

## Chapter X

### Concluding Remarks and Suggestions

#### 10.1 : Concluding Remarks

This socio economic study of the women workers of the informal sector in Darjeeling hill areas in West Bengal indicates that there exists three categories of the urban informal activities.

(i) One type corresponds to the section which is attached or tied to the formal sector. This includes the dependent units such as the knitting, tailoring and weaving which are generally found to be the feeder units for the formal sector. The formal sector establishments subcontract to these small units who are able to produce and sell more cheaply than the formal sector sources of supply. On the other hand, these informal units depend heavily on the formal sector units for the marketing of their produce.

(ii) The second type represents the unattached units to the formal sector. This mainly constitutes the self employment units, having an independent production cum exchange system which include the petty shop owners, the street vendors and repair personnel etc..

(iii) The third category corresponds mainly to the wage sector where the labourers do sell their labour power at a relatively low wages. The examples of such activities which absorb the women workers in large numbers in exchange of wages are the domestic services, road and building construction works, carrying luggage for the tourists and others.

It has been mentioned that rural to urban migration has

greatly led to the growth of informal sector in the hill urban centres. But a deeper look at the female workers' participation has led us to restate that the rural migrants although do not have any entry restriction to any field of the informal sector, the lack of required minimum capital and the tremendous competition have made their presence less felt in the self employment units unattached to the formal sector. The rural migrants with artistic skill have rather preferred the attached to formal sector informal jobs. The full time wool knitters, individual weavers, the embroiders etc. are mostly the migrant workers. The indigenous female artisans mostly have preferred to go for these on part time basis. Both the indigenous and migrant artisans obtained the raw materials and even the instruments, in some selected cases, from the formal sector enterprises. But the prices of the finished products and the wages etc. for them are fixed by the raw material suppliers who are the buyers of their produce too. Even the govt. agency like Manjusha meant for the marketing of the finished products of these informal sector women artisans is found to pay the minimum possible prices. As a result, the artisan workers attached with formal sector enterprises have not been able to earn more than the bare subsistence level.

Again, the informal service sector, like the road and building construction, domestic service and coolie works at railway station and bus stands is crowded by the migrant female workers and have been subject to wage discrimination, excessive works and unfavourable working conditions. In spite of these, rural-urban migration is continuing which implies that the rural sector cannot offer even such subsistence earning jobs to them.

Hence the second and third categories of the informal sector works in the urban centres in Darjeeling hills are found to be exploitative in character whereas the independent informal

units are lucrative and economically viable. The independent workers in this sector are doing well in terms of earning a livelihood, but their contribution to employment is very small.

To speak in other terms, so long the informal sector units and the establishments stay away from the clutches of formal sector, they flourish but once these establishments are directly or indirectly under the control of the formal sector, they are compelled to face the hardship. Thus, it is not the linkages with the formal sector but the independence that counts for the growth of the informal sector.

Further, it is generally believed that the migrants and the local entrants in the labour market enter the informal sector with ultimate objective of securing a berth for themselves in the formal sector. But so far the women workers of the informal sector in Darjeeling hills are concerned, it has been observed that they do not have much justification in retaining such hopes. Most of the aged women workers are there in the informal sector for more than 12 to 15 years. A relative slack in the growth in the major organised sector activity during the last couple of decades seems to have drastically reduced the opportunities for such movements.

As a matter of fact a special trend seems to have set in to a certain extent. A comparison of employment status of the female workers in the beginning of the career and at present suggests a movement from the casual and the lowly paid informal jobs to that of a comparatively stable and promising independent works in the same sector. Also it was surprising to observe that more than half of the informal sector women workers do not aspire for a change. Thus this sector viewed by many researchers as 'vestibule' or 'apprenticeship' hypothesis of the informal formal sector labour interaction, is not found applicable in our study area. It has rather established as an alternative of the formal

sector works.

