

## Women in the Informal Sector: Home-based Workers in Karachi

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### INTRODUCTION

The exceedingly low official estimates of female labour force participation rates (which range from 3 percent in the 1981 Census to 11 percent in the Labour Force Survey 1986-87) are known to omit a large degree of employment of women in informal sector jobs. Underestimation of female employment tends to be particularly high in case of women working in their homes who are (a) unlikely to admit to working for remuneration and (b) unlikely to be located in labour force surveys or censuses with male enumerators. These home-based workers are thought to comprise a large proportion of the "hidden" female labour force in Pakistan and their study becomes a most interesting supplement to existing official statistics.

The study of home-based workers is based on the findings of a survey of 1000 married women undertaken in Karachi in 1987. The sample of 680 working and 320 non-working women covered a whole range of social and income classes.<sup>1</sup> Among the 680 working women was included the sub-sample of 470 low income working women of which 247 were home-based workers. Combined information on women and their households were collected through a fairly lengthy questionnaire: the interview schedule comprised questions on earnings, ethnic affiliation, education, age, sex and occupation of all household members, division of domestic responsibilities, and employment histories of individual women. Specially trained female enumerators were employed to explore the income-earning activities of women in each household even where there may be initial reluctance to admit that female members do any work for remuneration.

The survey data will be used to investigate the social and economic conditions of home-based workers relative to the position of other low income working women in the formal and informal sector of Karachi.<sup>2</sup> Women who can be loosely termed

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<sup>1</sup>For details of the sampling procedure see Sathar and Kazi (1988).

<sup>2</sup>For the purpose of this paper the formal-informal dichotomy is used to distinguish some important characteristics of women's employment such as level of earnings, working conditions, criteria for entry etc. A more detailed discussion of the informal sector is available in Sethuram (1976) and Mazumdar (1976).

as working in the informal sector include home-based workers as well as women who work outside the home as domestic servants, casual labourers etc. Whereas the main focus of this paper is on home-based workers, their employment choices, earnings and household situation is analyzed in comparison with other women from the poor strata of the economy who do in fact work outside the home in the informal sector or in the lower rungs of the formal sector as factory workers.

### SOME BACKGROUND CHARACTERISTICS OF LOW INCOME WORKING WOMEN

The sample of women in low income occupations included 247 home-based workers, 75 women in informal sector employment outside the home and 148 factory workers. The respondents, were mostly currently married women between the ages of 19 and 50 years. (Table 1). They came from diverse ethnic backgrounds. The majority were Urdu speaking or Punjabis. However, the respondents also included Sindhi, Baluchis and Pathan women. The home-based workers were located in the low income areas of Karachi such as Orangi, Lyari, Golimar, and various "Katchi Abadis" spread across the city.

Table 1

#### *Some Background Characteristics of Low Income Working Women*

	Factory Workers	Non-home Informal Sector Workers	Home-based Workers
<b>Age</b>			
Less than 25 Years	6.8	2.7	7.7
25-34 Years	34.5	20.0	38.5
35-39 Years	20.9	18.7	19.0
40 Years or More	37.8	58.7	34.8
	100	100	100
	n = 148	n = 75	n = 247
<b>Education</b>			
No Education	57.4	84.0	81.8
Less than Matric	25.7	12.0	14.2
Matric, F. A.	12.8	4.0	3.2
B. A. or Above	4.1	—	0.8
	100	100	100

Women working in the informal sector were mostly uneducated (84 percent of outside workers and 82 percent of home-based workers had received no education) and earned meagre wages. Home-based workers were the poorest paid group in the sample. As can be seen in Table 2 the mean monthly income was lowest for the subset of home-based workers at Rs 497, as compared to Rs 621 for other informal sector workers and Rs 938 for factory workers.

Husbands of the lower strata of working women could largely be classified as "blue collar" workers employed as skilled and unskilled production workers, transport operators etc. Mean monthly income of husbands of non-home-based workers in the informal sector was Rs 778 while husbands of home-based workers earned on average over Rs 1000 per month. Thus, whereas earnings of women working at home are the lowest among females in low level occupations, the total income of their households was higher than that of their counterparts in the informal sector who work outside the home. On average, household income of home work outside the home. On average, household income of home-based workers is Rs 1955 as com-

Table 2

*Some Indicators of the Income Status of the Respondent and of Her Household by Occupation of Respondent*

