REPORT - II

INFORMAL ECONOMY

&

THE WAY FORWARD

Support for Policy & Programme Development (SPPD) Project

United Nations Development Programme

&

International Labour Organisation

by

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“Indian society is like a mountain. With the very rich at the top, lush Alpine pastures where skilled workers in the biggest modern industries graze, a gradual slope down through smaller firms where pay and conditions are worse and the legal security of employment means less, a steep slope around the area where the Factories Act ceases to apply, a plateau where custom and the market give poorly paid organised workers some minimum security, then a long steep slope down through casual migrant labour and petty services to destitution. There are well-defined paths up and down those slopes, which are the easiest for some kinds of people.”

Holmstrom 1984
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Harjit S. Anand
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CHAPTER I

- INTEGRATED IMPLEMENTATION STRATEGY
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- COMPOSITE INSTITUTIONAL FRAMEWORK FOR DEVELOPMENT OF THE INFORMAL ECONOMY
- SECTOR-SPECIFIC NETWORK OF MICRO-ENTERPRISES (SNM)
- INSTRUMENTALITIES AT THE CUTTING EDGE OF THE PRODUCTION SUB-SYSTEM
The way forward must take *cognizance of the structural causes for the growth of informalism at the work place*. Amongst several causes, perhaps, five causes stand-out as exerting influence of far-reaching importance. The first and foremost is *the IT revolution* which has not only dramatically changed the way and the time in which people communicate but also the way businesses are managed.

The second is the *technological revolution* in terms of reduction of travel time as well as in terms of robotics; the former accelerating the pace of global trade and the latter having far-reaching implications for the number and kind of workers to be employed.

The third critical cause is the *pressure of global competitiveness*. In a globalized market, producers seek to find new and clever means of reducing their overheads and cutting-down costs per unit of production by creating *long value chains based on outsourcing and sub-contracting*. In the sphere of services too, multi-national companies take recourse to utilizing the cheap labour available in developing countries in terms of transcription of medical records and off-shore design of services through sub-contractors.

The fourth significant cause relates to basic changes taking place in the way businesses organise themselves. The theory of firms "*turning themselves inside-outside" in order to enhance their competitiveness is well known. This theory refers to the phenomenon of large firms hiving-off the production of selected components by promoting ancillaries as well as outsourcing. This ‘inside-outside structural process’ redefines the nature of relationships between the firms and ancillary units as well as supplier firms in terms of a symbiotic bond of mutually related growth. The theory also places special emphasis on *strengthening relationships with distributors, wholesalers, retailers and franchisers*. In this manner, the theory highlights the aspect of *turning insiders into outsiders and outsiders into insiders*.

The fifth cause of informalism focuses the spotlight on the *changing role of the State*. With rapid globalization and severe competition from MNCs, many less developed countries (LDCs) which had adopted the framework of centralized planning and using the public sector for providing major infrastructural and heavy industry inputs have faced serious depletion of their foreign exchange reserves and adverse balance of payments relating to trade. This has led to the adoption of policies of liberalization of foreign investments, privatization of public sector companies and reduction of real expenditure on social development in the wake of structural adjustments stipulated by IMF and the World Bank. This has implied the reduced role of the State in terms of direct employment generation. These causes of informalism have had far-reaching consequences for the nature of economic growth, levels and pattern of employment and issues of equity relating to socially dis-advantaged and economically weaker sections of society.
The Report of Juan Somavia at the ILO Conference (2001) on "Reducing the Decent Work Deficit: A Global Challenge" puts forward a decent work paradigm consisting of the following key factors:

- Efforts to fulfil the universal aspiration of obtaining productive work in conditions of freedom, equity, security and human dignity;
- Pursuing a rights-based approach to economic and social development;
- Adopting an integrated policy framework combining the four strategic objectives and ILO's mandate in the field of rights at work, social dialogue and social protection; and
- Focussing the growth and development of gender around employment in enterprises.

Based on this paradigm, the Report of the DG, ILO directs attention towards marginalized economic units and workers who are characterised by decent work deficits: labour standard deficits, worker productivity deficits, job quality deficits, social protection deficits and organisational-cum-representational deficits. Somavia seeks to highlight the need for a new algebra of efficiency and productivity, which views social policy not as a cost but as a sound return: which can quantify, for example, the economic benefits of good industrial relations, social security and safety measures at work. In a nutshell, he emphasize the need to develop a concept of "social efficiency."

Taking into account the foregoing conceptualization, it is vital to ask the question "what is the key determinant of enabling micro entrepreneurs and workers in the informal economies of less developed countries to access decent work on an enduring basis."

The key determinant of decent work on a sustainable basis has to be the quality of goods and services offered by informal economy operators at competitive prices which enables them to progressively enhance their share of market demand. In essence, therefore, a well designed theoretical framework leading to a cogent programme of action for creating decent jobs as well as improving jobs which currently suffer from decent work deficits must be market-led. It is only after a careful analysis of demand in different niche-segments of the market for a specific sectoral activity has been carried-out that matching supply-side inputs can be devised. In this manner, the supply-side inputs must be tailored to provide 'the specific fit' for the demand in differentiated market-segments. A progressive employment policy must identify the sectoral activities where demand exists on the basis of well-focused market surveys and then, seek to adjust the terms of trade amongst different role-players to favour enhancement of workers' productivity and provision of 'a living wage.'

An Informal Economy Paradigm with sectoral activity and area specific focus has been designed to provide an analytical framework for designing an integrated theoretical framework for ushering
in decent work in the informal economies of less developed countries. Attention is drawn to diagram I (A&B). This Paradigm assigns a cardinal role to factors constituting the demand-side perspective and seeks to structure factors constituting the supply-side perspective into a supplementary role with a view to strengthening the potentialities of informal micro-enterprises for effective market penetration. As such, this Paradigm seeks to develop a symbiotic relationship between the demand-side and supply-side perspectives.

The Demand-side perspective consists of several factors. First of all, it is useful to look at markets in terms of space with the spectrum ranging from neighbourhood, village/town, rural area, metropolitan city, state (as a part of a federation) and national markets onto bilateral, sub-regional, regional, trade block/group and multilateral global trade. Secondly, it is useful to analyze markets according to income level of various buyers with reference to cheap-end of the market, lower middle, middle, upper middle, well-to-do and elite segments of the market. Thirdly, a market can be segmented according to preferences associated with different occupational-cum-status groups: informal sector workers, organised blue-collar workers, white-collar staff, middle level bureaucrats, middle level business executives, top level government mandarins, top business executives, leading professionals (such as lawyers, doctors and consultants), the nouveau riche and the aristocratic segment. Fourthly, it is useful to analyse markets in relation to multi-culturalism. For instance, in the Indian restaurant market, the demand for Italian pizzas or Chinese sweet and sour delicacies is indicative of multi-culturalism. Specific cultural values also determine what is a 'must' in a Punjabi or Tamil 'dowry' (presents given by the bride's parents to the betrothed in an Indian wedding). Fifthly, markets can be segmented according to changes in consumer behaviour based on fashion trends. For instance, preferences for garments are influenced by the collections of garments presented by reputed designers during high fashion events as well as by outfits worn by leading film stars. Sixthly, the market can be segmented according to the market share of different competitors. Seventhly, the market can be examined in relation to quality benchmarking in terms of versatility of features and elegance of design. Eighthly, the market can be analysed in terms of brand strength as to how branding likes 'Tata' or 'Christian Dior' can capture buyers by just franchising their labels. Further, the market can also be analysed with reference to the appeal of different brands - say Levis, Newport, Charlie or Ruf & Tuf in the context of Jeans - to different 'personality types.' Ninethly, one can look at markets in terms of the efficacy of different selling instrumentalities like show-room sales, mobile van sales, door-to-door sales, participation in exhibitions/fairs or e-commerce. Finally, one can look at markets in terms of distribution networks like wholesaling, retailing, area distributorship or franchising.
INFORMAL ECONOMY PARADIGM
WITH SECTORAL ACTIVITY & AREA SPECIFIC FOCUS(A)

Terms of Trade Amongst Activity Role players

Demand Side Perspective

Supply Side Perspective

Quality of Product/ Service

Niche Market Targeting

Workers' Productivity

Quality of Entrepreneurship

Diagram la
INFORMAL ECONOMY PARADIGM
WITH SECTORAL ACTIVITY & AREA SPECIFIC FOCUS (B)

Demand Side Perspective
- Markets with reference to space
- Market segmentation by Income Levels
- Markets by occupational-cum-status group preferences
- Markets vis-à-vis multi-culturalism
- Markets by changes in consumer behaviour
- Markets by Sellers' shares
- Markets by quality benchmarking
- Markets by Brand-marketing
- Markets by Selling instrumentalities
- Markets by distribution network

Supply Side Perspective
- Intermediate Technology Choice
- Skills' upgradation
- Provision of Seed-money
- Access to micro-finance
- Place to work
- Supply of raw materials
- Innovation in Designs
- Common facility networking
- Integral Technical Advice
- Place to sell

Diagram 1b
The Supply-side perspective also consists of a set of critical factors. First of all, the level of technology used by informal micro enterprises puts a limit to the market-share these enterprises can capture. Adoption of the best intermediate technology at an affordable cost can assist a micro-entrepreneur to improve productivity per worker, reduce cost and produce a superior product. Further, intermediate technology does not entail a significant decline in the number of persons employed while at the same time it reduces drudgery at work. Secondly, adoption of upgraded intermediate technology implies suitable technical training of workers required to operate a new set of machines. The significance of high quality technical training for improving the skills of workers and viability of micro-enterprises in the informal sector cannot, therefore, be over-emphasized. Thirdly, it is essential that for enabling enterprising and skilled persons in the poorest segment of society to avail of institutional credit, a seed money grant/loan is provided up to a certain pre-fixed amount. Fourthly, several studies have shown that lack of access to adequate working capital, has been one of the most significant reasons for high mortality in the informal sector. Further, there is a dire need for developing venture capital funds for micro entrepreneurs on the pattern of venture capital funds dedicated to start-ups in the Information Technology and Communication sectors. Moreover, insurance schemes which provide risk-cover for loss or damage to assets due to unforeseen circumstances must be made user-friendly for micro-entrepreneurs. Fifthly, the availability of a congenial place to work with access to appropriate infrastructure at a reasonable cost can enable micro-entrepreneurs to produce better products at lower cost. Generally, micro entrepreneurs in the informal sector work from degraded slums without availability of in-house potable water, electricity, telephone and allied facilities. In case they employ hired workers, the latter too cannot give their best in an unhygienic and unsafe working environment. In this manner, provision of reasonably-priced industrial sheds in an activity-specific Industrial Estate for micro entrepreneurs can be a significant supply-side input. Sixthly, provision of good quality raw materials at a reasonable price through the instrumentality of joint purchase by a group of micro entrepreneurs can help in reducing the cost of production. Similarly, the use of waste materials for making by-products can be an effective supply-side input. Seventhly, many enterprises related to selected economic activities can benefit significantly by accessing latest designs based on fashion trends. Eighthly, it is essential to provide common facilities to selected groups of workers in different sectoral activities so that workers can access intermediate technology-machinery/equipment which effectively performs repetitive functions and enhances workers' productivity. For instance, provision of a sole-cutting machine, semi-automatic stitching machine and eye-lid making machine to cobbler will enable them to concentrate on aesthetic work relating to shoe-uppers as well as increase the number of shoes they make per month. Ninethly, it is essential to provide seasoned technical advice to micro-entrepreneurs through a single window at a reasonable cost which includes technical, marketing and managerial inputs. Lastly, the greatest stumbling block of micro-enterprises in the informal sector is the non-availability of a "place to sell" in a good residential/commercial locality since these are priced well beyond their capacity to buy. Local bodies can intervene in this regard by reserving some well-located sites for micro-entrepreneurs in the informal sector. Le Corbusier thought of push-cart markets while planning Chandigarh for helping petty vendors to procure
better business. The municipal corporation in Bangkok permits street vendors to display their wares on a portion of the pavements. The Municipal Corporation of Delhi has permitted the National Dairy Development Corporation to set-up fruits and vegetable shops serviced by ex-servicemen at prestigious locations at a nominal lease rent. The use of Ram Lila grounds or other public grounds for week-end markets is another way of providing the poor with a place to sell. Allocation of space in regional and national fairs to micro-enterprises in the informal sector at reasonable prices is another effective way of providing marketing assistance.

Let us, now, focus attention on the five critical variables mediating the relationship between the demand-side perspective and the supply-side perspective. First and foremost, attention is focussed on the quality of entrepreneurship relating to micro-enterprises of both the proprietary and partnership varieties. An entrepreneur operating at the neighbourhood or area levels must be well-versed in not only accessing institutional credit and knowledge of appropriate technology but must also be proficient in the art of effective market surveillance and networking with bulk buyers for maximising sales.

The second variable relates to enhancing workers' productivity and through it the turnover of enterprises in the informal sector so that there is more to share between the entrepreneur and his workers after costs of land/workshed and capital have been met. This involves not only the use of better technology but better organization of workers combined with encouraging a spirit of ownership through incentives and recognition.

The third core variable relates to selective targeting of niche segments of the market. In every selected sectoral activity, micro-entrepreneurs must be enabled to chose the right market segments which hold the best potential through focussed market surveys. The strategy for exploiting this potential also assumes significance here. Depending upon the market situation, one strategy could involve networking amongst micro-entrepreneurs to float their own joint brand-name. 'Lizzat' is a variety of indigenous spiced wafers with a sizeable market in India and the Middle-East which is produced by scores of low-income households. Another way of exploiting the market potential could be strategic partnership between micro-enterprise networks on the one hand and national/multinational marketing establishments on the other hand. The marketing mix will vary in accordance with the level of synergy between micro-enterprises and the spatial spread of the targeted market penetration.

The fourth important variable relates to the quality of the product or service offered. In the case of products, quality is calibrated not only by the technology used, user-friendliness of operation and elegance of design but also by quality-certification. In the case of services, provision of high quality training to service personnel combined by certification of competence by an agency reputed for its reliability play a similar role. But, 'good quality' is not a one-time milestone or attainment, it is a continuing process. And it is here that selected sectoral activities in the informal economy provide considerable scope. It is of vital significance for informal micro-
entrepreneurs to break-out of the mould of 'ordinary quality-cheap price - low paid workers' and develop a partnership with their workers for starting a quality movement. This movement for quality upgradation must be firmly grounded in improving workers' productivity, congenial working conditions, superior quality of products/services offered and higher incomes for workers. In short, informal micro-enterprises must become quality conscious in a globalising market geared to optimization of consumer satisfaction.

The fifth and final critical variable mediating the demand and supply relationship aimed at greater market share is 'the terms of trade' that are operative amongst different role-players in a specific economic activity. This variable is holistic in nature and grounded in sector and area specificity. Area specificity refers to both localization of production as well as the spatially defined catchment area for major proportion of sales. The nature of the relations - exploitative or symbiotic - between different role-players in the production process and the different stakeholders in the selling process determine the potential for growth of informal micro-enterprises relating to a specific sectoral activity in a given area. To illustrate this point, let us revert for a moment to the Diagram O19 relating to the 'terms of trade of key role-players in an Applique enterprise' on page 36 of part I of the Report and diagram O20 relating to 'average number of workers per enterprise by type of workers, sex and wage levels' on page 37 of part I of the Report. An analysis of these diagrams show that 'the regular managerial and marketing workers' are paid on a monthly basis, have higher monthly incomes and are all males. Further, even though women contribute 70% of the total workforce, they invariably perform jobs requiring lesser skill and are paid much lower wages at various levels of the production hierarchy. The skilled jobs like designing, cutting and machine stitching which fetch higher wages are almost entirely performed by male workers demonstrating a clear gender bias. Moreover, there is a wide wage differential between regular managerial/marketing workers and regular craft workers on the one hand and casual, daily wage workers and piece-rated workers (working at the unit or from home) on the other hand. Again, it is worth noting that the bulk of the labour force in the Applique Craft is engaged either as casual, daily wage-workers or as piece-rated unit-based/home-based workers. The terms of service of the bulk of workers leaves much to be desired in relation to fulfillment of the 'decent work' norm. Such a situation points towards noticeable deficits in relation to the commitment and motivation of workers at the lower rungs of the production hierarchy. In a nutshell, improvement in the terms of trade of different role-players can push-up productivity and can contribute significantly towards the general well-being of entrepreneurs and workers in the informal economy.

Sometimes, there is a caste dimension to the terms of trade also. The role-players and stakeholders in the scrap trade, beginning from the bottom of the economic-activity pyramid are: wastepickers, female and male itinerant buyers, retailers, stockists, wholesalers, registered dealers and reprocessors. Wastepickers and itinerant buyers, whether male or female, constitute the lowest levels of the activity pyramid and belong almost entirely to the lower castes of Matangs, Mahars or Neo-Buddhists. On the other hand, wholesalers, registered dealers and reprocessors constituting the top rungs of the pyramid belong almost entirely to the upper castes. As such,
understanding the different facets of the terms of trade operative between different role-players and stake-holders related to a given economic activity, is vital for devising an integrated strategy for improving the terms of trade of workers and entrepreneurs in the informal sector.

In this manner, the Informal Economy Paradigm provides a theoretical framework for better understanding the complexity of the problems faced by the informal economy as well as a reference point for designing appropriate solutions.

**INTEGRATED IMPLEMENTATION STRATEGY**

Having analysed the question of 'what' is the nature of problems faced by the Informal Sector, it is essential to answer the question of 'how' to solve these problems. As such, within the ambit of the market-led Paradigm described in the foregoing section, it is essential to work-out the contours of an integrated strategy for effective implementation of employment generation initiatives as well as initiatives aimed at job-quality deficits in the informal sector. Attention is drawn to diagram II on the next page. The salient features of this strategy are delineated below:

**Current status and needs' assessment**

In order to improve the existential situation of workers engaged in a particular economic activity within a given geographical area, it is of vital importance to study their current status in terms of their earnings, conditions at work, living conditions and institutional or traditional arrangements for social security. It is also of critical significance to study the terms of trade operating amongst the role-players involved in the production process and the stake-holders involved in the selling process of the said economic activity.

