3.10.3. Credit

In order to clarify over the matter, it would of pertinent to categories the types of credit sources available in India as formal and informal context (Figure 3.25).

**Figure 3.25 Formal and Informal Sources of Credit**

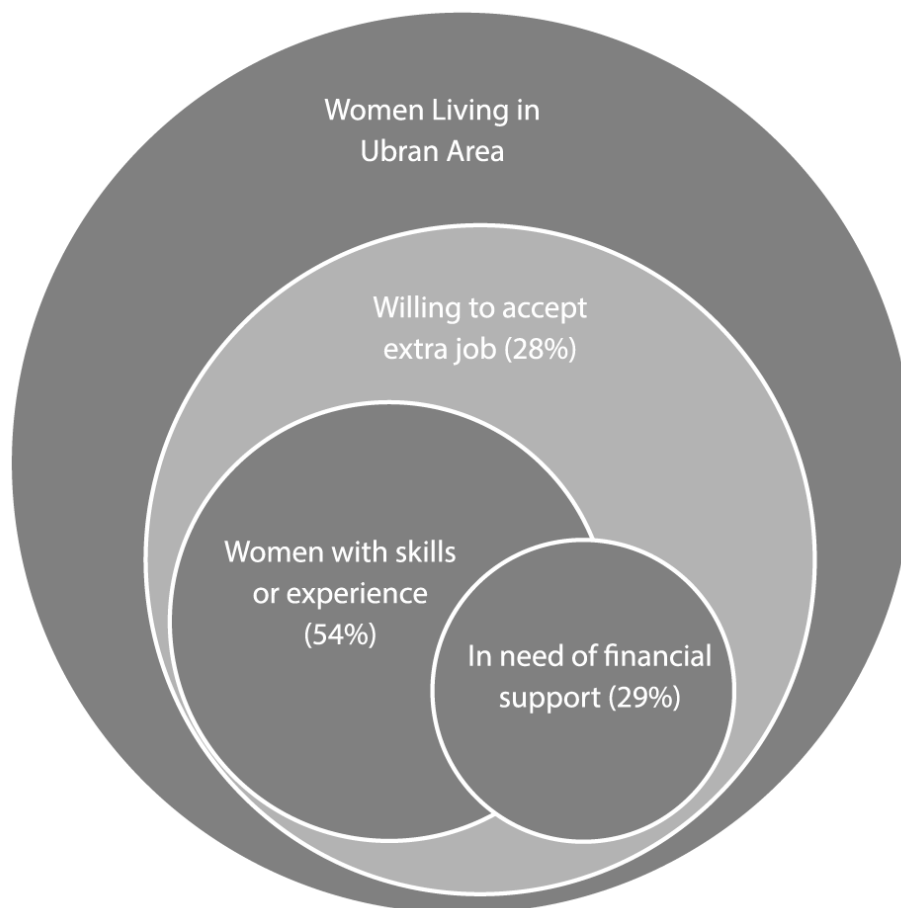


When one makes mention of formal sources of credit, primarily loans extended by banks and cooperative institutions which are under the control of the Reserve Bank of India (RBI) are heard of. One of the primary functions of the RBI is the regulation and control of the amount of loans issued to large and small to medium-sized companies, as well as to the poor citizens in India, with the main aim of enhancing the state of the poor sectors of the country. The RBI also controls the

rate of interest and the collaterals requested by the institutions when they engage in the process of loan-making, and consequently, interest rates and collaterals are usually more stable than in the case of informal loans (Grade Stack, 2016).

As for informal sources of credit, this encompasses money lenders like relatives or friends, who can lend the HBW some money when they are in need. However, even though these types of money sources are generally more readily accessible, they normally carry much higher rates of interest, given that they lack the supervision and regulation of a formal institute. This can pose even more problems to the HBW as sometimes even the interest rates are charged as rates.

***Figure 3.26 Willingness of HBW to cope up with Crisis***



exceeding the HBW' income. Nevertheless, these informal sources of credit are still highly common given the easiness with which they can be obtained. To exemplify they require little or no paper work (Grade Stack, 2016).

According to NSSO Report no. 559, 28 per cent of women living in the urban area are willing to accept extra job to do at home, and among these women the most preferred type of job they will be

inclined to undertake is tailoring. However, among these women, only around 54 per cent had some skills or experience in the desired job (Figure 3.26). Also, it is important to note that among the women in the urban area, only 29% of the women indicated that they would need some sort of financial help or support in order to be able to take the additional work (NSSO, 2012).

According to a study by the RBI, in India 85 per cent of poor people relies on informal loan. By contrast 90 per cent of the rich population get their loans from the formal sector. Hence, one of the most pressing challenges for Indian government is to boost the amount of formal loans to the poor people. Another suggestion is to aid the poor so that they can have an easier access to formal sources of financing (Grade Stack, 2016).

#### **3.10.4 Role of the government**

As mentioned before, Indian laws and regulations usually do not consider home-based workers as regular workers. Therefore, they suffer from a lack of governmental regulations and support. It is true that India has signed the ILO Convention 177 (of 1996). However, it has not yet been ratified. If the government ratifies this act, the home-based workers will finally be recognized. There will be legislations regarding their salary, and they will also be able to demand social protection (WIEGO, 2014). It would be pertinent to list down the relevant acts, policies and programmes started by India over the years.

##### **i) Family Welfare Schemes**

- Laadli  
Anganwadi Scheme/ ICDS
- Mid-day Meal Scheme
- Sarva Shiksha Abhiyaan
- National Old Age Pension Scheme
- National Maternity Benefit Scheme
- National Family Benefit Scheme
- National Social Assistance Programme
- Rashtriya Swasthya Bima Yojana,
- Janshree Bima Yojana,
- Janani Suraksha Yojana,
- Old Age Pension,

- National Social Assistance Programme 1995
  - Family Benefit and schemes related to weavers, artisans and master crafts persons, etc.
  - Swarna Jayanti Shahri Rozgar yojna (SJSRY)<sup>4</sup>
- ii) **Public Distribution System (PDS)**
- BPL/ APL Cards

### 3.10.5 Role of Non-Government Organisations

This section recapitulates and provides a snapshot of key NGOs along with a brief summary of key thrust areas:

#### i) **Women in Informal Economy: Globalizing and Organizing (WIEGO)**

WIEGO works to empower women workers' voice, visibility and validity in the informal sector. With a variety of programs WIEGO helps women in many different countries. Its core programs however are: The Organisation and Representation Program, Statistics Program, Global Trade Program, Social Protection Program, Urban Policies program.

#### ii) **Arogya Foundation of India**

This foundation was created in 2010, and its main objective revolves around helping Indian poor people with perceived health problems. They present different programs that confer the poor free medical consultation as well as cheap medication. They also train people so that the latter can come to others' needs in times of emergency. The Table 3.12 depicts the number of people who received free assistance at their camps in India according to their 2015 report (Arogya Foundation of India, 2016).

**Table 3.12 Participation of Patients in Villages**

Part of India	Village Participation	No. Of patients
East Zone	5501	96607
West Zone	3373	41323
South Zone	459	7606

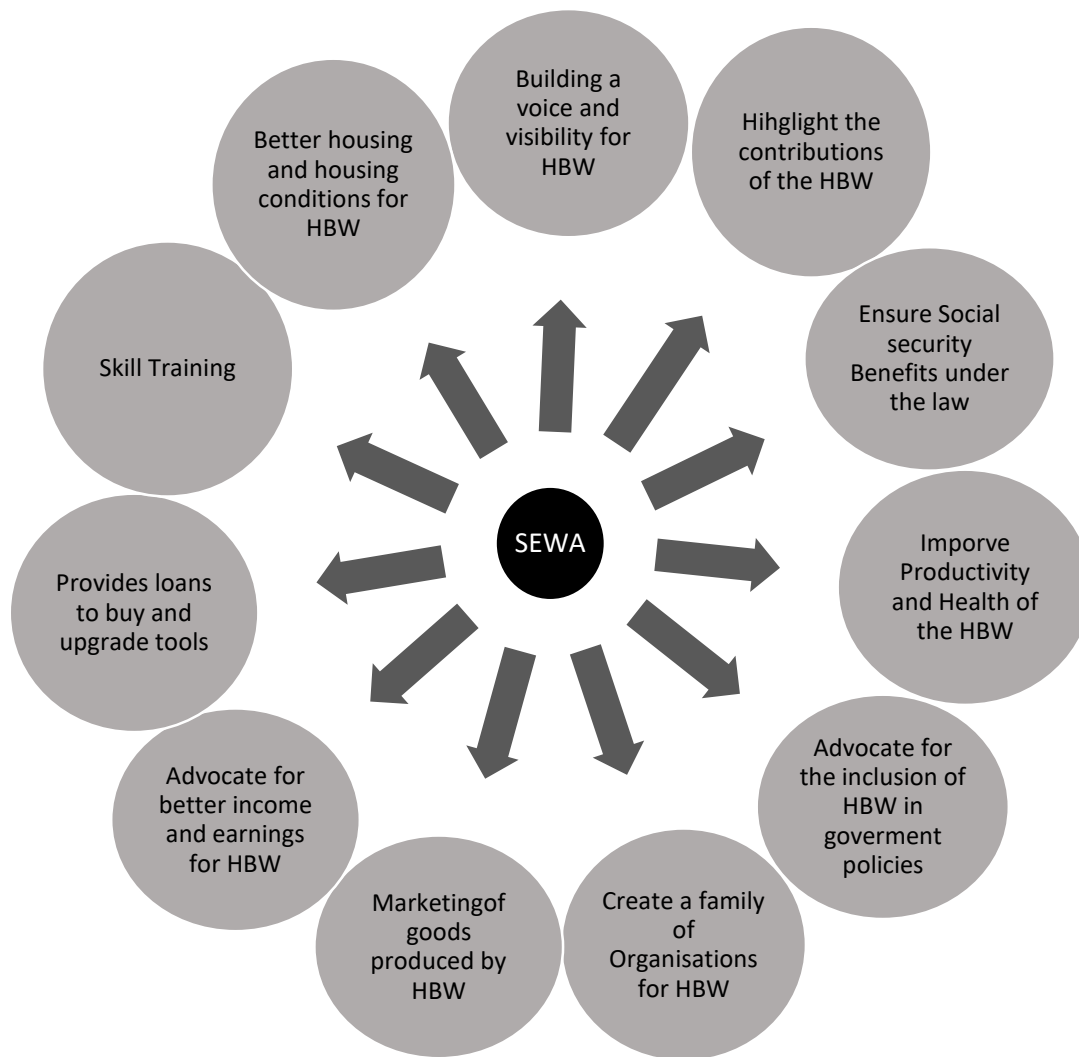
#### iii) **Self-Employed Woman's Association (SEWA)**

Founded in 1972, SEWA has been giving support to home-based workers in diverse areas, ranging from financing, training to even offering some health and life insurance schemes. The Figure 3.27 provides a concise sketch on SEWA and the practices of other sister organisations.

<sup>4</sup> Researcher has participated in the projects under these programs in India to work for urban poor using technical approach.



**Figure 3.27 Practices of SEWA and Partner Organisations**



#### **iv) International Labour Organisation (ILO)**

The main goal of ILO is to boost job opportunities so that people can readily find a decent job. Their focus is on four categories based on employment opportunities, and dialogue. The ILO defines “decent job” as being a productive job in which the rights of the employee are not violated, s/he receives a decent income, and benefits from social securities (International Labour Organisation, 2010).

There are many different programs that this organisation undertakes in India to support workers and to contribute to the improvement in their living conditions. Basically, these programmes are divided into three categories i.e. decent work, employment and child labour. For the purpose of this research on home-based workers, the main area of focus has been cantered upon decent work. One of the ILO’s active project in India is titled as “Way out of Informality: Facilitating Formalization of the

Informal Economy in South Asia” in which different social organisations from Nepal, India, Bangladesh and Japan are working together in order to promote unity and social justice (International Labour Organisation, 2015).

### **3.11: Inferences**

Secondary data review provides many important pointers about various facets of home-based workers, home-based working, legislative environment and efforts made by survey agencies to capture important characteristics. However, surveys have captured mostly a “self-employed” category of workers but could not cover their distinct nature of work and work arrangements. Productivity of workers has been mentioned as key elements by agencies which does not figure out in many surveys. Probably data element of “place of work” need to be extended to further details on work environment, working condition, duration of work, earnings, safety of workers, durability of employment, protection of labour rights. Durability of employment. Secondary provides limited insight on qualitative aspects, emerging working arrangement and linkages, skill and use of technology.

Review of characteristics include some distinct characteristics of home-based women workers in India, contractual relationship, gender bias etc. are some of the dimensions which are distinct. Women are not empowered to deal directly due to societal norms. Before wrapping up with this section, it will be useful to have a brief overview over key inferences drawn from different sections of this chapter.

### **Key Characteristics and Constraints**

- Seasonal Fluctuations in work availability
- Lack of social security
- Insecurity and safety concern
- Less mobility options
- Employer-employee relationship is not defined
- Occupational health is low
- Lack of marketable skills
- No legal recognition
- Less availability access to credit sources
- Hidden Costs/ corruption
- Societal and gender issues
- Less use of technology
- Low level of education

- No Minimum wages
- Migration background of homeworkers

### **Production issues: labour productivity constraints**

- Low skills and training facilities
- Low quality Working conditions
- Poor physical infrastructure provisions
- Poor infrastructure facilities
- Degraded quality of life in terms of living to work spaces.

### **Survey data constraints on home-based workers**

- International definition and Indian definition are not covering the same aspects
- Capturing all forms of home-based working is mammoth task due to distinct work profiles
- Mostly enterprise level data at State level available with survey agencies.
- Applicability of this data is not plausible at district level to check micro level changes
- Employment or contractual relationship between the home worker and the employer, subcontractor,
- Role of agent or middleman is visible
- No or less data is available on HBW after 2012 NSSO round

### **Legal aspects**

- India recognized existence of home-based worker much before international recognition
- Internationally and nationally definitions do not match
- India lacks adoption of international standards and national legislation
- Basic rights, provision for social security, life insurance, hospitalization and maternity benefits, and old age security pension are missing for homeworkers

### **Classification of home-based workers**

- fully independent self-employed home-based workers and fully dependent employees. A “grey zone” exists.
- ‘homeworker’ manufactures product based on the specifications of the parent enterprise or contractor, which also often supplies the raw materials
- Homeworkers category of or dependent subcontract workers are more and more engaged by international production chains or work for national or local markets for production.

## **Compositions**

- Women home-based workers see increasing trend concentrated mainly in manufacturing, trade and repair services.
- manufacturing of wearing apparel became the second most important industry
- In Delhi, Garment and Apparel sector is highly developed
- The phenomenon of subcontracting (outsourcing) by manufacturing firms.

This chapter helps to explore the key characteristics and constraints, limitation on data to capture these aspects and key factor which can have influence productivity. It is yet not established from above review what changes have taken place in the state of home-based workers not only on their characteristics but also on their productivity. Next, with the help of primary survey data some of the key features on their productivity are captured. It is envisaged that higher level of productivity brings them better economic gains, thus a better competitive situation. There can be possibilities and situation when better access to skills, technology, markets and information as well as their individual characteristics with bargaining power improve their competitiveness and thus, decrease their vulnerability.

## **Chapter 4: Field Survey: Women HBW in Delhi in Garment and Apparel sector**

### **4.1 Introduction:**

Review of secondary data on home-based workers has brought out diverse characteristics of home-based worker, constraints which exist, possibilities of diverse working arrangements, ambiguities in status in employment and various other distinctive characteristics. Survey agencies point to the importance of data on labour productivity and various factors around which labour productivity can be enhanced. This chapter provides a greater insight to production factors and situations which have direct or indirect influence on productivity of home-based worker. This includes apart from their individual competencies, consideration about work environment, level of skills, and use of technology and provision of better infrastructure.

Primary survey presented in this chapter aims at having a closer look on their state of art, working pattern, collect deeper insight about their socio-economic profile, working conditions, condition of their workplace and understand the constraints which have direct or indirect impact on productivity.

Therefore, to get the first-hand idea of their state and what changes have come over the years in their life, working, working patterns and, a primary survey was conducted in Delhi for home-based working engaged in Garment and Apparel Sector. The questionnaire included questions on general socio-economic profile of workers, their sphere of knowledge, information about family, and probing question on their income and earnings and ownership profile. Remaining part of questionnaire was targeted to extract information on type and nature of their work and how they spend their time to be more productive. Larger part of questionnaire is dedicated to capture perceptions on living and working condition of workplace, availability of basic amenities and quality of physical environment. Questions related to skills, training, technology and internet usage have been included to check the possibilities and situation which make them perform better than their competitor. A general idea of benefits accruing out of government programs or any other benefits from NGOs is also taken to assess the level of implementation of various schemes started by government.

From review of the data, it is established that Garment and Apparel sector in Delhi is highly developed and Manufacturing of wearing apparel became the second most important industry. A category of homeworkers or so-called dependent subcontract workers are more and more engaged

by international production chains or work for national or local markets for production. The phenomenon of subcontracting (outsourcing) by manufacturing firms is showing increasing trend.

These workers were contacted at their home, the purpose was to have a first-hand view of the conditions of women Home-based workers engaged in production.

#### **4.1.1 Location Characteristics:**

Three clusters from residential colonies (settlements) located near 3 major industrial areas (one each) known for Garment and apparel businesses, have been finalized as field study location in the first stage. The prime characteristic of selected locations is their proximity to large or small garment manufacturing units (Table 4.1.1.1), proximity to industrial areas, the coverage of wide variety of works carried out by female homeworkers and geographical spread across three districts i.e. East Delhi, North East Delhi and South East Delhi of Delhi. However, due to lack of identification of homeworkers in the Gandhi Nagar locality in East Delhi, detailed survey could not be carried out. The details of final survey location are as follows:

1. **New Seelampur** – Sahadra Industrial area, North East Delhi ( December 2016)
2. **New Usmanpur** - Sahadra Industrial area, North East Delhi (December 2016)
3. **Sanjay Colony** - Okhla Industrial Area, South East Delhi ( December 2016)

To understand difference in access to linkages & services in intervention & non-intervention areas; special intervention area (Gandhinagar) in sample is also included which is in North east Delhi close to Shahdara Industrial area.

