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COVID-19 and its Economic Toll on Women Informal Sector Workers in India: The Story Behind the Numbers

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Abstract

This study aims to highlight how women informal workers were disproportionately affected due to Covid-19 and how the pre-existing gender inequalities have been strengthened. Though the government has adopted policies, the gender dimensions are not clear. Using qualitative and quantitative secondary sources we found that women are overrepresented in the sectors which are hardest hit by covid-19 like domestic and care work, waste pickers and absence of social protection, inadequate access to capital, public services, lack of capacity for collective bargaining lower their capacity to absorb economic shock. Hand-washing, self-isolation and wearing masks or other personal protective equipment are unrealistic options. Covid-19 has led to an increase in unpaid care which is a contributing factor that leads to a permanent exit from the labour market (WIEGO 2020a). Domestic violence against women informal workers has also increased due to lockdown and curfews. Women migrants, especially domestic workers may be hesitant to comply with covid-19 screening, testing and treatment procedures due to fear of documentation checks by authorities and potential fines, arrest, detention or deportation. Women informal workers in the gig economy have also been affected due to no minimum wage guarantees. Women homeworkers who produce for global supply chains are particularly affected by Covid-19, as their incomes depend heavily on now-suspended orders from high-income countries.

Keywords- *Gender inequalities, social protection, unpaid care, labour market, deportation, gig economy, minimum wages, covid-19.*

1.0 Introduction

There are two types of sectors in the Indian economy, the formal (organised) sector and the informal (unorganised) sector. The presence of social security, strong labour laws, job security, the ability to collectivise and form labour unions and better working conditions are the factors that differentiate the formal sector from the informal sector. A major section of the Indian population is engaged in the informal sector because of a lack of education and backwardness. According to the recent estimates, less than 12 per cent of the workforce in India belongs to the formal sector, leaving more than 90 per cent well over 447 million people in a labour force of almost 500 million in the informal sector (Khema Sharma, 2012).

Employment Structure, 2017-18,% of Workforce

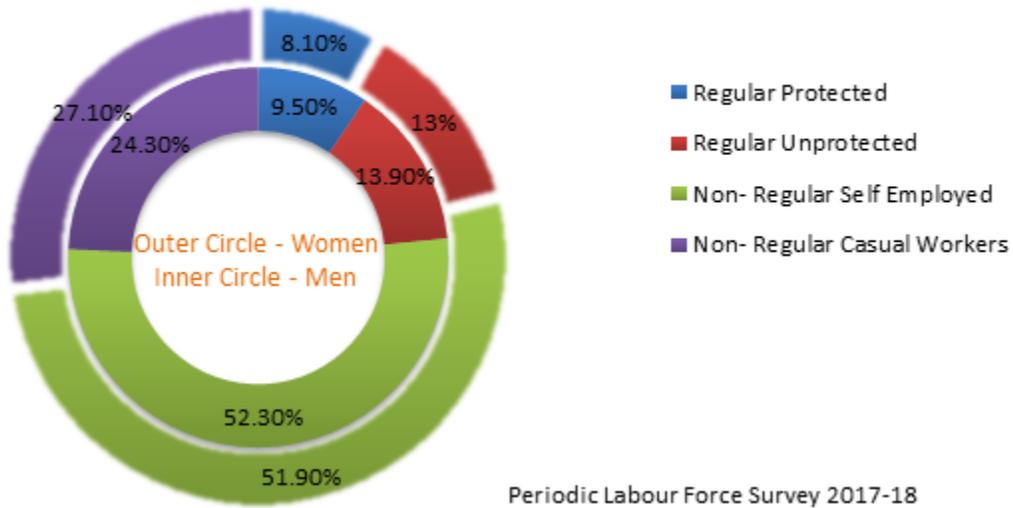


Figure: 1

Source: Periodic Labour Survey, 2017-18

Therefore, there is a greater vulnerability of the workers who are outside the reach of the labour legislation to get exposed to exploitation. Women are more prone to this because of existing biases.

Besides, their contribution in terms of income generation turns out to be less than their male counterparts, which means almost half of the population contributes less than half to the national income (Goel, Geetika & Singh, Tripti & Gupta, Anvita. 2011). As per the Global Gender Gap Report 2020, participation of the female labour force in India is amongst the lowest in the world and women constitute 49% of the Indian population but their contribution to economic output is only 18% and the pay gap in India is 35% compared to the global average of 16%.



Figure: 2 WIEGO model of the informal economy: segmented by status in employment and sex with average earnings and poverty risk.

