

Gender Disparity Among Informal Workers in India

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ABSTRACT

In India, approximately 90 per cent of women are informally employed because of high entry barriers into formal employment, viz., discrimination in the hiring process, the traditional norms towards domestic and caring work, gender segregation in the labour market, gender socialisation and so on. Even within informal employment, they are not treated equally to their male counterparts as they are paid less than men for the same job, and majorly, they are employed in less-paying jobs while men are placed in better-paying jobs due to those traditional discriminations among jobs based on gender. Firstly, this paper aims to analyse discrimination in the distribution of work between male and female informal workers across various sectors of India. Secondly, it will evaluate gender discrimination based on the nature of work among informal workers in India. Lastly, it will interpret wage differences among male and female informal workers in India. Analysis of the objectives is based on secondary data from the Periodic Labour Force Survey (PLFS) 2023-24. The study found that women are mainly employed in manufacturing, agriculture, and domestic work. At the same time, the other sectors like mining and quarrying, electricity, water, construction, trade, hotel and restaurant, transport, storage, and communication are dominated by men. It was also found that except for those jobs that are tagged to be female-oriented, in other kinds of jobs, women are paid less than their male counterparts, including self-employment, in which they get paid thrice than women. Creating awareness among women, providing early childhood care, creating jobs, revising wages, and other suggestions are provided to address the gender wage gap predominant in India.

Keywords: Gender discrimination, informal sector, women informal workers, wage, domestic work.

INTRODUCTION

Gender discrimination in the workforce has been in discussion for decades. Over the years, discrimination among workers based on gender has been reduced, but it has not entirely disappeared. As per the Global Gender Gap Report 2024, India ranks 129th out of 146 countries in terms of participation of women in the economy, posing a significant challenge in achieving gender parity for women in economic activities. The participation of women in the labour force is also lower than that of men. This is evident from the periodic labour force survey (PLFS) released in 2024, which exhibits that female participation in the labour force is 41.7%, whereas the male participation rate is 78.8%. Though the involvement of women in the labour force has increased over the years, it is still lagging behind the participation rate of men due to the various societal norms placed on women. For generations, it has been widely believed that women are more suitable for home-based work, and they are deprived of proper education, skill development, and equal employment opportunities. Unlike men, most women are not allowed to migrate in search of jobs because it is assumed that a woman's responsibility is to take care of the household while the men take care of the household expenses. Due to various kinds of unpaid work, such as caring for children, the elderly, and sick people in the home and other household chores, domestic and home-based work are tagged as works suitable for women (Unni, 2017). They are also deprived of opportunities to develop their skill, and even if they are provided with such opportunities, it is mainly related to jobs such as sewing, baking and various other works tagged as female-oriented for ages. For these reasons, more women are engaged in informal work than men.

ILO defined informal employment as "all remunerative work (i.e. both self-employment and wage employment) that is not registered, regulated or protected by existing legal or regulatory frameworks, as well as non-remunerative work undertaken in an income-producing enterprise. Informal workers do not have secure employment contracts, workers' benefits, social protection or representation". In layman's terms, informal employment refers to all kinds of work that are not regulated by law and are not subject to income taxation, entitlement to social protection, or other employment guarantees.

Even though gender discrimination is found among formal and informal workers, at present, it is more prevalent among informal workers. The ILO estimates that four of every five jobs created for women are within the informal economy, whereas the ratio is two out of three for men. One of the reasons for such kind of

discrimination is that it is believed that due to the child-bearing process and household work, women might not be able to work efficiently in the formal sector, and so they are less preferred to men in the workforce. It is clear that women are discriminated against men in terms of their job type and wage rate, i.e., women informal workers are tremendously employed in certain types of informal work like home-based work, domestic work, etc. Meanwhile, men are placed in better-paying jobs within the informal sector and are engaged in the formal labour force to a greater extent. This is because of the widespread gender norms.

REVIEW OF LITERATURE

In India, approximately 96% of women are employed in the informal sector, compared to men, who make up 91% (Mohapatra, 2012). This is because women are often not hired into formal employment, and even women from professional, technical, or managerial occupations are engaged in informal employment when their male counterparts are placed into formal employment. The women with young dependents in the family avoid formal employment, as informal jobs are more flexible (Abraham, 2019), (Estrada, 2002). Even if women from such families wanted to pursue paid work, society highly criticised them for disregarding their traditional caretaker role, which opposes women from entering the formal sector (Dadheech & Sharma, 2023). Women perform more unpaid work than men, spending over two and a half times more time on it (Shraddha, 2023). In the informal sector, women are primarily associated with home-based work as they can work conveniently in their place and time (Sivasubramanian et al., 2020). Generally, informal sector workers are paid less than one-third of the salary paid to formal sector workers. On average, workers in rural areas earn roughly one-third of the urban wage, particularly women workers, who are paid much less compared to their male counterparts (Das, 2012), mostly less than the minimum wage set by the government. Along with low wages, informal workers are exposed to disadvantages like no paid leave or social security protection and suffer from various occupation-related health issues (Sivasubramanian et al., 2020).