Further, based on an understanding of the socio-economic conditions and terms of trade of the group of workers and micro-entrepreneurs being studied, it is essential to identify their 'felt needs' as well as the needs perceived by the researcher.

**Human Resource Development and R&D Inputs**

On the basis of an analysis of the current educational and skill endowments of each set of micro-entrepreneurs, it is necessary to devise high-quality, sector-specific entrepreneurship development programmes. Further, with a view to improving the competitiveness of sector-specific micro-enterprises located in a particular area, it is essential to upgrade the technology used by them in accordance with the latest advancements in intermediate technology pertaining to the said field while ensuring that this does not lead to significant displacement of labour.
Note: Financial Inputs: Equity, Credit, Insurance & Social Protection

Diagram II
It is also necessary that workers are trained to optimally use the technology adopted. For this purpose and with a view to enhancing their productivity, it is essential to provide them ‘continuing educational inputs’ as well as upgrade their skills. And, finally, all these efforts must be consummated by organising small quality circles of workers involved in different processes on the one hand and by putting-in-place a policy for personnel incentives which puts a premium on innovation by workers on the other hand.

**Market Research & Networking Inputs**

Understanding the key features of each sector-specific market constitutes the nucleus of the integrated implementation strategy. For this purpose, the following inputs are of vital significance:

- It is of cardinal importance to conduct market surveys for analysing the changes in consumer preferences relating to different segments of the market.

- It is important to have market intelligence about the salient features of the products/services of the market leaders as well as their marketing strategies.

- It is of critical significance that micro-enterprises network amongst themselves for joint purchase of raw materials and combined selling under one brand-name to meet the challenge of competitors belonging to the organised sector.

**Access to Equity, Credit, Insurance & Social Protection**

Access to critical financial inputs like, equity, credit, insurance and social protection is vital for both workers and micro-entrepreneurs in the informal sector. These inputs are briefly analysed below:

- It is essential that workers in sector-specific activities are organised into thrift-cum-credit societies with suitable linkage with insurance-related public or private organisations providing social security cover. *In Pune, the Kagad Kach Patra Kashtakari Panchayat has not only organised a thrift-cum-credit society but also linked a welfare contribution by members of the Panchayat to the Group Insurance Scheme of the Life Insurance Corporation of India.*

- In India, the Employees’ Provident Fund Organisation has a large corpus of funds. Computerization of the PF accounts of workers, networking of data in a national grid and devising a judicious framework for investments can make this organisation a progressive instrument of social security in the liberalised environment. With the initiation of a package of reforms, the EPF organisation can *cover more and more workers in the informal economy.*
It is necessary that a venture capital fund is set-up for micro-enterprises in the Indian informal sector with a view to strengthening their equity base on a sector-specific basis. Availability of *equity-support* is a critical need of this Sector. Sector-specific *mutual guarantee schemes* for ensuring high recovery of loans and *insurance cover schemes* for loss or damage to economic assets created from loans need to be devised for assuring bankers about the security of their funds. Refinance institutions like NABARD and Small Industries Development Bank of India (SIDBI) should develop innovative schemes in collaboration with commercial banks for provision of speedy credit to micro enterprises at a reasonable rate of interest. NGOs can be used for ensuring a high level of recovery by payment of a small commission from community-based, sector-specific credit societies.

**Partnership Synergy**

Having analysed some of the critical inputs, based on the 'felt needs' of potential beneficiaries and 'needs perceived' by researchers, necessary for improving the extent and quality of employment generation as well as job-quality deficits in the Informal Sector; it is essential to dwell on the *type of partnerships required* for effectively administering these inputs. A number of partnerships need to be forged or strengthened for this purpose. Some of the crucial partnerships are described below:

- Effective, *bilateral partnerships*, based on synergy emerging from trust and mutuality of interests, need to be forged between employers and workers at the *production/business unit level*.

- Just as Japan is sometimes referred to as 'Japan Inc.' on account of *strong bonds between industry, government and banking institutions*, it is of vital importance that these three types of institutions join hands to develop India's informal economy on a sector-specific and area-specific basis.

- At a more holistic level, the capabilities and efforts of seven institutional partners must be combined - three principal partners alongwith technical-cum-research and design organisations, management institutions, financial institutions and local bodies in collaboration with CBOs & NGOs - in relation to location-specific and sector-specific initiatives.

Let us, now, examine the specific initiatives which the principal partners and 'other partners' can undertake. A brief analysis of these initiatives is given in the following paragraphs:

**Workers' Initiatives**

Some of the critical 'workers' initiatives' are mentioned below:
• Organising workers in the informal sector on the basis of activity and area-specific associations and industry specific unions.
• Encouraging workers in the informal sector to arrive at wage/benefits settlements based on bilateral bargaining between employers and workers.
• Encouraging the federation of city and sector specific unions at the state level and channelising their attention to a limited agenda of critical labour issues relevant at the national level such as performance-linked benefits, elimination of child labour, facilities for reducing occupational hazards and better social security coverage.

**Employers' Initiatives**

Some of the important 'employers' initiatives' are listed below:

• Promotion of quality circles with a view to improving the productivity per worker.

• Initiative for greater labour market flexibility combined with an effective social safety net relating to financial benefits as well as re-training and multi-jobbing.

• Encouraging greater participation of workers in the decision-making process at different levels with a view to making them more responsive to organisational goals.

**Government Initiatives**

Well-focussed Governmental initiatives can play a significant role in realising the goal of decent work. According to the World Development Report: "Access to market opportunities and to public sector services is often strongly influenced by state and social institutions, which must be responsive and accountable to poor people (WDR 2000-2001:7)." Some of the useful initiatives which governments can take are mentioned below:

• Rationalisation of various laws, rules and regulations applicable to different activities in the informal sector with a view to making them more user-friendly as well as training of inspectorate staff for better implementation of labour laws.

• Devising time-bound plans on an activity-specific and area-specific basis for elimination of child labour and bonded labour.

• Designing special schemes for home-based workers and women workers with a view to upgrading their technical skills and management capabilities.
• Adopting *better norms for occupational health and safety* and ensuring their effective implementation through revised laws and rules.

• Extending social security coverage of existing schemes to *new groups of informal sector workers* as well as designing an effective social safety net for retrenched workers with appropriate provision for multi-skilling and re-training.

• Promoting micro enterprises in the informal sector through a *package of facilities and services* relating to micro-business-industrial parks, micro business consultancy, entrepreneurship development programmes and innovative forms of marketing assistance.

• *Interacting pro-actively with critical role-players* in the political environment, safety & physical environment and socio-economic environment and influencing these players towards acceptance of International Labour Standards and their effective implementation.

**Other Partnership Initiatives**

In civil society, the press, legislative bodies at the central, state and local levels, the judicial system, academic institutions related to basic disciplines, management institutions, technical institutions, R&D organisations, NGOs and community-based organisations (CBOs) exert considerable influence on public perception and government policy. It is recommended that a *partnership of these institutions and organisations* be forged to influence the political environment, the safety & physical environment and the socio-economic environment through specific initiatives. The key initiatives required in this regard are described below:

**Political Environment**

The main initiatives for influencing this environment are listed below:

• Creating better capabilities in urban local bodies in consonance with the inclusion of poverty alleviation as an integral function of such bodies consequent to the 73rd and 74th Constitutional Amendment Acts and considering informal workers as a *specific focus of concern*.

• *Advocacy amongst legislators* both at the central, state and local levels for enforcing core international labour standards such as the right of workers to organise themselves into unions and collective bargaining, equal remuneration to women and men for equal work and elimination of the worst forms of bondage.

• Involving members of Panchayats, Zile Parishads, Municipal Committees and Corporations in campaigning for progressive amendments of labour laws and in their implementation. Overseeing the implementation of labour welfare cess schemes by tripartite Boards on the
pattern of the Maharashtra Hamal, Mathadi and Other Unprotected Manual Workers (Regulation of Employment and Welfare) Act, 1969 could be one such progressive step.

**Safety & Physical Environment**

The critical steps for influencing this environment are:

- Promoting a *clean environment and safety at work* campaign for insuring a healthy environment and a strong safety culture in consonance with the latest norms on the subject through public awareness, press coverage of polluting or unsafe units and institution of awards for entrepreneurs adopting best practices.

- Developing a *sensitive monitoring system relating to work-related health hazards* in collaboration with employers, workers and government and ensuring the provision of quality medical services to workers as well as continuous reduction in the scale and intensity of occupational hazards at the work place through technological improvements.

**Socio-economic Environment**

The important initiatives for influencing this environment are:

- Using the principal partners alongwith academic/R&D institutions, the Press and NGOs/CBOs to develop consciousness amongst workers and employers for self-motivated *observance of labour laws*.

- Launching public campaigns through NGOs/CBOs and the Press against the worst forms of bonded labour and against various types of labour exploitation.

- Developing a partnership amongst key role-players in *every sectoral activity for promoting quality consciousness relating to production of goods or provision of services*.

**Institutional Arrangements**

In an *integrated approach* towards not only *increasing employment* opportunities and reducing job-quality deficits, but also improving the *quality of the goods and services produced*, certain institutional arrangements are of vital importance. At the onset, *it is of critical significance to have authentic market intelligence on a sector-specific basis*. Market intelligence is required to answer a wide variety of questions: what are the products and services where supply is short of demand? Within the demand for a given product, which market segment can absorb maximum additional supply: lowest, middle, upper middle or elite segment? What are the directions
emerging from the latest fashion trends? In the medium term, what products have witnessed significant technological improvements? Further, the three principal partners, in collaboration with other social partners, must **optimally utilize the technical expertise and facilities available at various 'resource' organisations.** For this purpose, a Composite Institutional Framework (CIF) has been designed for the rapid and sustainable development of the Informal Economy (Refer to Diagram on the next page). The role that these **resource institutions** can play is briefly described below:

**Market Research & Management Institutions**

Since micro-enterprises in the informal sector do not have the professional capability to undertake market surveys or the financial capacity to obtain consultancy services, it is essential to develop an alternate mechanism for providing this input for the development of the Informal Sector. The Government can consider funding the Indian Institutes of Management and other premier business management institutions to set-up **micro-business cells for conducting appropriate market surveys for micro-entrepreneurs.** The business schools could also consider cross-subsidising services meant for micro-business with services meant for organised business since sector-specific studies of micro-business can be fruitfully used in the process of instruction of management students as well as development trainees.

**Technical and R&D Organisations**

Given the constraint of Capital in the Informal Sector, a key technical question which arises is: **how best to `do` it?** What kind of technical processes with complementary machinery need to be used in a given micro-industry so that the capital cost is kept at a manageable level and yet, the `product` is competitive at the market-place? These questions immediately take us to the field of “**intermediate technology.**” Whereas in some areas, appropriate technology in India has made useful advances, there are several other areas where much needs to be done. It would be advisable to develop **“intermediate technology centres”** at the Indian Institutes of Technology and other leading engineering and research institutions with a view to developing **appropriate technological packages meant for different fields relevant to the informal sector.** Further, existing Research & Development Organisations need to alter their priorities for assisting micro-entrepreneurs on a sector-specific basis.
COMPOSITE INSTITUTIONAL FRAMEWORK FOR DEVELOPMENT OF THE
INFORMAL ECONOMY

Other Social Partners

Unions

STF

Employers' Organisations

C.B.O.

G.T.F.

LGBs

TWA

NGO

M.E.

SNM

Market Research & Management Institutions

Financial Institutions

Promotional Organisations

Technical & R & D Institutions

Training Institutions

Government


Diagram III
Financial Institutions

The provision of micro-finance at the right time and in a suitable measure is vital for the success of micro-enterprises. In this area, it would be useful to organise workers/entrepreneurs, on a trade-specific basis, to set-up thrift and credit societies. Wherever possible, the thrift and credit societies should then be federated into appropriate banking institutions. Major national institutions like the Small Industries Development Bank of India (SIDBI) and NABARD should provide appropriate re-finance to the federating banks. On a parallel basis, the nationalised, commercial banks should set up “Micro-finance Windows” in selected branches. Lending from micro-finance windows of commercial banks can be facilitated by local NGOs in relation to both documentation necessary for loan sanction and for recovery.

Promotional Institutions

The Industries & Urban Development Departments in the various states can concentrate on provision of three critical inputs: built-up worksheds at reasonable cost for micro-entrepreneurs, financial support for setting-up of Tool Rooms and other “Common Facilities Centres” and development of quality marking centres. These three inputs are vital for improving the quality of goods and services provided by the informal sector. Further, five institutions at the state level need to be strengthened in relation to joint purchase of raw materials, development of common brand-names and marketing assistance for selling the products of micro-enterprises: the State Industrial Development Corporation, the State Finance Corporation, the State Small Industries & Export Corporation, the State Handlooms' Development Corporation and the State Handicrafts' Development Corporation. These institutions already exist and with appropriate strengthening of their equity base and technical expertise, they can help workers to get a better deal vis-à-vis intermediaries as well as collectively undertake some intermediary functions by networking amongst themselves. These organisations should also enable groups of micro-entrepreneurs to set-up raw materials' banks for securing raw materials at reasonable prices, procure designs based on market intelligence and assist in selling a significant portion of their products through showrooms spread-over various parts of the country. Further, these organisations can assist in marketing the products of micro-enterprises by organising exhibitions, fairs and buyer-seller meets.

Training Institutions

Training institutions with a good track record and potentialities for growth need to be identified both for providing proficient training for upgrading the skills of workers as well as for running high quality entrepreneurship development programmes for micro-entrepreneurs. These institutions can develop mutually beneficial relationships with both IITs and IIMs for faculty development as well as for improving the quality of training materials.
All the six types of institutions described in the foregoing paragraphs are shown in the diamondshaped thematic presentation and can jointly play a critical role in realising the objectives of the integrated implementation strategy. At the lower tip of the diamond is mentioned a ‘State-level Task Force’ (STF) for the informal sector in every state for preparing an Action Plan and coordinating its implementation through an integrated strategy. It is, further, recommended that the Central Government should constitute a National Task Force (NTF), taking into account the recommendations of the IInd National Labour Commission, to spear-head the Composite Institutional Framework. Such a task force should give due representation to all the three principal partners as well as to leading NGOs, academic/research organisations and marketing specialists. Further, the N.T.F should be directly linked to STFs in the states. Each state-level task force (STF) should set-up an *inter-departmental project organisation at the state level aimed at improving the extent and quality of employment generation in the informal sector*. This Project Organisation can be formed by the amalgamation of the existing State Urban Development Authority and the Special Project Organisation implementing special schemes relating to poverty alleviation in urban and rural areas in all states. At the district level, the District Rural Development Agencies (DRDAs) and District Urban Development Agencies (DUDAs) should be the extension arms of the State-level Employment-promotion Project Organisation (SEPO). In this manner, no additional staff would be required for the project organisations at the state and district levels. These project organisations are meant to facilitate the implementation of special programmes meant for developing the informal sector in collaboration with the agencies listed in the ‘inner envelope’ of the diagram relating to the Composite Institutional Framework.

Let us, now, move to the inner envelope of the diagram which focuses attention on the institutional arrangements required at the grass-roots’ level for strengthening the operation of micro-enterprises at the cutting edge of consumer satisfaction. In the first circle of this envelope are Trade-related Workers’ Associations (TWAs) and trade-specific micro-enterprises. It is essential to organise various occupational groups into associations with a view to strengthening their bargaining power.

**Sector-specific Network of Micro-enterprises (SNM)**

Whereas it is difficult to develop extended partnerships relating to the production function amongst micro-entrepreneurs except for the use of common facilities, *net-working for purposes of marketing* can be a very effective instrument for meeting the competitive challenge of the organised sector. Micro-entrepreneurs can jointly run show-rooms as well as participate in exhibitions and fairs. Further, they can pool their limited advertisement and sales promotion funds for promoting a *common brand-name*. It would also be useful for micro-enterprises to develop a *chamber of commerce* of their own for focussing public and governmental attention towards fulfillment of their critical needs.
**Instrumentalities at the Cutting Edge of the Production Sub-system**

The institutions depicted around the epicentre of the C.I.F diagram are: CBOs, NGOs, local government bodies and Grass-roots' Task Force. As we know from the section relating to the employment situation in India, a significant percentage of micro-enterprises are household-based with the ownership pattern being of the private proprietary or partnership type. Household enterprises relating to a given economic activity often tend to cluster in a given location. In view of this fact, communities can play a vital role in promoting the development of workers and entrepreneurs in the informal sector. Suitable CBOs need to be developed on a location specific basis for promotion of thrift-cum-credit societies, joint operation of common facilities and synergising marketing efforts. Further, a network of CBOs can better negotiate the ‘registration of micro-enterprises’ with the Industries Department as well as the improvement of civic facilities like potable water and electricity at localities where workers stay.

Moreover, carefully selected NGOs can play an important role in providing various technical inputs to micro-enterprises. They can also act as an ‘intermediary’ between the micro-enterprises and the project organisation, banks, technical institutions and micro-business institutions.

Further, the Local Government Bodies (LGBs) - both Panchayats and Municipalities - duly empowered under the 73rd and 74th Constitutional Amendment Acts can assist micro-enterprises by developing/organising market outlets like Delhi Haat (a market place developed for petty business by covering a portion of a large open drain or ‘nallah’), push-cart markets on the Chandigarh pattern and night markets on the Bangkok pattern.

Again, the different line departments of the concerned State Government pertaining to labour, industry, urban development and social welfare as well as field functionaries of the Development Blocks or Municipalities need to be organised at the block or city-zone levels into a Grass-roots’ Task Force (GTF) for ensuring convergence of resources and provision of coordinated inputs to both entrepreneurs and workers in the informal sector. Proper team-work at the grass-roots’ level is vital for assessing the capabilities and preferences of potential beneficiaries as well as for ensuring maximum output from government allocations for development.

