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Abstract: Informal economy is in a process of proliferation following the process of globalisation. It provides livelihood to millions of people in the developing countries and contributes significantly to the country’s GDP. Having its origin in the early seventies, the term informal economy has undergone several ups and downs. Informal economy witnesses a feminization of labour. The present study, a longitudinal one centers around the informal women craft workers in the appliqué, patta painting and coir works in the largest concentration areas in the state of Odisha. The study tries to identify the minute impacts of globalization on informal sector, with special reference to the women craft workers.

Key Words: Informal sector, women craft workers, invisibility, unsustainability, vulnerability, Social solidarity and social capital

The informal sector is a pervasive and persistent economic feature of most developing economies. It contributes significantly to employment creation, production, and income generation. It is termed as the “Grey Economy”. The informal economy is in a process of growth following the process of globalization. In terms of its contribution to GDP, the informal sector accounts for between 25% and 40% of annual output in developing countries in Asia and Africa today.

Informal Sector: Genesis and Growth of the Term

The term informal sector has undergone a process of evolution. The term was coined by a British anthropologist Keith Hart in his famous paper on “Informal income opportunities and urban unemployment in Ghana” (Hart 1973)). He coined the term while he was focussing his study on the low-income activities in Accra among the unskilled migrants from Northern Ghana who could not find wage employment. While the phrase “informalsector “came onto the development scene in1972,its roots date back into the economic development efforts of the 1950s and 1960s. Particularly, in the post Second World War period, when the reconstruction of Europe and Japan was undertaken, thousands of workers migrated to earn their livelihood through the process of participating in the reconstruction work. That became the beginning point of the development of the informal sector.

The World Employment Programme emerged as a proposal in 1967 at the Americas Regional Conference in Ottawa. It was formally endorsed and launched in Geneva at the 1969 International labour conference. The Kenya Mission, in 1972, was the first comprehensive employment mission to Africa. In the Kenyareport “Employment, incomes and equality”, not only was the phrase “informal sector” coined; but this concept played a key role in the whole analysis of the employmentsituation. Both Keith Hart and the Kenya Mission were largely positive about the informal sector. Thus, the 1970s can be described as the “Initiation” years of the term called “Informal Sector.” Over the course of the 1970s, the phrase “the urban informal sector” gradually replaced “urban unemployment”.

The decade of the 1980s saw the concept of the urbaninformalsector spreading rapidly. By the 1980s, the informal sector debate expanded to include changes that were occurring in advanced capitalist economies. Increasingly, in both North America and Europe, production was being reorganized into small-scale, decentralized, and more flexible economic units. Mass production was giving way to “flexible specialization”. During this period, subcontracting of jobs started and benefits of participating in formal production were withdrawn. This institutionalized the concept of informal sector. The period of 1980s can be described as the “Dispersion and Expansion” of the concept.

In the 1990s there was the proliferation of literature on urban informal sector and along with the ILO, private research institutions and individuals made it
a focal area of policy, economic and social research. A lot of data base was generated on this sector of the economy. This period can be termed as the “Officialization” of the term and the period of ascendency.

In the beginning of the new millennium, this sector came into greater policy debates because of the burgeoning of the sector on the one hand and the increasing challenges encountered by the sector. The impacts of globalization led to an expansion of this sector and posed new challenges before it. This period can be termed as the period of “Crisis” and resilience. The following figure describes the entire genesis and growth of the term in development literature.

**Figure:A**

**Figure: A**  
*Genesis and Growth of the Concept of Informal Sector*

**Informal Sector: A Conceptual Analysis**

The informal economy refers to activities and income that are partially or fully outside government regulation, taxation, and observation. The informal sector is broadly characterised as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned.

The ILO's definition of the informal sector in the early seventies was descriptive. It specified a set of characteristics to distinguish informal enterprises such as: small scale of operation, family ownership, reliance on indigenous resources, labour intensive and adaptive technology, skills acquired outside the formal system and operation in unregulated and competitive markets. At the international level, after several years of negotiations, an agreement has been reached on the definition of the informal sector in the Fifteenth International Conference of Labour Statisticians (ICLS, 1993) and the new System of National Accounts (SNA, 1993). The SNA (1993) characterizes the informal sector as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. They form part of the household sector as unincorporated enterprises owned by households. They are distinguished from corporations and quasi-corporations on the basis of their legal status and the type of accounts they hold. These household enterprises do not have a legal status independently of the households or household members owning them.