Source: Chen et al. (2016)

India has recorded one of the most unequal gender divisions of household work, and according to the first (and only) national Time Use Survey (TUS) (1998–99), women spend around 4.47 hours per week on direct care work (that is, looking after children, elderly, sick and disabled), while men spent only 0.88 hours per week (Shiney Chakraborty, 2020). Along with startling imbalances in the distribution of work based upon gender and burden of unpaid care work are leading to women’s exit from the labour market in droves which is further reducing their bargaining power. To our surprise, this crisis is different from other crises like the economic recession of 2008 because, in 2008, job losses for men were much higher than for women. The reason is that relatively more men work in industries heavily affected by a “standard” downturn (such as manufacturing and construction), while women's employment is concentrated in less cyclical sectors such as health care and education. In contrast, the current crisis has a big impact on service occupations with high female employment shares, such as restaurants and hospitality, for eg. - health care workers like nurses who are predominantly women are severely affected.

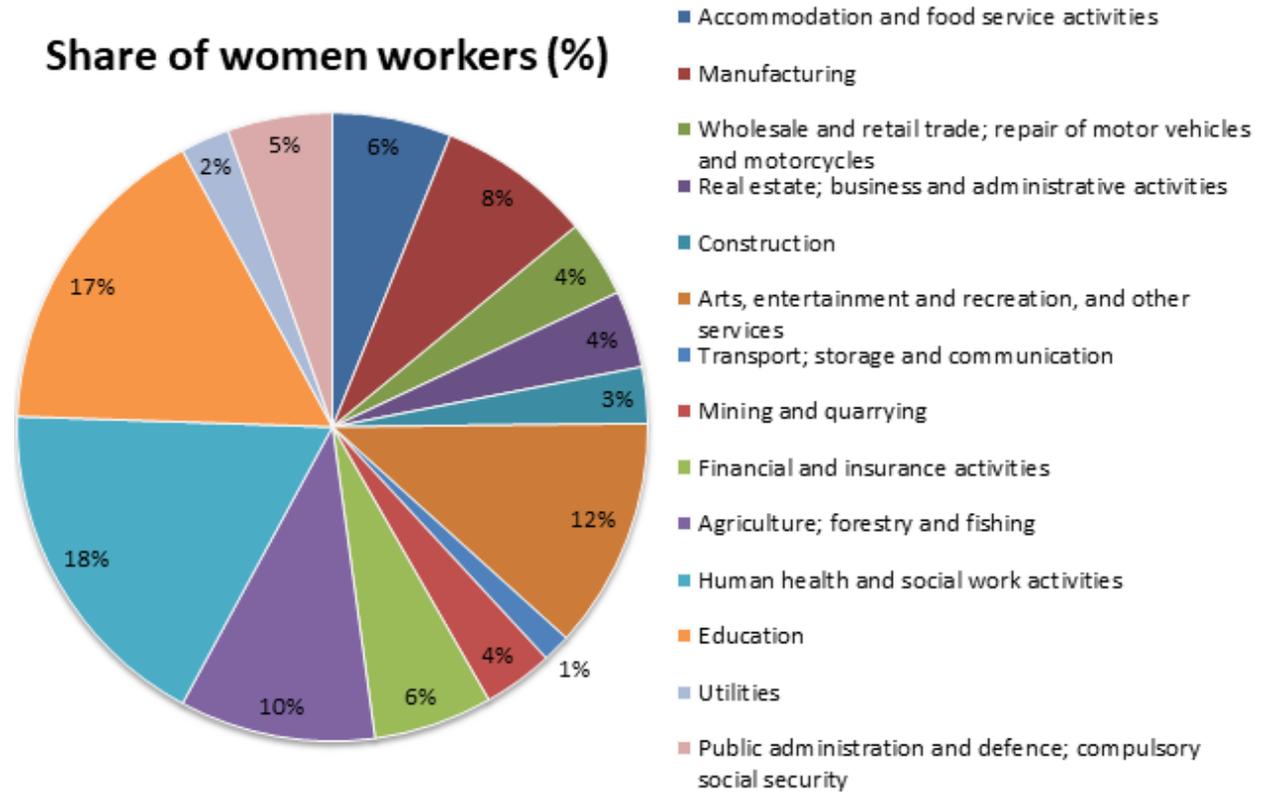


Figure: 3

Source: Periodic Labour Survey, 2017-18

2.0 Objective

This study aims to highlight how women informal workers were disproportionately affected due to Covid-19 and if the pre-existing gender inequalities have been strengthened. Disturbingly, women informal workers have limited access to information on the virus compared to men which coupled with less awareness of their employment rights leads to further exploitation (HomeNet South Asia 2020, WIEGO 2020a). It aims to analyze the situation of women informal workers who are the hardest affected by Covid-19 like domestic workers, construction workers, women-owned MSMEs, home-based workers, gig economy and women migrant workers. It also aims to analyze the impact of unpaid care work on women and how it has reduced their ability to absorb the shock. We found that women are overrepresented in the sectors which are hardest hit by Covid-19 like domestic and care work, waste pickers and absence of social protection, inadequate access to capital, public services, lack of capacity for

collective bargaining lower their capacity to absorb economic shock. According to the ILO estimates (2014), female labour force participation has decreased from 32% in 2005 to 21% in 2019. Despite the drop in women's labour force participation, their time poverty has only escalated, suggesting that women experience extreme time poverty due to their responsibilities of unpaid labour.