To sum-up, a composite institutional framework needs to be put-in-place for effectively utilizing the theoretical framework of the Informal Economy Analytical Paradigm for developing a well-knit policy for informal micro-entrepreneurs and workers. Thereafter, the policy has to be translated into a cogent programme of action to be implemented through a well-designed, integrated strategy. Such a combination of policy, programme of action and strategy is essential for enabling both entrepreneurs and workers in the informal economy to forge an equitable and symbiotic partnership. This combination is also necessary for developing a mutually beneficial relationship between the organized and the unorganized sectors. Such partnerships are of vital significance for realizing the full potential of the dynamic sub-sectors of the informal economy.
such as tourism, information technology, telecommunications, gems and jewelry, garments and construction; and for attempting to convert hitherto slow-moving sub-sectors into progressive ones through technological paradigm shifts such as the break-through made possible in horticulture through advances in bio-technology. Of course, much would depend on the inner strength of the partnerships between different role-players for improving the extent and quality of employment in different sectors of the informal economy.

Finally, governments must continue to play the role of a just umpire, facilitator and guarantor of 'decent work' even within a liberalized economic scenario. And the ILO, in the context of globalization and the need to put into place a new financial architecture more responsive to the needs of developing countries, has a critical role to play in terms of facilitating a social dialogue not only amongst the three principal partners but also between them and other instrumentalities of the civil society such as academic and research institutions, banking institutions, NGOs and the media. Such a dialogue must be marked by openness, mutual trust and a willingness to forge new relationships and institutions to meet the challenges of the new millennium.

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As we are aware, the Informal Economy in India is characterized by *micro-units relating to business, services and industry* on the one hand and an *abundant supply of unskilled labour available on a casual basis through labour contractors* on the other hand.

*The kaleidoscopic variety in the basket of micro-units* like a treasure of impressionistic art ranging from agricultural labourers migrating from Bihar and eastern Uttar Pradesh to work at the farms of well-to-do farmers in Punjab; informal work gangs working at the open-pit quarries at Kund in Haryana; women rolling bidis in their homes at Jabalpur in Madhya Pradesh; children assisting in the making of crackers at Shivakasi in Tamilnadu; gangs of moulders making bricks at the kilns of Ghaziabad district in Uttar Pradesh; adolescent boys and girls weaving carpets at Badhloi (Uttar Pradesh); construction workers giving shape to high-rise buildings at Delhi; artisans sculpting beautiful statues at Konark in Orissa; to just betel leaf and cigarettes' sellers outside railway stations, is mind-boggling.

In stark contrast, the *homogeneity in the basket of casual labour* is repetitive and sombre as if painted in dull shades of grey and lack-lustre blue. *It is these two baskets that make-up the informal economy of India which is strung on a rural-urban continuum.* This continuum has a sub-continental dimension and involves *migrant labour running into more than a million workers per year.*

*With nine out of every ten business units being in the unorganised sector,* one can appreciate that the scale of the Informal Economy in India is massive. Moreover, *these micro-units are widely scattered and dispersed* over urban centres and their rural hinterland.

*The challenge that India faces in the wake of structural adjustments and global competition* is that large units in the organised sector are tending to shed extra weight in the name of rationalisation of labour while the overall labour force of the country is
increasing at a net rate of 1.03% per annum consequent to a net increase in population of 1.75%. The bulk of the additional labour force is being absorbed by the informal economy leading to high mortality amongst micro-enterprises. The saying that "when water in the trough is less, horses snipe at each other" is very true of India's informal economy.

Cheap products, low wages and harsh working conditions are grim characteristics of the Indian informal economy. Further, unionisation of workers is minimal. Moreover, the technical and skill attainments of a large proportion of the unorganised labour force leaves much to be desired with a consequent detrimental effect on workers' productivity. The workers in the informal economy also suffer from cumulative deprivations in relation to educational level, health status, wages and social security cover.

At the same time, funds for social development in the kitty of the Central and State Governments are dwindling given a slow-down of the economy consequent to global recession, decline in real gross revenues and a fiscal deficit of over 5% of the GDP. It is in such a socio-economic setting that we seek to improve job-quality of existing workers and generate additional decent jobs.

An Informal Economy Paradigm along with the design of an integrated strategy was prepared in the previous chapter for better understanding the existential situation of informal workers and micro-entrepreneurs and undertaking ameliorative measures. This chapter will address itself to the question "where to start given the sheer size of the Indian informal economy and paucity of funds?"

For the purpose of making an informed choice of informal activities out of a multiplicity of options with the objectives of policy development and focussed impact on the informal economy, a selection framework has been designed. Attention is drawn to the 'Informal Activity-Selection Framework' (IASF) given on the next page. The IASF is meant to optimise the use of limited funds as well as creatively address variance in donor interests. The nucleus of IASF is market demand and the nature of the markets strung along a perfect-imperfect spectrum. Complementing this nucleus is the proposition that the informal economy in developing countries must be viewed as a rural-urban continuum rather than in terms of a rural-urban dichotomy.
INFORMAL ACTIVITY SELECTION FRAMEWORK (IASF)

A. NATURE OF ACTIVITY
   I Specificity
   II Location
   III Type of Activity
   IV Linkage with Formal Sector

B. SPATIAL DIFFERENTIATION
   V Size-Class of Cities
   VI Migratory Workers' Status
   VII Place of Work
   VIII Place to Sell

C. DEMAND-SIDE PERSPECTIVE
   IX Market by Income/Class
   X Market by Space
   XI Market by Occupational Type
   XII Market by Consumer Behaviour

D. SUPPLY-SIDE PERSPECTIVE
   XIII Technological Spectrum
   XIV Skill Levels
   XV Micro-finance Availability
   XVI Working Conditions

E. BASIC CONCERNS
   XVII Level of Organisation
   XVIII Gender Discrimination
   XIX Child Labour/Spl. Concerns
   XX Environmental Impact

F. OUTPUTS
   XXI Income Level
   XXII Workers' Productivity
   XXIII Employment Status
   XXIV Employment Potential
Around the nucleus of market demand, six sets of factors influence the choice of informal activities from amongst multiple options. The first set relates to `the nature of the activity' and involves the specific choice of a micro-industry, service or business e.g. gem polishing (micro-industry), data-entry clerks in info-tech (micro-services) or running a small `dhaba' or roadside restaurant (micro-business). It, further, highlights the aspect of locational specialization. For instance, if the activity of gem polishing is to be taken-up, it points towards the possible selection of Jaipur (Rajasthan) as a major venue for this activity. Moreover, it seeks to differentiate between different informal activities in terms of type of activity viz business, industry or service. Lastly, this set of parameters examine the linkage between the informal and formal sectors in terms of the strength of the bond between the two (strong, medium or low) and the quality of the relationship.

The second set of parameters relates to spatial differentiation. At the onset, this perspective looks at the size-class of the cities where potential activities are located. For instance, in case a decision is to be made between carpet making, leather products and lock making, this perspective points-out that Mirzapur (Uttar Pradesh) can be the venue for carpet making having a population of over 200,000; Chennai (Tamilnadu) can be the venue for leather products with a population of over 6.6 million; and Aligarh (Uttar Pradesh) can be the venue for lock making with a population of 600,000. In this manner, this parameter distinguishes between metropolitan, medium and small cities. The second parameter in this set relates to the migratory status of workers in terms of whether substantial, considerable or nominal percentage of total workers involved in a given activity are migrants. For instance, in case one has to decide as to whether to choose studying construction sector in Delhi, this parameter would point-out that the said sector involves a substantial number of migrant workers. The third parameter in this set relates to place of work. This parameter focuses the spotlight on whether the activity to be chosen, generally, operates from a household, a workshed in a low income locality or a factory. For instance, a substantial percentage of `bidis' (country-made cigarettes) are rolled in
households just like stone carving is generally done by artisans in their households in the golden triangle region of Orissa. The final parameter in this set relates to the place of selling. Goods in the informal sector can be sold from a vehicle like scooter-borne icecream vendors; on one's head like 'Dabbabattliwalis' or itinerant female buyers selling steel utensils in exchange for selected items of scrap; on pavements like peanuts and homemade jaggery products; through shops or kiosks like 'Pan' (a betel chewing preparation) and 'bidis' (country-made cigarettes) or from b to b (business to business) sales in terms of cycle parts.

The third set of factors relates to the demand side perspective. The first parameter under this perspective relates to market segmentation by income-cum-class in terms of poor to elite class including middle class and lower middle class segments of the market. The second parameter under this perspective relates to segmenting the market on a spatial basis in terms of local, regional, national and international markets. Sometimes, an activity chosen can fall along more than one such categories and then the criterion of substantive proportion of sales will have to be applied. For instance, sandalwood products made in Mysore are sold nationally and internationally. The third parameter under this perspective relates to market segmentation by occupational type in terms of products preferred by members of the old established aristocracy, nouveau rich, bureaucrats and professionals, white collar workers, blue collar workers or poor informal workers. For the purpose of illustrating the typology behind this parameter, it is pointed-out that hand-woven, Mirzapuri carpets would fall in the old aristocracy and nouveau rich categories. The last parameter in this set relates to market segmentation by pace of change in consumer behaviour in terms of gradual, frequent, moderate or volatile change. To illustrate this point, it is stated that changes in lock-making are of a gradual nature whereas changes in info-tech are of a volatile nature.

The fourth set of factors included in the informal activity selection framework (IASF) relates to the supply-side perspective. The first parameter in this set refers to various positions on the technological spectrum ranging from traditional to frontier technology and
including semi-modern (adapted traditional technology) and modern segments of technology. Whereas carpet-making in Mirzapur constitutes the traditional end of this spectrum, infotech services constitute the frontier end of the technology. The second parameter in this set relates to the level of skills required in terms of low, medium or high. Whereas construction sector calls for low to medium skills, infotech sector calls for a high level of skills. The third parameter relates to availability of micro finance in terms of easily available, available with effort, available with difficulty or scarcely available. To illustrate the typology behind this parameter, it is pointed-out that micro finance from institutional sources is scarcely available to small-time plumbers and electricians in the construction sector. On the other hand, institutional finance is much more accessible to small and medium providers of infotech services. The last parameter relates to the nature of working conditions in terms of safe and congenial, satisfactory on the margin, risky or unsafe. To illustrate this parameter, it is pointed-out that making of fire crackers in Sivakasi (Tamilnadu) is relatively 'unsafe' in comparison to gem-polishing in Jaipur or lock-making in Aligarh.

The fifth set of parameters relate to 'basic concerns' having great relevance to ILO ideology. The first parameter in this set relates to the level of organisation of workers ranging from nominally organised to modestly organised to well organised. To illustrate this, carpet weavers in Mirzapur (UP) and shawl makers in the Kashmir Valley are nominally organised in comparison to the modest level of organisation in the cycle parts' industry at Ludhiana (Punjab). The second parameter in this set relates to gender discrimination in terms of low, medium and pronounced. Gender discrimination in the construction and brick kiln industries is quite pronounced. The third parameter relates to child labour and other special concerns in the form of debt bondage or presence of high level of HIV positivity. The presence of child labour in carpet weaving, both at Mirzapur and Badhoi is well known whereas migrant labour in the construction sector and truck drivers are reported to have a high level of HIV positivity. The last parameter in this set relates to the environmental impact of potential activities at the current level of technology. This parameter is structured in terms of 'safe and positive' environmental impact, 'manageable with medium priced inputs' on to 'risky' with the likelihood of being detrimental without major safeguards. The production of fire crackers in Sivakasi would
fall in the risky and detrimental category as compared to sandalwood preparations in Mysore which would fall in the safe and positive category.

The last set of factors relates to 'outputs'. The first parameter in this set concerns the income level of workers at the current level of the activity's organisation in terms of low, medium and reasonably high. On an average, the income available to workers in the cycle parts industry in Ludhiana can be termed as medium as compared to the low to medium wages operating in the construction sector. The second parameter in this set relates to workers' productivity in terms of low, medium and reasonably high. To illustrate this parameter, it is pointed-out that workers' productivity in the brassware industry in Moradabad (UP) can be deemed to be between 'low' to 'medium' in comparison to 'high' productivity in the infotech sector of Bangalore. The third parameter in this set relates to employment status of workers in terms of home-based, casual, temporary or regular workers. Most of the workers in the construction or brick kiln industries fall at the 'casual' end of the employment spectrum in contrast to the 'temporary to regular status' of lock-makers in Aligarh. The final parameter relates to employment potential of the activities being examined and ranges from limited to considerable and substantial employment. Infotech services in Hyderabad can be considered as having substantial employment potential as compared to the limited employment potential of the brassware industry at Moradabad. Illustrative examples elucidating the informal activity selection framework (IASF) are given at Appendix-I (A & B).

It is worth mentioning that the process of selecting informal activities from multiple options for development funding initially involves examining the nature of the activity, and then moving forward to the demand and supply side perspectives and finally onto the output of decent work.

Based on the Informal Activity-Selection Framework described above, the following projects relating to the informal economy have been selected for a substantive programme:

- Improving the Quality of Working Life of Construction Workers In Delhi
- Improving the terms of trade of Handicrafts' Workers In Orissa
➤ Employment-generation and Work quality improvement in Tourism related services and products in Rajasthan; &

➤ Improving Job Quality and terms of service of Home- Based Garment Workers in Ahmedabad Gujarat

Besides the above, a few activities have been selected for sectoral studies:

a) Zari & Zardosi related garment making in Lucknow and Bareilly (UP),

b) Small scale industries relating to handmade paper and screen printing in Pondicherry, &

c) Shawl making in Assam and Nagaland.

Project outlines for the activities included in the substantive programme have been drawn-up in the sprout format and are given in the succeeding chapters.

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CHAPTER III

IMPROVING THE QUALITY OF WORKING LIFE OF CONSTRUCTION WORKERS IN DELHI

➢ BACKGROUND & JUSTIFICATION
➢ RESEARCH PRECURSORS
➢ DEVELOPMENT OBJECTIVES
➢ IMMEDIATE OBJECTIVES
➢ TARGET BENEFICIARIES
➢ CORE STRATEGY
➢ INSTITUTIONAL FRAMEWORK
➢ INDICATORS
➢ OUTPUTS & ACTIVITIES
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➢ MONITORING AND EVALUATION
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CHAPTER - III

IMPROVING THE QUALITY OF WORKING LIFE OF CONSTRUCTION WORKERS IN DELHI

BACKGROUND & JUSTIFICATION

The National Capital Territory of Delhi, being the epicentre of northern India's economy and the country's capital, is also the hub of substantial construction activity. According to the National Sample Survey Organisation (NSS 55th Round), in its most recent survey of the "Informal Sector in India 1999-2000", there are an estimated 33,876 construction enterprises in Delhi. Of these, 32,215 are Own Account Enterprises (OAEs) and 1661 are construction Establishments. OAEs are those enterprises which are run by household labour usually without any hired worker employed on a fairly regular basis. Construction Establishments are those enterprises which employ at least one hired worker on a fairly regular basis. The NSS 55th Round estimates that on the basis of the household survey approach, there are 159,630 construction workers in proprietary and partnership enterprises in Delhi (by principal status + subsidiary status-I). A 'worker' has been defined as a person who participates either full time or part-time in the activity of a construction enterprise. According to a study of construction workers in Delhi, the construction workers in Delhi are generally "migratory birds. They migrate to Delhi largely on account of poverty and unemployment. They are generally characterised by "cumulative deprivations" stemming from low educational standard, poor skill level at the time of entry into the job market and weak economic background (Anand: 1999)."

Most of the construction workers in Delhi are unorganised. As such, they possess restricted bargaining power in relation to negotiating their wages with their employers. There is generally ample supply of construction labour for unskilled work as well as for traditional trades like masonry, plumbing and carpentry during most periods of the year except during the harvesting, rainy and festival seasons. In relation to availability of work, there is considerable gender discrimination. Focus Group interviews with construction workers in low-income neighbourhoods reveal that unskilled women construction workers do not get work for 10 to 15 days in a month in the National Capital Territory of Delhi.

The Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996 and the Building & Other Construction Workers Welfare Cess Act, 1996 and
the Rules framed under these Acts in 1998 have not been adopted by the NCT of Delhi. In the absence of these Acts, the working conditions of construction workers suffer from several shortcomings. A large number of construction workers live in unauthorised slums. Residential facilities provided at most construction sites leave much to be desired. Water supply is limited to one bore-well tap/hand-pump. Toilets provided for male and female workers are far from adequate. Creches for infants of female workers are rare. Focus group interviews have shown that only nominal social security is provided by contractors in terms of assistance in the event of injury or serious illness of workers. In the absence of strong unionization with substantive membership, the coverage of construction workers under the Provident Fund Scheme of the Central Government is negligible. The foregoing analysis brings-out in sharp relief the low wages, difficult working conditions and gender discrimination in the Construction Sector. These factors are highlighted by the Informal Activity Selection Framework (IASF). Further, the IASF shows that the market for construction labour is regional, the technology used is traditional to semi-modern, the average skill level is low to medium, workers' productivity is also low to medium and the employment status is largely 'casual.' Given these features, construction activity, which constitutes an industry on the holistic plane and a 'service' from the perspective of skilled workers (masons, plumbers, electricians, painters and allied workers) is an extremely useful area for focussing attention on improvement in job quality (Refer to Appendix I A&B).

RESEARCH PRECURSORS

The study of construction workers in Delhi titled 'the Building Worker' by K.N.Vaid which brings-out the arduous nature of on-the-job training and the low level of technical expertise of the bulk of construction workers will be kept in view while implementing the Project (Vaid K.N: 1995). The two monographs "Construction Sector Workers, Street Corner Markets, Micro-enterprises and a demonstration initiative (Anand, HS:2001)" and "Brick-kiln workers, women construction labourers and petty contractors (Gupta, J:2001)" produced as a part of ILO-UNDP's SPPD Project which examine in detail the socio-economic characteristics of construction workers, the gender bias in relation to imparting skill training to women workers as well as the terms of trade operative amongst different role-players in the construction and brick-making industries constitute the research foundation on which the basic implementation strategy of the Project has been designed.
DEVELOPMENT OBJECTIVES

The development objectives of the *Project for provision of decent work to informal construction workers* are delineated below:

a) Improving the employability of construction workers through provision of technical training with special emphasis on women;

b) Enhancing the productivity of construction workers;

c) Organisation of construction workers for the fulfillment of their essential needs; &


IMMEDIATE OBJECTIVES

The immediate objectives of the project are given below:

a) Social mobilisation with a view to developing a strong community structure;

b) Promotion of the habit of thrift with a view to developing a viable Thrift-cum-Credit Group as well as setting-up of a social security fund;

c) Provision of technical training in demand-driven trades based on a market survey;

d) Setting-up of a Call Centre for repair and renovation for improving the employability of construction workers especially women; &

e) Generating awareness amongst workers about labour standards as manifest in various provisions of labour laws as well as advocacy for implementation of model Acts relating to construction workers and their welfare.