**Table 4.1.1.1: Distribution of units in case study area**

Indicators	Study Location	
	Seelampur/Usmanpur	Sanjay Colony
<b>Organised Sector</b>	Mainly Type 3 & Type 4 Units	Mainly Type 1, 2 & 3 units
<b>Unorganised Sector</b>	Work is undertaken by men-women in households	Work is undertaken by women in households and neighbouring factories.
<b>Activities undertaken</b>	Thread cutting (mainly for jeans and Pants, Embroidery, Packaging	Thread cutting, embroidery, stone pasting & Embellishment
<b>Reason for it being a hotspot for garment work in Delhi</b>	Proximity to Seelampur, Sahadra Industrial area and Gandhinagar	Proximity to large manufacturing units in Okhla

#### **4.1.2 Characteristics of selected locations:**

##### **a) New Seelampur and New Usmanpur**

Seelampur and Usmanpur both fall in Seelampur taluka which is in rural zone of Delhi and falls in North East Delhi. It is situated near Sahadra Industrial area where Type-1, Type 2 and Type -3 garment enterprises are located. Gandhi Nagar, another prime garment market which Asia's biggest readymade garments/textile market is also very close to Seelampur and Usmanpur. Important places of relevance here is Seelampur resettlement colony, Seelampur kapda market, New Seelampur and New Usmanpur.

Seelampur Kapda (Clothe) Market has a prominent market place of fabric sourcing and offers a plethora of diverse fabrics in bulk quantity attracting both domestic and international boutique owners to its domain. Seelampur resettlement colony was established to relocate a population displaced after the demolition of their homes in north and central Delhi during the Emergency period (1975 to 1977). Presently almost every household in Seelampur is associated with garment industry in one way or the other. The area comprises Type 4 and Type 5 non factory garment firms. The New Seelampur is slum area of Seelampur which provides multiple human resource alternatives for surface ornamentation, embroidery, creating buttons, finishing, packaging and stitching of designer cloths and other subsidiary work. Whereas New Usmanpur is a sub locality of Seelampur. This place is also relevant place to locate small dealers, sub-contractors and human resource for various purposes. Dying and repair of machines could be easily seen on the streets of Usmanpur while women are doing the job inside their house behind curtain.

The men and women both in the region are associated with garment industry in one way or the other. The men predominantly are engaged in dyeing, transporting, machine repair, embroidery and marketing whereas women work as home-based workers and are engaged in embellishment, finishing and packaging.

The area predominantly has Muslim community comprising approximately 70 to 80 per cent of the population. Most of population living here are migrants from states such as Bihar, Uttar Pradesh, Rajasthan, Madhya Pradesh and Chattisgarh. It's reasonable for poor migrants to find their feet in this corner of the city as it offers both work and low-cost accommodation. The average 8x8 double room accommodation without kitchen can be rented for only Rs. 2000-3000 a month.

#### **b) Sanjay Colony:**

Sanjay Colony is small slum like area located to the Southeast of New Delhi in the Oklha Industrial area. It covers an 18-acre area and has 45,000 residents. People started coming to the area in 1979 when it was still a forest. With Oklha industrial area comprising 3,000 industrial factories; it is one of the largest industrial areas in India. Everything from electronics to automotive parts to garments is produced in this area. Primary industry in Sanjay colony is garment industry. Sanjay colony holds one of the biggest markets of waste cloth clippings in Delhi. These cloths are basically remaining after cutting cloths, accesses cloth after finishing order or sometime half stitched cloth which is rejected due to access then required shipping.

Vendor further segregates them with help of women labour and sells it. Several tailors purchase cheap raw material to stitch garment from this market. Leftovers are sold to neighbouring recycling unit based in Panipat in marginal profit. In these factories' cloth clippings are converted into either cotton or thread.

Women from almost all families are somehow or the other associated with garment factories. It's also bulk market for leggings and cloth clippings.

## **4.2 Sample Design, Sample Size and Geographical Coverage**

For the purpose of primary data collection, homeworkers linked to Apparel industry based in three location of Delhi have been selected. Field survey was conducted in carefully selected residential colonies of Delhi where these workers live and use their home as workplace. In some cases, probing questions were asked as a part of in-depth interview to identify the diverse qualitative aspects and their impact on working condition and productivity.



### **4.2.1 Survey Preparation**

Prior to organizing a field survey, secondary data was reviewed, and desk research was held to determine the key aspects (based on findings of the secondary review) to be covered in the questionnaire. Women Home-based workers engaged in different kinds of work in Apparel sector such as Embroidery and embellishment, knitting, Thread (Dhaga) cutting, buttoning, finishing, crochet work etc were interviewed through semi- structured interview.

A total of 210 workers were interviewed. Information was also collected based on unstructured interviews. Therefore, also qualitative analysis both from primary and secondary surveys has been adopted to reach conclusions.

### **4.2.2 Key Observation from desk research:**

- Generally, in all low-income settlements in Delhi, Informal trade activities are marked with some pockets where women household workers are engaged in different activities depending upon market the backward and forward linkages.
- Apparel manufacturing is largely concentrated in North East district with 90% of work done in Gandhi Nagar, Seelampur Village/ Resettlement colony/ Jhuggi Jhopri Clusters (JJC's), Kailash Nagar, Jafrabad Colony, Subhash Mohalla, Welcome, etc.
- Manufacturing sector which constitutes 56% of employment involves household members as well as hired workers from same vicinity.
- NSSO Data reveals that there has been a constant increase in the number of women, engaged in piece-rate wage work in the home-based working in these areas.
- Some forms of linkages are growing with the formal sector
- More and more recent studies focusing on type and formation sub-contracting arrangements in the manufacturing sector which transfer the investment costs on to the workers who work in tough and insecure condition with chances of getting exploited.
- Work related challenges for women Home-based workers are gaining attention in recent studies as substantial proportion of the HBWs struggle for adequate wages despite being a part of global production chain.
- Recognition of their contribution to their family and to the larger economy is often underestimated.

### 4.3. Data Collection and analysis

The Data has been collected under 15 parameters with a focus on working condition and productivity. The impact of various forces on their productivity and underlying forces which can increase their competitive in all sphere of their working.

#### 4.3.1 Basic Information

The focus of this section is to collect the personal information of a person such as name, age, education level, caste, religion, marital status, local and permanent address, types of settlement, home-based workers income and family income.

##### 4.3.1.1 Age Group

The four categories of age interval have been formed to understand the pre-dominant age structure of the community (refer 4.3.1.1). The maximum number of women workers belongs to the younger age group i.e. 15 to 40 years, which constitute 68 per cent (144) of the total sample.

*Table 4.3.1.1: Age Group of Women Worker*

S. No.	Age Interval	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	52-65	9	4	6	19	9
	40-51	26	11	10	47	23
	27-39	26	34	29	89	42
	15-26	9	21	25	55	26
	Total	70	70	70	210	100

In New Usmanpur and New Seelampur, 21 and 25 per cent women belongs to 15-26 age group, which reduces to 9 per cent in case of Sanjay Colony. This is because of the type of work, privacy and security reasons. In New Usmanpur and New Seelampur, tailoring and thread cutting is predominant, which can be done inside the home. In Sanjay Colony, waste segregation is predominant, which usually has been done either in the open area or shop. Women workers don't want and allow their daughter to work under such conditions and situation. This age group is significantly lower than the age-group found (30-59) from secondary data.

### 4.3.1.2 Education Level

Out of 210 samples, 104 are literate which constitute 49 per cent of the sample taken into consideration (refer Table 4.3.1.2). The women are doing home-based work because of less elementary and technical education knowledge. **Literacy rate in Delhi** has seen upward trend and is 86.21 percent as per 2011 population census.

*Table 4.3.1.1: Number of Literate and Illiterate*

S. No.	Education	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Literate	7	48	49	104	49
	Illiterate	63	22	21	106	51
	Total	70	70	70	210	100

### 4.3.1.3 Religion

Only two religions i.e. Hindu and Muslim are found during the survey of the sample. Out of these two, Hindu religion is predominant with 85 per cent (refer Table 4.3.1.3). Both the religions are uniformly distributed in Sanjay Colony and New Usmanpur but not in New Seelampur. In New Seelampur, all the Muslim women are residing in a small area belongs to Muslim community in majority. Muslim Women tend to be invisible and want to stay at from home

*Table 4.3.1.3: Religion of the Community*

S. No.	Religion	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Hindu	66	60	52	178	85
	Muslim	4	10	18	32	15
	Total	70	70	70	210	100

#### 4.3.1.4 Marital Status

The maximum women workers are married followed by single status girls with 81 per cent and 15 per cent respectively (refer Table 4.3.1.4). Women used to work to increase the monthly income of their family. In Sanjay Colony, the dependency of family on the income of women is higher as compared to the New Usmanpur and New Seelampur.

*Table 4.3.1.4: Marital Status of the Women Worker*

S. No.	Marital Status	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Single	5	11	15	31	15
	Married	60	57	51	168	80
	Widower	5	2	3	10	5
	Divorcee	0	0	1	1	-
	Total	70	70	70	210	100

#### 4.3.1.5 Migration State

Out of 210 women 182 are part of migrant families, which amounts to 91 per cent of sample (refer Table 4.3.1.5) Maximum numbers of HBW were found from Uttarpradesh 143, followed by Bihar 22 and Rajasthan 5. Interestingly, distress migration is also prevalent in all these states. Only 9 per cent surveyed Home-based workers were found from Delhi. Prevalence of migrant workers over regional workers in Home-based work clearly showcase that agencies prefer to engage with community which has less negotiation power, less exposure to market and who are prepared to work on low wages and compromising working environment.

**Table 4.3.1.5: State of Migration**

S. No.	State	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Uttar Pradesh	49	56	38	143	68
	Bihar	10	8	4	22	10
	Delhi	0	2	16	18	9
	Rajasthan	5	1	4	10	5
	Haryana	6	0	3	9	4
	Other States	0	3	5	8	4
	Total	70	70	70	210	100

**Note:** Other States includes Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra and Uttarakhand.

#### 4.3.1.6 Type of Settlement

During Survey Home-based workers were found in two kinds of settlements unregularized colony and slum. New Usmanpur and New Seelampur are unregularized colonies whereas Sanjay colony is slum area. (Refer Table 4.3.1.6)

All three settlements have poor living conditions, poor infrastructure and no certain legal immunity from government. Restricted legal immunity from law for both slums and unregularized colonies make HBW and their family constantly live in threat of unprecedented punitive action from administration. Houses in regular colonies are expensive and thus unaffordable for them.

**Table 4.3.1.6: Type of Settlement**

S. No.	Type of Settlement	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Unregularized colony	0	70	70	140	67
	Slum	70	0	0	70	33
	Total	70	70	70	210	100

#### 4.3.1.7 Home-based Worker (HBW) Income

Revised Minimum wage for unskilled worker is 13,350 INR per month in Delhi (w. e. f. March 3, 2017). Every single interviewed Home-based worker earns way less than minimum wage. 28 per cent women engaged in Home-based work earn meagre amount of 9 INR to 81 INR per day (Refer Table 4.3.1.7), their monthly income range between 275 INR to 2455 INR. 64 per cent interviewed women reported to earn less than 160 INR per day; their monthly income ranged between 2456 INR to 4637 INR. Only 6 per cent women could earn between 4638 – 6819 monthly income which amounts to 154 INR to 227 INR and 2 per cent women reported to earn between 227 INR to 300 INR per day which range between 6820-9000 INR per month.

(Correlation: 9 % regional workers - 8% comparatively well paid)

**Table 4.3.1.7: Monthly Income of Home-based Women Workers**

S. No.	Income Interval (in Rs. per month)	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	6820-9000	2	1	1	4	2
	4638-6819	1	4	9	14	6
	2456-4637	55	44	35	134	64
	275-2455	12	21	25	58	28
	Total	70	70	70	210	100

#### 4.3.1.8 Family Income

Maximum women engaged in Home-based work come from poor economic background therefore it's essential for women to contribute in family's income for survival. 77 per cent women HBW monthly family income is less than 13500 INR (Refer Table 4.3.1.8), 21 per cent women's family income is less than 25,000 INR and only 1 per cent family's income was above 24,000 and 35,000 respectively. The family income of women living in unregularized colony New Usmanpur and New Seelampur was also found better compared to women living in Sanjay colony which is a slum area.

**Table 4.3.1.8: Monthly Income / Family Income**

S. No.	Income Interval (in Rs.)	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	36062-47500	0	1	1	2	1
	24625-36061	0	1	1	2	1
	13188-24624	18	13	14	45	21
	1750-13187	52	55	54	161	77
	Total	70	70	70	210	100

*Note: Family income includes the HBW workers income.*

### **4.3.2 Nature of Work**

The details related to three main aspects have been collected under this head. First, type of Home-based work in which women is engaged. Second, since when women are doing the work. Third, existence of kind of working arrangement such as contractual, sub-contractual, own account or hired for some part of year.

#### **4.3.2.1 Type of work:**

Type of work in which women are engaged varies from area to area (Refer Table 4.3.2.1) In Sanjay Colony women are primarily engaged in waste segregation whereas in New Usmanpur and New Seelampur its thread cutting and tailoring. Overall 42 per cent women Home-based workers were engaged in tailoring followed by 30 per cent in waste segregation and 28 per cent in thread cutting.

To do the analysis under this head only by considering the statistical data can't reveal the ground status. Almost each woman has the tailoring skill as it is required to do the daily work at household level. So, one can do more than one type of work as per the requirement. The type of work chosen by the women depends upon the demand and income from the work.

**Table 4.3.2.1: Type of Home-based Work**

S. No.	Type of Work	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Waste Segregation	62	0	0	62	30
	Tailor	8	29	51	88	42
	Thread Cutting	0	41	18	59	28
	Embroidery	0	0	1	1	-
	Total	70	70	70	210	100

#### **4.3.2.2 Work Experience**

Working experience varies from 1 day to 40 years. 79 per cent (167) of the women workers are having 0 to 10 years' experience (refer Table 4.3.2.2).

**Table 4.3.2.2: Years of Work Experience of Home-based Work**

S. No.	Work Experience (in years)	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	31-40	4	0	0	4	2
	21-30	8	1	1	10	5
	11-20	15	8	6	29	14
	0-10	43	61	63	167	79
	Total	70	70	70	210	100

#### **4.3.2.3 Work Arrangement (Seasonality)**

Out of the four types of work arrangement as discussed, only two types of arrangement have been seen i.e. workers hired for some part of year and own account work. The per centage of workers hired and having their own account work is 59 per cent (121) and 42 per cent (89) respectively (refer Table 4.3.2.3). Workers who worked for waste segregation and thread cutting are hired for some part of years while tailor and embroiderer has their own account work. The number of months or days of workers hired for some part of the year are depending upon the demand of market.



**Table 4.3.2.3: Own Account and other working arrangement**

S. No.	Work Arrangement	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Hired for some part of year	64	43	17	124	59
	Own Account	6	27	53	86	41
	Total	70	70	70	210	100

### **4.3.3 Working Hours**

The focus is to collect the information of individual on number of working hours they invest on their own and hour's family spent to help them out in their work. While considering these working hours it's also important to consider that HBW has cumulative responsibility of meeting work related responsibilities along with household responsibility. They not only contribute to the domestic budget, but they also contribute by taking care of children, elderly, managing quality of family life and social fabric of their communities.

#### **4.3.3.1 Number of Working Hours**

Presented data showcase that 11 per cent women normally spent 9-10 hours of work whereas 31 per cent women spent 7-8 hours of work 44 per cent spent 4-6 hours and 14 per cent spent 2-3 hours' work every day.

Women engaged in waste segregation spent longer hours working compared to women engaged in tailoring thread cutting and embroidery. Out of 70 interviewed women, 44 women of Sanjay colony invests 7-8 hours of work and 23 women 9-10 hours every day. It's also worth noticing that they are the one who are lowest paid Home-based workers with lowest family income. The number of working hours is not fixed instead depends upon the requirement of market. There exists also some rule i.e. factories act, limiting the working hours to adult.

**Table 4.3.3.1: Number of working hours**

S. No.	Number of Hours	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	9-10	23	0	0	23	11
	7-8	44	12	9	65	31
	4-6	3	37	52	92	44
	2-3	0	21	9	30	14
	Total	70	70	70	210	100

### 4.3.3.2 Family Support

Majority of women workers with 87 per cent (183) work alone, to support their family livelihood and children's education (refer Table 4.3.3.2). Only 13 per cent (27) workers are getting help in their work from the family side. Absence of formal system of support.

**Table 4.3.3.2: Support from Family**

S. No.	Number of Hours	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Alone	54	68	61	183	87
	Support	16	2	9	27	13
	Total	70	70	70	210	100

### 4.3.4 Housing and Asset

The data under this section is collected to understand the ownership of house (own or rented), types of house (puccha or kaccha), ownership of vehicle (cycle, motor cycle, car etc), assets available and required as per their need and aspiration.

#### 4.3.4.1 Ownership of House

Out of the total sample surveyed, 67 per cent (132) of the workers are having their own house while the remaining is on rent, which seems to be a good. But, in Sanjay Colony, 57 per cent (40) workers are living on rent (refer Table 4.3.4.1).

**Table 4.3.4.1: Ownership of house**

S. No.	Ownership of Housing	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Own	30	45	57	132	63
	Rented	40	25	13	78	37
	Total	70	70	70	210	100

#### **4.3.4.2 Number of Rooms**

Most of the workers are having single room with 50 per cent (105). Out of the total, 89 per cent (186) of the workers are having one to three rooms in their house (refer table 4.3.4.2). In Sanjay Colony, 93 per cent (65) of the workers are having single room which is because of less monthly average income and high room rent as discussed before.