Women often have less access to productive resources such as credit, technology, less secure access to land, fewer savings than men, as well as fewer network opportunities and less decision-making power (WIEGO 2020a). Many women informal workers have experienced reduced hours, increased costs, inability to transport goods/access markets and faced a reduction in customer demand (Alfers 2020, OECD 2020a, SEWA 2020a, UN Women 2020, WIEGO 2020a) due to these, vulnerable women engaged in the global supply chain have been affected.

Four out of every 10 women who were working during the last year lost their jobs amidst the lockdown, while rural women were hit the hardest of all (Deshpande 2020). The following chart (Figure: 4) presents women's employment distribution across industries in an informal setup. Agriculture is mostly dominated by the presence of marginal women. Although the International Labour Organization has considered it as a low- to medium-risk category, the agricultural sector in India is very risky and informal, and women workers in this industry comprise the largest group of landless labourers. About 14% of women were involved in the manufacturing industry in 2018–19 and the sector has been hit hard (Shiney Chakraborty). The sector is labour-intensive and often employs low-paid, low-skilled women workers. The drop in effective demand, particularly for non-essential goods, makes those employed in the sector susceptible to lay-offs. The trade, hotel and restaurant industry employs 7% of women workers in India in 2018–19, but 95% of women are involved in informal work arrangements (Shiney Chakraborty, 2020). Though the ILO has put the construction sector in the medium-risk category in terms of job loss, in India, construction activities came to a standstill due to lockdown, as a result, women were tremendously affected as most of them are engaged as daily wage labourers.

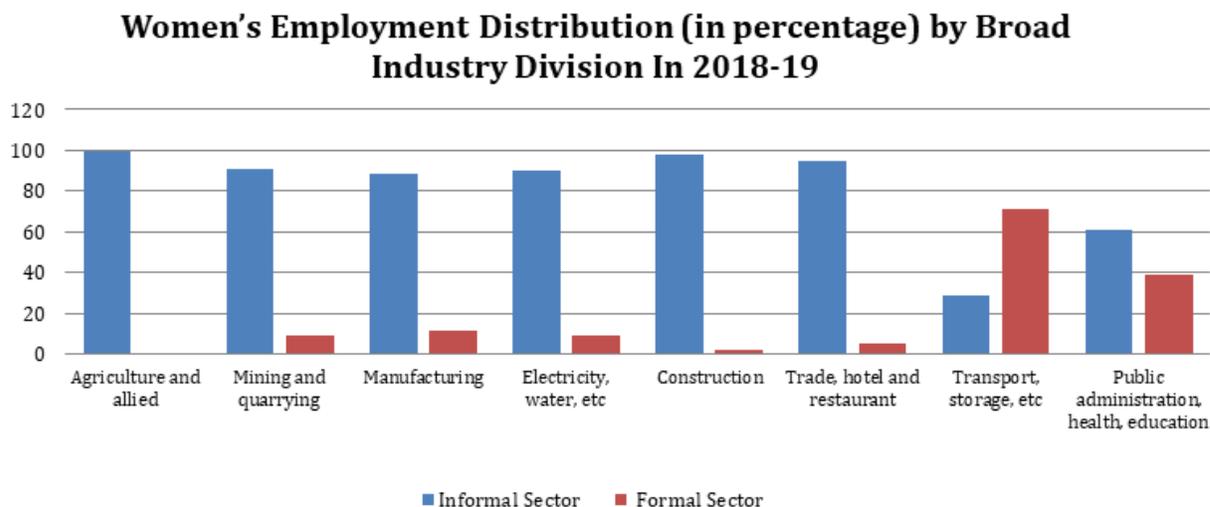


Figure: 4

Source: computed from NSS 68th round and PLFS (2018-19)

3.0 Methodology

We have used various qualitative and quantitative secondary sources and reports to highlight the extent of the effect of Covid -19 on the Women Informal Workers in the Economy. We will be analyzing different reports and research papers to look for a trend so that the research in question can be answered more definitively and policymakers can address the problems in a better manner by targeting the right causes and this way we will add to existing literature.