TARGET BENEFICIARIES

The target beneficiaries of the project are given below:
a) Construction workers with special emphasis on women workers;
b) Workers working in micro-enterprises; &
c) Trade-based micro-contractors.

**CORE STRATEGY**

a) Adopting a demand-led approach based on market surveys with a view to locating the sub-trades for which there is a demand in the market;
b) Organising skill training programmes for unskilled workers in the identified trades;
c) Understanding the terms of trade which are operative between different role-players in the construction sector and seeking to strengthen the bargaining power of construction workers;
d) Organising the workers into trade groups;
e) Strengthening community structures & forming a Grass-roots’ Task Force (GTF) at the project-area level;
f) Setting-up thrift and credit groups with an appropriate social security component;
g) Developing special inputs for strengthening the skills and entrepreneurial capabilities of women construction workers;
h) Enlisting the support of urban local bodies in improving the amenities available at the resettlement colonies; &

Developing a partnership with the Labour Department of the National Capital Territory of Delhi, the Cell in the State Government dealing with Swaran Jayanti Rozgar Yojna, the National Campaign Committee on Construction Labour, NGOs, research organisations and individual experts with a view to pooling of resources and ensuring high-quality implementation of the proposed Project.

**INSTITUTIONAL FRAMEWORK**

The project will have a Steering Committee consisting of representatives of the Ministry of Labour, Department of Employment and Urban Poverty Alleviation, Government of the NCT of Delhi, Employers' Organisation, Labour Unions, ILO and two eminent persons connected with the welfare of construction workers. The Steering Committee will be headed by the Secretary,
Ministry of Labour & Employment, Government of India. Besides the Steering Committee, there will be an Monitoring Committee for implementing the Project consisting of representatives of workers, builders/contractors, Department of Labour of the NCT of Delhi, representative of a local NGO, representative of the Department of Local Government/Urban Development of the NCT of Delhi, representative of the VV Giri National Labour Institute and the ILO. The Project will be managed by the Mission Leader and Programme Coordinator of the Informal Sector Unit at the ILO Area Office assisted by a Programme Officer, Field Supervisor and Administrative Assistant. In terms of institutional development, the project will encourage the setting-up of a Community-Based Organisation of construction workers living in the low-income neighbourhoods of Budhvihar, Mongolpuri, Sultanpuri and Rohini Sector 3, 20, 24 & 25 as well as Grass-roots' Task Force (GTF) consisting of representatives of various Deptts., the local body concerned and NGOs at the project-area level.

**INDICATORS**

The Project will have the following indicators for measuring performance with reference to efforts made for achieving its immediate objectives:

a) The number of construction workers who were provided technical training and who were actually able to successfully pass the-end-of training examination;

b) The proportion of women trainees to the total number of trainees who were successful in the end-of-training examination;

c) The percentage of trained persons who were actually able to undertake more skilled jobs and receive enhanced wages/incomes; &

d) The number of persons who could benefit from the Thrift-cum-Credit Society alongwith its social security component.

**OUTPUTS & ACTIVITIES:**

The Outputs expected from the Project alongwith the Activities to be undertaken for ensuring those outputs are delineated below:

Output-I: Formation of a strong Community Structure & a Grass-roots' Task Force (GTF) at the project-area level.
Activities

1.1 Developing Neighbourhood Groups for every group of 25 construction households and electing male and female representatives;

1.2 Organising 11 Neighbourhood Groups (NHGs) into an Area Development Committee;

1.3 Constituting 16 Area Development Committees into a strong Community-Based Organization (CBO); &

1.4 Organising a Grass-roots' Task Force (GTF) at the project-area level.

Output-II: Developing a viable Thrift-cum-Credit Group combined with an appropriate social security fund.

Activities

2.1 Enlisting the members of each NHG in the Thrift-cum-Credit Group;

2.2 Organising fortnightly collection of savings from members of the Thrift-cum-Credit Group;

2.3 Instituting a suitable mechanism for provision of credit by draw of lots after a viable corpus of funds based on thrift has been developed;

2.4 Developing a mechanism for provision of group guarantee to members for taking loans from Banks; and

2.5 Using a part of the corpus of funds collected through savings as a social security cum welfare fund with the approval of members of the Thrift-cum-Credit Group.

Output-III: Market Survey and provision of technical as well as entrepreneurial training.

Activities

3.1 Conducting a market survey in areas adjacent to the project area as well as in an affluent segment of South Delhi with a view to ascertaining the demand for construction labour relating to different trades;

3.2 Selection of appropriate trades for the purposes of training based on the market survey as well the aspirations and potential of the members of the CBO &

3.3 Selection of appropriate Training Institutes for provision of high quality technical training.
Output-IV: Setting-up an of Call Centre for repair, maintenance and renovation.

Activities

4.1 Locating a suitable place for the Call Centre as well as the office of the CBO and operating the Call Centre from that location;

4.2 Making appropriate publicity within a modest allocation, about the services being provided by the Call Centre in neighbouring areas; &

4.3 Working-out a suitable mechanism for providing Identity Cards to workers and charging reasonable rates for repair, maintenance and renovation.

Output-V: Generating awareness amongst workers about the provision of labour laws as well as advocacy for adoption of model labour Acts by the NCT of Delhi.

Activities

5.1 Organising a Workshop on labour laws relating to the construction sector as well disseminating information about various laws in meetings of Area Development Committees and Neighbourhood Groups;

5.2 Organising competitions amongst construction workers to motivate them to know the letter and spirit of various provisions of labour laws; &

5.3 Holding a Workshop on adoption of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Building and Other Construction Workers Welfare Cess Act, 1996 as well as the Rules framed under these two Acts by the NCT of Delhi.

INPUTS:

The likely expenditure on inputs in relation to the outputs described in the preceding section are given below:

1. **Developing a strong community structure:**
   - Social mobilization,
   - Continuing the needs' assessment,
   - Improvement in functional literacy &
- Efforts at improving civic amenities at the resettlement colonies.

**Estimated cost of the input** - 16,000.00

II **Developing a viable thrift-cum-credit society:**
- Organising meetings of thrift and credit groups.
- Setting-up of a social security fund,
- Organising training relating to social accounting principles and procedures,
- Book-keeping of the thrift and credit group/society &
- Efforts at institutional tie-up relating to social insurance.

**Estimated cost of the input** - 10,000.00

III **Provision of technical and entrepreneurial training:**
- Conducting a market survey,
- Training of 150 workers in the selected trades,
- Conducting entrepreneurial development training for 50 workers &

**Estimated cost of the input** - 22,000.00

IV **Setting-up of a Call Centre for repair and renovation:**
- Setting-up of call centre with telephone facility,
- Making appropriate publicity of the services offered by the call centre &
- Providing Identity Cards to construction workers.

**Estimated cost of the input** - 5200.00

V **Generating awareness amongst construction workers relating to labour laws:**
- Organising a workshop on labour laws,
- Organising meetings with members of urban local bodies and officers of the Labour Department &
- Advocacy with NCT of Delhi with regard to adoption of specific Acts related to the construction sector.

**Estimated cost of the input** - 6000.00

VI **Field Consultants**

**Total Input cost at field (Sum of I to VI)**

33600.00

**Total Input cost at field (Sum of I to VI)** 928,00.00
ASSUMPTIONS:
The assumptions underlying the Project are given below:

1) Necessary approval and support from the Ministry of Labour, the nodal Ministry for the Project, should be forthcoming.
2) It is necessary for the Government of NCT of Delhi and the Municipal Corporation of Delhi to lend support for the implementation of the Project.
3) The help of the Construction Development Council, HUDCO, the National Buildings Construction Corporation and various organisations of builders will be required for placement of targeted beneficiaries, especially women beneficiaries, in more skilled trades.

MONITORING AND EVALUATION:
The Project will be managed by the Mission Leader and Programme Coordinator of the Informal Sector Unit at the ILO Area Office assisted by a Programme Officer, Field Supervisor and Administrative Assistant. Meetings of the State-level Monitoring Committee will be held once a quarter and of the National Steering Committee once a year for the purpose of monitoring the Project. The Project will draw on the technical expertise of the SAAT Team and ILO HQs during the course of its implementation.

BUDGET & DURATION:
The tentative budget for the Project is 928,00 USD. The duration of the Project is 24 Months.

CONCLUDING REMARKS:
The Project is expected to benefit 5000 direct beneficiaries who will be made members of the proposed Community-Based Organisation and will take advantage of the various Activities mentioned in Outputs-I to V. Besides the direct beneficiaries, advocacy for implementation of the two Acts and the Rules framed thereunder is likely to have an impact on a much larger circle of construction workers in the NCT of Delhi. It is pointed out that the Construction Sector is one of the larger sectors of the informal economy and is quite sensitive to enhanced rates of GDP growth. Improvements in skills, productivity per worker, working conditions, incomes and social security in this sector are expected to go a long way in creating the appropriate politico-economic climate for provision of decent work in the informal economy of India.

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CHAPTER IV

IMPROVING THE TERMS OF TRADE OF HANDICRAFTS' WORKERS IN ORISSA

➢ BACKGROUND & JUSTIFICATION
➢ RESEARCH PRECURSORS
➢ DEVELOPMENT OBJECTIVES
➢ IMMEDIATE OBJECTIVES
➢ TARGET BENEFICIARIES
➢ CORE STRATEGY
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CHAPTER - IV

IMPROVING THE TERMS OF TRADE OF HANDICRAFTS' WORKERS IN ORISSA

BACKGROUND AND JUSTIFICATION

In October, 1999, Orissa State of India was twice hit by cyclones. Winds of more than 250 Kph were recorded during the second cyclone alongwith tidal waves rising 20 feet high followed by torrential rains. The twin cyclone led to about 10,000 deaths, severe damage to 1.8 million dwelling units and extensive destruction of physical and economic infrastructure. The districts of Jagatsinghpur, Balsore, Cuttack, Puri, Nayagarh, Jajpur, Kendrapada, Bhadrak and Khurda sustained 'severe' damage. The twin cyclones entailed almost total loss of the standing agricultural crop as well as severe depletion of the local purchasing power. Whereas some of the farmers have been able to rehabilitate themselves on account of subsequent crops, artisan workers producing beautiful artefacts in carved wood, carved stone, filigree ware, applique craft, coir and pattachitra (miniature paintings) are still reeling under the shock of the natural catastrophe consequent to damage to their assets and reduced local demand for their products. In the case of these workers, the traditional family and community social security system has largely collapsed causing considerable distress to the workers. The Director of Handicrafts of Orissa has estimated that as many as 36,000 artisans belonging to the handicrafts and coir sectors were severely affected by the twin cyclones.

The Informal Activity Selection Framework (IASF) focuses attention on filigree work in Cuttack and brings-out its strong linkage with the formal sector, export potential, semi-modern technology, difficulty in availing micro-finance, casual employment status and the nominal level of workers' organisation. Other trades like coir, applique, pattachitra painting, stone carving and wood carving demonstrate the existence of a significant rural-urban continuum. In this manner, the selected handicrafts depict critical linkages to core labour issues (Refer to Appendix-I A&B).

RESEARCH PRECURSORS

The study of G.K.Ghosh on "the Dazzle from within - Art Craft and Culture of Orissa" will be kept in view while implementing the Project (Ghosh: 1993). The work of G.C.Kar 'Silver Filigree - a study of Production, Marketing, Export and the socio-economic conditions of silver filigree craftsmen' will be utilized in addressing the needs of filigree workers (Kar, GC 2000). Further, the two monographs "Stone carving, Wood carving and Silver filigree work in the golden triangle
region of Orissa" (Meher, R:2001)" and "Applique, Coir and Patta painting in the golden triangle region of Orissa" (Navneeta, R: 2001) which vividly bring-out the sociological features of the selected handicrafts with special emphasis on the terms of trade operative amongst key role-players constitute the research foundation on the basis of which the basic strategy for implementing the Project has been devised.

DEVELOPMENT OBJECTIVES

On account of the heavy damage caused by the twin cyclones, the poorer section of handicraft workers, both self-employed and working for wages, have suffered a serious setback. This setback is even more severe for women workers since gender discrimination is common in the handicrafts' production system of Orissa. Despite the fact that about 70% and 80% workers in applique and coir crafts respectively are females, they work almost entirely at the lower end of the production hierarchy. The development objectives of the Project for improving the quality of working life of Handicrafts' Workers within the golden triangle region of Orissa Bhubaneswar/Cuttak, Puri and Konark are:

a) Improving the productivity of handicrafts workers through intermediate technology inputs;
b) Enhancing access to micro-finance;
c) Upgrading the skills of women workers; &
d) Advocacy for implementation of social security measures in the handicrafts' sector.

IMMEDIATE OBJECTIVES

The immediate objectives of the Project are given below:

a) Setting-up of Thrift-cum-Credit Groups/Societies with appropriate social security funds in 6 clusters; one each relating to coir, applique, filigree, wood carving, stone carving, pattachitra and improving their access to social security;
b) Providing technology upgradation inputs relating to intermediate technology wherever required;
c) Conducting market surveys;
d) Upgrading the skills of women workers through trade-specific training programmes;
e) Providing high quality design inputs;
f) Organising artisan workers in trade groups or associations with a view to strengthening their bargaining power;

g) Setting-up a Revolving Marketing Fund for holding exhibitions/fairs with a view to providing sustainable marketing support through organisation of exhibitions in different parts of the country.

TARGET BENEFICIARIES

- Artisans workers belonging to six selected handicrafts;
- Artisans suffering from debt bondage;
- Micro-entrepreneurs relating to the selected crafts;
- Special emphasis on women and adolescent girls in the selected sectors; &
- Artisans who are members of castes which are accorded lesser status in the social hierarchy.

CORE STRATEGY

The key elements of the strategy for implementation are delineated below:

- Adopting a "demand-led" approach for the promotion of selected handicrafts based on market surveys;
- Understanding the terms of trade which are operative between different role players in the selected crafts;
- Organising the workers into trade-specific associations and industry-specific unions;
- Assessing the current level of technology used in the production of handicrafts and examining the improved forms of "intermediate technology" which can be introduced with a view to enhancing productivity per worker;
- Analysing the position of women workers in the production chain as well as focussing the spotlight on their wages/piece rate, working hours, conditions of work and provisions for social insurance;
- Setting up of Thrift-cum-Credit Groups/Societies to tackle debt bondage and the dire need for both production and consumption-related petty loans with emphasis on women members;
- Developing a Community Based Organisation closely related to each Thrift-cum-Credit Society with a view to strengthening the community social security system;
- Enlisting the support of Urban Local Bodies and Gram Panchayats/Zila Parishads, duly empowered by the 73rd and 74th Constitutional Amendment Acts, for facilitating provision of work places, selling places and common facilities and developing a Grass-roots' Task Force (GTF) for local ownership of the Project; &
Working out a suitable partnership with State Government Departments, Central Government, NGOs, Research Organisations and individual experts with a view to pooling of resources and ensuring high-quality implementation of the proposed Project.

SALIENT FEATURES OF THE PROGRAMME

The salient features of the micro-finance-led programme are:

a) Needs' Mapping & Gender Analysis

Needs' mapping exercise pertaining to the selected handicrafts will be carried-out with a view to correlating their existential conditions with their 'felt' needs. This enquiry will highlight the conditions of women workers in particular with a view to ascertaining the wage differentials between males and female workers for similar type of work, their conditions at work and the social security cover available to them. Attention will also be paid to the existence of child labour and conditions under which it is prevalent.

b) Organisation of workers

Efforts would be made to organise the workers into associations or unions on a trade-specific basis with a view to making them aware of core labour standards as well as for enabling them to participate more actively in the process of social dialogue. Organisation of workers would also entail making them participate more intensively in negotiation with employers and the government in the implementation of various statutes related to minimum wages, conditions of work and social security. It also intended to develop a Grass-roots' Task Force (GTF) of representative of different Departments, local body concerned and NGOs at the local level.

c) Social Mobilization & Setting-up of Thrift-cum-Credit Groups/Societies with social insurance back-up

It is proposed to set-up thrift-cum-credit societies, one society for each of the six selected handicrafts with each society having a membership of 50-150 workers. Trade-specific Neighbourhood Groups (NGs) will be formed of 25 to 30 families each at the community level. Each NG will be represented by a Voluntary Representative (VR). A group of NGs will constitute a Neighbour Development Committee (NDC). All the NDCs together will constitute a Community Based Organisation (CBO) which will be intimately related to the Thrift-cum-Credit Society pertaining to a specific trade.
Further, efforts will be made, wherever possible, to federate Neighbourhood Committees in such a way that they can jointly negotiate a useful social security package with one of the major insurance corporations of the country. With the consent and direct involvement of workers, the programme will seek to commit a certain percentage of the savings, say about 5-10%, to a social insurance fund. This fund will then be made the basis for negotiating with insurance companies.

d) Nature of demand and Terms of Trade

The programme entails examining in some detail through appropriate market surveys the nature of demand for products made by the targeted beneficiaries. The nature of the market for each product will be examined in terms of income as well as socio-economic segmentation of the buyers. Markets will also be studied on a spatial basis in terms of neighbourhood, area, city, region, national or export markets. The market enquiry will also include a study of different competitors and their market share.