Sociologist Jan Breman defines informal sector work as work on one’s own account which generates income but is not regulated by an explicit employment contract and enjoys no protection. This includes people who work in the street, in homes, small-scale enterprises, power loom workshops etc. The informal economy is characterized by less job security, lower incomes, an absence of access to a range of social benefits and fewer possibilities to participate in formal education and training programmes – in short, the absence of key ingredients of decent work opportunities (Bacchetta, et.al, 2009). Informal labour is generally qualified by the absence of decent labour conditions as recommended by the ILO and a lack of any sort of secure and sufficient wages.

**Informal Sector: In the era of Post Globalization:**

There has been a burgeoning of the urban informal sector in the developing countries in the post globalization period. Globalization contributed towards increasing the growth rate. But it failed to generate employment of a similar extent. Labour displacement from the formal sector, increased migration led to a phenomenal increase in the
labour force participation in the urban informal sector. There was an unprecedented growth in the urban informal sector in the years following globalization. Table No. 1 provides a picture of the informal sector labour participation in the post globalization period.

Table no: 1

Informal Labour Force Participation in the Developing Countries

<table>
<thead>
<tr>
<th>Time frame</th>
<th>Name of the region and percentage of labor force in the informal sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Asia</td>
</tr>
<tr>
<td>Early 1990s</td>
<td>78.3%</td>
</tr>
<tr>
<td>Late 1990s</td>
<td>68.5%</td>
</tr>
<tr>
<td>2000s</td>
<td>78.2%</td>
</tr>
<tr>
<td>2010 onwards</td>
<td>77.9%</td>
</tr>
</tbody>
</table>

Source:

- IILS estimates based on the IILS Informality database

Thus, it becomes evident from the foregoing table that there is a phenomenal rise in the labour force participation in the informal sector in the developing world after the introduction of globalization. The maximum informal sector labour force participation is noted in the Asiatic countries, where more than three fourth of the population are into the informal economy.

Feminization of the Informal Sector:

There has been an in formalization of labour among women. Particularly in the South Asian countries, the informal sector is dominated by women. The low degree of security and high rate of vulnerability and uncertainty of this sector on the one hand, and the low level of education, skill and competence among women on the other hand, lead to the feminization of the informal sector. Women workers present a considerable share of this so called informal workforce, a share that has in fact risen substantially over the last 20 years.

According to a 2011 paper of the International Labour Organization, 83.8 % of South Asian women are engaged in so called ‘vulnerable employment’. The work that these women are doing can in most cases be qualified as ‘casual labour’, ‘piece-work’ such as the manufacturing of garments and other small items, produced within the restraints of the workers’ household.

Prototype is the situation in India. The informal sector in India is growing in the post globalization period. According to the estimates of the NSS 68th Round (2011-12) 82.2 percent workers are engaged in the informal sector. The most recent estimate made by the Institute for Human Development(2014) records about 92 percent of workers are engaged in the informal sector in the country. As a whole, about 96% of female employment is in the unorganised sector as against about 91% of males.

Handicraft Sector: A major Informal Sector in India

India has a rich heritage of art and craft. India is known for its rich culture which includes many art forms. The handicraft industry has a history of several centuries. The artisans in the earlier days were known worldwide for their skill and craftsmanship. The carvings on the temples testify this fact. Exports of Indian hand crafted goods have taken place from time immemorial (Rao, 1979).

The handicraft sector is a major informal sector of the Indian economy. It is an unorganized, decentralized, labour intensive cottage industry. (Handbook of Statistics and Indian Economy, 2006). This sector not only provides a source of livelihood for lakhs of artisans, but also strengthens an economy being environment-friendly, energy and capital saving and labour-intensive in character. It spread all across the country in rural and urban areas. The sector is considered as the second largest employment-generating sector after agriculture with numerous artisans engaged in craft work on a part-time basis. The industry offers employment to over 6 million artisans, including a large number of women and people from the weaker sections of society (Jadhav).