4.0 Domestic Workers

Across the globe, nearly 55 million domestic workers are at significant risk of losing their jobs and income due to the pandemic and the consequent lockdown imposed by different countries to curb the spread of the Covid-19 virus. Of these, almost 37 million are women workers and 76% of them are employed in the informal sector, meaning that the majority are in precarious situations (ILO estimate June 2020). Many belong to socially disadvantaged and marginalised groups. Because of lack of co-workers and bargaining power, they are subject to psychological and physical abuse, sexual harassment and violence; they also don't report the crimes because of fear of losing the job, lack of capital, high opportunity costs of the legal process. Lack of awareness and education are also the cause of their exploitation.

There is also an invisible demarcation of domestic work created due to societal norms as most men domestic workers were able to continue their work because they work outside the household premises as gardeners, sweepers or security guards in residential complexes. However, women were severely impacted because they work inside the premises. Also, men were able to switch more easily to alternate work of selling vegetables or working in malls or offices as guards, sweepers, etc. but women workers could not do that as their mobility remains restricted (KII interview, November 2020). Hence, the scope for an alternate work source too remains very narrow for most women domestic workers (Monika Banerjee, ISST 2020).

5.0 Unpaid Care Work

The burden of unpaid work falls disproportionately on women because of the sexual division of labour and gendered roles and social norms of performing domestic and care work in a household (Chauhan, P. Gendering COVID-19: Impact of the Pandemic on Women's Burden of Unpaid Work in India). That's why women engaged in paid employment are subjected to higher time poverty and the situation is worse in the lower class uneducated families where men don't even contribute to the housework. As such, the unpaid work of women takes away most of their time leaving little or no time for them to engage in productive activities like education and skills enhancement, this is also the reason for marginal representation of women in skilled and high-paying jobs. In India, there has been a declining trend in women's labour force participation. The drudgery of unpaid work on women has been largely ignored when it comes to integrating women in the contemporary development process and that's why benefits are not being accrued to the target population. For instance, 'the efficiency approach' that aims for integration, collectivisation and the escalating participation of women in the development process largely ignores their unpaid care work and disproportionate time poverty.

6.0 Construction Workers

Construction followed by agriculture is India's second-largest jobs sector. A study published by Arizona State University in September 2013, estimates that it employs 31 million workers, with the expected net increase in the construction workforce from 2010 to 2020 as 97 million. About half of India's construction workers are women, and they are the worst off in

terms of compensation, work guarantees, and basic workplace facilities (Women In Construction, MHT 2020 report). A 2002 study published by SEWA, Mehta's sister organization, found that menial jobs like diggers, cement mixers, stone breakers and carriers of bricks, cement, sand, and water cleaning and dumping waste residue are predominantly done by women construction workers. In agricultural and construction work, due to the *jodi* (couple) system where the workers are hired as a couple (of a man and a woman), only a man is recognised as a worker and the woman is invisible (Roli Srivastava 2020; Jayaram et al 2019). In the *jodi* system, a woman worker is treated as *ardha koita* (Marathi term, its English meaning is 'half the sickle'). Thus, no social protection and insurance against mishappenings (Vibhuti Patel, EPW 2021).

7.0 Impact on Women-owned MSMEs

Due to lack of access to finance, Women-owned informal MSMEs suffer more than men-owned informal MSMEs from economic fallout, and from the risk of becoming bankrupt. Due to lower levels of capitalization, women are more reliant on self-funding as compared to men. This is especially true for women in the informal economy who cannot easily access credit (UN Women 2020b). The World Bank (2017) in CARE (2020) reports that women farmers and vendors are often put in the category of sceptical borrowers because of poor credit history thanks to the informal nature of the work so they are not eligible for low-interest/deferred loans or small business grants. In addition, women entrepreneurs are less likely to receive information about relevant support for informal businesses such as low-interest loans and deferred payments) compared to men (UN Women 2020b). As a result, for funding, women rely more on informal sources of financing like money-lenders who charge exorbitant interest rates, increasing the vulnerability of women.

8.0 Gig Economy

Gig workers have an independent contractor status and are not eligible for employment benefits such as paid leave, minimum wage guarantees, maternity leave, health insurance, job security, travel allowances, pensions etc. Secure incomes or decent working conditions are still a luxury for women informal workers let alone modest wages. In third world countries, where