**Table 4.3.4.2: Number of rooms**

S. No.	Number of Rooms	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	6-7	0	2	0	2	1
	4-5	0	14	8	22	10
	2-3	5	31	1	82	39
	1	65	1	16	104	50
	Total	70	70	70	210	100

#### **4.3.4.3 Ownership of Vehicle**

The women workers don't have any ownership of vehicle. Vehicles ownership either belongs to the head or male of the family. Even if the vehicle belongs to the family, women workers neither have any ownership nor use right over it. Out of the total, only 23 per cent (48) families have vehicle and remaining don't have any type of vehicle ownership (refer Table 4.3.4.3). Out of the 23, 61 per cent (29) are having cycle while 39 per cent (19) having motor cycle. Ownership of Vehicle is observed highest in New Usmanpur while lowest in Sanjay Colony.

**Table 4.3.4.3: Ownership of vehicle**

S. No.	Number of Hours	Sanjay Colony	New Usmanpur	New Seelampur	Total (210)	
					Number	Per centage
	Cycle	5	20	4	29	14
	Motor Cycle	0	14	5	19	9
	No Vehicle	65	36	61	162	77

#### 4.3.4.4 Ownership of Asset

Out of the list of six assets, 77 per cent (161) workers are having mobile phone followed by LPG connection with 68 per cent (143) while only 4 per cent (9) are having internet facility on their mobile phone (refer Table 4.3.4.4).

**Table 4.3.4.4: Household Ownership of Assets**

S. No.	Name of Asset	Sanjay Colony	New Usmanpur	New Seelampur	Total (210)	
					Number	Per centage
	TV	16	52	53	121	58
	Fridge	4	20	18	42	20
	Phone	35	62	64	161	77
	Cooler	1	18	8	27	13
	LPG	15	67	61	143	68
	Internet	1	6	2	9	4

#### 4.3.4.5 Need of Asset

The workers are not too much concern about the assets; their main need is to sustain their livelihood. As per analysis of data collected, motor cycle is the priority of 15 per cent (32) of the women workers followed by own house which is 11 per cent (refer Table 4.3.4.5).

**Table 4.3.4.5: Needs for assets**

S. No.	Name of Asset	Sanjay Colony	New Usmanpur	New Seelampur	Total (210)	
					Number	Per centage
	TV	9	3	2	14	7
	Fridge	2	3	1	6	3

	Phone	4	0	3	7	3
	Cooler	0	0	1	1	0
	LPG	19	0	3	22	10
	Internet	0	0	0	0	0
	House	4	12	7	23	11
	Cycle	2	1	0	3	1
	Bike	1	17	14	32	15
	Scooty	1	2	4	7	3
	Car	0	10	0	10	5

#### 4.3.5 Quality of Physical Environment of Workspace

The space, amount of light and ventilation within the houses of women workers is found to be enough by 60 per cent (123), 68 per cent (143) and 61 per cent (128) respectively (refer Table 4.3.5.1). The waste segregator workers prefer to work in an open space as compare to the enclosed one, because of health problem faced by them due to the dust and chemical used in the textile industry (refer para).

**Table 4.3.5.1: Opinion about available spaces**

S. No.	Space	Sanjay Colony	New Usmanpur	New Seelampur	Total (210)	
					Number	Per centage
	Sufficient Space	14	66	43	123	60
	Ample Lighting	27	70	46	143	68
	Proper Ventilation	19	66	43	128	61

#### 4.3.5.2 Type of Toilet Facility

Maximum households of HBW has individual toilet facility however 10 per cent still have to look for community toilets for daily ablution.

*Table 4.3.5.2: Toilet facility*

S. No.	Type of Toilet	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Individual				190	90
	Community				20	10
	Total	70	70	70	210	100

#### 4.3.6 Basic Amenities and its Quality

Basic amenities considered during the survey for data collection are water requirement, electricity facility, availability of toilet within the premises or community toilet, type of drainage system, method of solid waste management used, telephone connectivity and internet facility. Data tables are not presented for this section as most of the views are very clear. Here are the findings:

##### i. Water Facility

All the works which are observed to be done by the women within the study area don't require any use of water. So, the dependency on water is zero per cent.

##### i. Electricity

Out of the 210 samples, only one woman-tailor is using electric machine. Other than her all other women tailors are using manual machine. Electricity is not required in waste segregation, thread cutting and embroidery.

## **i. Telephone Connection**

Out of the total, 77 per cent (161) workers are having mobile phone while only 4 per cent (9) are having internet facility on their mobile phone (refer Table). There is no landline phone connection found in the sample considered.

## **i. Type of Toilet Facility**

There are 90 per cent (190) houses having toilet facility within the premises and only 10 per cent (19) houses are using community toilet (refer Table). But the contribution of 10 per cent is wholly from the Sanjay Colony, which is a slum.

### **4.3.7 Solid Waste Management**

The women workers either disposed or reuse the waste generated during the work. Out of the total workers, 70 per cent (145) disposed while only 30 per cent (65) reuse the waste (refer Table 4.3.7.1). The workers who reuse the waste, all are tailors while the remaining workers disposed the waste. Out of total tailors (88), 74 per cent (65) reuse the waste to make pillow, children cloths, etc (refer Table).

***Table 4.3.7.1: Method of Waste Treatment***

S. No.	Waste Treatment	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Disposal	60	46	39	145	70
	Reuse	10	24	31	65	40
	Total	70	70	70	210	100

### **4.3.8 Use of Technology**

Desk research suggested that use of technology is very less for procuring the material or getting the work. Therefor question was framed if they have “heard” about the work. And most likely the answer is yes. Therefore, question was put about the source.

### 4.3.9 Setting up the Home-based Unit

The data has been collected to know the source of information for the work, challenges faced in getting the work at the beginning and the process of getting the work (through personal contract, direct from factory, through vendor, intermediary, other).

#### 4.3.9.1 Heard about the work

Social links play an important role in passing the information related to work, especially for those who don't have access to newspaper, internet and belongs to weaker section of the society. The same thing is observed in the study area. Out of the total sample, 62 per cent (128) heard about the work from their neighbours flowed by relatives and family members with 20 per cent (42) and 18 per cent (38) respectively (refer Table 4.3.9.1).

**Table 4.3.9.1: Source of heard about Work**

S. No.	Heard	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Neighbours	35	60	33	128	62
	Relatives	25	1	16	42	20
	Family	9	8	21	38	18
	Friends	0	1	0	1	-
	Government Officers	1	0	0	1	-
	Total	70	70	70	210	100

In the Sanjay Colony, one tailor-worker told about that, during the summer and winter vacation representatives from the government tailoring centre used to visit the colony and from whom she heard about the work first time. But other than her, no one agreed to claim the same thing. For the following aspects data is presented without table as these aspects are also covered in qualitative parts as well.

#### 4.3.9.2 Challenge Faced

At the initial stage of any type of work, workers faced problems which can be multi-folded (financial, learning of skill required in work, etc). Out of the total workers, 39 per cent (81) workers



faced challenges at the initial stage in setting-up. The remaining are either helped by the neighbours, relatives and family support or guided by the workers who already faced challenged

#### 4.3.9.3 Work Arrangement

All the workers got the work either through their personal contact or referral by social network who is already in the profession. In case of thread cutting and waste segregation, the material is provided by the middle-man and workers need to do the work and return the finish goods to the middle-man. No additional arrangement is required in thread cutting and waste segregation. In case of tailoring, workers need to buy a stitching machine. Out of total tailors (88), 94 per cent (83) buy the machine while remaining has it already.

#### 4.3.9.4 Support in Arrangement of Work

The women workers work to support their family by earning some additional income by doing informal work. Therefore, 40 per cent (84) of the workers are supported by their family in making the arrangement for work (refer table 4.3.9.5). In New Usmanpur and New Seelampur, 12 per cent (26) of the total workers don't receive anyone support in making the arrangement for work. All these workers cut the thread of the jeans and the arrangements are fully provided by the middle-man.

**Table 4.3.9.5: Support in Arrangement for Work**

S. No.	Support	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Family	9	29	46	84	40
	Social Network	54	11	14	79	38
	Self	7	11	0	18	9
	Neighbours	0	3	0	3	1
	Alone	0	16	10	26	12
	Total	70	70	70	210	100

Out of the total workers (210), 2 per cent (5) workers took credit for buying the stitching machine and they all are tailors. The Home-based work doesn't lead to any increase in the family expenses. For Home-based work, which is observed in the study area, no permission from the side of government is required to do the work.

### 4.3.10 Production

The focus is to collect the data about the number of units produced by the workers in a day or month, to know about capacity and skill of their efficiency. It also helps to understand the facilities required for more production.

#### 4.3.10.1 Production per Unit

The production of units per month has been analysed for each of the category of work observed in the study area. Tailoring, thread cutting, embroidery and waste segregation are totally different activities. Hence, the monthly per unit production has been analysed separately. Out of the total tailors (89), 93 per cent (82) can produce 4 to 46 units in a month (refer

Table 4.3.10.1). In case of thread cutting work, 35 per cent (21) workers cut the thread of 3137 to 4693 units in a month (refer Table 4.3.10.2). In waste segregation, workers work on daily wages and number units produced in a day is not applicable.

**Table 4.3.10.1: Tailor Monthly Production**

S. No.	Production (in unit)	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	133-175	3	0	0	3	3
	90-132	1	0	0	1	1
	47-89	0	1	2	3	3
	4-46	4	28	50	82	93
	Total	8	29	52	89	100

*Note: Embroidery is included*

**Table 4.3.10.2 Thread Cutting Monthly Production**

S. No.	Production (in unit)	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	4694-6250	0	11	8	19	31
	3137-4693	0	18	3	21	35
	1580-3136	0	12	5	17	30
	22-1579	0	0	2	2	4
	Total	0	41	18	59	100

### 4.3.10.2 Capacity and Facility

Out of total (210), 46 per cent (96) workers has the capacity to increase the per unit production in a month (refer Table 4.3.10.3). These workers are not able to produce more because of less availability of work. If the proper working conditions besides the work are provided to them then they have the capacity to produce three times more as compared to the existing production. The production can also be increased by providing the more working space to the workers, electric stitching machine and man-power for the work.

**Table 4.3.10.3: Facility required for more Production**

S. No.	Requirement	Sanjay Colony	New Usmanpur	New Seelampur	Total (210)	
					Number	Per centage
	Capacity	7	42	47	96	46
	Require Space	6	1	2	9	4
	Electric Machine	3	1	3	7	3
	More Manpower	3	14	12	29	14

### 4.3.11 Work Collection and Delivery

The data collected through the survey is analysed to understand the mechanism of getting work. It is observed that, 58 per cent (122) of the workers receive work through vendor while remaining 42 per cent (88) receive directly through the customer (refer Table 4.3.11.1). All the waste segregator receives work through vendor while in case of thread cutter workers (59), 97 per cent (57) receive work through vendor. Out of the total tailors (89), 97 per cent receive work directly through customer.

**Table 4.3.11.1: Mechanism of Work Collection**

S. No.	Work Received	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Directly	5	30	53	88	42
	Vendor	65	40	17	122	58
	Total	70	70	70	210	100

All the workers work in the informal sector and no contract are required for getting the work either through vendor or directly through the customer. In case of thread cutting, vendor visits the house

in the morning and provide the material and equipment to the worker. In the evening, vendor visit again and collect the material. In case of waste segregation, workers either go to the middle-man house or work along the road side in a group. In case of tailor, customer visits the workers house and collects their cloth after preparation or alteration. Therefore, delivery point, place to receive input and deliver the output does not exist in all the cases. The work is done either at home or nearby open or public space which are at a walkable distance from the home. Hence, no mode of travel is required to reach the working place.

### 4.3.12 Remuneration

To know the better understanding of the work and money receive by the workers is sufficient or not, the data has been collected on the various aspects i.e. money received for work, minimum number of working days, existing and preferred mode of payment, frequency of receiving payment, deduction of money by the vendor or not, male remuneration for the same work and any other type problem faced in payment.

#### 4.3.12.1 Wages

The payment for the work is given on daily as well as production of per unit basis. In waste segregation, daily wages are given to the workers for the work which varies from Rs. 50-175 per day. Out of the total workers (62) who work as a waste segregator, 75 per cent (47) receive Rs. 144-175 per day (refer Table 4.3.12.1a). Only 1 worker is getting Rs. 50 day as she is new to the work. Waste segregation work has been done only in the Sanjay Colony. The variation in wages is also seems to be related to the working location. The women who are working in the enclosure space, i.e. in middle-man house or shop, within the colony are getting less daily-wages (Rs. 80-100 per day). The workers working along the road side are getting high daily-wages (Rs. 144-175 per day).

**Table 4.3.12.1a: Waste Segregation Wages**

S. No.	Income (per day)	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	144-175	47	0	0	47	75
	113-143	5	0	0	5	8
	81-112	9	0	0	9	15
	50-80	1	0	0	1	2
	Total	62	0	0	62	100

In tailoring, the income varies from Rs. 20-200 per unit. Out of the total tailor workers (89), 53 per cent (47) receive Rs. 110-154 per unit followed by 30 per cent (27) who receive Rs. 65-109 per unit (refer Table 4.3.12.1b).

**Table 4.3.12.1b: Tailor Wages**

S. No.	Income (per unit)	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	155-200	0	6	5	11	12
	110-154	4	17	26	47	53
	65-109	2	6	19	27	30
	20-64	2	0	2	4	5
	Total	8	29	52	89	100

In thread cutting, the income varies from Rs. 0.5-0.6 per unit. Out of the total workers (59), 78 per cent (46) receive Rs. 0.6 per unit followed by 22 per cent (13) who receive Rs. 0.5 per unit (refer Table 4.3.12.1c). Thread Cutting work is not seen in the Sanjay Colony.

**Table 4.3.12.1c: Thread Cutting Wages**

S. No.	Income (per unit)	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	0.6	0	40	6	46	78
	0.5	0	1	12	13	22
	Total	0	41	18	59	100

#### 4.3.12.2 Number of working days in a month

The workers work with average minimum 4 to maximum 28 days in a month. Out of the total (210), 81 per cent (169) worker works 23 to 28 days followed by 19 per cent (39) worker works 17-22 days in a month. (Refer Table 4.3.12.2)

**Table 4.3.12.2: Number of Working Days in a Month**

S. No.	Number of working days (in month)	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	23-28	46	66	57	169	81
	17-22	22	4	13	39	19
	11-16	1	0	0	1	-
	4-10	1	0	0	1	-
	Total	70	70	70	210	100

The payment is paid to all the workers through cash. Cash is also the preferred mode of mechanism by all the workers especially after the demonetization of money since November 2016.

#### **4.3.12.3 Frequency of Receiving Payment**

Frequency of payment is directly related to the type of work. On average, 40 per cent (85) of the workers receive payment on weekly basis followed by daily and monthly with 35 per cent (72) and 25 per cent (53) respectively (refer Table 4.3.12.3). In case of waste segregation and threat cutter, the frequency of receiving payment is daily and monthly respectively (refer Table and table) while tailor receive in the combination of both (refer Table 4.3.12.3).

**Table 4.3.12.3: Frequency of Receiving Payment**

S. No.	Frequency	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Daily	64	1	7	72	35
	Weekly	6	29	50	85	40
	Monthly	0	40	13	53	25
	Total	70	70	70	210	100

Only 7 per cent (14) of the total workers complain about the deduction of payment while 11 per cent (24) workers faced problem related to the payment of money. In waste segregation, no deduction of payment has been done by the vendors. In thread cutting, if the worker cuts the jeans instead of thread only then deduction of Rs. 300 from the payment has been done as compensation to the loss beard by company because of workers mistake. In tailoring, the known customers don't

pay the full amount of money and deduct almost 10 per cent of the amount liable to be paid by them.

#### 4.3.12.4 Male Remuneration

In waste segregation, daily wages are given to the male workers for the work varies from Rs. 100-175 per day which is higher than the daily wages given to female workers (refer Table 4.3.12.4). According to the female workers (62), 48 per cent (30) male workers receive Rs. 138-155 per day and 45 per cent (28) receive Rs. 156-175 per day.

*Table 4.3.12.4: Waste Segregation Wages for Male*

S. No.	Income (per day)	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	156-175	28	0	0	28	45
	138-155	30	0	0	30	48
	119-137	1	0	0	1	2
	100-118	3	0	0	3	5
	Total	62	0	0	62	100

In tailoring, the male workers income varies from Rs. 25-250 per unit which is higher than the daily wages given to female workers (refer table 4.3.12.5). According to the female workers (89), 66 per cent (59) male workers receive Rs. 138-194 for per unit followed by 28 per cent (25) who receive Rs. 195-250 for per unit (refer table)

*Table 4.3.12.5: Tailor Wages for Male*

S. No.	Income (per unit)	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	195-250	2	10	13	25	28
	138-194	4	18	37	59	66
	81-137	0	1	2	3	4
	25-80	2	0	0	2	2
	Total	8	29	52	89	100

In thread cutting, the male workers income (refer is same for the female workers (refer Table).

### 4.3.13 Skill and Training

This section includes the skills and training required for the work by the workers. The data on the skill of the workers have been collected and analysed. The focus is to understand the skills needed to do the work and rating of the workers based on their perception to do the work. Information related to training, training period, fee, improvement after training and linkages with the formal sector has been also collected for the analysis point of view.

#### 4.3.13.1 Skill Required

There are four types of work observed within the study area and skills required for those work has been described under this section (refer Table 4.3.13.1). In waste segregation, workers need to identify the strips of same colour and put it separately in a bunch from the bag of cloth cutting waste. It is suitable for the illiterate people as well. In tailoring, stitching and altering skills are required. It generally requires training to enhance the skill and improve the efficiency in the work. In thread cutting, workers cut the exceed thread from the jeans after the stitching work has been finished. In embroidery, control over the needle is required which can only be attain through training and practice.

#### 4.3.13.2 Skill Rating

The skills required for doing the work has been rated as per the workers point of view. The rate of skill is based on the time and money taken for unit production for tailors and number of units finished for thread cutters. Out of the total women workers (210), 53 per cent (110) rated themselves good while 31 per cent (66) rated themselves very good (refer Table below). Only 1 per cent (2) considered their skills as poor.

**Table 4.3.13.1: Rating of Skills**

S. No.	Rating	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Very Good	12	27	27	66	31
	Good	39	40	31	110	53
	Average	17	3	11	31	15
	Poor	2	0	1	3	1
	Total	70	70	70	210	100



Out of the total (210) workers, 4 per cent want to receive training to enhance the quality of work and increase the income.