Ministry of Textiles Tableaux, 2012 on Indian Handicrafts on the Republic Day parade conveys that while Indian handicraft sector is an unorganized, labour intensive decentralized industry, it provides employment to over 7 million artisans in rural and semi-urban areas. Handicrafts form a substantial part of Indian exports and their
share in the exports is increasing each year. Indian Handicrafts sector emerged as one of the most important foreign exchange earners for the country. Handicraft exports touched Rs. 10,534 crores in the year 2010-2011 while production was worth Rs. 17, 557 crores in the same year.( First Tableaux on Indian Handicrafts this Republic Day, Ministry of Textiles24-January, 2012)

Handicraft Sector of Odisha

The state of Odisha occupies a distinct identity in the craft mapping of the country. The state has a rich craft legacy. From the economic point of view, the craft sector of the state is one of the largest export oriented sector and it has ensured employment to 1,04,000 artisans(Department of Handicrafts,1993). This sector no doubt provides livelihood to maximum number of women and there is a feminization of labour in this sector.

The Background of the study:
The present article evaluates the impacts of globalization on the craft workers of the state with special reference to three crafts in the golden triangle region in the state of Odisha. These crafts are: Applique, Coir crafts and Patta painting.

The study is a longitudinal one conducted by the researcher in three phases i.e. in 2000, 2007 and 2013. In 2000 the study was launched by the researcher as an ILO consultant. But in the subsequent two phases the follow up studies were undertaken due to the research interest and to generate insight into the plights of the women craft workers. Studying the women craft workers from a close angle has generated much insight into the impacts globalization which is the main contents of the article.

Universe and Sample of the Study: The study was centered in the craft concentration areas. As such Pipili, and Banmalipur were selected for studying the appliqué workers, Satasankh and Sakhigopal for coir workers and Raghurajpur and Dandasahi for studying the patta workers.

Data Collection Techniques: Data were collected directly from women craft workers through personal interviews and group interactions. A standardized schedule was administered among them to capture some key information for quantitative analysis.

Salient outcomes of the Study: The study made certain key observations with regard to the plights of women craft workers in the era of globalization. These can be described as the economic impact, psychological impact, social repercussions and political outcomes. The following figure describes the overall impact of globalization on the women craft workers.
The Economic Impacts of Globalization on the Women Craft Workers: The economic impacts of globalization in general are far reaching starting from the expansion of market to technological innovation, from capital flow to movement of labour. It is expected that globalization has its positive reap for the craft economy too. It can transfer the crafts from local to the global market and as such have a strengthening impact on this traditional sector. The major economic impacts of globalization on the women artisans are found to be extremely damaging.

- **Globalization has reduced the number of women craft entrepreneurs which negates women’s development and empowerment.**
  
  In the reference period mentioned, the number of erstwhile women entrepreneurs has significantly gone down. This is indicated in Table No.2.

### Table No.2
Craft wise Women Entrepreneurs

<table>
<thead>
<tr>
<th>Name of the craft</th>
<th>Total number of women workers engaged</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>Aplique</td>
<td>78</td>
</tr>
<tr>
<td>Coir</td>
<td>22</td>
</tr>
<tr>
<td>Pattapainting</td>
<td>08</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>108</strong></td>
</tr>
</tbody>
</table>

The study noted globalization spreads the neo liberal ideology which proves to be detrimental for the women entrepreneurs. Women entrepreneurship which was taking momentum since the sixth plan period through various Governmental programmes got a setback in the craft sector following the period of globalization and the financial reformation. In exception to pattapainting women entrepreneurship in the craft sector is in decline which symbolizes the disempowerment of women.