	Informal Sector		
	Factory Workers	Workers Outside the Home	Home-based Workers
<b>Monthly Household Income</b>			
Less than Rs 1000	17.6	41.3	19.0
Rs 1000 Rs 1500	18.8	17.3	23.5
Rs 1500 Rs 2000	20.3	14.7	24.3
Rs 2000 Rs 3500	27.0	20.0	21.9
Rs 3500 Rs 7000	14.2	4.0	10.5
Rs 7000 or More	2.0	2.7	0.8
<b>Mean Monthly Income of Respondent</b>	Rs 938	Rs 621	Rs 497
<b>Mean Monthly Income of Husband</b>	Rs 1148	Rs 778	Rs 1139
<b>Mean Monthly Total Household Income</b>	Rs 2287	Rs 1642	Rs 1955
<b>Mean Household Size</b>	6.5	6.2	7.0
<b>Mean Monthly Income per Person</b>	Rs 403	Rs 280	Rs 310

pared to a mean family income of Rs 1642 for non-home-based workers in the informal sector. Further, 41 percent of informal sector workers employed outside the home belonged to the lowest household income bracket with total family income of Rs 1000 or less as compared to only 19 percent of home-based workers who were included in this category (Table 2).

Here it needs to be pointed out that home-based workers tend to reside in large households with a mean household size of 7 persons while average household size for factory workers and non-home-based workers in the informal sector is smaller at 6.5 and 6.2 persons respectively. To adjust for differences in household size, household income is also shown on a per person basis. The economic position of home-based workers is still better at a per capita household income of Rs 310 compared to a mean household income per person of Rs 280 for women who work outside the home in the informal sector.

### TYPE OF WORK AND REMUNERATION OF HOME-BASED WORKERS

One of the objectives of the survey was to gain information on the different types of earning activities that women undertake in their homes. Most respondents were working on jobs traditionally associated with housework, such as sewing, embroidery and processing of food. Among these the most important were sewing and embroidery with their numerous distinct lines of specialization. Food-processing activities included cleaning and peeling of garlic, dried fruits, prawns etc.

Other activities ranged from work in skill intensive areas such as weaving of *Benarsi* cloth, making imitation jewellery, manufacture of artificial flowers and other decorative items to more menial tasks such as opening cement bags, and packing of various items such as biscuits, handkerchieves, etc.

There was wide variation in the earnings of home-based workers which ranged from as low as Rs 50 to over Rs 2000 per month (Table 3). On average, home-based workers earned a monthly income of Rs 497. Mean monthly earnings were highest for the subgroup of home-based workers engaged in sewing activities at Rs 594 and lowest at Rs 378 per month for workers in miscellaneous activities such as packing, making dung-cakes, cleaning plastic flowers, etc.

As mentioned in the preceding section, the levels of earnings of home-based workers are on average below those of factory workers in the formal sector. Earnings by more detailed classification of work across the two occupational groups are presented in Table 4. Tasks which were common across the categories of factory workers and home-based workers included general tailoring, sewing of mens' suits and shirts, sewing of children's shirts and cleaning of prawns. The findings indicate that factory workers earned significantly higher incomes compared to home-based workers for similar tasks even after taking into account longer working hours in factories. For instance, average monthly income for women who worked eight

Table 3  
Average Monthly Earnings of Home-based Workers by Type of Activity

	Monthly Income	Number
<b>Home-based Workers</b>	<b>Rs 497</b>	<b>247</b>
Tailoring	Rs 594	102
Embroidery	Rs 440	49
Food Processing	Rs 425	22
Vendors	Rs 532	14
Crafts	Rs 411	33
Misc.	Rs 378	27

Table 4

Earnings by some Work Categories for Factory Workers and Home-based Workers

	Factory Workers			Home-based Workers		
	Number	Monthly Income	Hours Worked	Number	Monthly Income	Hours Worked
Sewing Gent's Suits	12	Rs 882	8	6	Rs 803	6.8
Sewing Children's Shirt	1	Rs 2500	8	1	Rs 1000	5.0
General Tailoring	16	Rs 944	8.2	33	Rs 548	5.8
Cleaning Prawns	2	Rs 900	10	3	Rs 500	8.0

hours a day cleaning prawns at home was estimated at Rs 500 per month as compared to the monthly remuneration of Rs 900 to respondents performing the same task in a factory. These findings, although tentative due to the very limited number of observations in some categories and also due to possible errors in imputing monthly income for home-based workers, support the widely held observation of lower wages in the informal sector.