### 4.3.13.3 Training Received

Out of the total women workers (210), 39 per cent (81) workers received training and those all the tailors. Out of the 39 per cent (81), 36 per cent (29) received training from government and NGOs while 32 per cent (26) from the training centre and tailor followed by family, relatives, neighbour and school (refer Table 4.3.13.2). One worker in New Seelampur learns the tailoring skill by herself only without any training, which seems to be a unique case.

*Table 4.3.13.2: Training Received*

S. No.	Received From	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Family, Relatives and Neighbour	3	6	13	22	27
	Government and NGO	2	11	16	29	36
	Centre and Tailor	0	12	14	26	32
	School	0	0	3	3	4
	Self	0	0	1	1	1
	Total	5	29	47	81	100

The earning of all the workers is increased after receiving training. But the training doesn't help the workers to improve the linkages with the formal sector.

### 4.3.13.4 Duration of Training

The duration of training is varied from 1 to 26 months. Out of the total workers who received training (81), 82 per cent are able to complete and learn it within a period of less than 6 months while the remaining required more time to learn the same skill (refer Table 4.3.13.3a ).

**Table 4.3.13.3a: Duration of Training**

S. No.	Duration (in month)	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	20-26	0	1	3	4	5
	14-19	0	0	1	1	1
	7-13	0	1	9	10	12
	1-6	5	27	34	66	82
	Total	5	29	47	81	100

### 4.3.13.5 Charges for Training

Government and NGOs training institutions are providing free training to the women workers. Only the registration fee of Rs. 100 per trainee is charged by such institutions. Out of the total (81), 83 per cent (66) workers paid the fee by themselves and only 15 per cent receive the free training from the institutions (refer Table 4.3.13.3b). But in some cases, the exploitation of work is complained by the workers. The institutions don't provide the proper training as per the schedule and increase the time period. As a result of which, trainees are compelled to do the institutional work from which the institutions get profit by using the skills of their trainee.

**Table 4.3.13.3b: Who paid the charges for training**

S. No.	Payment for Training done by	Sanjay Colony	New Usmanpur	New Seelampur	Sub-total	
					Number	Per centage
	Self	4	27	35	66	83
	NGO	0	0	3	3	4
	Free	1	2	9	12	15
	Total	5	29	47	81	100

### 4.3.14 Health

The health problem faced by the women workers are identified and classified into five categories i.e. (i) Body Pain: includes any type of pain in body, i.e. joint pain, back pain, headache, etc; (ii) Eye Related Problem: eye irritation, eye weakness, etc; (iii) Breathing Problem and (v) Electric Shock: from electric stitching machine. For the understand health problem, frequency and year of

occurrence are the two main components without which the qualitative part wouldn't be complete. So, the information for above the two has been collected for the analysis.

#### 4.3.14.1 Health Issue

Out of the total (210), 39 per cent (81) of the workers are facing one or more health issue. Out of the five categories mentioned above, maximum number of workers are having body pain problem followed by eye related issue with 38 per cent (79) and 26 per cent (55) respectively (refer Table 4.3.14.1). Problems related to skin allergy are observed the least by 6 per cent (12). But the condition of waste segregator workers in Sanjay Colony is worst. It is because of the dust, bad working conditions, exposure to climate and chemical used in the waste during manufacturing process. All the skin problems are the result of chemical reaction with the workers body. In waste segregation, 100 per cent (62) workers are facing health problems while only 14 per cent (21) of the workers other than waste segregation are facing health issue.

**Table 4.3.14.1: Health Issues faced after starting the Work**

S. No.	Health Issue	Sanjay Colony	New Usmanpur	New Seelampur	Total (210)	
					Number	Per centage
	Body Pain (Headache, joint pain, etc)	64	8	7	79	38
	Eye Related Problem	51	0	4	55	26
	Breathing Problem	25	0	0	25	12
	Skin Allergy	12	0	0	12	6
	Electric Shock	1	0	0	1	-

#### 4.3.14.2 Frequency of Disease

The occurrence of the health issue is highest reported on daily while lowest on monthly basis by 77 per cent (63) and 16 per cent (13) of the workers (refer Table 4.3.14.2). The health issues such as body pain, eye related problems occurred either daily or weekly while breathing and electric shock occurred at the interval of weekly and yearly. Only skin allergy occurs at the yearly interval.

**Table 4.3.14.2: Frequency of Occurrence of Health Issues**

S. No.	Frequency	Sanjay Colony	New Usmanpur	New Seelampur	Total (82)	
					Number	Per centage
	Daily	61	1	1	63	77
	Weekly	32	5	0	37	45
	Monthly	5	1	7	13	16
	Yearly	15	0	0	15	18

Out of total workers (82) who have any health issue, only 1 per cent (3) received any type of treatment from the government hospital. Workers don't prefer to go under any treatment as it requires money and at the same time, must bear the cost of loss of employment. In case of any health problem, 28 per cent (58) workers are supported by the vendor by providing one or two amounts in advance. But the advance is only given to the workers having their own house and not to the workers who are living on the rent.

#### **4.3.15 Employment, Work and Social Security**

The workers are working in an informal sector and are not bounded by any type of contract. So, it totally depends on the workers willingness to work. Any worker can take leave and denied working at any point of time and there is no compulsion of doing work. Out of total (210), 98 per cent (207) got the provision of holiday or leave but at the cost of loss of their daily wages as compensation. Workers only get the payment of work which they do based on the type of work i.e. payment based on per unit or per day. Only 5 per cent (11) women workers are having crèche facility. In case of any dispute, workers neither have arbitrary facility nor other employer facilities such as maternity leave, health care benefits and provident funds exists.

#### **4.3.16 Survival Strategies & Role of Key Institutions**

The workers don't have permanent job, so it is essential to understand how the workers address their urgent need. Informal groups play vital role in case of urgency. The focus is also known about the awareness of workers about the government policy.

#### 4.3.16.1 Urgent Need

To understand how the women workers addressed their urgent needs, eight categories have been formed based on the survey (refer Table 4.3.16.1). In maximum cases, workers are supported either by their family or relatives or both followed by community. Vendors also support to the workers as discussed in para 2.13.2. Under critical situations, workers prefer to take loan on interest to sustain their life.

**Table 4.3.16.1: Support during the Urgent Needs**

S. No.	Support	Sanjay Colony	New Usmanpur	New Seelampur	Total (210)	
					Number	Per centage
	Family	32	40	46	118	56
	Relatives	39	37	25	101	48
	Neighbour	9	9	10	28	13
	Community	29	12	15	56	27
	Social Network	10	16	6	32	15
	Loan	4	3	0	7	3
	Vendor	0	40	8	48	23
	Friends	0	7	6	13	6

The informal group network and connectivity with the workers is not strong. Out of total workers (210), 8 per cent (18) workers told about the existence of informal group. The informal group supports in terms of money and work during the urgency. Out of the total (210), 6 per cent (14) accepted that the incident happened in past when informal group supported the Home-based workers. The workers are not aware about the government policies. Workers only know government has introduced the schemes and policies for the poor but don't know the details and process about the same.

#### 4.3.17 Future Plan

At the end of each sample, a plan for the betterment of women workers in the informal sector are asked from the workers. Based on which the prioritization has been done. The analysis of the data shows that, priority is to build the linkages with the society with 68 per cent (142). Second, requirement of space and manpower is almost equal with 61 per cent (128-129). Third, focus on

women workers health related problems and provide affordable treatment facilities. Fourth, provide the provision of better infrastructure facilities within the colony. Last, investment can lead to good return (refer Table 4.3.17.1).

**Table 4.3.17.1: What improvements are required**

S. No.	Requirement of Improvement	Sanjay Colony	New Usmanpur	New Seelampur	Total (210)	
					Number	Per centage
	Linkage	47	47	48	142	68
	Space	45	33	51	129	61
	Infrastructure	27	9	16	52	25
	Health	62	0	12	75	36
	Manpower	25	51	52	128	61
	Investment and Returns	7	11	14	32	15
	Other	0	7	2	9	4

The other factors highlighted by the workers for the improvement of women workers in the informal sector are to increase the per unit and per day wages, providing common working space for the women workers, provision of free training and permanent job instead of wage employment. These entire factors can contribute in the process of changes required in the informal sector.

#### **4.4 Inferences drawn from primary survey:**

##### **Productivity Potential:**

- Age group is significantly lower than the age-group found (30-59) from secondary data.
- Physical infrastructure and provision for amenities in Usmanpur and Seelampur

- Quality of Physical Environment of Workspace is good
- Availability of Basic amenities like toilet, water, electricity, telephone etc
- Relatively poor use of solid waste and residuals

#### **Productivity constraints:**

- Low production per unit hence low wages
- Less capacity utilization
- Low level of skills imparted. Lack of business and entrepreneurial skills
- Health condition is poor, but no serious issues reported.
- limited mobility options (cycle) and assets for quality of life and knowledge acquisition

#### **Legal Environment:**

- Absence of formal system of legal support.
- Unregularized colonies and corruption
- Daily wages as compensation, no benefits
- Absence of any form of formal support system

#### **Opportunities, threat and constraints**

- Literacy rate is lower than literacy rate of Delhi
- Education is having high impact on selection of job and earning
- Muslim women tend to confine inside the home hence lessee bargaining and choice of work available
- Majority of migrant unskilled workers
- Low income below minimum wages also low family income
- Low education and skills work in Sanjaya colony
- Access to internet is there but lesser use for economic activities
- Involvement of middleman or other vendors to arrange the work
- Reliance of social network for arrangement of work
- Very low wages for tailoring, thread cutting and segregation workers
- Payments not given frequently
- Relatively higher male remuneration

Review of primary data on home-based workers has brought out answers of some of the key questions. Firstly, the question on subcontracting linkages if it is having capacities to generate meaningful employment or facilitating any form of transition of the traditional working into larger and more dynamic modern. Here all the outcome of the key indicators particularly wages, earning, and productivity profile of the surveyed home-based workers point to working which is meant for mostly survival of the home-based workers particularly home-based workers in Sanjay Colony. Secondly, though literature, its established that national legislation and various government programs claim to guaranty them their basic rights, social security but results indicate meagre implementation of any standard of social security or any benefit.

Usmanpur is seen as having better socio-economic profile and relatively better in terms of diverse characteristics of productivity, working environment, status in employment etc.

The other aspect which requires further attention is deeper understanding of value chain dynamics work and different linkages have impact on value chain dynamics. Therefore, a deeper insight is required about linkages particularly economic Linkages between home-based workers and other stakeholders.



## **Chapter 5: Primary Field Survey: Women Home Based**

### **Workers in Delhi in Garment and Apparel sector - a qualitative approach.**

#### **5.1 Introduction**

Field Survey has provided insights on issues and potentials which exist in the case study area. Out of many work arrangements and types which have been mentioned, only two types of arrangements have been seen i.e. workers hired for some part of year and own account work. Most home-based workers fall in a grey zone that their status can't be ascertain if they are working as sub-contracted or fully dependent sub-contracted workers.

Irrespective of what their status is, they have a high impact of microeconomic environment as most of the time they do not know if they are going to have work on regular basis. Market demand is unstable. It was found that high cost is incurred towards rents, electricity, equipment's and raw materials. Further, patterns on earning and wages indicates that that they experience unpredictable situations when it comes to payments and often unfair value chain dynamics due to involvement of vendor or so-called contractor.

Mostly workers were without any written contract and get work either through vendor or directly through the firm that outsources work. In some cases, material and equipment is supplied and collection is done by vendor. Therefore, delivery point, place to receive input and deliver the output does not exist in almost all the cases. The work is done either at home or nearby open or public space which are at a walkable distance from the home. Hence, no mode of travel is required to reach the working place.

This chapter tries to explore the value chain dynamics and diverse linkages which have direct or indirect effect on the earnings and productivity of home-based workers. These aspects are studied through a investigation of Apparel (Jeans) Manufacturing process in Seelampur area- one location of the case study area. Help of unstructured interviews is taken to compile this section.

Efforts were made to explore above mentioned aspects in all three locations of survey areas including workers engaged in waste segregation but due to intercultural and resource constraints it was possible only to perform investigation near Seelampur/Usmanpur. Despite all this, all important desired aspects of home-based working have been captured through participatory approach, in-depth discussion and in-depth interview in the side-lines of field-survey. Jeans manufacturing

process been summarized along with general observation about home-based working conditions and quality of physical environment.

Possibilities have also been explored to collect perceptions of select homeworkers what they consider about certain aspects of their working. Therefore, some informal discussion has been presented to collect the viewpoint of diverse home-based workers.

This chapter then concludes with a brief discussion on transition to formal context for home-based workers. Can it provide better avenues of growth? Apart from recognition of home. based workers, there exist the possibilities for adoption of certain standards for their work, basic rights or even social security. For this, experts' views on these aspects have been sought from a select group of experts from Delhi.

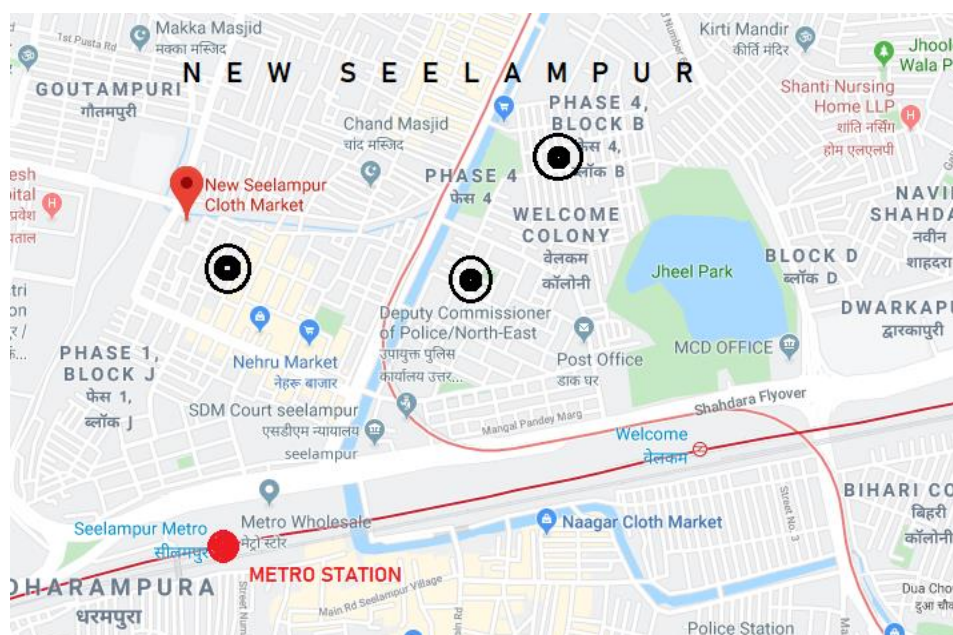
## **5.2 Case Study: Apparel (Jeans) Manufacturing, New Seelampur**

The study aims at exploring value chain dynamics of home-based workers through process of Apparel manufacturing where home-based workers are involved. Critical stages of this manufacturing process are manual intensive where involvement of HBW is sought as a means of cost-saving. Additionally, knowledge of markets, market prices and the economic value of what they earn in proportion. The section also tries to make a perception about diverse linkages which exist. The situations and possibilities which exist to provide better growth opportunities for workers. Perceptions were also made to understand the relations between the different stakeholders involved in the Value chain.

### **5.2.1 General profile of Seelampur:**

Seelampur is in the north east district of Delhi and shares its northern and eastern borders with Ghaziabad district of Uttar Pradesh. Its population size stands at 1,76,8061 in an area of 60 sq. kms. with an extremely high density of 29, 397 persons per sq. km. Administratively, the district is divided into three subdivisions, Seelampur, Shahdara and Seemapuri with Seelampur being the largest. Welcome area, the place of the manufacturing unit for Jeans, is located on the east side of Yamuna (Planning Zone-E). Can be reached via GT road or by Metro.

**Figure 5.1: Location of Jeans Manufacturing units**



Source: Google Maps

### 5.2.2 Industry profile: Seelampur

As per the government record, Jeans manufacturing shares almost half of the total garment production in Delhi. Apparel industry is both capital and Labour intensive. “Welcome” area in case study area Seelampur is known for Jeans manufacturing. The area has four types of industry units for jeans Manufacturing namely Type 1 Factory, Type 2 Factory, Type 3 (Fabrication unit) and Type 4 (Home-based units) which operate with or without formal presence.

**Table 5.1: Type of manufacturing units and their level of formal existence**

Level of formal presence				
	Type1 Factories	Type 2and 3 Factories	Type 3 units	Home-based units
Place	Registered units or manufacturing factory	Large contractor  Owned factory	Small contractor  With or without registration	Family home
Level of formality	Registered big contractors	Some units are registered	Unregistered unit	Not registered

The industry has been observed to have well developed backward and forward linkages over the years. Forward Linkages can be seen with the over 800 shops which operate in an informal way in nearby Gandhinagar market and other localities in the vicinity. Jeans of all price range and from all the brand names are sold here with or without stitching label in it. As per some estimate given by a local, around 80,000 to 100,000 pieces of jeans are sold everyday by wholesale and retail.

***Figure 5.2: Skyline of Seelampur overlooking the welcome area***



Backward linkages can be seen in the area in form of supply of raw material coming from Gujarat, Maharashtra and Uttar Pradesh. Gandhi Nagar market in east Delhi is nearly four decades old now and considered one of the biggest wholesale garment markets in Asia. It is also one among the 19 physical markets in the world which have their names in the list of “Notorious Markets” for the year 2016, released on December 21 for facilitating substantial copyright piracy and trademark counterfeiting.

“Welcome” area, the place where main production takes place, is a bustling settlement where garment making activity is confined to small home-based units, most of them unregistered, and operating from unauthorized residential areas. The area specializes in the manufacture of jeans, handicrafts, lathes, iron and timber goods, providing employment to thousands of workers, loaders and transporters. Most of the residents are migrated to this area as a part of resettlement process of 1960. Historically Seelampur locality has a mixed population of Hindus and Muslims but most of the people involved in jeans manufacturing are Muslims.