A concerted effort will be made to examine the 'terms of trade' operative within each trade-specific sector. This will entail identifying all 'the role players' involved in the production and distribution chain relating to a given set of products including role players providing technical or financial services such as banks, non-banking institutions or individual money lenders.

e) Upgradation of Technology

In collaboration with the Development Commissioner of Handicrafts of the Government of India and various Research & Development organisations, an effort will be made to improve the technological level of production wherever the potential exists. In the case of stone carving and wood carving, efforts will be made to promote the use of electric-cutting and dressing machines for rapid treatment of large stone blocks or blocks of wood.

f) Promoting Common Facilities for improving Productivity

Wherever the cost of machines relating to 'intermediate technology' acts as a deterrent to purchase by a single entrepreneur as well as leads to inadequate utilization of machine capacity, efforts will be made to promote common facilities run and managed by the micro-entrepreneurs and workers themselves. This will ensure adequate utilization of machine capacity as well as maximize benefits to the targeted beneficiaries.

g) Design Inputs

Novel designs have a critical role to play in the handicrafts sector. Most of the motifs and forms currently being used by artisans have been there for many years. Whereas it is important to continue the tradition of culture-specific motifs, it would also be useful to
experiment with new motifs and designs as well as to adapt traditional designs to incorporate modern aesthetic trends. The programme will seek to provide the services of a talented designer from the National Institute of Design, Ahmedabad or some other prestigious organisation for a specific period. An effort will be made to test the new designs by introducing them in the market on a pilot basis.

h) **Skills' Training & Entrepreneurship Development**

Wherever a higher level of intermediate technology has been introduced, inputs of skills' training would be provided to workers for enabling them to use the superior technology. According to the requirements in the field, skills' training will also be organised for unskilled/semi-skilled workers to achieve skilled status through institutional-cum-field training. Carefully designed entrepreneurial training will be provided to existing micro-entrepreneurs as well as skilled craftsmen desirous of starting their own business. The entrepreneurial development programme will be so designed as to give micro-entrepreneurs a thorough knowledge of keeping accounts, operating bank accounts, securing working capital loans on the basis of stocks of finished items, analysing the market according to different income and occupational segments and using innovative ways to improve their market-share.

i) **Marketing assistance**

It is proposed to set up a revolving marketing fund with the objective of holding exhibitions and fairs in different parts of the country. Handicrafts' workers from Orissa would be organised to send a small team of representatives along with their products to exhibitions in metropolitan cities. Necessary media publicity would be arranged for these exhibitions. It is well known that the handicraft products of Orissa fetch much higher prices in cities like Delhi, Mumbai, Hyderabad, Bangalore and Chennai as compared to eastern India.

j) **Social dialogue**

An effort will be made to strengthen social dialogue amongst employers, workers and representatives of the Labour Department of the State with a view to providing better working conditions, appropriate safeguards for women workers and for enhancing the productivity of workers. Special emphasis will be laid on the inclusion of piece rated, home-based workers in this social dialogue as well as attempting to make these workers eligible under social security dispensations applicable to this sector.

**INSTITUTIONAL FRAMEWORK**

At the national level, there will be a Programme Steering Committee with representatives from the Ministries of Labour, External Affairs, Finance (Department of Economic Affairs),
Development Commissioner of Handicrafts of the Government of India, donor agencies, State Government, ILO and a couple of resource persons known for their eminence in the field of handicrafts. At the State level, there will be a Programme Monitoring Committee under the chairmanship of the State Labour Secretary with members from the Directorates of Industries, Textiles and Handicrafts, representatives of the field project team and representative of selected NGOs. There will be a project team at Bhubaneswar to oversee the implementation of the Project. The Project will be implemented by carefully selected NGOs under the direct guidance of the Project team. The Programme will be managed on a continuing basis by the Mission Leader and Programme Coordinator of the Informal Sector Unit at the ILO Area Office. It is this unit which will be responsible for achieving the objectives of the Programme. In terms of institutional development, the Project will encourage the setting up of trade groups and Thrift-cum-Credit group in the localities where the targeted beneficiaries reside and a Grass-roots' Trade Force at the project-area level.

**PARTNERSHIPS & LINKAGES**

Partnerships will be forged with the Development Commissioner of Handicrafts in the Central Government, Small Industries Development Bank of India (SIDBI), Housing Development & Finance Corporation (HDFC), UN agencies and bilateral donor agencies, research & development organisations, NGOs and eminent resource persons. Partnerships will also be sought to be developed between the Informal Sector Unit at the ILO Area Office and other academic, research and extension institutions involved in the effective implementation of core labour standards.

**INDICATORS**

a) Number of persons enlisted for skills' training and the percentage of persons passing the end-of-training examination;

b) Successful introduction of improved technology and the extent of increase in productivity per worker per month resulting therefrom;

c) Number of workers who became members of Thrift-cum-Credit Groups/Societies;

d) The percentage hike in the prices of artefacts consequent to introduction of improved technology; &

e) Addition income earned by micro-entrepreneurs through higher turnover due to exhibitions in different parts of the country.

**OUTPUTS & ACTIVITIES:**

The Outputs expected from the Project alongwith the Activities to be undertaken for ensuring those outputs are delineated below:
Output-I: Formation of a strong Community Structure, Promotion of social dialogue & Grassroots' Task Force (GTF).

Activities
1.5 Needs mapping & Gender Analysis combined with critical analysis of the terms of trade operative between different role-players;
1.6 Developing Neighbourhood Groups (NGs) for every group of 15-25 workers households and electing male and female representatives;
1.7 Organising Neighbourhood Groups into Neighbourhood Development Committees (NDCs); and getting all the NDCs together to constitute a strong Community-Based Organization (CBO).
1.8 Strengthening the social dialogue between the principal partners as well as forming a Grass-roots' Task Force.

Output-II: Developing viable trade-specific Thrift-cum-Credit Groups/Societies along with appropriate social security funds.

Activities
2.6 Enlisting the members of each trade-specific groups into a Thrift-cum-Credit Group/Society alongwith appropriate social security funds;
2.7 Organising fortnightly collection of savings from members of the Thrift-cum-Credit Group;
2.8 Instituting a suitable mechanism for provision of credit by draw of lots after a viable corpus of funds based on thrift has been developed;
2.9 Developing a mechanism for provision of group guarantee to members for taking loans from Banks; and
2.10 Using a part of the corpus of funds collected through savings as a welfare fund with the approval of members of the Thrift-cum-Credit Group/Society.

Output-III: Conducting a market survey, introduction of intermediate technology and provision of technical/entrepreneurial training.

Activities
3.4 Conducting a market survey with a view to ascertaining niche market segments to be targeted;
3.5 Promoting the introduction of technological improvements as well as common facilities where required;

3.6 Section of appropriate Training Institutions for provision of high quality technical training;

3.7 Entrepreneurs Development Programme (EDP) for existing micro entrepreneurs as well as skilled craftsmen;

Output-IV: Setting-up a revolving fund for marketing.

Activities

4.4 Organising exhibitions at suitable venues;

4.5 Organise workers according to their crafts;

4.6 Making media publicity within a modest allocation, about the crafts & their products;

4.7 Organise crafts mela in each city/town.

Output-V: Introduction of new designs based on market research.

Activities

5.1 Tie-up with the National Institute of Design or other prestigious institutions for providing the services of talented designers;

5.2 Organise workshops for handicrafts’ workers to get acquainted with the new designs based on market research;

5.2 Introduction of new designs in the market on a pilot basis through fairs & exhibitions

Inputs

The likely expenditure on the inputs in relation to the outputs described in the preceding section are given below:

I Formation of a Community-Based Organisation.

♦ Needs mapping with emphasis on gender;
♦ Developing Neighbourhood Groups & Area Development Committees &
♦ Constituting a viable CBO of together beneficiaries.

Estimated cost of the input - 12000.00

II Developing a viable thrift-cum-credit society:

♦ Organising meetings of thrift and credit groups,
Setting-up of a social security fund,
Organising training relating to social accounting principles and procedures,
Book-keeping of the thrift and credit group/society &
Efforts at institutional tie-up relating to social insurance.

Estimated cost of the input - 12,000.00

III  Market survey, Introduction of Intermediate Technology &
Technical/Entrepreneurial training.

Conducting market survey,
Promotion of suitable Intermediate Technology,
Selection of appropriate training institutions for provision of high quality training,
Conducting technical training of 150 Handicraft workers in selected crafts &
Conducting entrepreneurial development training for 50 workers.

Estimated cost of the input - 19000.00

IV  Setting-up a of revolving fund

Organising exhibitions at suitable venues,
Organise workers according to their crafts,
Making media publicity within a modest allocation, about the crafts & their products &
Organise crafts mela/haats in each city/town.

Estimated cost of the input - 11000.00

V  Design Inputs

Organisation of workshops for handicrafts workers to get acquainted with new designs,
Tie-up with the National Institute of Design or other prestigious institution for providing the services of talented designers &
Introduction of new designs in the market on a pilot basis through fairs & exhibitions.

Estimated cost of the input - 7000.00

VI  Field Consultants 33600.00

Total Input cost at field (Sum of I to VI)  94600.00

ASSUMPTIONS

The assumptions underlying the Project are given below:

4) Necessary approval and support from the Ministry of Labour, Govt. of Orissa especially in the Deptts of Labour, & Industries & Handicrafts.
5) It is necessary for the Municipal Committees and concerned towns of Orissa to lend support for the implementation of the Project.

6) The cooperation of the Development Commissioner, Handicrafts (Govt. of India), the Directorate of Handicrafts of Orissa, select NGOs and training & design institutions will also be required for effective implementation of the Project.

**BUDGET & DURATION**

The tentative budget for the Project is 94,600 USD. The duration of the Project is 24 months.

**MONITORING AND EVALUATION**

The Project will be managed by the Mission Leader and Programme Coordinator of the Informal Sector Unit at the ILO Area Office assisted by a Programme Officer, Field Supervisor and Administrative Assistant. Meetings of the State-level Monitoring Committee will be held once a quarter and of the National Steering Committee once a year for the purpose of monitoring the Project. The Project will draw on the technical expertise of the SAAT Team and ILO HQs during the course of its implementation.

**CONCLUDING REMARKS**

The *micro finance-led project* for handicrafts' workers of Orissa is expected to have major policy implications with reference to India's adoption of the Home-based Workers' Convention, elimination of child labour, advocacy against gender discrimination at the work place and assistance to handicrafts' workers for better organising themselves. The Project will directly target about 4000 beneficiaries. A regional workshop will be organised at the end of the Project period for sharing its findings and advocacy of policy implications. On an intellectual plane, the Project will enable us to test a core strategy for strengthening the informal economy as well as demonstrating improvements in workers' productivity.

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CHAPTER V

EMPLOYMENT GENERATION AND WORK QUALITY IMPROVEMENT IN TOURISM RELATED SERVICES AND PRODUCTS IN RAJASTHAN

- BACKGROUND & JUSTIFICATION
- RESEARCH PRECURSORS
- DEVELOPMENT OBJECTIVES
- IMMEDIATE OBJECTIVES
- TARGET BENEFICIARIES
- CORE STRATEGY
- INSTITUTIONAL FRAMEWORK
- INDICATORS
- OUTPUTS & ACTIVITIES
- ASSUMPTIONS
- MONITORING AND EVALUATION
- BUDGET & DURATION
- CONCLUDING REMARKS
BACKGROUND AND JUSTIFICATION

The State of Rajasthan has been prone to recurrent episodes of drought. Each episode of drought witnesses the institution of public works providing relief to the drought-affected population. While it is essential to promote food-for-work programmes during periods of emergency as well as lay a sound foundation for dry-farming, it is equally important to strengthen the ground-work for steady supplementary income generation on a sustainable basis for the bulk of the affected labour force. Rajasthan, with its beautiful forts and palaces as well as the splendour of its desert terrain, is a significant destination for both national and foreign tourists. Its tourism potential can be further exploited by additional employment generation and job quality improvement in the tourism-related services and products. The tourism sector in India has a large informal segment and Rajasthan is no exception to this rule. Out of five million jobs generated by tourism in India, only 2.1% are in the formal sector (Sinclair:1998). Restaurants and allied enterprises constitute the major share of total enterprises in this sector. Women workers form a small segment of the hotel and restaurant industry in the informal sector. The non-directory establishments (NDE) and own account enterprise (OAE) segments, generally considered the core of the informal sector, together account for 72.4% workers in the entire hotel and restaurant industry in India (Surjit Singh 2000:966).

In Rajasthan, there are 59,050 firms relating to hoteliering and restaurant business employing 1.23 lakh workers and having a fixed capital investment of over Rs.14,992 lakhs. These enterprises generate a profit of Rs.12,982 lakhs per annum (Surjit Singh 2000: derived from Table 7, page 973). It is proposed to create supplementary employment opportunities and improve the quality of jobs in the districts of Ajmer and Jaipur by provision of catering and business training to the staff of small eating establishments; training of tourist guides and local conducted-tour operators; improving the productivity of workers involved in leather craft and miniature painting in Ajmer (Ajmer city, Kishangarh, Tilonia & Harmara) as well as block printing and tie & dye work in Jaipur district (Bagru, Sanganer and Chaksu); promotion of exhibitions, haats and fairs for selling of ethnic gift items; and promotion of local performing arts. In this manner, the Project seeks to provide supplementary sources of income for serving as a second-line of defence during periods of severe drought.
The Informal Activity Selection Framework (IASF) focuses attention on the substantial employment potential of tourism viewed both as a business as well as a provider of various specialized services (Refer to Appendix-I A&B). Further, by seeking to generate additional employment and improve the qualitative content of existing jobs, the project seeks to translate the goal of decent work into reality.

**RESEARCH PRECURSORS**

The two studies by Surjit Singh, "Informal Tourism in India: A Case of Jaipur and Agra (Oberai & Chadha 2001)" and "Employment in Restaurant and Hotel Sector of India (Surjit Singh:2000)" form the basis for developing a useful implementation strategy for the Project. The findings of the initial study were presented at the Workshop on "Strategic Approach to Job Creation in the Urban Informal Sector in India" organised by the ILO in February, 2000 at Surajkund near Delhi. Further, the works of Sinclair "Tourism and Economic Development: A Survey" (Sinclair: 1998) and Weiermair, Klaus and Matthias Fuchs "On the use and usefulness of Economics in Tourism: A Critical Survey" (Weiermair et al:1998) will also be kept in view while implementing the Project.

**DEVELOPMENT OBJECTIVES:**

The development objectives of the project for providing decent work to workers employed in small eating establishments, tourist guides, workers making gift items in selected trades and artists specialising in local performing arts at selected locations in the Ajmer and Jaipur districts of Rajasthan are given below:

a) Understanding the terms of trade operating in small eating establishments, ethnic gifts' production, tourism segment relating to guides and local conducted-tour operators and local performing arts segment of the informal sector in Ajmer & Jaipur districts of Rajasthan;

b) Improving the capabilities of workers in the aforementioned areas through appropriate training, especially women, with a view to enhancing their productivity; &

c) Assisting in the marketing of the aforesaid products and services.
IMMEDIATE OBJECTIVES

The immediate objectives of the project are:

a) Conducting a socio-economic survey for determining the terms of trade applicable to small eating establishments, tourist guides and local conducted-tour operators, producers of selected gift items and local performing arts;

b) Social mobilization for setting-up trade-based groups with a view to organising savings and credit groups having a social security component;

c) Provision of skill upgradation and entrepreneurial trainings, appropriate intermediate technology inputs and superior designs based on market research; &

d) Organising exhibitions and fairs within Rajasthan and outside for the promotion of ethnic gift items and local performing arts:

TARGET BENEFICIARIES

The target beneficiaries of the project are given below:

a) Workers in small eating establishments;

b) Tourist guides;

c) Local conducted-tour operators;

e) Micro-entrepreneurs and workers producing selected gift items; &

f) Artists specialising in local performing arts.

PROJECT PARTNERS

The project envisages the following partnerships:

a) Municipal Bodies of the concerned towns and Panchayats of the larger rural settlements;

b) Office of the Labour Commissioner & Managing Directors of the Rajasthan Handicrafts Corporation and Rajasthan Tourism Corporation;

c) The Directorate of Industries, Rajasthan;

d) A few selected NGOs;
e) Selected Academic & Research Institutions like the Institute of Development Studies at Jaipur; &
f) Technical experts in the fields of tourism, gift items and local performing arts.

**CORE STRATEGY**

The key elements of the strategy are described below:

a) Examining the terms of trade operative in selected informal sector activities with a view to bringing about improvement in the terms of service and working/living conditions of workers;

b) Adopting a bottom-up approach in terms of participation of workers at different stages of the project implementation;

c) Strengthening community structures and developing a Grass-roots’ Task Force (GTF) for local ownership of the project at the project-area level;

d) Providing specialised inputs with regard to technology upgradation and new designs based on market research;

e) Using market surveys for analysing different segments of the market and developing a strategy for niche marketing and operating a revolving marketing fund; &

f) Focusing the spotlight on inter-linkages between eating establishments, production of ethnic gifts, tourist guides, local conducted-tour operators and local performing arts through a tourism promotion perspective.

g) Working out a suitable partnership with State Government Departments, Central Government, NGOs, Research Organisations and individual experts with a view to pooling of resources and ensuring high-quality implementation of the proposed Project.

**INSTITUTIONAL FRAMEWORK**

The project will have a Steering Committee at the national level consisting of representatives from the Ministry of Labour, Development Commissioner of Handicrafts, Director General of Tourism, Ministry of Culture, Employers’ Trade Unions' Donor Organisations, ILO and three prominent persons connected with tourism, gift items and
performing arts. Besides the Steering Committee, there will be a State-level Monitoring Committee at the Rajasthan level for implementation of the project consisting of representatives of workers, employers, Departments of Labour, Tourism & Culture, the Regional Cultural Centre, local NGOs and academic and research institutions located at Jaipur or Ajmer. The Programme will be managed on a continuing basis by the Mission Leader and Programme Coordinator of the Informal Sector Unit at the ILO Area Office. It is this unit which will be responsible for achieving the objectives of the Programme. In terms of institutional development, the project will encourage the setting-up of trade based groups and thrift-cum-credit groups in localities where the targeted beneficiaries reside and a Grass-roots' Task Force consisting of representatives of various Depts., the local body concerned and NGOs at the project-area level.