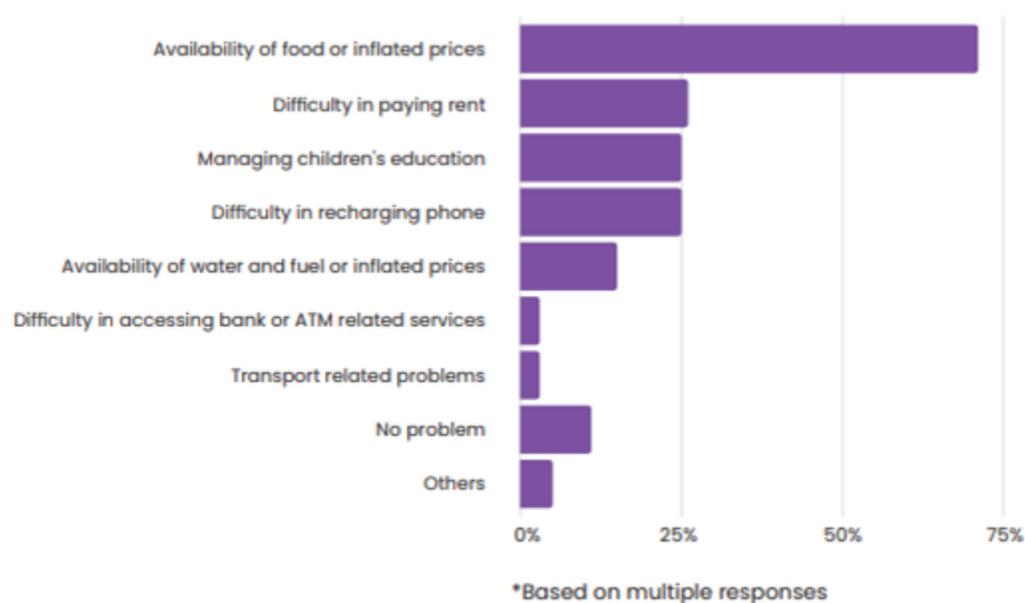
women tend to be concentrated in low-paid services, such as on-demand domestic work due to which at the will of the owners they can be fired anytime since work is on a contractual basis, for instance, due to lockdowns, many employers cancelled the contracts. Wage insecurity is compounded by a lack of recourse to social safety nets because of almost absent bargaining power due to no trade unions. Furthermore, there is no surveillance on the owners combined with a lack of traditional employment and a regular pay stream pushes them out of the formal credit market. Women also get affected due to minimum protection against workplace harassment. A study by Kasliwal (2019) showed that platforms in India have inadequate provisions for grievance redressal and platforms expect the dispute to be resolved independently by both parties in case of a dispute. Due to this low-income workers do not even think of reporting complaints let alone the monetary expenses. There are also legislative limitations to protections afforded to women. The Sexual Harassment of Women at Workplace Act 2013 in India does not apply to women working on gig platforms since they do not have formal status as employees.

9.0 Home-based Workers

The recent estimates suggest the number of home-based workers in the four South Asian countries – Bangladesh, India, Nepal and Pakistan – to be over 61 million, of which 30 million are women (HomeNet South Asia, 2020). The home-based workers in India are estimated to be around 42 million (Key informant interview) (as per Insights from Women Home-Based Workers Live in Delhi, ISST report, 2021). Lockdown was announced without any prior notice and no relief packages were announced due to which many home-based workers working at a small scale were affected because they could not take safety precautions in making the products and people were also sceptical about the safety of products. Since women's contribution to domestic and global supply chains is not recognised as a result women were struggling more than men during the lockdown. Women ran out of cash, as a result, basic preventive measures like using sanitisers, using disinfectants to clean the house, soaps etc. could not be taken. As per the Periodic Labour Force Survey (PLFS) 2017-18, 73% of employed women in Delhi work in the informal sector, and one-third of this section are employed mainly in the two sectors of informal work-domestic work and home-based work (Chakraborty, 2020).

10.0 Observations and Conclusion

- The Situation of women and girls with disabilities in informal work, have been aggravated by Covid-19 leading to “extreme and disproportionate impacts from the pandemic, both in the immediate and long-term”.
- For Domestic Workers, during the lockdown and even after the lockdown was lifted, workers faced difficulty in accessing basic services like healthcare and food because of the cash crunch. The share of women engaged in only domestic activity and domestic and allied activity together was 57.4% and 60% compared to just 0.5% and 0.6% for men in rural and urban areas, respectively, in 2018–19 (Shiney Chakraborty, 2020). A survey highlighted that access to food items, water and fuel were one of the main challenges that most workers were struggling with. Significant reduction in income coupled with a high increase in prices because the supply of essential items came to a standstill made it very difficult for the workers to purchase most items (Figure: 5).



Source: ISST Covid-19 Survey (Phase-II), October-November, 2020.