### **5.2.3 Value chain:**

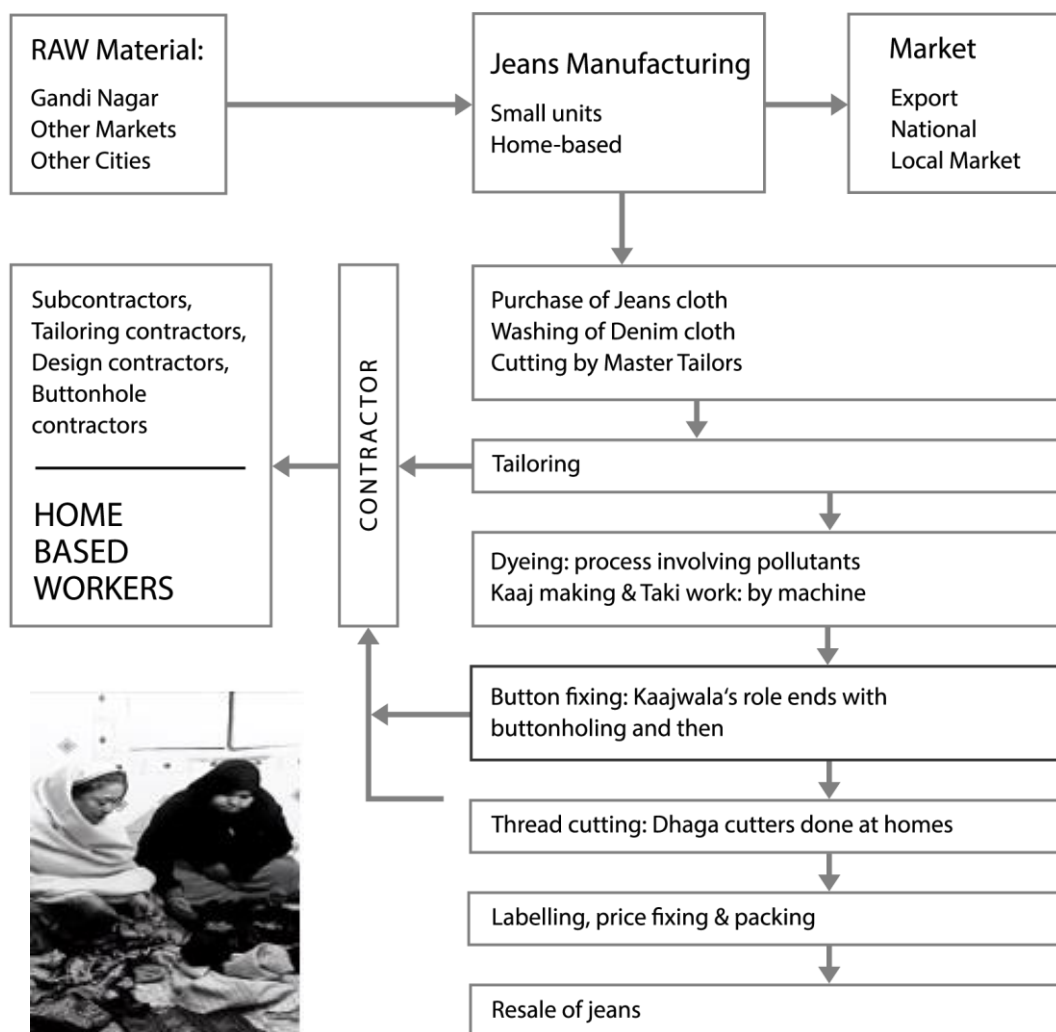
As far as value is concerned, there are mainly two categories of companies active in apparel industry here. First, those are essentially export houses largely catering to orders from abroad or occasionally supplying to well-known national or international brands within the country. Though production is essentially factory based, still the manufacturing units attached to them as usual practice employs short-term contract labour on fixed salaries. The second type relates to the affordable segment mainly to cater the domestic customers for which manufacturing takes place in

thousands of small units. These medium and small manufacturing unit are connected to home-based units through a vicious chain of contractors, semi-contractors, manufacturers, whole sellers, commission agents and retailers. It usually caters to the domestic market of affordable unbranded products. The mode of payment is piece-rate that is kept abysmally low. It is this second type of production process sometime for local consumes that forms bulk of the garment manufacturing in Delhi.

### 5.3 Jeans Manufacturing Process and involvement of Home-based workers:

Jeans making industry is both capital and labour intensive. There are various steps involved to manufacture the jeans. Figure 5.3 provides an overview of the steps involved in a typical factory set-up. There could be other processes also involved according to specifications of finished product.

**Figure 5.3: Involvement of HBW in Jean Manufacturing with forward and backward linkages**



Home-based workers are sought mostly at the stage of tailoring, button fixing and thread cutting as shown in Figure 5.3. The figure also highlights the backward and forward linkages. Here are some of the possible situations which are mentioned, where the role of a home-based worker is crucial in the process of manufacturing jeans. The stages of home-based worker's involvement are as follows:

- a) **Tailoring:** After the cutting process according to the measurements and other specifications, cloth is handed over to the contractors, subcontractors or workers for stitching work to be performed for individual pieces. Subcontractor approach home-based worker in different locality and look for the best competitive offers ( Figure 5.4)

**Figure 5.4: A typical tailoring unit**



- b) **Button fixing:** At this stage there can be a possibility that home worker is involved to fix the buttons etc. The Kaajwala's is responsible for making holes for button before fixing stage. The producer or the contractor takes the jeans back from him and gives them to the contractor or workers for fixing the buttons ( Figure 5.5). Fixing buttons is mainly done by women. They take the stitched jeans home and work day and night to finish the task.

**Figure 5.5: A typical Buttonholing Machine**





- c) **Thread Cutting:** After the process is done jeans need to be checked for unwanted threads (Dhaga) which are left in the finished product( Figure 5.6). Above processed jeans are taken by women who work as Dhaga cutters at their homes, removing all threads manually from finished jeans.

**Figure 5.6: Thread cutting process**



### **5.3.1 Role of Contractor:**

There are tailoring contractors, design contractors, buttonhole contractors in common terms called as “Thekedars” who are responsible for offering the jobs, quality checking and other specifications etc. These arrangements are a cost-saving strategy and other types of arrangements which can be made to get the things done at the cheapest possible piece-rates. There are a few big contractors associated with the manufacturing, who take up the entire production process on contract depending on the task if finished product is to be delivered ( Figure 5.7).



***Figure 5.7: A typical Contractor assigning the task and counting***

Some contractors take only single task in the production process. Upon asking a typical contractor He explained the process works as follows:

“He (The contractor) has a certain target sale in mind, hence, he issues work orders (or orders) to the workers (HBW), supply them with the necessary raw materials, and provide them with the specifications of the product they are expected to manufacture. After the home-based workers have produced the finished goods, he (the contractor) would inspect the quality of the products, and would carry on with the process of selling the goods to the relevant customers”

#### **5.3.1.1 Employment status:**

Mostly these are own account workers or unpaid contributing family worker. The work is given to these home-based workers with specification about the task done orally. There is absolute absence of formal contract. More on their state of employment relationship and contractual relationship is described in the following sections.

#### **5.3.1.2 Mode of payment:**

Mostly piece rate with strict deadlines. At times a payment is made upon quality control and sale of the produced or by units produced.



### **5.3.2 Payment and contract mechanism:**

It would be pertinent to provide some insight on role of contractor, commonly in local language known as Thekedars are integral to the functioning of the supply chain. The manufacturing process is performed under a network of closely-knit people and takes place in the “unsystematic” manner linked through a vendor involved at various levels. Though it looks unsystematic or very informal in nature, there are some fixed processes which are performed through different contractors “*Thekedars*”.

Upon interrogation in the group discussion at a small manufacturing unit it was revealed that contractors often are willing to engage workers without contract and pay very less rates for any type of manual tasks involving HBWs and in case worker is demanding more than they always have a substitute arrangement to get things done elsewhere. Most of the times, there are standard piece-rates for example if a task of removing “Dhaga” is given payment would be done to remove a number of threads from a piece of jeans. This is a typical work arrangement where Home workers are subject to direct exploitation by the contractor for whom they produced.

The contract under which these activities were conducted differed and one of the more exploitative forms was perceived at women working on piece-rate work. Thekedari system has been there since decades and piece-rate arrangement is a major challenge in estimating actual emoluments and other employment details.

Though contractor makes them work hard, still, the homeworkers are dependent on the sub-contractor for supply of work, raw material and sale of finished goods. They are also isolated from their fellow women workers in the same trade. This dependence on the contractor together with the isolation undermines their ability to bargain for higher piece-rates, timely payments or overtime pay.

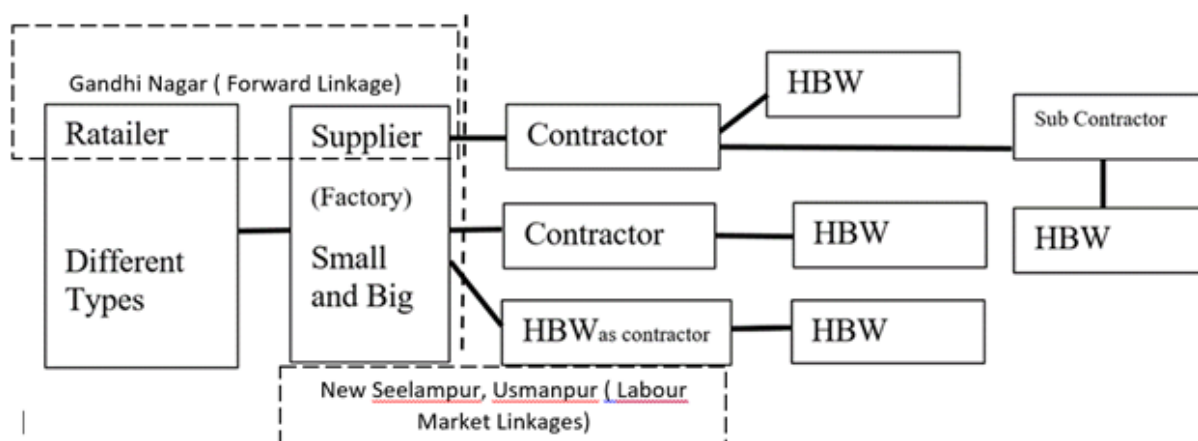
### **5.4 Analysing Linkages**

The apparel industry is known as a buyer-driven value chain that contains various types of stakeholder retailers, marketers and branded manufacturers and sourcing companies mostly located in Gandhinagar area near Seelampur. As apparel production has become global, the retailers in buyer-driven chains are dependent upon the suppliers and manufacturers which has resulted an intensified price competition at all levels. While there is blurred observation available in global value chain regard, the research realigns itself with the potential which exist within the network between manufacturer and homemaker (Figure 5.8).

Gandhinagar is known as marketplace for selling of jeans both in wholesale and retail. While Gandhinagar is in the East Delhi slightly away from Seelampur, it is intricately tied to the different types of contractors, smaller contractors, master tailors, different types of tailors, casual workers specializing in thread work, kaajwalas, takiwalas and button fixers etc.

It is observed that most of the stitching, washing and dyeing process is being taken over by units in Seelampur and nearby areas like Welcome Colony, Subhash Park, Jafrabad, Mustafabad areas of the North-East district. The whole process goes through a complex cycle and there are multiple stakeholders which are involved. Gandhinagar area also has separate master tailors, contractors, stitching units exclusively attached to its units.

**Figure 5.8: Network of stakeholders in Jeans manufacturing**



Considering the above-mentioned processes, there is an existence of diverse linkages which are formed on a temporary or permanent basis. These are analysed through the following:

#### **5.4.1 Economic-inter-firm-linkages:**

Inter-firm linkages mostly visible with some sort of subcontracting arrangement. Subcontracting is done at various level. In case of Jeans manufacturing, linkages are built mostly through prime contractor with different types of manufacturing units. Registered Company or factory would prefer to work with registered contractors while second tier company subcontract the work to relatively large contractors with substantial credentials. Vendor “thekedar” or subcontractor who is small or big contractors is linked to home-based workers through and has all the authority to fix the rate, make the quality check etc.

Subcontracting process to home-based workers can start at any stage after process of “cutting and dyeing” is done. In this case sometime experienced home-workers have also been playing a role of contractor. Later at all stages other than the stages where home-based workers are also involved, like jeans riveting unit, packaging unit and storage etc. role of contractor is crucial.

#### **5.4.2 Labour Market Linkages:**

There is an unsystematic network exist between Manufacturer/ subcontractors/prime-sub-contractor of second- and third-tier production units and other contractors to supply workforce for home-based tailoring, packaging, finishing, embroidery and other workers often known as piece rate workers. Migrant contract workers are preferred who have less bargaining power particularly by established first-tier factories and subcontracting units. These workers are not Home-based workers but have been having a rural background sometimes first-generation industrial workers without having any skills( Figure 5.10). These types of workforce often assume different roles depending on level of their education, competencies and skill, sometimes as managers of temporary “contracted” workforces on-site at large, first tier factories( Figure 5.9).

Of the total workers engaged in jeans manufacturing, majority of workers are hired labour working as helpers, these are workers from same locality with a fraction from nearby settlements, Some of them who have spent some time in the industry assume role of tailor where work is skilled in nature doing various jobs and parts involve in jeans manufacturing like cutting, stitching, fixing, etc. Similar observation has been seen on home-based workers who reside in the nearby locality and assume role of tailors after spending some years in casual work like thread cutting.

***Figure 5.9: A family member who is involved as local part time labour***



**Figure 5.10: working condition of waste segregation workers involved as part time labour**



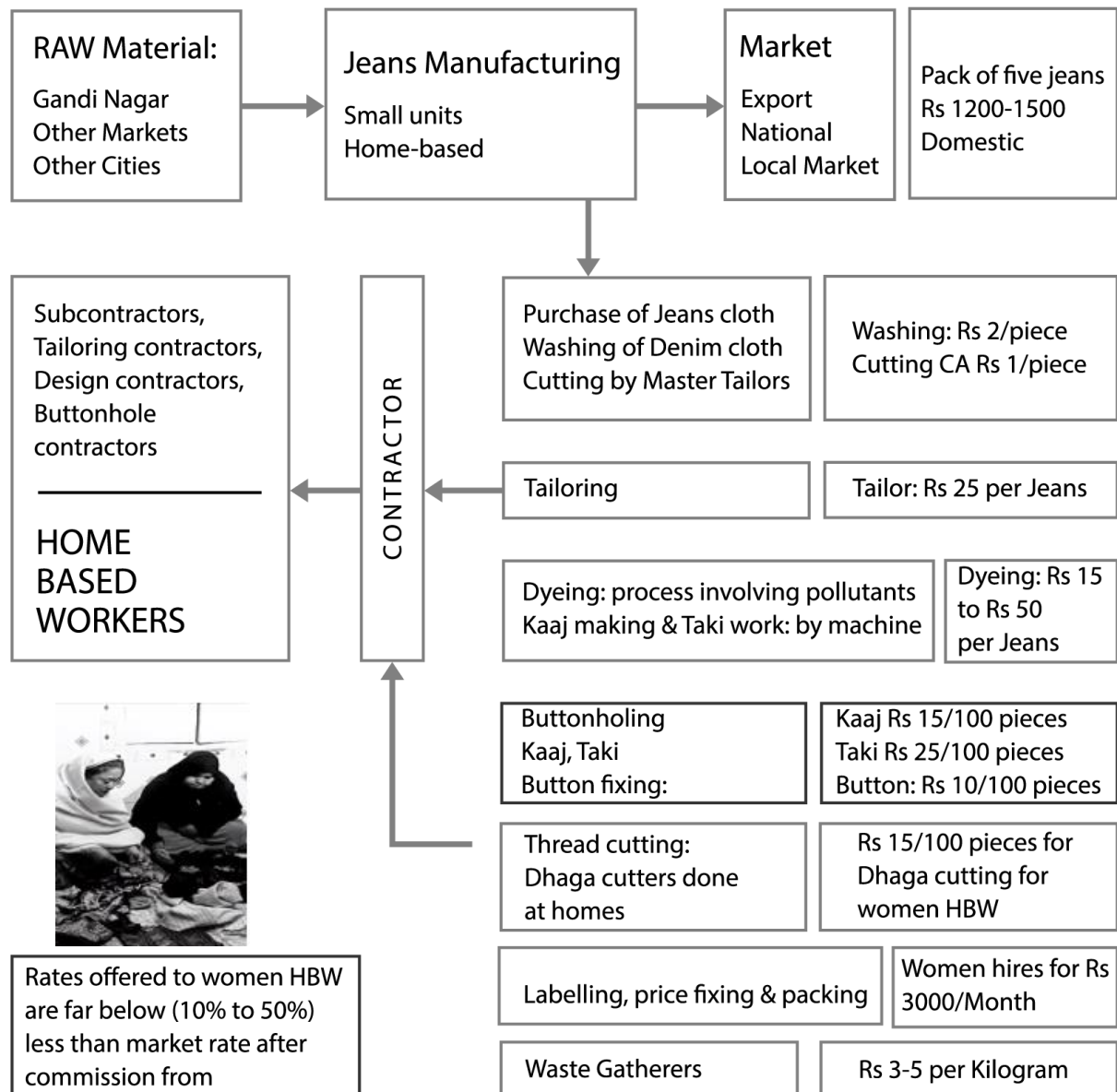
### **5.4.3 Linkages in Value Chain:**

In this section only affordable segment of the jeans is presented though there exist links also with global value chain. a pack of five jeans of sizes from Rs 32 -40 costs around Rs 800 - 1200 in whole sale. The Figure 5.10 below provides an overview of the involved payments for different categories of work. This payment is made usually by the vendor but occasionally it is also included in the piece rate of the contractor.

Upon asking few locals it was revealed that rate of cloth cutting for a tailor is almost Rs 2 per piece. Cloth is picked up by the contractors or subcontractor after cutting stage for fabrication. The piece rate generally available for this varies from Rs. 20-25 per pair of jeans. This excludes fabric, and sometime thread, buttons, zips etc are also excluded from this price. It mainly includes labour charges towards stitching, fixing designs and accessories, threading and transportation. The contractor either has a unit of his own fixed with sewing machines or distributes the work among skilled Home-based workers known to him. The labour charges for stitching for a home-based worker vary between Rs. 9-15 per piece. This comes to about Rs. 118 -172 in a day or two after putting in 10-12 hours of work.