There are various types of informal employment, such as street vendors, home-based workers, waste pickers, and domestic workers. Of these activities, women are found more than men in home-based and domestic work because it allows them to do their unpaid household work simultaneously (Sivasubramanian et al., 2020), so their contribution remains invisible. Due to a lack of security, the

informal workers also face various issues in their jobs, viz., home-based workers may be squeezed with lower prices for their goods, domestic workers may face physical or sexual harassment, street vendors are subject to daily harassment, and they may also be taxed by the local police and goons and the waste pickers along with harassment from police they were also exposed to hazardous wastes and work in an unhygienic environment (Unni, 2017). This is because informal workers are not adequately covered by labour law. Various government commissions have recommended labour law reforms over the past two decades. Even though the labour code was introduced to protect the rights of informal workers it has not covered the entire section of informal workers due to its shortcomings (Shraddha, 2023).

Over the years, there has been a decline in male and female labour force participation in agriculture. However, the proportion of males falls more than that of female labourers. In rural areas other than agriculture, women are only confined to domestic work and manufacturing. Meanwhile, men have various options in the trade, manufacturing, and construction sectors. The proportion of women in self-employment is higher in rural and urban areas, and the proportion of females in regular employment is also increasing but in a smaller proportion than males (Sivasankar, 2019). Due to their disproportionate representation in lower-paying informal economy sectors, women are more likely to experience poverty and a gender pay gap. Compared to households with formal employment income, households relying on informal employment face higher poverty risks, particularly female-headed households, which are more vulnerable (Chen, Vanek, & Heintz, 2006). Thus, women should be provided with vocational skill development, which is vital for enhancing women's employability and livelihood. This would also empower women and promote gender equality. This strengthens rural economies, improves household productivity and eradicates poverty (Parveen, 2023).

OBJECTIVES

- Analyse discrimination in the distribution of work between male and female informal workers across various sectors of India
- Evaluate the gender discrimination based on the nature of work among informal workers in India
- Interpret wage differences among male and female informal workers in India

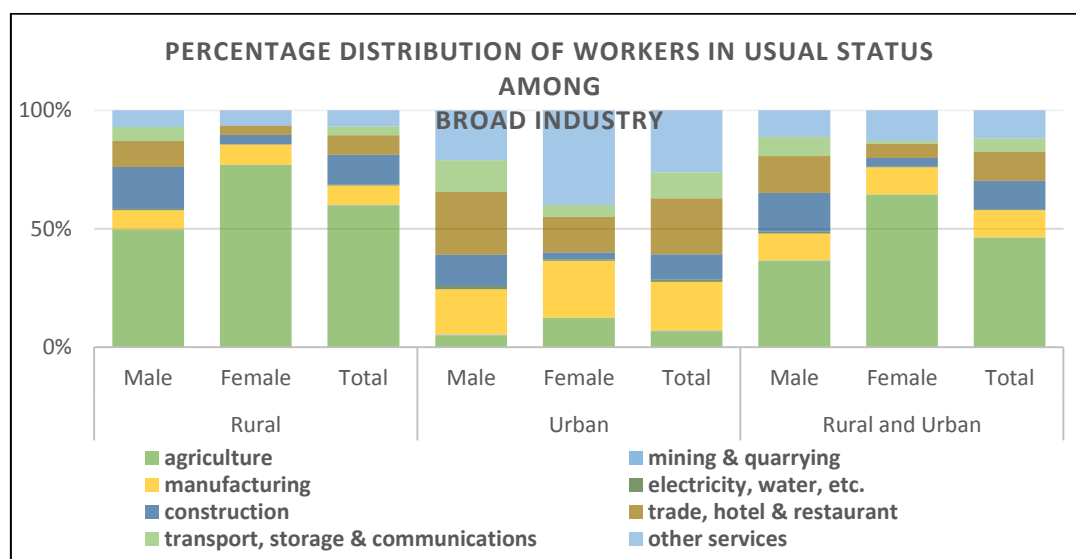
METHODOLOGY

This paper aims to study the objectives by deriving secondary data from the Annual Periodic Labour Force Survey Report 2023-24, released by the Ministry of Statistics and Program Implementation. Data on the distribution of workers across industries, distribution of workers as per employment status, average earning of casual labourers engaged in non-public works, average gross earnings (in Rs) during the last 30 days from self-employment, and average earnings by the regular wage / salaried employees are used to for studying the aforementioned objectives. Graphs, the reliable data visualisation tools to represent data, are used throughout the paper.