**INDICATORS**

The project will have the following indicators for measuring performance in the context of some key interventions:

a) The number of members of selected target groups who became members of trade groups;

b) The number of workers who adopted the habit of thrift and became active members of the proposed credit group;

c) The number of workers and micro-entrepreneurs who undertook technical and entrepreneurial training in specialised fields and were successfully able to pass the end-of-training tests;

d) The proportion of women trainees to the total number of trainees who were able to successfully pass the end-of-training tests; &

e) The percentage of trained persons who actually undertook jobs requiring higher skills and the number of micro-entrepreneurs who were able to increase the sale of their products through exhibitions and fairs.

**OUTPUTS AND ACTIVITIES**

The outputs expected from the project alongwith activities to be undertaken in pursuance thereof are delineated below:
Output-I

Conducting of a socio-economic survey of the targeted micro-entrepreneurs and workers.

Activities

1.1 Appointment of field consultants;

1.2 Developing well designed questionnaires for eliciting replies of a representative sample of micro-entrepreneurs and workers;

1.3 Analysing the results of the questionnaire survey and verifying the tentative findings through focus group interviews and interviews with opinion leaders; and

1.4 Determining the key labour issues where interventions are required as per the findings of the socio-economic survey.

Output-II

Strengthening of community structures, organising thrift-cum-credit groups with appropriate social security components based on trade groups/associations and developing a Grass-roots' Task Force (GTF) at the project-area level.

Activities:

2.1 Strengthening of community structures at the places of residence of workers and micro-entrepreneurs and setting-up of Grass-roots' Task Force (GTF) at the project-area level;

2.2 Organising trade-based groups or associations;

2.3 Setting-up Thrift-cum-Credit groups with an appropriate social security component; &

2.4 Working-out operational modalities of credit and social security coverage.

Output-III
Upgrading the capabilities of workers and micro-entrepreneurs through Inputs of Intermediate Technology, technical/entrepreneurial training and awareness of labour standards.

3.1 Motivating micro-entrepreneurs and workers to adopt intermediate technology for improving productivity.

3.2 Provision of technical training to targeted beneficiaries;

3.3 Provision of entrepreneurial development training to proprietors of small eating establishments and producers of gift items;

3.4 Organising awareness campaigns with a view to making the workers aware of their rights and obligations under various labour laws; &

Output-IV

Improved marketing and service vending capabilities as well as development of a revolving marketing fund for organising exhibition-cum-performing arts' events.

Activities

4.1 Conducting market surveys with a view to analysing market segmentation, niche targeting and operating a revolving marketing fund for organising exhibition-cum-performing arts' events;

4.2 Provision of high quality design in relation to gift items;

4.3 Improvement in the general hygiene and décor of eating establishments; &

4.4 Efforts relating to superior advertising of products and services.

INPUTS

The likely expenditure on inputs in relation to the outputs described in the preceding section are given below:

I Conducting of a socio-economic survey.

- Appointments of field consultants,
- Developing a well-designed questionnaire,
Analysing the questionnaire survey and verifying the tentative findings & 
Setting-out the key labour issues where interventions are required.

| Estimated cost of the input | 6000.00 |

II Formation of Community-Based Organisation and Thrift & Credit/group Society.

- Developing Neighbourhood Groups & organising Area Development Committees based on trade-related groups,
- Constituting a viable CBO &
- Setting up of a Thrift-cum-Credit Group/Society with an appropriate social security fund.

| Estimated cost of the input | 21000.00 |

III Upgrading the capabilities of workers and micro-entrepreneurs.

- Technical training to targeted beneficiaries,
- Entrepreneurial development training targeted beneficiaries,
- Organising awareness campaigns &
- Introduction of appropriate intermediate technology for improving productivity.

| Estimated cost of the input | 22000.00 |

IV Improved marketing and service vending capabilities.

- Conducting market surveys,
- Introduction of high quality designs,
- Improvement in the general hygiene and décor of eating establishments &
- Efforts relating to superior advertising of products and services.

| Estimated cost of the input | 16000.00 |

V Field Consultants 33600.00

Total Input cost at field (Sum of I to V) 98,600.00

ASSUMPTIONS

The assumptions underlying the Project are given below:

1. Necessary approval and support from the Ministry of Labour, Director General of Tourism and the Development Commissioners Handicrafts & Handlooms;

2. It is necessary for the Government of Rajasthan and its various Departments to cooperate fully with regard to the implementation of the Project;
3. The unstinted support of the Rajasthan Tourism Corporation, Rajasthan Handlooms and Handicrafts Corporation, Rajasthan Small Scale Industries & Export Corporation and the Directorate of Industries is vital for the success of the Project;

4. The assistance of the Municipal Bodies in the selected towns, Panchayats in the selected rural areas as well as chosen academic and research institutions will also be required; &

5. The cooperation of local NGOs and experts in the field of tourism, gift items and local performing arts is also assumed to be essential for the success of the Project.

**MONITORING & EVALUATION**

The Project will be managed by the Mission Leader and Programme Coordinator of the Informal Sector Unit at the ILO Area Office assisted by a Programme Officer, Field Supervisor and Administrative Assistant. Meetings of the State-level Monitoring Committee will be held once a quarter and of the National Steering Committee, once a year for the purpose of monitoring the Project. The Project will draw on the technical expertise of the SAAT Team and ILO HQs during the course of its implementation.

**BUDGET & DURATION**

The tentative budget for the Project is 98,600 USD. The duration of the Project is two years.

**SUMMING-UP**

The Project is expected to target 5500 direct beneficiaries in the districts of Ajmer and Jaipur. It will also help in developing a mutually beneficial network of relationships between small eating establishments, tourist guides, local conducted-tour operators, producers of gift items and artists specialising in local performing arts with a view to generating additional employment as well as improving the quality of jobs of existing workers participating in these activities.

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CHAPTER VI

IMPROVING JOB QUALITY AND TERMS OF SERVICE OF HOME-BASED GARMENT WORKERS IN AHMEDABAD (GUJARAT)

- BACKGROUND & JUSTIFICATION
- RESEARCH PRECURSORS
- DEVELOPMENT OBJECTIVES
- IMMEDIATE OBJECTIVES
- TARGET BENEFICIARIES
- CORE STRATEGY
- INSTITUTIONAL FRAMEWORK
- INDICATORS
- OUTPUTS & ACTIVITIES
- ASSUMPTIONS
- MONITORING AND EVALUATION
- BUDGET & DURATION
- CONCLUDING REMARKS
CHAPTER - VI

IMPROVING JOB QUALITY AND TERMS OF SERVICE OF HOME- BASED GARMENT WORKERS IN AHMEDABAD (GUJARAT)

BACKGROUND & JUSTIFICATION

Cities in the developing world invariably have a dualistic economy: a small organised segment and a large unorganised segment. Whereas the organised segment is covered by a plethora of labour laws and enjoys some social protection under national provident fund schemes, the unorganised segment is largely unprotected. The unorganised segment is also largely unregulated. This segment services the organised sector as well as has some direct access to customers generally in the low income bracket. As the process of structural adjustments takes place in developing economies, the size of the unorganised sector tends to grow consequent to rationalization and retrenchments in the organised sector and additional accruals from the labour force.

The city of Ahmedabad is also symptomatic of the growth of the unorganised sector. This city witnessed large scale closure of textile mills during the 1980s leading to hundreds of workers joining the ranks of the informal sector. Members of the families of such workers, especially women adopted the profession of garment-stitching either as factory-based or home-based workers. In Ahmedabad, around 45% of the employment is found to be in the non-formal sector (Papola:1980:pp 817-824).

The Home Workers Convention of the ILO defines a home worker as a person who carries-out work for remuneration in premises of her/his choice, other than the work place of the employer, resulting in a product or service as specified by the employer irrespective of who provides the equipment, materials or inputs used. There is a growing debate in India as to whether the definition of home-based workers should include only piece-rated workers who work for contractors/sub-contractors or workers who are both producing piece-rated items as well as selling some products directly to customers in some form of self-employment. It would be useful to adopt a flexible approach in this regard with the workers who earn 50% of their annual income through piece-rated products and the rest from self-employment qualifying as `home-based workers.'

The Garment Industry in Ahmedabad has been growing @ 18% per year over the last decade. Ample supply of textiles for the garment industry and a strong sense of commercial trading amongst the people are the critical factors contributing to this high rate of growth. More than 50% of the garment workers are women. Home-based garment stitching enables women to attend to their household responsibilities while effectively contributing to the family budget. The city of Ahmedabad experienced the damaging effects of an earthquake in the current year severely disrupting its economic life. Informal garment workers with negligible social security cover were seriously affected. The project is, therefore, expected to provide a healing touch to such workers.
The relationship between the formal sector and the informal economy is characterized by both outsourcing and sub-contracting. Sub-contracting often entails a chain of intermediaries. In order to provide decent work to home-based, women workers, it is of vital significance that the chain of sub-contracting is examined in relation to the terms of service/trade applicable at different levels. Such an examination would imply carefully analysing the sources and control mechanisms relating to credit, raw materials, designs, quality and marketing. Further, the Informal Activity Selection Framework (IASF) highlights the casual status of garment workers, the poor availability of micro-finance from institutional sources and the low income level of workers (Refer to Appendix-IA&B). The study will also dwell on the nature of the market for different types of garments as well as ways and means of increasing the productivity of home-based workers.

RESEARCH PRECURSORS

Recent studies carried-out by SEWA-NCAER (Unni Jeemol 1998) have found that a majority of informal workers are self-employed operating with very low levels of capital. The proposed study will also build on the activities of GEN/PROM with reference to textile and garment workers in Gujarat. The outcomes from UNIFEM's work relating to "a Preliminary Study on the Productive Linkages of Indian Industry with Home-based women workers through Sub-contracting Systems in the Manufacturing Sector (UNIFEM:2000)" will also be utilised for strengthening the strategy for implementing the project. The findings of the study by Unicef Innocenti Research Centre (Florence, Italy) in association with Unicef India relating to "Outsourcing of Manufacturing to Households: Sub-contracted Home-based Work in India" will also be kept in view. The Unicef study brings-out "The survey reveals that HBW generally stay with the same contractor. A variety of controls appear to be used by contractors to gain loyalty… the work itself; there are few alternatives….the contractor is an important source of credit….Delayed payment is another form of control (Unicef Innocenti 2001:62)."

DEVELOPMENT OBJECTIVES:

The development objectives of the Project for providing decent work to home-based garment workers, especially women, in Ahmedabad are delineated below:

a) Understanding the terms of trade applicable to home-based garment workers in Ahmedabad;

b) Improving the capabilities of home-based workers especially women with a view to enhancing the productivity; and
c)  Organising home-based garment workers for securing better terms in supply contracts.

IMMEDIATE OBJECTIVES

The immediate objectives of the Project are:

a)  Conducting a socio-economic survey for determining the terms of trade available to home-based garment workers;

b)  Social mobilization with a view to setting-up a Community-Based Organisation (CBO) in a given locality of Ahmedabad;

c)  Promoting the habit of saving, organising a credit society and linking the saving and credit operations with a social security cum welfare fund;

d)  Provision of technical training combined with provision of designs based on market information;

e)  Organising home-based garment workers into a Self-Help Group with their own brand name and assisting them to sell their products through exhibition-cum-sales; and

f)  Organising home-based garment workers with a view to strengthening their bargaining capabilities as well as making them aware of various labour laws applicable to them.

TARGET BENEFICIARIES

The target beneficiaries of the project are given below:

a)  Home-based garment workers in a given locality of Ahmedabad;

b)  Special focus on home-based women garment workers; and

c)  Micro-entrepreneurs in the garment industry.

PROJECT PARTNERS

The project envisages the following partnerships:

1)  The Department of Labour & Employment and the Department of Local Government/Urban Development of the Government of Gujarat;

2)  Municipal Corporation of Ahmedabad;
3) The Office of the General Manager, District Industries Centre and the office of the Small Industries & Export Corporation of Gujarat;

4) Selected local NGOs

5) Selected academic & research institutions like the School of Planning, Center for Environmental Planning and Technology (CEPT) at Ahmedabad; and

6) Technical experts in the field of garment design and stitching.

**CORE STRATEGY**

The key elements of the strategy are described below:

i) Adopting a bottom-up approach in terms of developing an appropriate community structure pertaining to garment stitching households in the area selected for the Project as well as forming a Grass-roots' Task Force (GTF) for local ownership of the project;

ii) Getting representatives of the community of garment workers to map-out their most critical, felt needs;

iii) Examining the trade cycle in relation to garment stitching with reference to key stakeholders viz. suppliers of fabrics; intermediaries who give advances; the cutters; different categories of garment workers who machine-stitch, make button-holes, hem, attach buttons etc.; the workers who embroider and do other ornamental finishing work; the intermediaries who collect finished items from garment workers and supply to wholesalers; and the wholesalers alongwith retailers;

iv) Focussing the spotlight on elements of workers' bondage in terms of provision of sewing machines (by the person/agency which eventually picks-up itemized work), money advanced to garment workers or raw materials supplied entailing picking-up of semi-finished/finished products at a price less than the market rate;

v) *Active participation of garment workers*, especially women workers, from the initial stages of the project to its implementation, mid-course adjustments and evaluation;

vi) Welding the garment-stitching workers together by organising a thrift-cum-credit society with a social insurance component;

vii) Improving the technical competency of workers both in terms of skills' upgradation and technological improvements;
viii) Provision of entrepreneurial development training to skilled garment workers in terms of basic principles of accountancy and marketing;

ix) Focussing the spotlight on fashion trends with a view to ascertaining *designs and colour combinations which are currently finding favour with customers*;

x) *Networking amongst micro-entrepreneurs with a view to initiating a common brand name* and popularizing their products through a *revolving marketing fund* for organizing exhibition-cum-sales; and

xi) Developing symbiotic linkages between micro-entrepreneurs and wholesalers as well as major retailing firms.

xii) Working out a suitable partnership with State Government Departments, Central Government, NGOs, Research Organisations and individual experts with a view to pooling of resources and ensuring high-quality implementation of the proposed Project.

**INSTITUTIONAL FRAMEWORK**

The project will have a Steering Committee consisting of representatives of the Ministry of Labour, Department of Employment and Urban Poverty Alleviation of the Central Government, Department of Labour and Local Government/Urban Development of the Government of Gujarat, Employers' Organisations, Labour Unions, the ILO, Donor Organisation and two prominent persons connected with the welfare of garment workers. Besides the Steering Committee, there will be an Executive Committee for implementing the Project consisting of representatives of workers, representatives of employers, Department of Labour of the Gujarat Government, a local NGO and the School of Planning, Center for Environmental Planning and Technology, Ahmedabad. In terms of institutional development, the Project will encourage constitution of community-based organisation of garment workers in a carefully selected area of Ahmedabad. The Programme will be managed on a continuing basis by the Mission Leader and Programme Coordinator of the Informal Sector Unit at the ILO Area Office. It is this unit which will be responsible for achieving the objectives of the Programme. In terms of institutional development, the Project will encourage the setting-up a Community-Based Organisation of home-based garment workers in the localities where large segments of such workers reside as well as develop a Grass-roots' Task Force (GTF) consisting of representatives of various Departments, the local body concerned and NGOs at the project-area level.

**INDICATORS**

The project will have the following indicators for measuring performance in the context of some key interventions:
a) The number of members of the target group who agreed to become members of the proposed Community-Based Organisation (CBO) of garment workers;

b) The number of garment workers who adopted a saving habit and become active members of the proposed Credit Society;

c) The number of garment workers who were provided technical training and who were actually able to successfully pass end-of-training examination;

d) The proportion of women trainees to the total number of trainees who were able to successfully pass the end-of-training examination;

e) The percentage of trained persons who were actually able to undertake more skilled jobs and receive enhanced wages/incomes; and

f) The number of garment workers who were able to sell products through exhibition-cum-sale.

**OUTPUTS AND ACTIVITIES**

The outputs expected from the project alongwith activities to be undertaken in pursuance thereof are delineated below:

**Output-I**

Conducting a socio-economic survey of garment workers.

**Activities**

1.1 Appointments of field consultants;

1.2 Developing a well-designed questionnaire for eliciting replies of representative sample of garment workers for appropriate pilot testing;

1.3 Analysing the results of the questionnaire survey and verifying the tentative findings through focus group interviews and interviews with opinion leaders; and

1.4 Setting-out the finding of the socio-economic survey and determining the key labour issues where interventions are required.
**Output-II**

Organisation of a Community-Based Organisation, Thrift-cum-Credit Group/Society with an appropriate social security cum welfare fund and a Grass-roots' Task Force (GTF) at the project-area level.

**Activities**

2.1 Developing Neighbourhood Groups for every group of 25 garment stitching households and electing one male and one female representative for each Neighbourhood Group;

2.2 Organising 11 Neighbourhood Groups into an Area Development Committee (ADC) and incorporating the ADCs into a strong CBO;

2.3 Organising a Grass-roots' Task Force (GTF) at the project-area level; &

2.4 Using this CBO as a basis for setting-up of a Thrift-cum-Credit Society with an appropriate social security cum welfare fund.

**Output-III**

Organising garment workers into a Union or Association.

**Activities**

3.1 Organising awareness campaign with a view to making garment workers aware of their rights and obligations under various labour laws.

3.2 Motivating garment workers to come together in the form of a Union or Association with a view to improving their bargaining power vis-à-vis intermediaries as well as large purchasing garment firms.

3.3 Attempting to ensure that piece rates paid to garment workers are comparable to minimum wages when computed in terms of hours taken for doing piece rated jobs as well as ensuring that other labour standards relating to child labour and non-discrimination between men and women are adhered to; &

3.4 Advocacy campaigns regarding home-workers' rights.
Output-IV


Activities

4.1 Conducting market survey with a view to market segmentation in the garment industry and ascertaining designs that are popular for different section of segments;

4.2 Selection of appropriate training institutions for provision of high quality training;

4.3 Conducting technical training of garment workers keeping in view advancements in Intermediate Technology; and

4.4 Provision of new designs and colour combination to skilled garment workers and micro entrepreneurs in the informal sector based on information given from a market survey.

Output-V

Organisation of Self-Help Groups of garment workers/entrepreneurs for effective market penetration.