In this context, it appears interesting to refer the NSSO survey report of 1992-93 about the unemployment situation in India. Contrary to the popular perception, the report states that the rate of unemployment in the country is low rather than high and has been declining since the 1970s and 1980s. Many have raised the question about the report and a few have gone to the extent of saying that the survey is faulty, misleading and baseless. But what the critics have not considered is the fast growth of informal sector activities all throughout the country. While the preponderance of self employment of women is the new development in the urban areas, movement away from agriculture and the migration of the dispossessed small peasant and landless rural poor is the upcoming feature in the rural areas. This move away from agriculture happened towards urban informal sector works and the unorganised services rather than the big factories. As such, rising rates of unemployment have not occurred. Thus, so long one does not find how much the worker is earning or whether he/she has worked for the major part of the year, the unemployment would be declining in the wake of growing urban informal sector.

It has, however, to be admitted that the growth of the informal sector establishments in the urban areas have accentuated public nuisances, crime and other illegalities. Examples of established traders' tension from the growing competition from the informal trading, increasing police atrocities in the pretext of the illegal status of the informal sector workers and the use of even muscle power in restricting others from encroaching the sources of their earnings in our study area have been given earlier. Recent study of Sm. 'Ishita Mukhopadhyay about Calcutta's informal sector has highlighted the interesting fact that the communal violence of December 1992 in

Calcutta arising out of demolition of Babri Mosque at Ayodha was sparked off mainly in those selected pockets where the informal sector manufacturing units were located.<sup>1</sup> This negative aspect of the growing informal sector has become a matter of concern to the administration.

Keeping this fact well in mind if we consider the scope, opening and the advantages of small scale office operations as well as its labour intensity, informal sector establishments can be viewed as the last resort of the unemployed. The importance of this sector would further increase in the light of the observation that the number of job opportunities in the formal sector everywhere in our country falls short of the targets in every plan. With the massive growth of population, the problem of reserve army of the job-seekers is indeed daunting but the rate of unemployment has been kept at its limit by the continuous openings in the informal sector.

At the end, we can thus conclude that the informal sector may not have satisfied every worker it has absorbed; the workers may be lowly paid; they may be deprived of the legal status; may be subject to numerous exploitations; may be liable for increasing civic nuisances but this sector has stood as the constant source of employment to them without which they would have been thrown in a precarious state. P. A. Samuelson's famous statement seems to be very much applicable in this context. While explaining the superiority of trade situation over an autarkic situation he had in one sentence summarised it as "some trade is better than no trade". In the same line we also can summarise the importance of the informal sector as some productivity is better than no productivity, some income activity is better than no activity and some income thus earned is better than no income at all.

## 10.2 : Suggestions to Improve the Conditions of the Women Workers of Informal Sector

It has been observed that in Darjeeling hills employment, in any form, of poor women is indispensable for the survival of individual families as well as for the maintenance of the wider socio-economic system. The women workers of informal sector contribute substantially to the family income and in addition to it, they are largely responsible for the material and non-material needs of their children, husbands and other kin folk. But over the years, no positive efforts have been made to help and encourage them by the policy makers. The question generally arises in this connection is --- if the development of this particular section of the economic agents is to be seriously thought what efforts are to be pursued then?

Obviously, the first step is to educate them. The women workers of the informal sector should be made aware of the fact that whatever work they perform, there is dignity in it. It's not the economic hardship only when they should come out for work but to have equal status and to enjoy the equal right their spontaneous participation in economic activity is a must.

'Organising' the women workers of the informal sector is also equally important. All these workers are dispersed and work as individuals. They have to be brought together to work collectively at improving their situation. As the problems of workers in a particular activity or trade are similar they can understand their common plight. Hence, the most suitable way to 'organise' the workers is around the trade groups. A homogeneous group around a common work activity can be developed. In India, it is a common feature that most occupations are caste based. Darjeeling hills too follow the same principle. Therefore, a caste consideration also comes to the surface when 'organising' women workers around informal occupations.