- **Globalization has expanded the market for the crafts across the borders, but has limited the participation of women artisans in the labour force.** There is an increasing exclusion of women from the craft sector which denies sustainable livelihood opportunities for them. There is a steady decline in the number of women craft workers over the years. The decline is projected in Table No.3

### Table No.3
Craft wise Engagement of Women Workers

<table>
<thead>
<tr>
<th>Name of the craft</th>
<th>Total number of women workers engaged</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>Aplique</td>
<td>1448</td>
</tr>
<tr>
<td>Coir</td>
<td>378</td>
</tr>
<tr>
<td>Pattapainting</td>
<td>120</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1946</strong></td>
</tr>
</tbody>
</table>

Thus, it becomes evident from the above figures that, there is a rapid decline in the number of women craft workers in the era of globalization. Close interaction with the women artisans revealed that, the global market demands high quality products with new motifs, a product diversification and a process of globalization. The women artisans lack the skill, training to produce such products for which they become vulnerable to labour displacement. Over a period of 13 years in the applique sector, 30 % artisans have lost their job opportunity, in coir craft sector, it is about 82.8%.

However, in the pattapainting sector there is a phenomenal rise in their share, being 70 % more than the yester years of 2000. This is because of the skill acquisition by the women, their departure from the traditional themes and the vigorous marketing, advertisement and for combining intricacy with innovations in the craft.

- **Globalization has resulted in the downward mobility of the women craft workers. Invisibility, unsustainability and vulnerability are on rise for women craft workers in the craft sector in the era of post...**
globalization. Women artisans are selectively regular workers, frequently casual workers, occasionally part time workers, but commonly home based workers. The status of women craft workers is reflected in Table no.4

Table No.4
Craft wise Status of Women Workers

<table>
<thead>
<tr>
<th>Name of the craft</th>
<th>Regular workers</th>
<th>Casual Workers</th>
<th>Part time workers</th>
<th>Home based workers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applique</td>
<td>88(8.7)</td>
<td>102(10.07)</td>
<td>204(20.18)</td>
<td>618(61.07)</td>
<td>1012</td>
</tr>
<tr>
<td>Coir</td>
<td>19(29.23)</td>
<td>30(46.15)</td>
<td>16(24.62)</td>
<td>65</td>
<td></td>
</tr>
<tr>
<td>Patta painting</td>
<td>76(37.25)</td>
<td>25(12.25)</td>
<td>103(50.49)</td>
<td></td>
<td>204</td>
</tr>
</tbody>
</table>

Note: Figures in parenthesis represents percentage

Thus, the glimpse of the occupational status of the women craft workers clearly project the impression they are into a trap of informality of labour. There is no job guarantee for them and economic sustainability. This prevents them from having occupational safety, forming trade unions and going for collective bargaining.

- **Globalization has made the crafts more gendered in character.** Due to the rise in the demand for quality, there is an emphasis on skill. Women due to their reproductive and community management roles are often devoid of skills. Skilled positions are monopolized by the males while semi skilled and unskilled positions go to the females. This is indicative of a prototype syndrome of glass ceiling in the informal sector.

- **Wage discrepancies are becoming frequent and are widening for the women workers in the era of globalization.** As wages are tied with positions and skills, women’s wages are far less than their male counterparts. Their wages never commensurate to their labor input. For casual workers, part time workers and home based workers payments are less, deferred and the deferred payment results in nonpayment. The wage structure information collected from the sample respondents is presented in Table no.5

Table No. 5
Gender Based Wage structure of Craft Artisans

<table>
<thead>
<tr>
<th>Name of the craft</th>
<th>Skilled Male</th>
<th>Skilled Female</th>
<th>Semi skilled Male</th>
<th>Semi skilled Female</th>
<th>Unskilled Male</th>
<th>Unskilled Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applique</td>
<td>350</td>
<td>200</td>
<td>250</td>
<td>150</td>
<td>200</td>
<td>100</td>
</tr>
<tr>
<td>Coir</td>
<td>200</td>
<td>150</td>
<td>150</td>
<td>100</td>
<td>125</td>
<td>50</td>
</tr>
<tr>
<td>Patta painting</td>
<td>450</td>
<td>300</td>
<td>300</td>
<td>250</td>
<td>200</td>
<td>150</td>
</tr>
</tbody>
</table>

becomes reflective from the above table, females are ill paid in comparison to their male counterparts in the same position.