Activities

5.1 Organising garment workers into Self-Help Groups on a voluntary basis;

5.2 Networking amongst micro-entrepreneurs for common brandname;

5.3 Assisting garment workers to develop their own brand name; and

5.4 Providing assistance to garment workers and entrepreneurs through a revolving marketing fund to organise exhibition-cum-sales of their own products.

Inputs

The likely expenditure on the inputs in relation to the outputs described in the preceding section are given below:

I Conducting an socio-economic survey of garment workers. USD

♦ Appointments of field consultants,
♦ Developing a well-designed questionnaire,
Analysing the questionnaire survey and verifying the tentative findings &
Setting-out the key labour issues where interventions are required.

| Estimated cost of the input | 3000.00 |

II Formation of Community-Based Organisation and Thrift & Credit/group Society.
♦ Developing Neighbourhood Groups & organising Area Development Committees,
♦ Constituting a viable CBO &
♦ Setting up of a Thrift-cum-Credit Group/Society with an appropriate social security fund.

| Estimated cost of the input | 19000.00 |

III Organising garment workers into a Union or Association.
♦ Organising awareness campaigns.
♦ Motivating garment workers to form a union with the aim of improving their bargaining power &
♦ Advocacy & campaigns regarding homeworkers' rights.

| Estimated cost of the input | 8300.00 |

♦ Conducting market survey,
♦ Introduction of suitable appropriate technology,
♦ Selection of appropriate training institutions for provision of high quality training,
♦ Conducting technical training of 150 garment workers,
♦ Conducting entrepreneurial development training for 50 workers &
♦ Provision of design inputs

| Estimated cost of the input | 19000.00 |

♦ Organising garment workers into Self-Help Groups,
♦ Networking of micro-entrepreneurs,
♦ Assisting garment workers to develop their own brand name &
♦ Operating a revolving fund for Organising exhibition-cum-sales.

| Estimated cost of the input | 15200.00 |

VI Field Consultants 33600.00

Total Input cost at field (Sum of I to VI) 98100.00
**ASSUMPTIONS**

The assumptions underlying the project are given below:

1. Necessary approval and support of the Ministry of Labour, the nodal Ministry for the project;

2. It is necessary for the Government of Gujarat and the Municipal Corporation, Ahmedabad to lend support for the implementation of the project; and

3. Assistance of local labour union working in the informal sector employers' organisation and the School of Planning, Center for Environmental Planning and Technology, Ahmedabad or other appropriate research institutions will be required for the implementation of the project.

**MONITORING & EVALUATION**

The Project will be managed by the Mission Leader and Programme Coordinator of the Informal Sector Unit at the ILO Area Office assisted by a Programme Officer, Field Supervisor and Administrative Assistant. Meetings of the State-level Monitoring Committee will be held once a quarter and of the National Steering Committee once a year for the purpose of monitoring the Project. The Project will draw on the technical expertise of the SAAT Team and ILO HQs during the course of its implementation.

**BUDGET & DURATION**

The tentative budget for the Project is 98,100 USD. The duration of the Project is 24 Months.

**CONCLUDING REMARKS**

The project is expected to benefit about 4000 direct beneficiaries who will be made members of the proposed CBO and will be in a position to benefit from various Outputs and Activities mentioned in I to V above. Besides direct beneficiaries, advocacy for provision of decent work to garment workers is likely to have an impact on all the informal garment workers in the city of Ahmedabad. It is expected that the Project will lead to a better relationship between the formal and informal segments of the garment industry as well as improve the productivity per worker of the informal garment workers.

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CHAPTER VII

SECTORAL STUDIES & CONCLUDING REMARKS

- ZARI & ZAROSI WORK AT LUCKNOW AND BAREILLY
- HANDMADE PAPER AND SCREEN PRINTING AT PONDICHERY
- SHAWL-MAKING AND WALL HANGINGS AT GUWAHATI
- MIGRANT LABOUR - STUDY OF THE SOURCES OF SUPPLY IN BIHAR AND DEMAND IN PUNJAB
- FINANCIAL PROJECTIONS
- SUMMING-UP
CHAPTER - VII

SECTORAL STUDIES & CONCLUDING REMARKS

Zari & Zardosi work at Lucknow and Bareilly

The four sector-specific studies selected are characterized by locational, technological and organisational diversity. Zari and Zardosi work is done on garments, bags, purses and other allied items by skilled workers in the gangetic plain of Uttar Pradesh and is aimed at the well-to-do and affluent market. The international market is also targeted by Zari and Zardosi work involving a noteworthy proportion of exports. Zari and Zardosi work is done by both workshop-based workers and home-based workers. Further, a significant proportion of the workers are women. Payments to workers, even for extremely intricate work, are modest. The bulk of the profit is earned by middlemen and merchants.

The State of UP is well-known for the high quality of Zari and Zardosi embellished products. In 1994-95, there were 12,500 Zari and Zardosi units in UP providing employment to 218,000 workers. The value of the annual production was Rs.1.43 billion and the value of exports was Rs.250 million during the same period. In other words, one-fourth of the total production was exported. The total number of enterprises increased from 12,500 in 1994-95 to 16,134 in 1999-2000 thereby recording an increase of 29.1% in the said period. Further, the total number of workers employed in Zari and Zardosi work, during the same period, increased by about one-third (30.37%). Moreover, the total value of production increased by 41.71% and the value of exports increased by 12% during the same period. These figures show that Zari and Zardosi products have considerable potential for market growth.

For purposes of conducting an in-depth sectoral study, it is proposed to select the cities of Lucknow and Bareilly alongwith their rural hinterland. In 1999-2000, Lucknow city had 1000 Zari and Zardosi units employing 60,000 persons directly or indirectly and these units had an annual turnover of Rs.100 million. 20% of the total value of the production was exported. In the case of Bareilley, the production of Zari and Zardosi products provided employment to 100,000 people and involved an annual turnover of Rs.150 million of which Rs.10 million worth of goods were exported. This sectoral study seeks to focus the spotlight on understanding the ways and means of improving the earning of women workers, reducing child labour, ameliorating the working conditions and providing better terms of trade to Zari and Zardosi workers in the selected cities and their rural outreach.
Handmade Paper and Screen Printing at Pondicherry

The city of Pondicherry, originally a French settlement, is famous for the quality of its handmade paper and screen printing skills. The city has 40 handmade paper and screen printing units. These units manufacture handmade paper files, letter pads, visiting cards, invitation cards, labels, stickers and allied stationery items. Further, screen printing is also done on fabrics used for sarees, scarfs, cloth bags and allied items. Another craft related to screen printing is marble-finish on sarees, ties, scarfs and allied items.

The handmade paper, screen printed stationery, screen printed fabrics and marble work items of Pondicherry are well known for their aesthetic beauty. The stationery items produced by units affiliated to the Aurobindo Ashram and the city of Auroville are purchased by the well-to-do sections of society in Delhi, Mumbai, Chennai, Kolkatta and other metropolitan cities of India. The sale of handmade paper, screen printed stationery and fabrics and marble-finish artefacts can be enhanced substantially by the promotion of suitable backward and forward linkages.

A significant proportion of the total number of workers in the units manufacturing the aforementioned items are women workers. The sectoral study will focus the spotlight on ascertaining the terms of trade applicable to different types of workers with special emphasis on women workers; identifying intermediate technology interventions for enhancing workers' productivity; examining the potential for improving the technical capabilities of unskilled and semi-skilled workers through skills' upgradation; ascertaining the need for capacity-building of micro-entrepreneurs through entrepreneurial development programmes; and assessing the scope for providing jobs to unemployed, educated youth in this sub-sector.

Shawl-making and Wall Hangings at Guwahati

Assam is located in the eastern Himalayas and the economy of this State is extremely fragile on account of a deficit in relation to locally grown food products. Most of the items of daily use also come from outside Assam, largely via Kolkatta. There is a growing disaffection amongst the youth of this State due to increasing unemployment.

The proposed sectoral study seeks to study the terms of trade operating amongst the key role-players related to the production of shawls and wall hangings in the city of Guwahati and its rural outreach as well as their sale in various parts of the country. Sheep rearing is one of the primary
sector activities in this State and consequently, the raw material required for shawl and wall hangings is locally available. *A very large number of women and adolescent girls are involved in this activity.* It is, therefore, felt that with appropriate inputs, this micro-industry can be a major means of women's empowerment.

The key labour issues which this sectoral study will address are: examining the socio-economic characteristics of micro-entrepreneurs and workers with a view to *appraising the need for skills' upgradation of women workers*; benchmarking the potential for introduction of Intermediate Technology for bringing-about *technological improvements with the objective of enhancing workers' productivity*; studying the intricate relationships between producers of shawls and wall-hangings and middlemen as well as merchant-sellers; designing a strategy for greater market penetration; and assessing the scope for employment generation in this sub-sector with special emphasis on adolescent girls. A few experimental interventions relating to technological improvements and introduction of superior designs will also be undertaken with a view to strengthening the participant observation method of study. In a nutshell, the study will focus on *developing a strategy for enabling unemployed youth to find productive employment* and empowering the women workers of this economically backward State.

**Migrant Labour - Study of the sources of supply in Bihar and demand in Punjab**

It is well-known that thousands of migrant workers from Bihar work in the industrial establishments and agricultural farms of Punjab. According to an ILO-cum-AITUC study conducted by Krishna Jha relating to Ludhiana, the total labour force of the city was estimated to be 532,000 in the year 2000 out of which 282,000 were in the organised sector and 250,000 were in the unorganised sector. *Within the unorganised sector, 150,000 workers were locals and 100,000 were migrant workers* (Jha, Krishna 2000:32).

Amongst the small hosiery, knitwear and textile units in Ludhiana, the contract labour system is popular. Most of the units are unregistered and about 80% of the labour force in such units is migratory. The living conditions of workers is pitiable. According to Krishna Jha, "the migratory worker lives in chawl-like rooms either with his family or with other workers. These buildings have 60 to 100 rooms with two handpumps, usually no latrines, and no cooking space (Jha Krishna, 2000:40)."

Bihari labour is also employed on farms of medium and large landlords. Some of the chawl-like constructions where the Bihari labour stays are in the suburbs and have been built by well-to-do...
landlords. Rooms are generally small and without adequate ventilation. Drinking water in these suburbs is often contaminated due to effluent discharge from factories. According to Jha, pneumoconiosis is a common disease affecting the respiratory system of workers. Most of the migratory workers work for 9-12 hours a day for 7 days a week. The wages received by them are well below the minimum wages fixed by the Government of Punjab. Further, a high level of indebtedness - two out of every three migrants - has been reported amongst these workers. It is proposed to study the sources of supply of migrant labour in selected districts of Bihar with a view to determining the main reasons for the migration: poverty, distress due to drought/floods or social oppression, unemployment, indebtedness or search for better opportunities. At the Punjab end, it is proposed to study the nature of the demand for migrant labour as well as the terms of trade operative amongst the key role-players, the working conditions of labour, the living conditions and vestiges of debt bondage in small industrial units and medium to large agricultural farms in the Ludhiana district of Punjab. The labour issues which the sectoral study will highlight are: payment of minimum wages and other terms of service relating to working hours and holidays, the quality of working and living conditions, treatment meted-out to women workers and the existence of bondage in any form.

The four sector-specific studies described in the foregoing paragraphs will target both workers and micro-enterprises. The terms of reference of the studies will include the following aspects:

a) The socio-cultural profile of workers with special emphasis on educational and skill attainments;

b) The terms of trade operating between the key-role players in each of the selected economic activities with special emphasis on the level of wages/piece rate, working hours, overtime and periodicity of payment;

c) The nature of the working conditions of targeted workers with special emphasis on occupational health and safety aspects of work;

d) The presence of debt bondage and child labour as well as discrimination against women workers; &

e) The level of organisation of workers and the constraints they face in bargaining for better wages and more congenial working conditions.
The studies will also examine the labour laws applicable to employers and workers in the selected sub-sectors and the *status of their implementation*. Further, the studies will make recommendations with regard to the ways and means of introducing technological improvements based on advances in Intermediate Technology with a view to improving workers' productivity; improving the quality of entrepreneurial skills of micro-entrepreneurs; and *ameliorating the terms of service of workers through a process of enhancing the social efficiency of labour*. Taken collectively, these recommendations will seek to chart-out a strategy for achieving the goal of 'decent work' in the selected sub-sectors of the informal economy.

**Financial Projections**

The Decent Work Programme for the Informal Economy (DW-PIE) has been designed in a modular form with a core management cost. The core management cost consists of national and international inputs. It is proposed to implement the DW-PIE in India in two phases. The First Phase of the Programme will consist of two Projects - the Project relating to Construction Workers in Delhi and Handicrafts' Workers in Orissa - alongwith two sectoral studies relating to Zari and Zardosi work in Lucknow and Bareilly as well as Handmade Paper and Screen Printing in Pondicherry. This phase will last for a period of 2 years. The Second Phase of the Programme will also consist of two Projects - the Project on Tourism related services and products in Rajasthan and the Project concerning Garment Workers in Ahmedabad (Gujarat) alongwith two sectoral studies relating to Shawl-making and Wall Hangings in Guwahati (Assam) and Migrant Labour in Ludhiana (Punjab) coming from Bihar. All the sectoral studies are slated only for a period of 6 months each. The Second Phase is also scheduled for a period of two years. The financial projections for the two phases of the programme are given below:

<table>
<thead>
<tr>
<th>National Inputs</th>
<th>First Year W/M</th>
<th>First Year Amount</th>
<th>Second Year W/M</th>
<th>Second Year Amount</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme Manager</td>
<td>12</td>
<td>3500</td>
<td>12</td>
<td>3600</td>
<td>43200</td>
</tr>
<tr>
<td>Mission Cost</td>
<td></td>
<td>6600</td>
<td></td>
<td></td>
<td>6600</td>
</tr>
<tr>
<td>Technical Support</td>
<td>12</td>
<td>1350</td>
<td>12</td>
<td>1500</td>
<td>18000</td>
</tr>
<tr>
<td>Programme Assistance</td>
<td>12</td>
<td>650</td>
<td>12</td>
<td>700</td>
<td>8400</td>
</tr>
<tr>
<td>Sundries</td>
<td></td>
<td>750</td>
<td></td>
<td></td>
<td>750</td>
</tr>
<tr>
<td>National Seminar</td>
<td></td>
<td>12000</td>
<td></td>
<td></td>
<td>12000</td>
</tr>
<tr>
<td>Equipment's at ILO Office</td>
<td></td>
<td>85350</td>
<td></td>
<td></td>
<td>85350</td>
</tr>
<tr>
<td>Sum</td>
<td></td>
<td>85350</td>
<td></td>
<td></td>
<td>167700</td>
</tr>
</tbody>
</table>
It is expected that an in-depth analysis of the terms of trade operative amongst the key role-players in each economic activity selected for a sectoral study will enable us to better understand the production sub-system and designs suitable interventions for improving the lot of the workers. Further, an analysis of the market for the products/services offered for sale in terms of product differentiation and buyer segmentation will assist us to locate the niche market segments which should be targeted for increasing sales. Again, an examination of the current technology used in offering a product or service for sale in comparison with the latest advancements in Intermediate Technology will enable us to recommend simple technological changes favourable for enhancement of workers' productivity and the kind of re-training required for adopting the said changes. In this manner, the sectoral studies are seen as a spring-board for well-designed future projects.

**Summing-Up**

The project proposals suggested in this Report have been carefully selected to represent a range of key labour issues relating to the informal economy. Their design takes into account an appreciation of the existing economic relationships within each sectoral activity. They are structured in such a manner that they put a premium on a participatory approach towards defining and undertaking interventions with the full cooperation and involvement of the targeted beneficiaries. Further, the proposals seek to integrate the intended interventions with on-going
schemes and initiatives of the Central and State Governments. At the ground level, the design of Projects seek to bring-about a convergence of personnel and financial resources in the form of a grass roots' task force for local ownership of the projects. The proposals also emphasise the vital significance of improvements in Intermediate Technology and skills' upgradation through re-training in consonance with technological changes. In keeping with best management practices suited for the micro-sector, the proposals highlight the need for capacity-building of micro-entrepreneurs through entrepreneurial development programmes. The proposals also give a pride of place to understanding the market and developing supply-side inputs in accordance with the nature of demand. Moreover, the proposals lay considerable emphasis on micro-finance in the form of thrift-cum-credit groups organised on a trade-wise basis with the objective of strengthening the economic viability of micro-enterprises and the sustainability of project initiatives. Finally, the project proposals seek to develop enduring partnerships not only amongst the three principal partners but also with other agencies of civil society such as NGOs, technological institutions, research organisations and the media for strengthening the movement towards the goal of decent work.