Figure: 5

Source: ISST Covid-19 Survey, 2020

Impact Of Lockdown On The Livelihood Of Women Domestic Workers

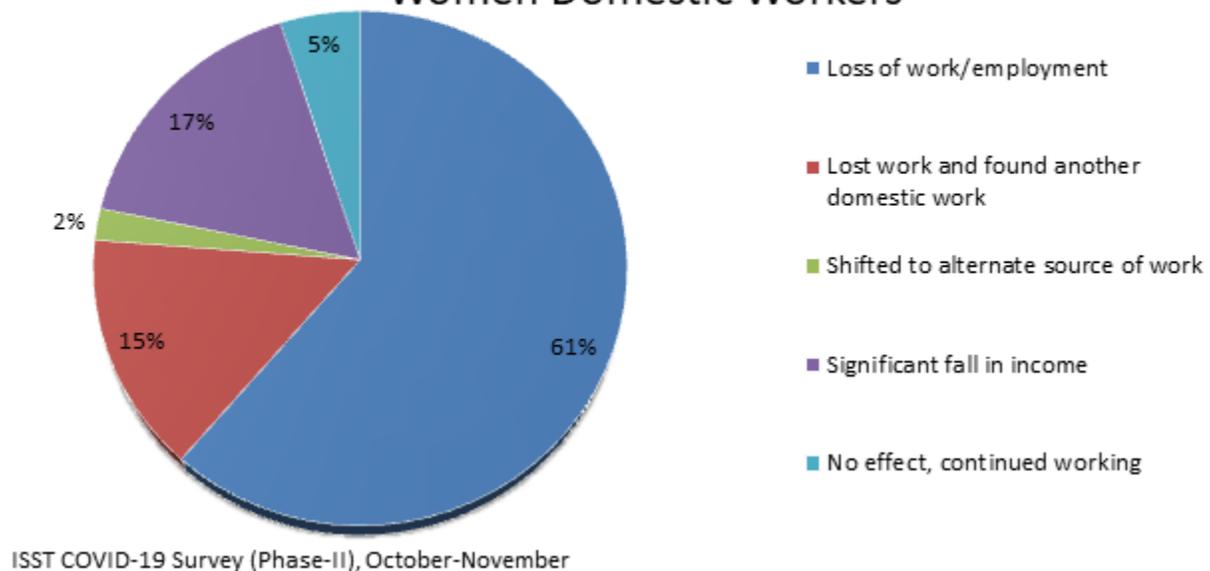


Figure: 6

Source: ISST Covid-19 Survey, 2020

- In Gig Economy, a survey conducted by the staffing consultancy TeamLease showed evidence of an 8-10% gap in gender earnings between men and women working for platforms (Gender and the Gig Economy: A qualitative study of Gig platforms for women workers, Ria Kasliwal, May 2020).
- Under Unpaid Care Work, in India, women spend an average of 351.9 min/day on unpaid work as compared to an average of 51.8 min/day by men. In addition, data show that time spent on the total paid and unpaid work by women in India is 536.6 min/day as compared to an average of 442.3 min/ day being spent by men (Gendering COVID-19: Impact of the Pandemic on Women's Burden of Unpaid Work in India by Priyanshi Chauhan, October 2020). According to the World Bank data, female labour force participation has decreased from 32% in 2005 to 21% in 2019. We also found that due to the closure of daycare centres and schools, women were loaded with the responsibility of teaching their children and due to lockdown, domestic helpers could not come to attend elderly people at home and household chores, and women were disproportionately subjected to time poverty.