Nevertheless, 'organising' is possible if issues relevant to the workers are being tackled. The issues relevant to all the women workers of various informal occupations are sufficient raw materials, capital, tools and equipments, space to work, markets, competition from mass produced goods, remunerative prices for goods, training to procure raw materials, training in marketing, costing, accounting and taking responsibilities for one's own economic activity. If the women workers are to be helped then it is obvious that a package of inputs which deals with all the above is very much necessary. Help in one or some aspects is not sufficient. Poor self employed women need help on all fronts to be able to come out of their poverty. Help in only one or two fronts can sometimes be counterproductive because workers become disillusioned. Unfortunately this has been the general pattern so far in our study area. For instance credit to a small extent is provided to a small section of self employed women but help in procuring raw materials, ensuring availability of raw materials at reasonable prices, and help in marketing finished products are not given. The women are left to deal with the problems of their own. The competitiveness of the economy makes it very difficult for them to enter on their own and be successful. So they use credit injudiciously, expensive raw materials are purchased at retail prices, stocks of finished products pile up. This has happened in case of local handicrafts in Darjeeling hills. Sufficient cash flow is not maintained and hence the artisans have not been able to make the anticipated returns from their activities. The repayment of loan has become a burden; their credit worthiness has been affected thereby. Policy makers thus concluded that credit to the poor is not productive. These experiences make the poor women workers of the informal sector disillusioned with the efforts to help them and sometimes they stay away from receiving such helps. It is, therefore, very necessary to provide a package of inputs dealing with all fronts

of their economic activity.

Apart from the economic help, supportive services from legal aid, health care, housing, education, child care, maternity benefits, life insurances are also needed.

It has been found that quite a large number of skilled women in Darjeeling hills are absorbed in the homebased enterprises of weaving, tailoring and knitting. The potential of developing entrepreneurship in these areas although is realised, measures have not yet been effectively taken. According to the estimate of 'Shram Sakti', a national commission report, Darjeeling hills only have a wide market of woolen products worth about Rs.4 crores per annum. This market has been largely captured by the products of Ludhiana and Hosiarpur. If a proper care was taken, this prospective market can well be captured by the local women producers themselves. The artistic women of the area just require the training in right direction and the continuous supply of woolen yarn. Design technology is also another important aspect in which the knitters should be given the up-to-date knowledge.

From the point of view of the women entrepreneurs, as also of assisting agencies, more attention is required in methods like streamlining of the assistance required, coordination of procedure and evolving a better code for assistance agencies. The setting up of a single agency of govt. to look into the requirements of all the entrepreneurs who invariably are not fully conversant with various laws, formalities, regulations etc. would save a lot of botheration to both the parties.

It has also emerged that dropouts, who had a background similar to that of successful entrepreneurs, failed because of poor management. Experience has to go with good management. Skills such as technical knowledge, marketing ability etc. have to be supplemented by managerial ability. It is essential that

women entrepreneurs of informal sector who have necessary technical skill receive a good grounding in management too.

Last but not the least, incentive for mobilisation and utilisation for savings from the women workers of this sector are also of vital importance. There is no doubt about the possibility and potential of the generation of additional savings of these workers. But our observation is that in Darjeeling hills the saving habit of the women workers has not been developed although cases of some informal savings are there. These women should be motivated to save for their own betterment. And it is a fact that if steps were taken informal sector can well be made a bright source of saving too. Bangladesh Grameen Bank can be cited as example in this particular direction. It has inculcated a spirit of self-reliance among them and has set aside that time killing and complicated procedural hazards of banking business for them. It should be kept in mind that the mopping up of the hard earned savings of the poor women should be used for promoting their welfare and not for meeting the need of finance for various schemes meant for urban rich, nor for meeting the increasing deficit between the govt.'s current expenditures and revenues.

In this context, the suggestion of Prof. Arun Ghosh is also worth mentioning. He says, this savings need to be protected through avoidance of inflation.<sup>2</sup> Unless their savings are protected from inflationary effects, all measures to mobilise for savings for their own betterment may prove meaningless.

#### Notes and References :

1. Ishita Mukhopadhyay, "Urban Informal Sector and Communal Violence - Case Study of 1992 Riots in Calcutta", Economic and Political Weekly, Vol. 29, No. 35, August 27. pp.2299-2302
2. Arun Ghosh, "Informal Sector Saving Potential - Some Further Thoughts", Economic and Political Weekly, April 1, 1989, pp.652-653