****
### APPENDIX-I

#### ILLUSTRATIVE EXAMPLES ELUCIDATING THE INFORMAL ACTIVITY SELECTION FRAMEWORK (IASF)

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Location</th>
<th>Specificity</th>
<th>Type of activity</th>
<th>Linkage with formal sector</th>
<th>Size/class of cities</th>
<th>Migratory worker status</th>
<th>Place of work</th>
<th>Place to sell</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td><strong>North</strong> Jaipur</td>
<td>Tourism</td>
<td>Business-Service</td>
<td>Strong</td>
<td>Medium City (2,200,000)</td>
<td>Considerable</td>
<td>NA</td>
<td>Shop-Mobile</td>
</tr>
<tr>
<td>2.</td>
<td>Aligarh</td>
<td>Lock-making</td>
<td>Industry</td>
<td>Medium</td>
<td>Medium City (637,000)</td>
<td>Nominal</td>
<td>Factory</td>
<td>Shop</td>
</tr>
<tr>
<td>3.</td>
<td>Moradabad</td>
<td>Brassware</td>
<td>Industry</td>
<td>Strong</td>
<td>Medium City (578,000)</td>
<td>Nominal</td>
<td>Workshop</td>
<td>Shop</td>
</tr>
<tr>
<td>4.</td>
<td>Mirzapur</td>
<td>Carpets</td>
<td>Industry</td>
<td>Medium</td>
<td>Small City (212,000)</td>
<td>Considerable</td>
<td>Household Workshop</td>
<td>Shop/Mobile</td>
</tr>
<tr>
<td>5.</td>
<td>Ludhiana</td>
<td>Cycle parts/ Rubber</td>
<td>Industry</td>
<td>Strong</td>
<td>Metropolis (1,634,000)</td>
<td>Nominal</td>
<td>Workshop Factory</td>
<td>B to B</td>
</tr>
<tr>
<td>6.</td>
<td>Delhi</td>
<td>Construction/ Brick Kilns</td>
<td>Industry</td>
<td>Strong</td>
<td>Megapolis (12,242,000)</td>
<td>Substantial</td>
<td>Land-Based site</td>
<td>Peripatetic</td>
</tr>
<tr>
<td>7.</td>
<td><strong>South</strong> Bangalore</td>
<td>Info-tech</td>
<td>Services</td>
<td>Strong</td>
<td>Metropolis (6,359,000)</td>
<td>Considerable</td>
<td>Office</td>
<td>B to B</td>
</tr>
<tr>
<td>8.</td>
<td>Mysore</td>
<td>Sandal Wood</td>
<td>Industry</td>
<td>Medium</td>
<td>Medium City (886,000)</td>
<td>Nominal</td>
<td>Household Workshop</td>
<td>Shop</td>
</tr>
<tr>
<td>9.</td>
<td>Shivkashi</td>
<td>Fire Crackers</td>
<td>Industry</td>
<td>Low</td>
<td>Small City (127,000)</td>
<td>Nominal</td>
<td>Workshop</td>
<td>Shop/Pavement</td>
</tr>
<tr>
<td>10.</td>
<td>Chennai</td>
<td>Leather</td>
<td>Industry</td>
<td>Medium</td>
<td>Metropolis (6,648,000)</td>
<td>Considerable</td>
<td>Workshop Factory</td>
<td>Shop/Pavement</td>
</tr>
</tbody>
</table>

**INDEX:** I. Specificity: Specific activity selected for intervention. II. Location: North, South, East, West. III. Type of activity: Industry, Service, Business. IV. Linkage with formal sector: Strong, Medium, Low. V. Size/class of cities: Small Town-less than 100,000 population, Small City - between 100,000 upto 500,000, Medium City-from 500,000 upto 1 million, Metropolis-1 million upto 10 million or Megapolis-10 million & above population. VI. Migratory worker status: Substantial, considerable or nominal. VII. Place of work: Household, workshops in low-income locality or factory. VIII. Place to sell: Shop, mobile, peripatetic, pavement or business to business.
### DEMAND-SIDE PERSPECTIVE

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Market by Income/Class</th>
<th>Market by space</th>
<th>Market by occupational type</th>
<th>Market by consumer behaviour</th>
<th>Technological Spectrum</th>
<th>Skill level</th>
<th>Institutional Micro-finance availability</th>
<th>Working conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Middle Class to Elite</td>
<td>National International</td>
<td>B&amp;P to Old aristocracy</td>
<td>Gradual</td>
<td>Semi-modern to Modern</td>
<td>Medium</td>
<td>Available with effort</td>
<td>Satisfactory on the margin</td>
</tr>
<tr>
<td>2.</td>
<td>Lower Middle-Class</td>
<td>Regional National</td>
<td>All Categories</td>
<td>Moderate</td>
<td>Semi-Modern</td>
<td>Medium</td>
<td>Available with effort</td>
<td>Satisfactory on the margin</td>
</tr>
<tr>
<td>3.</td>
<td>Lower, Middle to Well-to-Do</td>
<td>National International</td>
<td>Old aristocracy/ Nouveau rich / Bureauc. &amp; Prof.</td>
<td>Gradual</td>
<td>Traditional</td>
<td>Medium</td>
<td>Available with effort/difficulty</td>
<td>Satisfactory on the margin</td>
</tr>
<tr>
<td>4.</td>
<td>Well-to-Do Elite</td>
<td>National International</td>
<td>Old aristocracy/ Nouveau rich / Bureauc. &amp; Prof.</td>
<td>Moderate</td>
<td>Traditional</td>
<td>Medium</td>
<td>Available with difficulty</td>
<td>Satisfactory on the margin</td>
</tr>
<tr>
<td>5.</td>
<td>Poor to Middle Class</td>
<td>Regional National</td>
<td>N.A.</td>
<td>Gradual</td>
<td>Modern</td>
<td>Medium</td>
<td>Available with effort</td>
<td>Satisfactory on the margin</td>
</tr>
<tr>
<td>6.</td>
<td>Low to Elite</td>
<td>Regional</td>
<td>N.A.</td>
<td>N.A.</td>
<td>Traditional to Semi-Modern</td>
<td>Low to Medium</td>
<td>Scarcely Inavailable</td>
<td>Safe on the margin</td>
</tr>
<tr>
<td>7.</td>
<td>Middle, Well-to-Do, Elite</td>
<td>National International</td>
<td>N.A.</td>
<td>Volatile</td>
<td>Frontier</td>
<td>Medium to High</td>
<td>Available</td>
<td>Safe on the margin</td>
</tr>
<tr>
<td>8.</td>
<td>Middle Class to Elite</td>
<td>National International</td>
<td>Old aristocracy/ Nouveau rich / Bureauc. &amp; Prof.</td>
<td>Gradual</td>
<td>Traditional</td>
<td>Medium</td>
<td>A.v. with effort/ difficulty</td>
<td>Safe on the margin</td>
</tr>
<tr>
<td>9.</td>
<td>Lower-Middle to Elite</td>
<td>Regional National</td>
<td>All Categories</td>
<td>Moderate</td>
<td>Traditional</td>
<td>Medium</td>
<td>Available with difficulty/scarcely</td>
<td>Unsafe</td>
</tr>
<tr>
<td>10.</td>
<td>Well-to-Do &amp; Elite</td>
<td>National International</td>
<td>Old aristocracy/ Nouveau rich / Bureauc. &amp; Prof.</td>
<td>Moderate</td>
<td>Semi-Modern to Modern</td>
<td>Medium</td>
<td>A.v. with effort/difficulty</td>
<td>Safe on the margin</td>
</tr>
</tbody>
</table>

### INDEX:
IX. Market by Income/Class: Poor, lower-middle class, middle class, well-to-do or elite.
X. Market by space: Local, regional, national or international.
XI. Market by Occupational Type: old aristocracy, nouveau rich, bureaucrats & professionals, white collar, blue collar or informal workers.
XII. Market by consumer changes in behaviour: Volatile, Frequent, Moderate, or gradual change.
XIII. traditional, semi-modern (adapted traditional technology), modern, frontier.
XIV. Skill levels: Low, medium, reasonably high.
XVI: Working conditions: Safe & congenial, satisfactory on the margin, risky, unsafe.
<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Level of organisation</th>
<th>Gender discrimination</th>
<th>Child labour/spl.concerns</th>
<th>Environmental impact</th>
<th>Income level</th>
<th>Income level</th>
<th>Workers’ productivity</th>
<th>Workers’ productivity</th>
<th>Employment status</th>
<th>Employment status</th>
<th>Employment potential</th>
<th>Employment potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Nominally to moderately</td>
<td>N.A.</td>
<td>Child labour</td>
<td>Manageable with safeguards</td>
<td>Medium</td>
<td>Medium</td>
<td>Casual to Temporary</td>
<td>Casual to Temporary</td>
<td>Substantial</td>
<td>Substantial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Modestly organised</td>
<td>N.A.</td>
<td>Child labour</td>
<td>Manageable with safeguards</td>
<td>Medium</td>
<td>Low to Medium</td>
<td>Temporary to Regular</td>
<td>Temporary to Regular</td>
<td>Limited</td>
<td>Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Nominally organised</td>
<td>N.A.</td>
<td>Child labour</td>
<td>Manageable with safeguards</td>
<td>Low to Medium</td>
<td>Medium</td>
<td>Temporary</td>
<td>Considerable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Nominally organised</td>
<td>Medium</td>
<td>Child labour</td>
<td>Manageable with safeguards</td>
<td>Medium</td>
<td>Medium</td>
<td>Casual &amp; Home-based</td>
<td>Limited</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Modestly organised</td>
<td>N.A.</td>
<td>N.A.</td>
<td>Manageable with safeguards</td>
<td>Medium</td>
<td>Medium</td>
<td>Temporary to Casual</td>
<td>Considerable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Nominally organised</td>
<td>Pronounced</td>
<td>HIV-AIDS</td>
<td>Manageable with safeguards</td>
<td>Low to Medium</td>
<td>Low to Medium</td>
<td>Casual</td>
<td>Limited</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Nominally organised</td>
<td>Low</td>
<td>N.A.</td>
<td>Safe &amp; Positive</td>
<td>Medium</td>
<td>High</td>
<td>Temporary</td>
<td>Substantial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Nominally organised</td>
<td>Medium</td>
<td>N.A.</td>
<td>Safe &amp; Positive</td>
<td>Low</td>
<td>Low to Medium</td>
<td>Home-based</td>
<td>Considerable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Nominally organised</td>
<td>Medium</td>
<td>Child labour</td>
<td>Risky &amp; Detrimental</td>
<td>Low</td>
<td>Low</td>
<td>Casual</td>
<td>Limited</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Modestly organised</td>
<td>N.A.</td>
<td>N.A.</td>
<td>Risky &amp; Detrimental without major safeguards</td>
<td>Low to Medium</td>
<td>Medium</td>
<td>Temporary</td>
<td>Considerable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INDEX:: XVII. Level of organisation: Well organised, modestly organised or nominally organised. XVIII: Gender discrimination: Pronounced, medium or low. XIX. Child labour/special concerns (i.e. debt bondage, HIV positive etc.): Substantive, medium or nominal. XX. Environmental impact: Safe & positive, manageable with medium-priced ‘appropriate' safeguards or risky with likelihood of being ‘detrimental’ without major safeguards. XXI. Income level: Low, medium, reasonably high. XXII. Workers' productivity: Low, medium, reasonably high. XXIII. Employment status: Regular, temporary, casual, home-based. XXIV. Employment potential: Substantial, considerable, limited.
ILLUSTRATIVE EXAMPLES ELUCIDATING THE INFORMAL ACTIVITY SELECTION FRAMEWORK (IASF)

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Location</th>
<th>Specificity</th>
<th>Type of activity</th>
<th>Linkage with formal sector</th>
<th>Size/class of cities</th>
<th>Migratory worker status</th>
<th>Place of work</th>
<th>Place to sell</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Hyderabad</td>
<td>Pearls</td>
<td>Industry</td>
<td>Medium</td>
<td>Metropolis (7,148,000)</td>
<td>Nominal</td>
<td>Household to Workshop</td>
<td>Shop</td>
</tr>
<tr>
<td>12</td>
<td>Trivandrum</td>
<td>Coir</td>
<td>Industry</td>
<td>Strong</td>
<td>Metropolis (1,157,000)</td>
<td>Nominal</td>
<td>Workshop Factory</td>
<td>B to B</td>
</tr>
<tr>
<td>13</td>
<td>West Mumbai</td>
<td>`Dhabas'/Road side kitchens</td>
<td>Business</td>
<td>Low</td>
<td>Megalopolis (16,720,000)</td>
<td>Nominal</td>
<td>Commercial</td>
<td>Shop</td>
</tr>
<tr>
<td>14</td>
<td>Pune</td>
<td>Ragpicking</td>
<td>Service</td>
<td>Medium</td>
<td>Metropolis (3,529,000)</td>
<td>Nominal</td>
<td>Peripatetic</td>
<td>B to B</td>
</tr>
<tr>
<td>15</td>
<td>Ahmedabad</td>
<td>Home-based Garment work</td>
<td>Service-Industry</td>
<td>Medium</td>
<td>Metropolis (4,362,000)</td>
<td>Nominal</td>
<td>Household</td>
<td>Shop-Pavement</td>
</tr>
<tr>
<td>16</td>
<td>Bhavnagar</td>
<td>Ship-breaking</td>
<td>Business</td>
<td>Low</td>
<td>Medium City (5,26,000)</td>
<td>Considerable</td>
<td>Shipyard</td>
<td>B to B</td>
</tr>
<tr>
<td>17</td>
<td>East Calcutta</td>
<td>Cheap garments</td>
<td>Industry</td>
<td>Medium</td>
<td>Megalopolis (13,115,000)</td>
<td>Nominal</td>
<td>Household</td>
<td>B to B/Pavement</td>
</tr>
<tr>
<td>18</td>
<td>Shillong</td>
<td>Carpets/ druggets</td>
<td>Industry</td>
<td>Strong</td>
<td>Small City (283,000)</td>
<td>Considerable</td>
<td>Household Workshop</td>
<td>Shop, BtoB/Mobile</td>
</tr>
<tr>
<td>19</td>
<td>Cuttack</td>
<td>Filigree-Work</td>
<td>Industry</td>
<td>Strong</td>
<td>Medium City (574,000)</td>
<td>Nominal</td>
<td>Household Workshop</td>
<td>Shop</td>
</tr>
<tr>
<td>20</td>
<td>Sambalpur</td>
<td>Silk Sarees</td>
<td>Industry</td>
<td>Medium</td>
<td>Small City (243,000)</td>
<td>Nominal</td>
<td>Household Workshop</td>
<td>Shop &amp; B to B</td>
</tr>
</tbody>
</table>

INDEX: I. Specificity: Specific activity selected for intervention. II. Location: North, South, East, West. III. Type of activity: Industry, Service or Business. IV. Linkage with formal sector: Strong, Medium or Low. V. Size/class of cities: Small - Town-less than 100,000 population, Small City - between 100,000 upto 500,00, Medium City-from 500,000 upto 1 million, Metropolis-1 million upto 10 million or Megalopolis-10 million & above population. VI. Migratory worker status: Substantial, considerable or nominal. VII. Place of work: Household, workshed in low-income locality or factory. VIII. Place to sell: Shop, mobile, peripatetic, pavement or business to business (B to B).
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>DEMAND-SIDE PERSPECTIVE</th>
<th>SUPPLY-SIDE PERSPECTIVE</th>
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<td>X</td>
<td>XI</td>
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<td>11.</td>
<td>Middle Class to Elite</td>
<td>Market by space</td>
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<tr>
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<td>National</td>
<td>Aristocracy, nouveau rich &amp; B &amp; P</td>
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<td>12.</td>
<td>Lower Middle-Class to Well-to-Do</td>
<td>National</td>
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<td>Poor to Middle Class</td>
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<td>14.</td>
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<td>Local Regional</td>
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<td>Lower Middle Class to Well-to-Do</td>
<td>Regional</td>
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<td>16.</td>
<td>Scrap-low to medium price: Small/Medium units</td>
<td>Regional</td>
</tr>
<tr>
<td>17.</td>
<td>Poor, Lower Middle &amp; Middle</td>
<td>Regional National</td>
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<tr>
<td>18.</td>
<td>Middle Class, Well-to-Do</td>
<td>Regional National</td>
</tr>
<tr>
<td>19.</td>
<td>Middle Class to Elite</td>
<td>National International</td>
</tr>
<tr>
<td>20.</td>
<td>Middle to Elite</td>
<td>National</td>
</tr>
</tbody>
</table>

INDEX: IX. Market by Income/Class: Poor, lower-middle class, middle class, well-to-do or elite. X. Market by space: Local, regional, national or international. XI. Market by Occupational Type: old aristocracy, nouveau rich, bureaucrats & professionals, white collar, blue collar or informal workers. XII. Market by change in consumer behaviour: Volatile, Frequent, Moderate, or gradual change. XIII. traditional, semi-modern (adapted traditional technology), modern, frontier. XIV. Skill levels: Low, medium, reasonably high. XV. Micro-finance availability: Easily available, available with effort, available with difficulty, scarcely available. XVI: Working conditions: Safe & congenial, satisfactory on the margin, risky, unsafe.
### BASIC CONCERNS

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<tr>
<th>Sr.No.</th>
<th>XVII</th>
<th>XVIII</th>
<th>XIX</th>
<th>XX</th>
<th>XXI</th>
<th>XXII</th>
<th>XXIII</th>
<th>XXIV</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Level of workers' organisation</td>
<td>Gender discrimination</td>
<td>Child labour/spl.concerns</td>
<td>Environmental impact</td>
<td>Income level</td>
<td>Workers' productivity</td>
<td>Employment status</td>
<td>Employment potential</td>
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<td>Nominally organised</td>
<td>NA</td>
<td>NA</td>
<td>Manageable with safeguards</td>
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<td>Medium</td>
<td>Casual to temporary</td>
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<td>Casual &amp; home-based</td>
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<td>Low</td>
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<td>Low to Medium</td>
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<td>Child labour</td>
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<td>Low to Medium</td>
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<td>Low to Medium</td>
<td>Casual</td>
<td>Considerable</td>
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<td>18.</td>
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<td>Medium</td>
<td>Child labour</td>
<td>Manageable with safeguards</td>
<td>Low to Medium</td>
<td>Low to Medium</td>
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</tr>
<tr>
<td>19.</td>
<td>Nominal</td>
<td>NA</td>
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<td>Low to Medium</td>
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<td>Manageable with safeguards</td>
<td>Low to Medium</td>
<td>Medium</td>
<td>Casual</td>
<td>Considerable</td>
</tr>
</tbody>
</table>

### INDEX:
- XVII. Level of organisation: Well organised, modestly organised or nominally organised.
- XVIII: Gender discrimination: Pronounced, medium or low.
- XIX: Child labour/special concerns (i.e. debt bondage, HIV positive etc.): Substantive, medium or nominal.
- XX. Environmental impact: Safe & positive, manageable with medium-priced 'appropriate' safeguards or risky with likelihood of being 'detrimental' without major safeguards.
- XXI. Income level: Low, medium, reasonably high.
- XXII. Workers' productivity: Low, medium, reasonably high.
- XXIII. Employment status: Regular, temporary, casual, home-based.
- XXIV. Employment potential: Substantial, considerable, limited.
REFERENCES


55. Unni, Jeemol, 1998, SEWA - NCAER project on contribution of the informal sector in national income, sector unit, Ahmedabad, SEWA.


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