In this price, the contractor must accommodate costs towards *kaajwalas*, (buttonhole making) and button fixers. The *kaajwalas who has the expensive machine to make holes* get work from several contractors and charge 15-20 paisa per buttonhole. He requires three people a machine operator and a helper. The machine operator is paid a monthly salary of Rs. 5000-8000 and helper gets around Rs 3000-4000.

**Figure 5.11: Emolument of workers at different stages of Jeans Manufacturing (dark rectangle)**



On an average the kaajwala can complete order of making around 900 buttonholes per day who makes an earning of Rs. 6000 to 8000 per month. Once the *kaajwalas* are through with the buttonholing, the fixing of button is a separate activity sometimes performed by Home workers for which the piece rate is a meagre 8-15 paise for every button fixed ( Figure 5.11)

This is where thread cutting is involved before the finished product is dispatched to the wholesalers. Thread cutting is the term in the trade for the work that involves removing of loose threads from the

finished pair of jeans. Here too a piece rate of 50 paise is given. For embroidery (moti and sitara work) it ranges from 30 Paise to 80 Paise per piece.

#### **5.4.4 Middleman perspective in value chain:**

Contractor's perspective: the realities from the contractor's perspective are that a couple of contractors were also approached for an in-depth interview. Here, a lot less attention has been given to the contractor's perspectives, because they are also struggling to survive in the given situation.

Contractors are also found to be sharing similar socio-economic profiles as tailors and fabricators. A contractor who was approached has also rented accommodation at Usmanpura, he was himself, doubling up as the property dealer when he was approached. According to him he can make a Rs 5-6 on every jean. He is attached to a Vendor and pays for his own recurring expenditure towards electricity, machines, rent etc. He has been negotiating a lot with authorities too in order to maintain its rented property. He has invested a lot on machines but could not get the return, even after six years of working in this area. He has also mentioned the problem of payment from the Marchent.

#### **5.4.5 Forward Linkage: Gandhi Nagar Market: known nationally and globally**

Gandhi Nagar, a wholesale market, characterizes as having small, medium-sized and big shops (over 900 in number) for readymade garments. Buyers come from different part of India to this market. Majority of transaction is taken place by cash and all the trusted people are offered to pay by cheque or walk off with or without paying. Gandhi Nagar is world's largest wholesale readymade garment markets having a history of garment-making or selling as early as 1970s. Started with door-to-door selling, the area has seen a big transformation since then and majority of the residential areas became commercial areas. The market has expanded to provide livelihood to almost 500,000 people who are directly/indirectly dependent on this market. Gandhi Nagar has also global links in form of export There are merchant manufacturers, who are into manufacturing as well as selling and marketing of their products who have linked themselves to the global chain and other focus mainly in the domestic markets mainly the shop-owners who deals with jeans bought from other manufacturers.

The wholesale rate for a pair of Jeans without bale as told by a local shopkeeper varies from. 200-600 depending on the quality of the denim and the design, on which the labour charge incurred is usually in the range of Rs. 50-80. When the jeans reach the retail market, the pricing, as a rule, is more than double the wholesale rate. The profit margin, therefore, for the manufacturer, the wholesaler and the retailer are substantial. Similar observation was found in the Jeans

manufacturing for so called export houses. The jeans which is sold here for Rs 800 is sold for more than triple the rate in the wholesale.

Generally, Home-based workers have no single clue of the forward connections in the value chains, as their interaction is limited to their contractors. Some of them preferred to pay more as rent to stay near the market

#### **5.4.6 Backward Linkages (Jeans Making)**

Material used for making Jeans is mostly supplied from other states Maharashtra (Ichalkaranji Dist. Kolhapur) or Gujarat and sometimes from Gorakhpur in Uttar Pradesh. Stockist's and owners/suppliers have their trading firms in Gandhi Nagar area. Some women who were previously involved in the tailoring have found to be working in the trading of these raw material. Other material required like machines, threads, buttons, rivets are supplied through wholesale shops in Gandhi Nagar Market and surrounding areas. Home-based workers are getting the material purchased from these localities and sometime material is supplied by the contractors. Upon asking some of the HBW revealed that they must pay taxes on the items on purchase but do not get any return from the payment done by contractors.

#### **5.4.7 Financial Linkages**

No credit facility or worker who acknowledged that credit is received. Less interaction is observed with banks by workers. Mostly social network, family and friends are used for Setting up units and support. Taxes are paid when they buy raw material, but their payment is not including any taxes. In the case study area, it's observed that informal firms have tendency to shift from wageworkers to informal arrangements wherein they can avoid paying minimum wages, exempt themselves from any contractual burden. In many cases piece-rate or casual work arrangements is observed without assured work, minimum wages, or benefits.

#### **5.4.8 Technology Linkages**

Less incidences of use of technology for any production which shows very poor technological linkage through provision of product specification and design. Through intervention from SEWA on some clusters in terms of skill development, programs have been carried out for use of technology, employment and earnings to enhance its productivity. It is found that some of the workers also got the advantage of receiving tools and visits by technical experts and assistance in quality control. It was found that some of the pockets in New Seelampur have potential to bring changes brought in their productivity and efficiency by using technology, skills or market linkages.

## 5.5 Capturing perceptions

It was felt important to capture the perception of different home-based workers on key aspects which have direct or indirect impact on their working. The idea is to collect the viewpoints of home-based workers on sphere of their working and how they perceive their working conditions, their ambitions, what changes they have seen in the few years and what aspirations are there. In the side-line of questionnaire survey, Informal discussion were conducted in all above-mentioned topics to firm up the perception a bit more on their working and choices they make. Discussion were held on the following topics:

- a) Living and working conditions,
- b) Ambiguous and hidden working arrangement
- c) What has changed in recent years?
- d) What kind of aspirations are there?
- e) Use of education, training and skills, internet

This unstructured, informal discussion with individuals also validated the perception about linkages between home-based workers and the other stakeholders involved in Apparel manufacturing process. The summary of the some of the notable statements given by the home-based workers is given below:

### 5.5.1 Living and working Conditions:

Considerable diversity is seen in all three case study areas in terms of socio-economic profile, ownership profile and terms of workings. Some of them had limited space while for other living and working conditions were far better and improved. MPRA, 2017 study suggests that the informal working refers to distinct situations with different solutions responses therefore, there is a need to investigate the distinct situations for working and working conditions of its female labour which makes it unique for productivity. Here are some selected responses on Asking question to workers if they are happy with living and working from this house.

***“Living in a rented place, every year the contractor pays us the same, now work is also less but landlord is increasing rent every year. I don’t get paid on time, but rent is to be paid on time...”***

***“I am living and paying more here as I do not have to travel a lot to get my raw material as I have no one in the family to help me in this matter...”***



A big constraint apart from paying the raw material and equipment is the cost of living in settlements where home workers live. This aspect has not been explored in detail, but it seems to have a significant impact on their productivity. Limited mobility options particularly for women hamper not only their work but also it gives rise to the situations which lead to exploitation.

Most of the workers live in one room accommodation in resettlement colonies. Living in cramped spaces limits their option to work only at limited time of the day and limit options to store raw extra raw material,

***“you see I am living in one room with family. I started liking the sound of sewing machine so much that now it’s like a music to my ear. My family also does not interfere in my work now. Sometimes whole family is involved working late in the night”***

***“I am 72 years and retired now but I have worked for almost 25 years as a tailor and due to frequent illness, I left the work. I hardly care what is paid to me as it’s too late to talk about this. No social security”***

***In depth interview: Samsun begum: Sanjay Colony***

*...In 1980, Samsun begum arrived Delhi from Patna with her husband and three children in search of work. She was among first few to live in Sanjay colony. Her husband found a job in leather factory while she worked as a home worker in neighbouring garment factories. She saved money in order to purchase building material and built a small house brick by brick from her own hands. They later sold their ancestral property in Patna and settled permanently in Delhi. Samsun comes from a traditional Muslim family engaged in tailoring. She learned the skill in her childhood. We can imagine her skills only by the fact that once she was sample embroidery artist for many garment factories based in Okhala industrial area.*

*Samsun is now 65 years old; her family has abandoned her and now she lives alone in her only asset; her house. Contractors or agents prefer young and healthy women who can work for longer hours; resulted in very little work for Samsun and women of her age. Samsun claims that she still has much fiancé and speed than many other young women but now she doesn’t have energy to visit factory gates and contractors’ offices in search of work. The agents who outsource work falsify output while making payment. She is being illiterate cannot fight it back as she cannot keep day wise records on her own. Abandoned by her family, impounded by innumerable disease as*

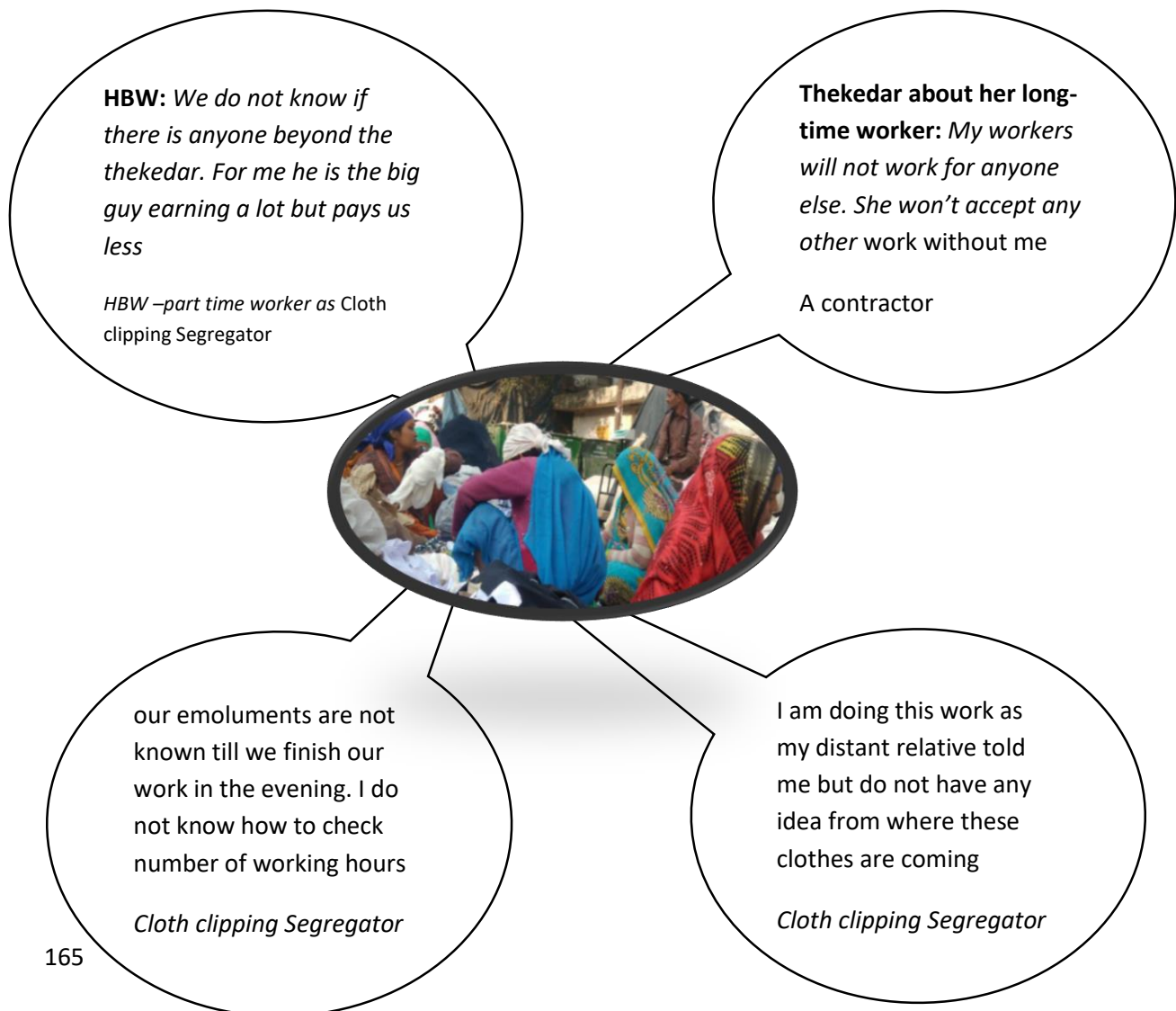
*compound result of old age, living and working conditions and absence of regular work and income; Employees' State Insurance Corporation (ESIC) is her only support system which she owns as a result of her husband's permanent job. After his retirement she will not have same security to health services; this is going to be her biggest expense and concern too....*

### **5.5.2 Ambiguous and hidden working arrangement**

Working in an ambiguous or disguised employment status offers fewer regular assignments, and workers suffer longer working hours an absence of collective bargaining and representation rights. Some of the responses in this regard collected during the informal discussion with workers ( Figure 5.12).

There is really no regulation regarding the recruiting of Home-based workers in India. The different regulations of the government of India only apply for contractors that have five or more workers together in the same location; and since this is usually not the case for Indian home workers, who usually work alone in their own homes, there is really no regulation for them. (ILO, 2015).

***Figure 5.12: Group discussion in an informal working area for Waste Segregation work***



### **5.5.3 What has changed in recent years?**

The diverse perception from various discussion has emerged about the low wages, lack of support from family members, state of economy, environment and future of work. In some cases, people were critical about less availability of work. On asking if they have trained themselves to use the technology usage, most of them have replied in negative. They could not relate if better competencies can empower them to not only get better prospects but also develop better competencies to complete. Some of the responses are summarized below.

***“Market has more people than work. Environment is more polluted now. I used to take bath in nearby pond but now it’s very dirty.”***

- Family member of HBW

***“I must take another part-time work pay the increasing rent as there is not enough work in thread cutting. There used to be a time when there was a lot of work available and cost of living was also less.”***

- A Home-based worker

***“I am graduate and would like to learn how can I sell my products, but my husband does not allow me to use the phone. I do not want to work in waste segregation area or any low end job”***

- A Home-based worker

***“Profit is taken over by bigger companies and swanky shops. We work hard but hardly able to get any fair share of our hard work. “***

- A Thekedar (contractor)

***“I have worked experience in a shop and would like to start my own work”***

- A Home-based worker

***“I can use phone and read English a bit. I am willing to show my work to everyone.”***

*- A Thekedar (contractor)*

#### **5.5.4 What kind of aspirations are there?**

In general, educated women have ambitions to be an entrepreneur. Though many of them work to make better education to their kids and support family, women have reported that SEWA has helped them to learn tailoring and now if enough credit is available, they would like to start their own work. Presently they sell their product to local informal market.

#### **5.5.5 Education, training and skills, internet, aspirations**

***“working to see my kids growing with good education. Want to learn tailoring and purchase a small house.”***

*- A Home-based worker in sorting*

***“Would like to know if I can sell my products online”***

*- A Home-based worker in button fixing*

On discussion, when talking about use of technology or skill upgradation, most of them could not understand the question properly if there is any use of education. Most of them did not know any other skills than tailoring. Female labour, their imagination is stopped after a few questions in this category. Most female workers enter the informal economy not by choice, but out of a need to survive and to have access to basic income-generating activities. Many of them choose this path due to relative ease of entry and low requirements for education, skills, technology and capital (Khema sharma 2010).

***“I have mobile but use it to watch movies. I do not know if there is anything else possible with his. I do not know how to read English.”***

*– A Home-Based worker Tailoring*

***“I want to open a new shop as I can read and write. I want to sell the cloth. Got an experience working in Dhaga selling.”***

*– A Home-Based worker Tailoring*

## **5.6 Experts opinion: Transitional issues and policy framework**

To investigate the ground realities on the legislative environment and legal framework for home-based workers and if any new prospects can be given to extend better growth opportunities and facilitate transition of workers to better working conditions, experts have been consulted ( Table 5.2). In context to Home based workers, though desk research and field studies, it seems that informal workers do not comply with existing regulations and participate in any formal context. Various policies started by Government of India seems to bear very less impact on the life of these workers. Though linkages exist but the seem to have not facilitated the transitions.

***Table 5.2: List of Experts contacted to invite their perceptions***

Name	Organisation	Credentials
Dr Amitabh Kundu	Distinguished Fellow at the Research and Information System (RIS) for Developing Countries, Delhi	He has about twenty-five books and two hundred research articles, published in India and abroad in similar topics
Dr T. S Papola	Institute for Studies in Industrial Development, Delhi	He specialises in the areas of labour and employment, development planning, industrial economics, regional development and enterprise development.
Dr. Alakh N. Sharma	Institute of Human Development	Professor Alakh N. Sharma is currently Professor and Director of the Institute for Human Development (IHD), Delhi

The idea of most of the policy level initiatives is to meet objective to attain the dynamism of formal enterprise to stay productive/competitive and support formal sector. One of the biggest bottlenecks is found to be complex regulations.

Some of the statements which reflect their core thought about home base workers and their transition in formal context:

***“The development pattern of informal sector in India is not vertical to attain the formal existence and a set of policies is required for informal sector and integrated approach to implement the strategies for their development”***

– Dr. Amitabh Kundu

***“Progressively, these strata of informal sector can be brought to mainstream, we require long term planning with integration of welfare policies with development policies.”***

– Dr. Papola

***“Promoting Equality, supporting skill development and availability of finance extension of social protection are most important.”***

– Dr. Alakh Sharma

Conclusively, an integrated approach can be designed for home-based workers to first understand of gaps on implementations on rights at work, employment and social protection. There exist surely possibilities where economic gains can be distributed along the value chain. With this possibility exist to trigger the entrepreneurial potential of informal economy a part of informal enterprises would have the possibility to upgrade themselves in formal context.

At a worker level, these characteristics will reflect in terms of attainment of legal recognition, social security, bargaining power, skills, better working conditions, use of technology and better productivity etc. In context to home-based workers, they are yet to get recognition and mostly do not comply with existing regulations.