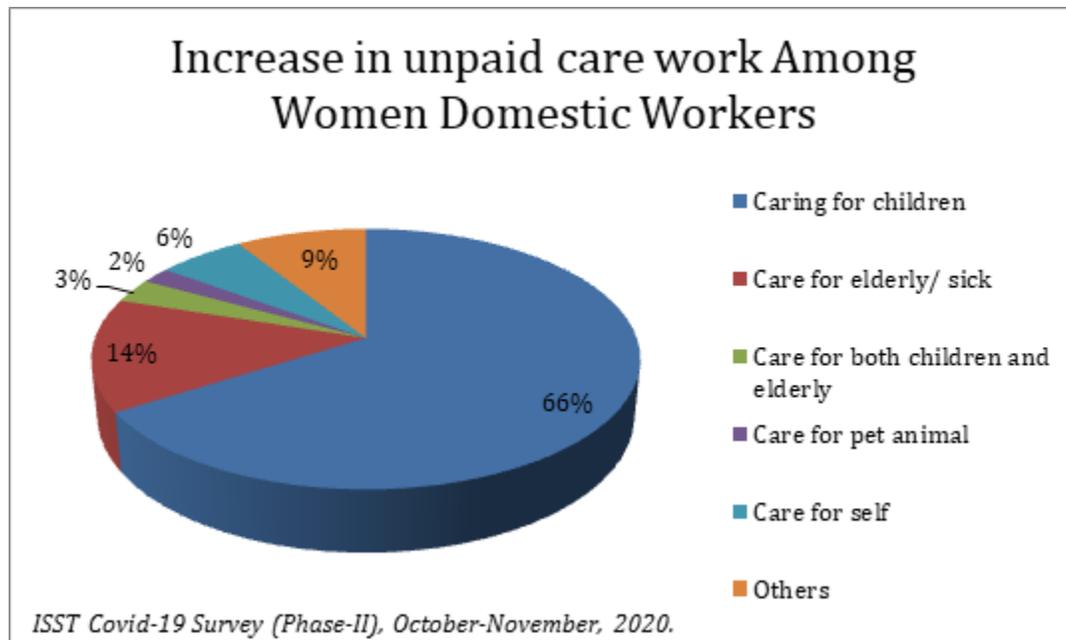


Figure: 7

Source: ISST Covid-19 Survey, 2020

- As guided by the power dynamics of gender relations, women's bargaining power, decision-making within the household, and financial independence get seriously affected if women are devoid of their income and they are made to acknowledge that she is living at the mercy of her husband. Furthermore, there is a positive correlation between the women's lower labour force participation especially in skilled and high-paying jobs and the resulting dis-incentivisation which it creates to not let women acquire skills and go for higher contribution because they are seen as significant contributors.

Increase in Domestic Chores during the Post-Lockdown period (in Percentages)

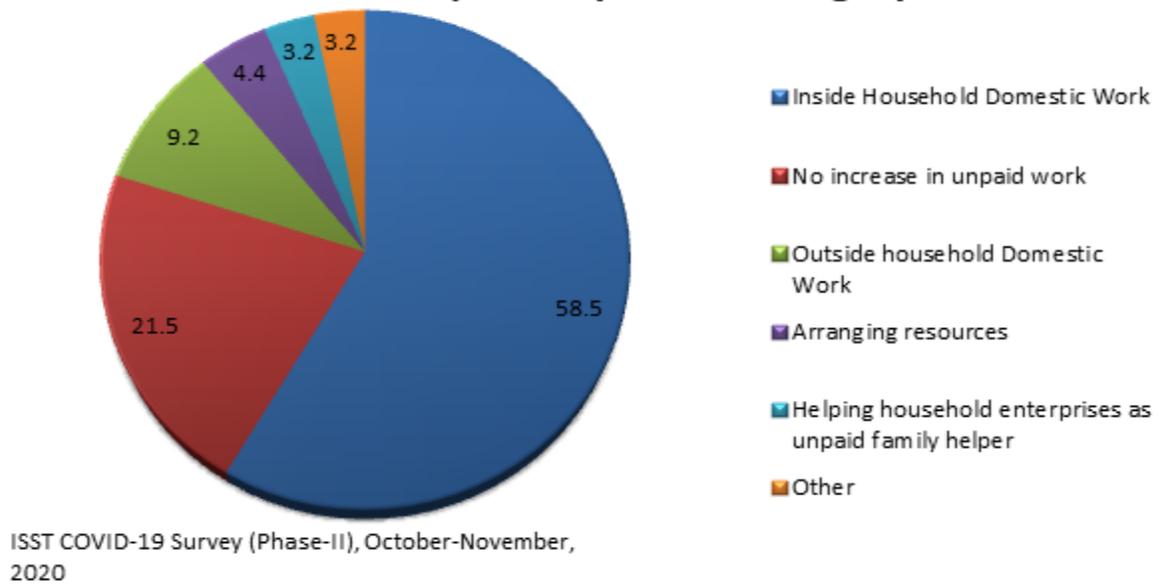


Figure: 8

Source: ISST Covid-19 Survey, 2020

- Under Women Construction Workers, 87% reported complete loss of work and income due to the national lockdown imposed by the Central Government in March 2020 to control the spread of coronavirus infection (Figure 9). Only 22% reported a complete loss of income stating that they managed to find construction work from a different source during the later months of the lockdown (ISST study, October-November 2020).