DISCUSSION AND FINDINGS

Since women are mostly considered temporary workers, they are highly involved in the informal sector and are mainly discriminated against by men concerning wages, nature of work and availability of work.

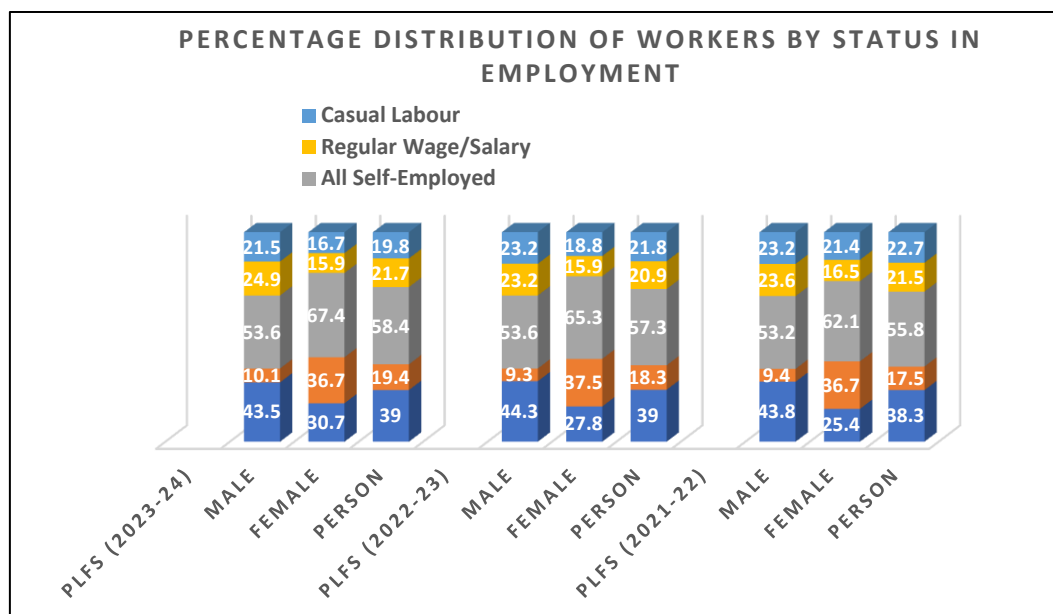
The following are the findings from the analysis of the collected data.



Source: Annual Report, PLFS 2023-24

The above figure depicts the percentage distribution of workers among various broad industries. Agriculture is the major source of employment in rural areas where three-fourths (76.9%) of total female workers and half of the male workers (49.4%) are employed. In mining and quarrying, electricity, water, construction, trade, hotel and restaurant, transport, storage, and communication, there are more male workers than female workers. In urban areas, a more significant proportion of female workers are engaged in other services (40.1%), manufacturing (24.1%), and agriculture (12.3%), and in the remaining sectors, more men are involved than women. Even though agriculture, construction, manufacturing, trade,

transportation, accommodation, and food industries have a predominant number of informal workers, an enormous number of female informal workers can be seen only in agriculture, manufacturing, and other services. This is because those jobs are seen as male-oriented, whereas women are considered unfit for those jobs and are provided with fewer opportunities than men for those jobs. Even if they enter those jobs, they are less likely to be given increments or equal remuneration like their male counterparts.