The reviews through secondary and primary studies indicates that the crucial role of various policies where linkages are seen as a means to facilitate the transition of the traditional informal enterprises into larger and more dynamic modern ones has not made enough impact. Apart from that, a better growth opportunity for informal firms to bring about a formalization of the economic structure has been recognized for achieving decent work agenda.

## **5.7 Inferences:**

Two words describe the nature of home-based work, uncertainty and irregularity. Whether its work, payment or earnings. Value chain brings out the fact that most of the workers are included in markets on unfair terms. illiteracy, limited knowledge of market and meagre use of technologies

hamper their abilities to bargain the prices or come into negotiation with authorities. Some workers were identified with some positive driving forces with regular payments and work orders. at the informal discussion home-based workers reported that they would like to home their business and entrepreneurial skills.

In value chain dynamics, relationships play important role and critical factor is costs of production where share of homemaker is very high considering cost of workplace, equipment, mobility and electricity. Till they are not compensated fairly at least against their expenditures they absorb many risks of production and become vulnerable. Some of the inferences:

- Production of apparel (Jeans) at low prices for domestic and global value chains
- macroeconomic environment is affecting the home-based workers
- high cost of inputs but piece rate payment
- earnings variations among home-based workers
- Sub-contracted workers earn less on average than self-employed workers
- value chain not paying fairly to home-based workers
- Poor knowledge of market, linkages and forces
- Less bargaining power, no policy presence
- workers are least exposed to formal firms
- backward and forward production linkages have less connectivity.

#### **Policy Discussions:**

- No protection exists against exploitative value chain practices
- Exploitative contractual relationships
- limited scope for negotiation or leverage

#### **Vulnerability**

Stringent cost-saving mechanism adopted by manufacturing units show that brunt of market fluctuations is borne by home based workers all along the value chain, therefore a high level of vulnerability is expected to be transferred to worker. Of course, local determinants like cost of living, living and working environment also play very crucial role. Irregular work, dubious engagement, an absence of collective bargaining and representation rights some of the aspects are present in the study area. Workers are found to be both physically and financially more vulnerable.

## Chapter 6: Potential, Issues, Findings and Conclusion

Manufacturing units in survey areas are characterized as small and medium scale, having linked to own account and self-employment home-based workers with substantial proportion of subsistence home-based work. The surveyed Apparel Manufacturing units are found to be articulating between traditional and modern behaviour of the informal sector.

Home-based workers at the survey area in general are having low manufacturing competencies, education and skills without direct access to organised(formal) markets. Most of the the home-based units are found to to lacking any form of formal credit, financial or social security. However, there are various possibilities for workers to grow in formal context due to interlinked formal sector in the vicinity. Home-based working in the study area is generally found as productive manual intensive jobs ranging from tailoring, thread cutting to stitching of apparel, bearing low incomes and wages according to the survey analysis in three locations of Delhi.

**Figure 6.1: Potential, Constraints, Possibilities and issues**

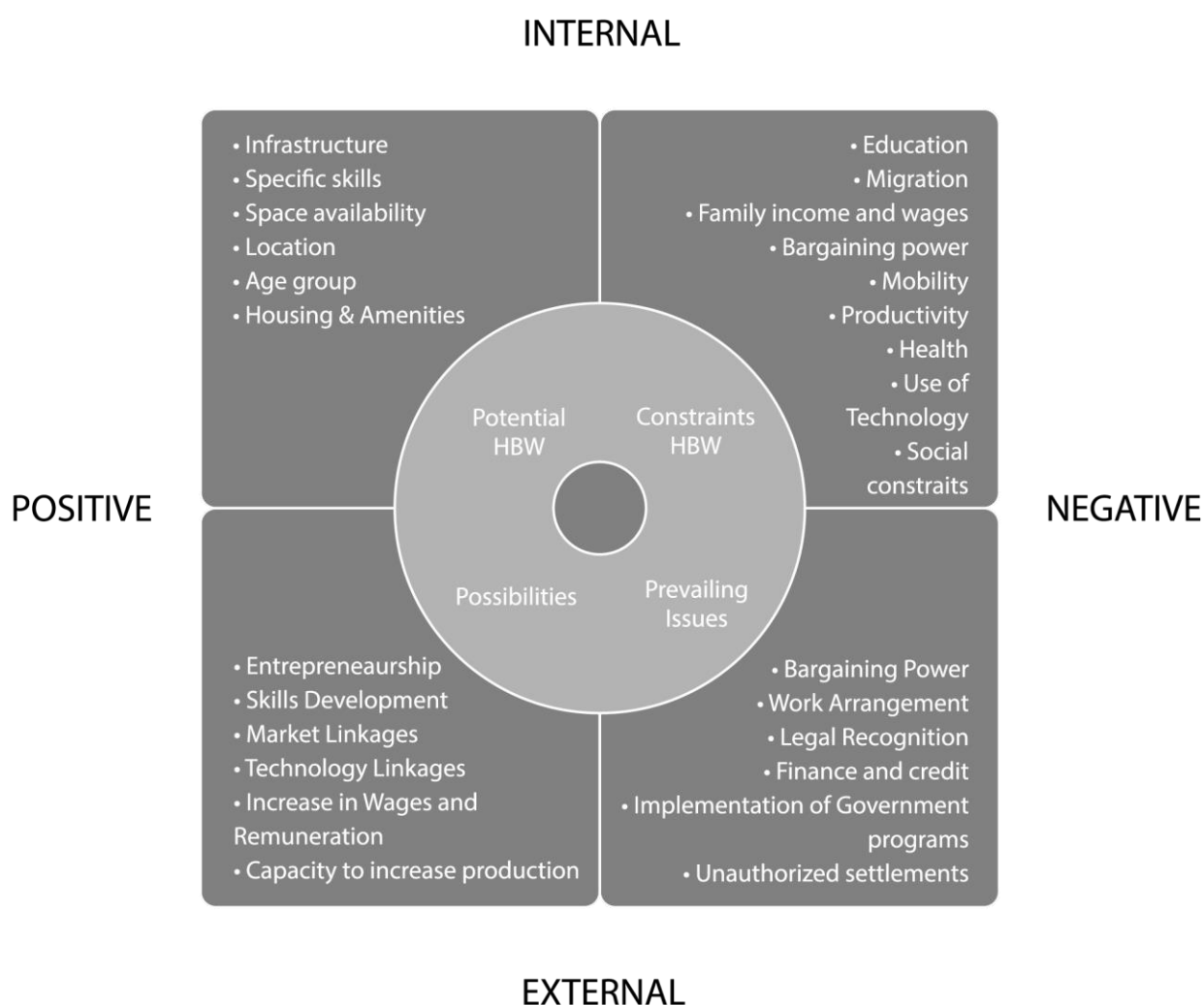




Figure 6.1 presents the summary of the field surveys to bring out key thrust areas and potential which exists. Constraints which need to overcome. Ample possibilities and growth opportunities exist for formalization of economic and social structure. Attaining competitiveness involves range of forces to work together starting with legal recognition and gradually develop requisite skills and bargaining power through education.

Worker's individual competencies, their working conditions, and institutional support is the key. The key characteristics like education, skills, health, and use of technology for productivity have been of prime importance. Their socio-economic conditions, (income, age family income etc.) support conditions (infrastructure, mobility ) and legal aspects (recognition, unauthorized living etc) are other aspects which need policy level intervention in all three areas to improve to enhance their competitiveness. Sanjay Nagar area requires interventions also in planning of spaces and improvement in physical infrastructure as its lagging behind all the key indicators.

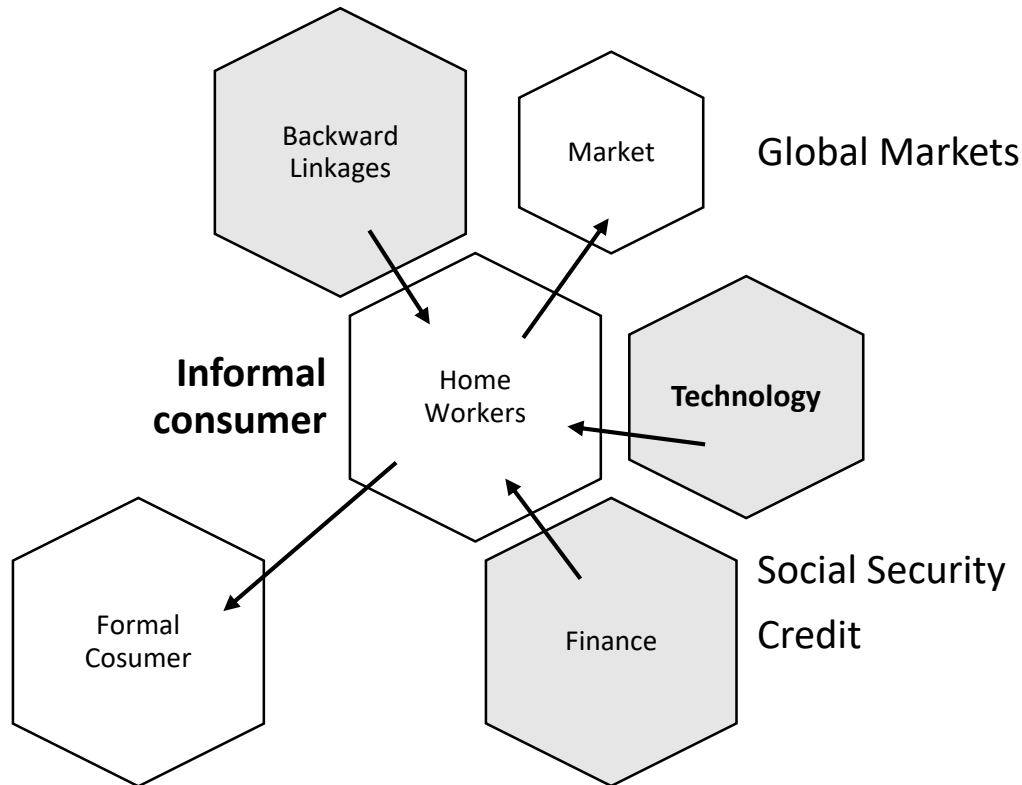
Though at all the levels a cost-saving mechanism is adopted, a situation can be seen that higher level of productivity can bring them better economic gains particularly in the value chain which caters to the international market. In the surveyed locations, the share of economic gain is concentrated at certain nodes of value chain. This apparel sector is yet to harness the full potential to bring changes in their productivity and efficiency by using technology, skills or market linkages both at micro and macro level. Financial, market, technology and institutional linkages need to be strengthened to play effective role. A clear lag is seen in the part of implementation of diverse schemes targeting urban working poor. There exists a chance to develop entrepreneurship potential which exists in the survey area despite absence of formal devoid of capital, equipment and technologies

Manufacturing units are also found to be dealing globally to sell products without any brand name on products. linkages are seen as a means to facilitate the transition of the traditional informal enterprises into larger and more dynamic modern ones. This can also be most favourable relationship between home-based workers and other players in the value chain when linkages are established directly with domestic and international value chains . (Figure 6.2).

The study area, most of the homebased workers end up earning less than 1-5% of the revenue which shows that situation needs to be drastically changed in terms of wages and profits. A balance approach can be visualized when formal sector is the consumer of products produced by informal sector, and hence boosts its transition to at least a more dynamic modern informal one. This can be becoming a means for sharing technology and best practices between the two, thus bringing down

costs on either side. In the process Informal sector gains by securing meaningful employment for the contract-period while formal sector can bring down costs of goods within the ambit of legal regulations.

**Figure 6.2 Improvement in Linkages**



Linkage typologies at macro level could be traced on the basis of similarities in growth pattern and commodity composition however, inferences were drawn from secondary data and it was found that there are high incidence large factories having high unorganized enterprises, belonging to three scale-based categories viz. OAME, NDME and DME. There are higher incidences of Linkage of DME with the organized sector. DME has a large number of industries engaged in production of modern items catering to the demand for upper income consumers.

With respect to Informal sector, it often functions autonomously and has its own independent consumer base. There are situations when informal sector is also acting as competition to the formal sector economy by taking advantage of its low costs for same goods and services. Gandhi Nagar, a point of sale and purchase is a typical example of this where a very distinct character can be seen. Sometimes there are weekly shifting markets which offer low cost products. Its open for debate as these low cost, low quality products enable urban poor to survive, therefore this requires and

planning interventions. In light of the above observations, following section presents the key finding under key parameters both at macro and micro level by taking clues from inferences drawn from field work.

## **6.1 Key findings from field Primary Survey**

Field study was undertaken to capture the key characteristics of home workers, Home-based working, linkages and diverse factors which affect their productivity. Drawing on broad based issues which emerged from secondary data research, survey tried to dig deeper into the living and working conditions of the home-based workers have also been captured engaged in apparel manufacturing in Delhi. Following key findings emerge out of qualitative and quantitative analyses of the survey data. These inferences are presented more in form of “issues and potential” rather than then general findings.

### **a) Characteristics of Home-based workers:**

#### **i. Invisibility:**

Most of the home-workers were found to be “invisible” homeworkers were not willing to acknowledge that they work as home-workers, but neighbours have confirmed that they use home as work space, but they are not listed anywhere. Economic units were both formal and informal types.

#### **ii. Literacy**

Lack of literacy and elementary and technical education knowledge is a significant issue among women surveyed while almost 50% survey participants were illiterate; there is a significant number which has not taken any formal training for work.

#### **iii. Family income**

- The family income of women living in unauthorized colony New Usmanpur and New Seelampur was also found better compared to women living in Sanjay colony which looks like a slum area. 77 per cent women HBW monthly family income is less than Rs. 13500. Surprisingly two families (Each in Usmanpur and Seelampur) have income exceeding Rs. 50000 per month where almost everyone earns.
- HBW provide supplemental income and it was not the prime revenue generating activity of over 70% of the households which shows moderate dependency rates.

- Female HBW also contribute by taking care of children, elderly, managing quality of family life and social fabric of their communities.

#### **iv. Working Hours:**

Working hours also has direct co-relation with productivity and income Women engaged in waste segregation spent longer hours working compared to women engaged in tailoring thread cutting and embroidery. Average working hours are 6-7 hours. Less working hours observed after “demonetization” process by Govt. of India in 2016. Issue

#### **v. Health Issues**

- It was found that many of them develop severe health problems as they cross the age of 50. Waste segregation particularly in Sanjay colony was found to be affected by most of the health problems.
- The treatment is also not taken seriously by workers as well as in form of facilities provided by government.

#### **vi. Migration, age, marriage status**

- Prevalence of migrant workers (Out of 210 women 182 are part of migrant families): agencies prefer to engage with community which has less negotiation power, less exposure to market and who are prepared to work on low wages and compromising working environment.
- The productive age group is found to be relatively younger (than other studies) About 68% of the sample fall between 15 and 59 years of age in which majority of them belong to Hindu religion barring a small cluster in new Seelampur
- It's registered that majority (over 80%) of the interviewed women were married but their age of entering this work has significant variation. Women from Muslim religion are found to be having different social constraints against going out for work.

### **b) Macroeconomic and Value Chain Dynamics**

#### **i. Earnings**

- The key issue is low earnings or emolument based on piece rates being too low. Only few cases were found to be getting salary, but amount was not disclosed.

- 28 per cent women engaged in earn meagre amount of Rs. 9 to Rs. 81 per day, (monthly income between Rs. 275 to Rs. 2455). (2% of product value)
- 64 per cent interviewed women reported to earn less than Rs. 160 per day; their monthly income ranged between Rs. 2456 to Rs. 4637.(3% of value)
- 6 per cent (Rs 4638 – 6819) monthly income and 2 per cent women reported to earn between Rs. 227 to Rs. 300 because of higher skills in tailoring and marketing.
- Contractor earning is not known but it was assessed as Rs 12000 per month.
- Mode of payment was Cash upon quality control and stringent fine in case of problems in quality.

## **ii. Income comparison:**

- Men were relatively better paid than women including contractor, sub-contractor and prime contractor.
- Every single interviewed Home-based worker earns way less than minimum wage.
- (Correlation: 9 % regional workers - 8% comparatively well paid) Revised Minimum wage for unskilled worker is Rs. 13,350 per month in Delhi (since March 3, 2017). Low income below minimum wages is also a significant issue.
- The monthly income of the workers is affected by the demonetization in 2016 and almost reduced to half as compare to before the demonetization in Nov. 2016. Income as it varies as per the market demand. If the demand is high, then vendor is willing to pay more than the prevailing per unit price or daily wage to the women and vice-versa.

## **c) Nature and Conditions of their work:**

### **i. Main Work:**

- In Sanjay Colony women are primarily engaged in waste segregation whereas in New Usmanpur and New Seelampur its thread cutting, buttoning and tailoring.
- Overall 42 per cent women Home-based workers were engaged in tailoring followed by 30 per cent in waste segregation and 28 per cent in thread cutting.
- Over 79 per cent of the women workers are falling between experience range of 0-10 years. Experienced women have less probability to go to contractors for work.
- Employment status was not known for most of the workers. They did not get regular work. February to May is usually better season to get work.

## **ii. Literacy is the key**

- Mostly Low skill jobs, less use of technology, some workers had part-time work available outside home. Couple of literate and skilful women are undergoing a training for dress designing and social media marketing.
- The type of work chosen by women is correlated to the literacy rate.
- Literate woman prefers to do work as a tailor or thread cutter or embroidery or combination of any two or three as per the need or requirement because it requires skill and time management while illiterate woman prefers to work as a waste segregator.

## **d) Workplace and work environment:**

### **i. Working Conditions**

- Majority of surveyed HBW (63%) have their own house and have availability of workplace for their activities. A good indicator of the increase in production or starting up your own business.
- Many workers are having one to three rooms in their house. Maximum women living in New Seelampur possess their own house followed by women in New Usmanpur. Majority (60%) of HBW have no dependency on basic amenities (water, electricity, light and ventilation), which shows conducive environment to increase the productivity. Toilet facilities were found to be satisfactory except in Sanjay Colony which has shown slum like character and one could see various open drains in this area.
- The waste segregator workers were found to be working in an open space to avoid dust and chemical used in the textile industry. There is a limited data available on type of drainage system, method of solid waste management as question was not properly understood by majority of survey participants.