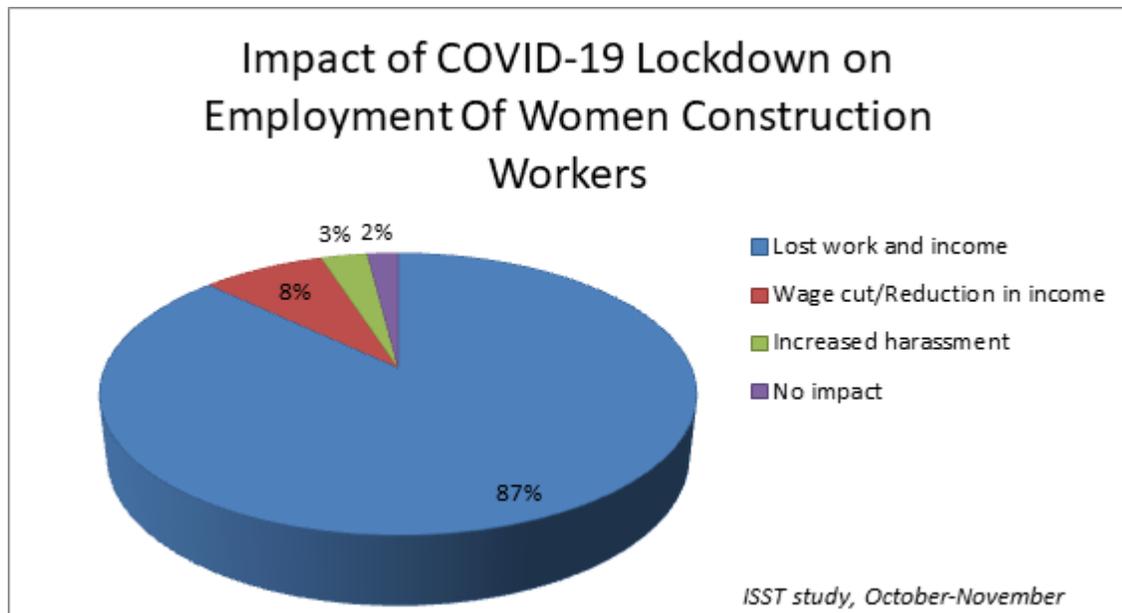


Figure: 9

Source: ISST Covid-19 Survey, 2020

- In Women-owned informal MSMEs, before COVID-19, women-owned enterprises were concentrated in sectors heavily hit by the pandemic – 35% in personal services, 31% in apparel and textiles and 15% in food and other services. Consequently, 82% of women-owned enterprises reported temporary closures immediately after the national lockdown, in March 2021 and half of them indicated these closures would be permanent (IWWAGE, 2020). A dipstick survey by Nikore Associates with jute entrepreneurs revealed massive income losses, up to 60-70% of annual income due to the cancellation of physical exhibitions and fairs. In a June 2020 sector-wide survey, 57% of micro-enterprises reported having no cash reserves while 65% dipped into their savings to manage operations (GAME, 2020). In a July 2020 survey of women-led enterprises, 72.5% reported a drop in revenue and 88% had to utilize personal savings (IWWAGE, 2020).

- For Home-Based Workers, the survey carried out for the ISST study on the impact of COVID-19 national lockdown on women home-based workers in Delhi in April-May 2020, found that 92% of the respondents completely lost their livelihood at a time when other sources of their household income mainly from construction, tailoring and mechanical work were also

drying up (ISST, 2020). 33% of them also reported access to cooking fuel as a major challenge while most reported not being able to access essential medicines and health services during the lockdown (Impact Of Covid 19 National Lockdown On Women Informal Workers In Delhi, ISST 2020). A survey of 340 garment factories in India showed that 58 per cent of surveyed factories outsource to homeworkers.

- Domestic violence against women informal workers has also increased due to lockdown and curfews.



Figure: 10

Source: The Hindu (Report on June 24, 2020)

- According to the Global Gender Gap Report 2020, it will require 257 years to attain gender parity in economic participation globally; it was pegged at 202 years as per 2019 report. . As per the CMIE Consumer Pyramids Household Survey (CPHS) data, four out of 10 women lost jobs in India and 17 million women lost their jobs during the nation-wide lockdown in March and April 2020.

11.0 Recommendation

We recommend 4 priority areas for civil society, policymakers, governments aiming to uplift the condition of women informal workers post covid 19 -

- Upgrade labour laws and institute social protections
- Extend protections against workplace harassment
- Increasing agency by collectivisation
- Track gender-related and intersectional data

- France has opened pop-up counselling centres and designated pharmacies as safe places where victims of domestic violence can report their situation. In Spain, local authorities in many autonomous communities have set up an initiative that enables victims of domestic abuse to go to their pharmacy and request a “Mask 19”, a code word that will prompt the pharmacist to contact the authorities similarly in India also innovative ways can be taken because victims are hesitant to complain (ILO 2020)
- Incentivise digital financial inclusion to reduce mobility constraints caused by the pandemic. Digital financial services can enable women gig workers to engage in financial transactions without having to travel outside. Good ways of securing collateral and credit histories for women include data from utilities, trade creditors and purchases of inputs. A prerequisite for digital literacy is the possession of gadgets like mobiles and laptops so schemes providing that should be focused upon. Agencies implementing government schemes must work with community-based organizations to understand the community-oriented requirements. During the COVID-19 lockdown, the Mann Deshi Foundation introduced low-interest smartphone loans, after consultations with its women partners, enabling over 80% of them to buy their smartphones.
- International organisations can work with organisations such as HomeNet Asia, HomeNet South East Asia, SEWA, and workers organizations in decision making on COVID-19 interventions at all levels of government, national, regional, and local/municipal. Participation and voice in decision making can be ensured by this.
- We also welcome the idea of providing salaries to women for the housework they do because women’s contribution gets unrecognized and unpaid care is also the factor that is leading to the exit of women from the labour market.

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