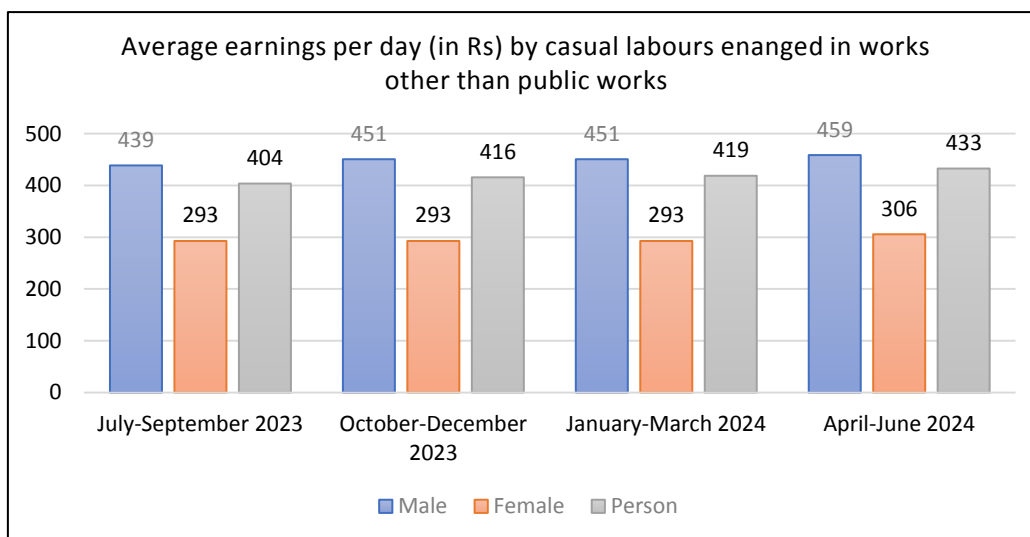
Source: Annual Report, PLFS 2023-24

Figure 1: Percentage Distribution of Workers by Status in Employment

The above figure shows the percentage distribution of workers by status in employment. Here, employment is categorised into three types: self-employment, casual labour, and regular wage workers. Self-employment is further divided into own-account workers and helpers in household enterprises. Self-employment and casual labourers typically fall under the informal sector, whereas regular wage/salary workers can be categorised into formal and informal sector workers. Regular/salary workers in the informal sector are employed without written contracts, paid leave or social security benefits.

The chart shows that women are primarily self-employed, and their participation in self-employment has increased from 52.1% in 2021-22 to 67.4% in 2023-24. However, within the self-employment category, women are highly involved in being helpers in household enterprises (36.7%), while men are dominant as own-account workers and employers (43.5%). This is due to the traditional gender norms. Similarly, Women's participation in regular wage and casual work is reducing. In the case of casual labourers, women's participation has fallen from

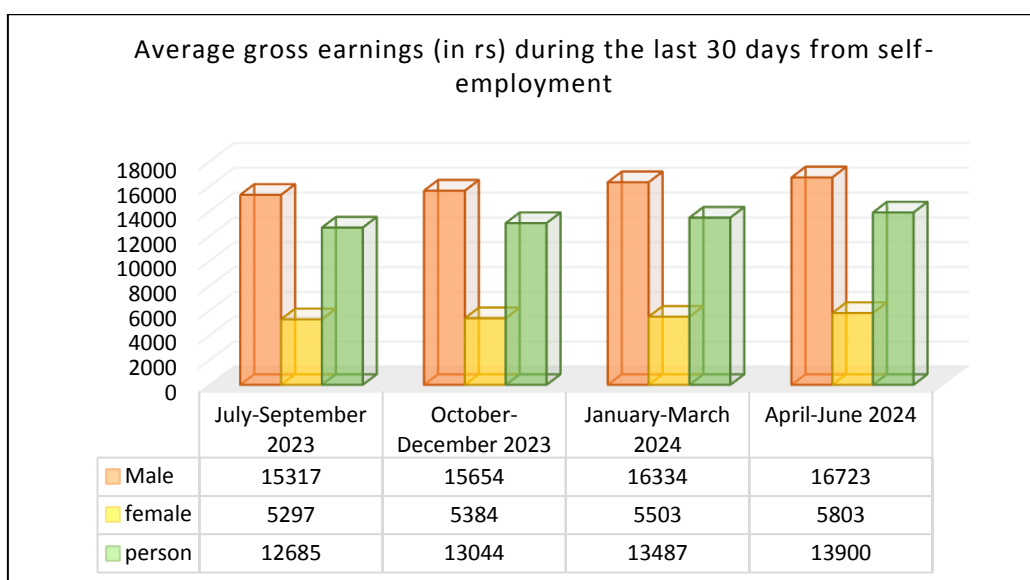
21.4% in 2021-22 to 16.7% in 2023-24 and in regular wage workers, it has fallen from 16.5% in 2021-22 to 15.9% in 2023-24. This is due to discrimination in hiring, pay and promotion.



Source: Annual Report, PLFS 2023-24

Figure 2: Average earnings per day (in Rs) by casual labourers engaged in works other than public works.