The Psychological Impacts of Globalization on the Women Craft Workers: As displacement, discriminations and deprivations are on escalation as the off shoots of the process of globalization in the crafts sector for the women; its psychological consequences become far reaching in character.

- **The impacts of globalization are traumatic for the women artisans.** They miss out the gratifying impact of the craft pursuit. Globalization has transformed the crafts from producing utilitarian objects to showcasing items. The local clientele is replaced by international clientele. There is a need of introducing innovations and glocalised elements which are lacking among the women artisans. This does not prove to be gratifying for the women craft workers. It creates a sense of vacuum in them. Their household socialization, alienation from markets do not permit them to introduce much innovation in their craft work. This not only becomes ill paying and brings job insecurity for them, but brings psychological trauma.

- **Globalization has squeezed the bargaining power of the women craft workers.** Globalization has resulted in labour displacement of women in different jobs. This has resulted in the generation of a surplus of women labour force in the craft sector. Women are either engaged in their own household craft
unit or the local craft enterprises. There is heavy competition in the place of cooperation. Surplus labour has arrested the bargaining capacity of the women and has provided an upper hand to the craft entrepreneurs. The craft entrepreneur are paying the least and maximizing the profits.

The Social Impacts of Globalization on the Women Craft Workers: On the social front, the impacts of globalization are not encouraging for the women labour force.

- **Globalization has led to the erosion of social solidarity and the spontaneous social capital building among women artisans.** Prior to globalization, craft sector was not only providing livelihood opportunity to the women, but was a place of gathering and sharing. By this social solidarity was well secured and collectivity was maintained. But today due to commercialization of the craft, women workers find their co-partners as their competitors which strain their interpersonal relationships. Regimentations in the units and home based production do not provide them a forum for having strong interaction and generating cooperation and developing collective feelings.

- **Under the cloak of globalization, cooperatives are withering away.** This negatively affects the women workers.

- **Globalization has put an end to the previous employee and employer relationship.** The women craft workers reported that today their relationship with the unit owner is no longer a patron-client relationship, but a relationship of contract. There is an absence of security for them which utterly dismays them.

- **Self Help Groups have become the facilitators of craft production in the era of globalization.** Today crafts are pursued through the SHGs and they have replaced the individual units. But as per the versions of the women craft workers, as artisans they are facing innumerable problems while pursuing the trade through SHGs. Their problems emanate from procuring raw materials, to locating a shed for carrying the production work, from arranging capital to marketing of the products. This results in disaster for them and contribute towards their alienation from the pursuing the craft.

The Political Impacts of Globalization on the Women Craft Workers: The political repercussions of globalization are not very appealing on the women craft workers.

- **Globalization has led to the closure of the family craft units.** This has reduced the role of decision making power of the women. Due to the extreme commercialization of the crafts, market driven nature and an erosion of their entrepreneurship roles, they find themselves restricted in their decision making ability with regard to the quantity and quality to be produced, the motif to be accorded to the products, the pricing of the product. This leads to their disempowerment.

- **Globalization has also affected the human rights of these women craft workers.** The women artisans reported that their rights to safe environment of work, equal rights, equal wages, equal status and social security are completely denied to them under the post globalization capitalist mode of production of the traditional crafts. All these jeopardize their human rights.

Thus the study came to a conclusion that globalization instead of becoming emancipating and empowering for the women craft workers has become disastrous and disempowering for them. The informalization of the sector, the transition from a socialist to a capitalist mode of production, heavy competition has become detrimental to the status of women craft workers.

So, it is high time to introduce measures to protect and promote the women labour force engaged in this informal sector. The measure interventions are to provide them education, impart skill and training to them, introduce and acquaint them with the technological innovations, sensitize them about the market demands, to provide them capital support, market access to build up their capacities to secure their position in the craft sector. Social security measures should be implemented, wage laws are to be executed to prevent their exclusion and enforce their greater integration in this sector to put an end to displacement and increase their livelihood options. Entrepreneurship in this sector is to be encouraged for the women, cooperatives are to be activated to give a boost to this informal sector and make it a potential sector of employment generation.

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