### **ii. Sign of Entrepreneurship**

- By informal group discussion in Seelampur and Usmanpur, Women have expressed ambition to start up their own business and get better value of work.
- Most of the “educated” and ambitious workers have revealed problems linked with finances, credits, skills etc. while setting up a new unit at their houses. Some of them are

linked to organisations like SEWA etc. This network is also a great help to set up a new unit and promote entrepreneurship.

**e) Setting up the Home-Based Unit:**

- Social links (relative, family, and friends) play a pivotal role in information exchange. Blurred knowledge of backward (raw material, equipment etc.) and forward linkages (market, rates etc.)
- Type of support given by this private network (family and friends) also varies according to the type of work for example there are meagre financial or skills requirements for thread cutting and waste segregation.
- In case of jeans manufacturing and tailoring, there is a relatively bigger financial requirement. Some workers expressed their aspiration to purchase machine for buttonholing which costs about Rs. 200000.
- Some of them are linked to cooperative societies in handloom work.
- Workers are also unaware of use of technology and international quality standards which could be implemented to develop marketing and technology skills.
- Literate women have an ambition to set up their own manufacturing units.

**f) Work Arrangement**

**i. Seasonality and contract conditions**

- Women workers hired for some part of year are indulged in all sought of work such as embroidery and embellishments, finishing, packaging, buttoning etc. Contractors or agents hire them for a few days, week, and month as per production requirement and then fire them after completion of work.
- No contract is signed by these women workers before work however they sign a letter mentioning that they are leaving work on their own.
- Women work for all the neighbouring factories of coverable distance within 15 to 30 minutes in vigilance of agent or contractor and get paid after 15-20 days of completion of work.
- 59 per cent interviewed women workers work in this category. In Sanjay colony 91% women and in New Usmanpur 61% women work under this working arrangement however women in New Seelampur prefer to work as own account workers.

- Own account workers carry out assignment jointly with the support from unpaid family workers.

**ii. Role of Middleman, contractor (Thekedar)**

- Almost 40% of these women were supported by middlemen to arrange the work and facilitate their other requirements. Missing market linkages.
- Here role of middlemen (Thekedar) is also very crucial, as in some cases the material is provided by the middleman and workers need to do the work and return the finish goods to the middle-man. This is a critical link which also leads to exploitation.

**g) Production profile:**

- The production per worker, per unit, capacity and facility it was found that there are plenty of chances to increase the capacities by up to three times depends of categories of work (Tailoring, thread cutting, embroidery and waste segregation) and all other stages of apparel and jeans manufacturing.
- The key lies in availability of work, demands, use of technology, skillset and mechanism to collect and deliver the work.

**i. Use of Technology**

- No or very little penetration of technology to arrange the work or to manage the work at workplace. Most of the work is manual in nature and only tailoring could have some instances of using electric machine for stitching and alteration work.
- Private social network is still a preferred source to arrange the work compare to any other form of use of technology such as internet.
- Though over 77 per cent workers are having mobile phone but only 4 per cent are making use of internet.
- Internet is to be used mostly for entertainment purpose rather than checking the employment opportunities.
- There is no mechanism to track the work collection or delivery through usage of technology. Some instances were seen to get training through use of television but not with internet.



#### **h) Skills and trainings:**

- Out of four main categories of work (Tailoring, thread cutting, embroidery and waste segregation), only tailoring and embroidery require skillsets to be improved.
- Waste segregation is a low skilled job which is done by mostly unskilled workers in Sanjay Nagar with no education while embroidery requires control over needle.
- Views were found to be contrasting when discussed about rating of their skills. Though majority of them have received training from third parties (Government program, NGOs etc.), they seem to have rated their skills as very high. The duration of training was up to six months but many of them have not completed their trainings as per the guidelines as they have continued with their relatives and friends.

#### **i) Asset and Mobility:**

- Maximum families of HBW own no vehicle and 14 per cent owns only cycle. Presented data clearly indicates that lack of ownership of vehicle affects mobility of HBW in seeking and delivering work on time.
- Maximum families own basic assets required for daily needs such as LPG, television, phone etc. however assets such as fridge, cooler, internet remains luxury. LPG connection and TV have emerged as an outstanding aspiration for most of the home-based workers.

#### **j) Legal issues**

- Absence or lack of any form of contract, terms of working and financial transactions
- Low Remuneration below minimum wages in Delhi, Manufacturing units were found to be using various means to engage HBW.
- All three settlements have no certain legal immunity from government. Restricted legal immunity from law for both slums and unregularized colonies make HBW and their family constantly live in threat of unprecedented punitive action from administration. Houses in regular colonies are expensive and thus unaffordable for them.

#### **k) Driving forces to choose Home Based Work:**

- Social status Marital Status, Presence of Children of the person heavily influences his/her decision of undertaking such precarious Social Status, they usually do not want their kids to follow the same.

- In Sanjay Nagar, women don't allow daughter, reason secure the future of their children
- Women with offspring and/or who are tied in a marriage bond have a greater tendency to engage in home-based work.
- Intergenerational Transfer (generation working in this way) is seen in almost 10% of the families
- Some Muslim are not allowed to go outside the four walls of the house to work
- Women are still considered as inferior and subordinate to men. Indian women are victims of discrimination as seen in the site.
- Lack of labour union, collective bargaining is seen in many places as part of survey.

## 6.2 Conclusion

Redundant information, missing Data elements lack of data on HBW is a challenging task to carry out research in systematic fashion. Nevertheless, with these constraints, research tried to dig deeper into secondary data to firm up a macro perspective of informal sector with respect to investigate linkage with formal and informal sector and analyse the trends and type and nature of employment, factors for productivity. Through secondary data, a basis has been made, to carry out a micro level, quantitative and qualitative field survey to focus more not only on understanding characteristics of these linkages, work environment, productivity etc. but also analyse the potential which exist for Home-based workers linked to apparel sector in Delhi.

Many previously unknown factual information surfaced in the process that has helped to untangle the relationship between the HBWs and how they establish link with formal sector and what better possibilities exist. Survey results present key aspects how these HBW maintain their competitiveness and keep them aligned with the ever-changing demands of formal sector and survive in fluctuating market demands. The survey data reveals that their working conditions are substandard, but they still maintain their worth. As explained above, their problems are like any other informal sector workers but along with it, they find themselves particularly vulnerable when there is a middle man involved in giving or receiving the work.

The research reveals that while women HBW section of the informal sector is still at a bottom end if productivity spiral employing very little capital assets, however, surprisingly, their productivity and performance indicators are least affected by their links with formal units. This is mainly because for many in this category of workers in informal sector, being in business is a matter of survival and not of profitability.

A section of home-workers in Seelampur and Gandhinagar locality are in a position to establish a direct link with formal sector wherein skills, use of technology, availability of social security, finances and credit are some of the constraints need to be addressed. Further, ownership patterns which is high in surveyed areas, possibilities exist to use credit facilities to bring out entrepreneurship potential.. Study could also include male home-based workers to firm up the idea of as mostly women are dependent on male members support not only for mobility but also registration with public agencies for the overall success of informal Home-based enterprise.

Overall, study found that there exist ample opportunities and prospects for a section of informal home-based workers to enter into a meaningful employment.

### **6.3 Input which acts as policy perspective /formulation**

The research neither covered much of the process and pattern of industrial growth in Delhi or contribution of informal economy in the state's economy nor covered much of the impact of strategies on liberalization. Only few inferences based on survey results and analysis of secondary data has been utilized to understand the performance of Garment and apparel sector.

- The workers have been seen working without any job-security without contract and without minimum wages. At the same time, it can indicate that violation of labour laws by formal counterpart is to be checked. The phenomenon to de-formalization of formal activities, wherein same standards of production are achieved without formal registration and, most probably, without abiding to the existing laws. Steps can be taken to document and study such processes and interactions in greater detail, to create the most efficient functioning mechanism for both sides.
- As it was observed in other case studies, there were very less evidence available in the field where regulation regarding the recruiting of Home-based workers was followed. Regulations related to minimum wages, legal rights etc were completely unknown to survey participants. The rights of the workers should be made known by popular media.
- The migration data on city of Delhi is showing large number of unskilled migrants and there have been no policy parameters which covers the interest of these workers.

- Another point relates to Minimum Wages Act. In Delhi, statutory minimum wages are fixed at a very low level i.e. close to the poverty line. The home-based workers, particularly those who get jobs through sub-contracting arrangements, are almost invariably paid piece-rate wages.
- In context to Home-based workers at case study area, there's a clear lack to comply with regulations in Delhi and participation in any formal context. The pattern seen in field survey shows that most of the own account or sub contracted workers have unregistered work and have inadequate access to education, training, market, finances or social security. Delhi being the most prosperous state of India with highest per capita income should ensure effective implementation of governmental and non-governmental program using community-based organisations.
- There is a strong requirement to check the responses on policies directed to social, and economic development along with policy responses to legal, financial and health related challenges. The transition is strongly linked also to urban policies, training and practices extended by government and non-governmental institutions.
- The transition of informal work or informal enterprises can be viewed as a strategic empowerment process and looking at the income and patters of income generations among families it must be coupled with various poverty reduction strategies. Legal/official recognition of the home worker is the first step to empower them.
- An empowered voice of employers and employees in the informal set up means steady income which could reflect in better living conditions.
- ensure their participation in decision making. They policy made by their representatives may in turn be motivate them to comply with them. Of course, the provision of public services such as mobility, water, electricity and other infrastructural services need to be made reliable and affordable according to their income.
- The need is to prepare plan and polices for the gradual increase of their skill and education level of these poor people as this will make then conscious to protect their rights for their work and bringing these workers into the mainstream of economic development.

## 6.4 Suggestions:

Considering the findings of the surveys and perspectives collected through secondary data reviews, following suggestions are given for improvement of status and competitiveness of women Home-based workers.

**a) Some of the imminent ideas:**

- Government owned land should be provided for economic activities with affordable rents and in case of women entrepreneur a place at urban shopping centres.
- Corporate social Responsibility of the bigger formal companies (retailers, manufacturer and prime-contractor) may extend micro-credit or working capital facility to skilful groups of home-based workers through banks. Any default payment may be compensated from the company's CSR funds. Company may supervise and impart trainings on quality standards etc. free of cost.
- Family card to be made with records of all engagements, no of hours working, and exclude child to work.
- E-rickshaw should be given to male family member to commutation and help.

**b) Suggestion on survey design:**

- Changing definitions for home-based workers should to be fixed and must be matched with international context
- Methodology should be redesigned to count and classify the them in different category. Data elements for "place of work" to be complemented with "working conditions" and working environment", additional elements regarding "durability of employment, duration of work, earnings, labour productivity" should be captured in line with work characteristics of home-based workers.

**c) Promotion of Entrepreneurship and empowerment**

- Interlinking of Government poverty alleviation schemes to the entrepreneurship incentives
- Government should focus upon accelerating the number of vocational training especially to migration background and business training for communication
- Aggressive campaign for government schemes on variety of scheme for the benefit of women informal workers
- widen micro-credit facilities to women interested in entrepreneurship
- Engender an inclination in women to become entrepreneurs
- Collaborations with banking institutions – Local NGOs may come in collaboration with banking institutions and identified set of skilful women can be provided,

**d) Improvement of socio-economic competencies:**

- Time management: training for self and time management to maintain to balance dual role in home and create a daily summary of daily and weekly work output and timings
- Skill development: in areas of work and also for communication and business skills
- Health: Encouragement in form of incentives, training to providing them much required job in formal establishment.
- Opportunities in directly MSME sector and in this case especially job opportunities
- To learn and take interest use of ICT tools to make their availability known to better employer
- Assistance from retired members – to providing a helping hand in managing contractual responsibility, maintain a fair record of work

## **6.5 Scope of future research**

The present research is conceptualized considering formal and informal linkages which has uniquely portrayed the characteristics and composition of women Home-based workers, some of the key issues, problems and enabling factors are highlighted in the research but there exists a scope of future research in the sphere of formal and informal linkages.

- A comparative study can be conceptualized based on current research utilizing the same datasets which analyses the competitiveness of three survey areas. Compare the distinct problems and issues and prospects for women home-based workers.
- Present study analyses value chain of apparel sector. Similar study could be done for issues and potential which exist in value chain of other industry sector such as manufacturing of tobacco products or in trade sector.
- A "male" component can be added to the study and gender specific factors can be checked in another study
- A larger scale of the study can be conceptualized with bigger coverage and use of GIS to analyse the patterns in different scale and linkage situations. Competitiveness can be analysed at regional or state level by checking contribution of industry types.
- The scope of analysis can be broadened to use the Statistical tools and bigger sample size.

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**Annexure 1**  
**QUESTIONNAIRE**

**WORKING CONDITIONS OF WOMEN HOME-BASED WORKERS IN  
INDIA**

*Note: The questionnaire has been presented in a compact form by removing line spacing.*

**Basic information**

1. Name:
2. Age:
3. Education: (illiterate / literate, level of education – read, write, sign, class)
4. Caste:
5. Religion:
6. Marital Status: (Married/Single/Widower/Divorcee)
7. Permanent Address
8. Local Address
9. Type of Settlement (Private colony, Slum, resettlement, unregularized colony)
10. HBWs Income
11. Family income

**Nature of Work**

1. What kind of Home-Based work (stitching, motor fitting, dyeing) are you engaged in?
2. Since when you are doing this work?
3. What kind of working arrangement it is?
  - Contractual
  - Sub Contractual
  - Own Account
  - Hired for some part of year

**Working hours**

1. How many hours do you work every day?

2. Do you work alone or other family members are helping you in work  
(Relation, sex & age of other members)
3. What kind of support you receive from other members?

### **Housing & Asset**

1. Ownership of House (own/ rented)
2. No. of rooms
3. Type of House – (Pucca house, kaccha house etc)
4. Ownership of Vehicle (kind & year of purchase)
5. Assets available (TV, Fridge, phone, Cooler, LPG connection, internet etc)
6. Assets required (need and aspiration)

### **Quality of physical environment of workspace**

1. Does existing workspace is sufficient for your work?
2. Do you have ample lighting facility inside working area?
3. Do you get proper ventilation and toilet facility at your workplace?

### **Basic Amenities & its Quality**

1. Water Facility – (Dependence on water for industry, Supply water, Duration of water supply, within/outside premise, Time taken in fetching water, Expenditure on water)
2. Electricity – (Dependence to electricity for industry, Duration of power cuts, Expenditure on electricity)
3. Toilet: Individual /Community
4. Drainage: open / closed (generation of liquid waste)
5. Solid Waste Management: (Waste generated from work, quantity, Management – Reuse, collection, Disposal)
6. Telephone Connection (Landline or Mobile)
7. Internet Connection:

### **Use of technology**

1. Is your work manual or machine based?
2. What kind of technology are you using?
3. From where have you learnt about the technology?
4. Since, how long are you using the technology?

5. Who has paid the expense for training?

### **Process of Setting up the Home-Based Unit**

1. From whom have you heard about work?
2. Was there any challenge in getting work at beginning?
3. How did you get the contract/work?
  - Through personal contact, referral
  - Direct from factory, Through Contractor or intermediary?
4. What arrangements you had to make to get work? (renting working space, buying instruments, safety deposit, paying bribe etc)
5. How you made these arrangements?
6. Do you have to take money on credit to decide, how much & from whom? Is loan repaid?
7. What are the monthly expenses of getting the work?
8. How many govt permission you have to take before setting up work.

### **Production**

1. How much final product you produce monthly?
2. Do you have capability to produce more?
3. What kind of facility is required for more production?

### **Work collection and Delivery**

1. How do you receive the work (directly or through vendor)?
2. Is there any contract for getting the work? If yes, since how long and describe about the contractual arrangements.
3. Is there any delivery point (same colony, ward, city, and state, outside state)?
4. Where do you visit to receive input?
5. Where do you deliver the output?
6. What is the mode of travel and amount spent? (both for input & output)

### **Remuneration**

1. How much money do you receive for your work?
2. How many days in a month are you getting the work?
3. What is payment mechanism? Cash/ cheque/ Direct Transfer to the bank account/ in kind
4. Which payment mode is preferred by you?

5. What is the frequency of receiving the payment? Daily/ Weekly/ Monthly/ Others (Pl. specify)
6. Are there any deductions of money?
7. Is male remuneration similar for same work?
8. Any problem faced in payments?

### **Skill & Training**

1. What kinds of skills are required for doing the work?
2. How do you rate your own skills (Poor, average, good, very good)
3. Do you think you need training?
4. Have you received any training in the past? If yes, how many?
5. Who provided the training?
6. Duration of training?
7. Payment for the training? Self / Government / Non-Government Organisations / Others
8. Any increase in earnings due to training?
9. Has training improved linkage with formal sector?

### **Health**

1. Any health issues faced after starting the work?
2. Year of occurrence of disease?
3. Have you received any treatment? (Govt. Hospital, Private Etc.)

Expenditure incurred & loss due to disease?

Does vendor or company support you in any form?

4. What are the other forms of risks involved in the work? Electricity Shocks/  
Physical Abuse/ Sexual Abuse/ Others (Pl. specify)

### **Employment, Work & Social Security**

1. Do you get any leave or holidays?
2. Do you have facility of crèche at your work place?
3. Do you get any protection against arbitrary dismissal (employment security)?
4. Do your employer provides you following facilities
  - Maternity leave
  - Health care benefits
  - Provident fund/pension

## **Survival Strategies & Role of Key Institutions**

1. How **do** you address an urgent need?
2. Is there any informal group or union exists for support?
3. How does the informal group support people in need?
4. Is there any incident happened in recent past where the group played vital role in supporting other group members or came together for common cause or negotiation?
5. Are you aware of any government policy for the informal sector?
  - a. Health
  - b. Linkage
  - c. Infrastructure
  - d. Social Security (Equipment's Insurance/ Health Insurance/ Accidental insurance/ Compensation for loss or damages or any other)

## **Future Plan**

1. What are the changes female workers involved in informal sector requires?
  - a) Linkage
  - b) Space
  - c) Infrastructure
  - d) Health
  - e) Manpower
  - f) Investment and Returns