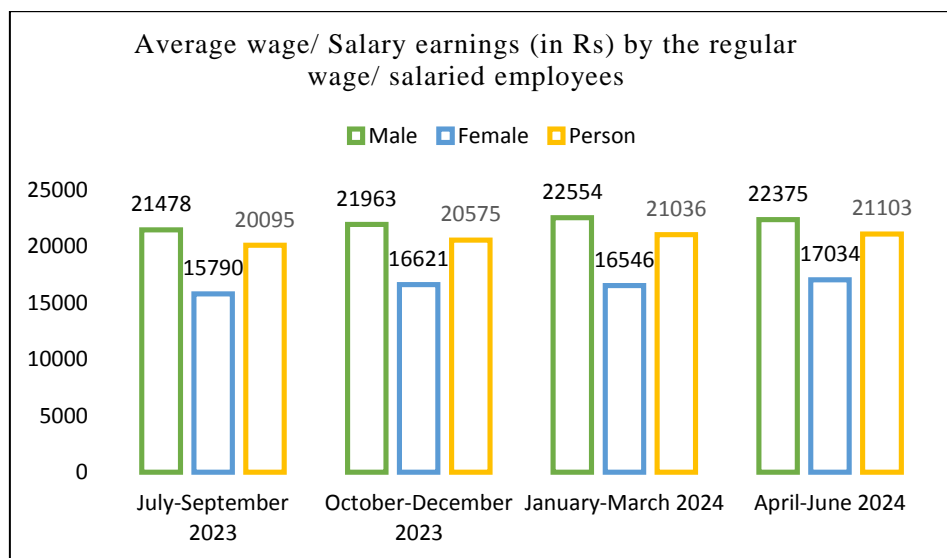
The above chart shows the per-day average earnings (in Rs) of casual labourers engaged in works other than public works. It is found that women in the casual labour force are paid less than their male counterparts, i.e., female labourers are paid 306 per day, whereas male labourers are paid 459 per day. This is due to reasons like occupational segregation, bargaining power, and societal norms.



Source: Annual Report, PLFS 2023-24

Figure 3: Average gross earnings (in Rs) from self-employment during the last 30 days.

The above graph displays the average gross earnings (in Rs) of self-employed workers, and it is clear that men earn thrice the amount women earn under self-employment. For instance, if we look at the data for April-June 2024, we can see that women have earned only Rs.5803 while men have earned Rs. 16,723. This is majorly due to occupational segregation, as explained previously, i.e., within self-employment, women are supremely engaged as helpers in household enterprises where the wages are low, and men are tremendously involved in own-account work where the earnings are high.



Source: Annual Report, PLFS 2023-24

Figure 4: Average wage/ salary earnings (in Rs) by the regular wage / salaried employees.

The figure depicts the average earnings of regular-wage workers who can fall under either formal or informal sectors based on the nature of their jobs. Women are not only discriminated against by men during hiring but also in terms of their wages because the chart depicts that during April-June 2024, the average wages earned by male workers is Rs.22,375 while women earned only 17,034, which implies roughly 13.35% higher earnings by male workers compared to female workers. This is due to the widespread belief that women are not consistent in their jobs and they are less efficient than men. Additionally, they are not equally hired like men into regular wage work, be it a formal or informal sector job.

SUGGESTIONS

- Even though the government has introduced the Equal Remuneration Act 1976, the gender wage gap still exists among workers. This is due to a lack of awareness among workers about their rights. Thus, the government should conduct proper awareness programs to make people aware of their rights and

efficiently enforce the Act, for which fund allocations made towards awareness of such acts should be enhanced.

- The occupational segregation among informal workers is highly significant. The government should take proper measures to reduce occupational segregation among informal workers and uplift women informal workers by improving the skill sets of female informal workers.
- To address the challenges women informal workers face, policymakers should frame separate schemes for women informal workers. The schemes should consider revising wages and providing comprehensive social security measures.
- Without job opportunities, the skills of women are considered trash, so to improve the standard of women informal workers along with training, the government should also create equal job opportunities for women like men.
- The government should also invest in early childhood care and education (ECCE), which would increase the workforce participation of unpaid caregivers and may promote gender parity.
- Sufficient data about informal workers should be available for the effective development and implementation of schemes. Like the formal sector, the government should take action to collect more data about informal sector workers, which will help policymakers frame better policies addressing these issues.

CONCLUSION

From the study, it is clear that within the informal sector, women are highly discriminated against men concerning wages, availability of work and nature of work. Understanding the severity of the issue, gender equality and decent work for all have been included in the sustainable development goals (SDG) 5 and 8, respectively. To achieve these goals, we have to reduce inequalities between men and women by providing women with equal opportunities and decent jobs like their male counterparts. The government should take proper initiatives to reduce gender discrimination among informal workers and ensure those initiatives reach the targeted population. Along with the government, people should also play their part in reducing gender disparity among informal workers by providing equal opportunities to women like men. Without the cooperation of the people, even if the government implements proper schemes and so on, all of its efforts will only be wasted.

Achieving gender equality requires the engagement of women and men, girls and boys. It is everyone's responsibility.

-Ban Ki-Moon

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