#### HOME-BASED WORKERS AND OUTSIDE WORK

In this context, it was interesting to know why women do not take up better

paying employment outside the home. Respondents were asked if they would be allowed to work outside the home and possible reasons why they were not permitted to take up jobs outside. The findings indicated that the overwhelming majority, more than 80 percent of the home-based workers, would not be allowed to work outside. Family disapproval was the main reason cited by the respondents for not being permitted to take up outside employment.

Permission to work outside the home was related to the age of respondent and economic situation of the household. Nearly 93 percent of the women belonging to well-off households with a family income of Rs 3500 or more, were not allowed to work outside, while the proportion of women not permitted to take outside employment fell to 62 percent in the lowest income households with a family income of Rs 1000 or less. These results seem to suggest that at the lowest levels of income the potential for higher earnings seems to be of greater importance than the loss of social status consequent to women taking up paid employment outside the home. Permission to work outside the home was also related to the age of the respondent. Younger women were less likely to be allowed outside the homes as their reputation had to be more closely guarded. Thus, among women who were younger than 25 years of age only 5.3 percent were permitted to work outside while nearly 25 percent of women who were 35 years or older were allowed to take up employment outside the home.

The ethnic background of the respondents was also an important determinant of the attitude towards women working outside the home. Disapproval of outside work was specially marked in the case of Sindhis, Baluchis, and Pathans. Thus, only 10 percent or less of the women who belonged to these ethnic groups were permitted to seek employment outside the home as compared to nearly one-fourth of the women belonging to Punjabi or Urdu-speaking households.

### **HOUSEHOLD ORGANIZATION AND DOMESTIC DUTIES**

Home-based workers usually bear a larger burden of domestic duties than women employed outside the home. Although it is largely social disapproval rather than domestic responsibilities which prevents home-based workers from taking jobs outside, nevertheless, their presence at home does seem to lead to greater participation in domestic work. Thus, while nearly half the respondents among the factory workers or the non-home-based workers in the informal sector are free from domestic responsibilities only 28 percent of home-based workers did not do any household chores. On the other end, nearly 58 percent of the home-based workers are in charge of all domestic tasks as compared to 31 percent of non-home-based workers in the informal sector and 37 percent of factory workers. These respondents could be classified as women who bear the double burden of paid employment as

well as housework.

The burden of domestic duties of home-based workers was considerably less in case of extended households. Respondents who bore the double burden of domestic work and paid employment comprised 41 percent of the subsample of joint families and 65 percent of the home-based workers living in nuclear households. Since women living in joint families are less burdened, it is not surprising that women in low income jobs strongly supported the idea of a joint family system. Among home-based workers more than three-fourths of the respondents stated that they would prefer to live in a joint family. The positive influence of elders and sharing of responsibilities were the most frequently cited reasons for this choice.

### CONTRIBUTION OF RESPONDENTS TO HOUSEHOLD INCOME

Women's contribution to household income varied across different occupational groups. On average, home-based worker's earnings make up one-third of family income, while the contribution of factory workers and other informal sector workers was even higher at more than half of total household income (Table 5).

Table 5

*Average Contribution of Respondents to Household Income by  
Occupation of Respondent*

Occupation Group	Contribution of Household Income
Factory Workers	.53
Informal Sector Workers (Outside the Home)	.52
Home-based Workers	.34

Within the category of home-based workers the importance of women's contribution was related to the household's economic position. Among the poorer households in the group earnings from home-based work were essential to the economic survival of the family. Thus whereas in the highest income brackets with total income of Rs 3500 or more, women's wages on average comprised only 16 percent of total household income, for households with a total income of Rs 1000 or less the share of respondent's income in family income rose to nearly 58 percent of the total (Table 6).

Table 6

*Average Contribution of Home-based Workers to Household Income by  
Total Household Income*

	Contribution of Respondent to Household Income
<b>Total Monthly Household Income</b>	
Less than Rs 1000	.58
Rs 1000 Rs 1500	.39
Rs 1500 Rs 2000	.30
Rs 2000 Rs 3500	.22
Rs 3500 or More	.16
All	.34

### CONCLUSIONS

The findings of the study indicate that the level of earnings was lowest for home-based workers among the subgroup of poor working women. Their remuneration was shown to be considerably below that of women doing similar tasks in factories. Further probing into reasons why home-based workers did not respond to higher wages available for equivalent work outside the home revealed the importance of the strong social constraints to women's work in Pakistani society. The overwhelming majority of women (80 percent) were not permitted by their families to take up outside employment. Income earning activities undertaken at home were far more acceptable as they did not go against social sanctions.

The demands of seclusion and restricted mobility of these women leave them vulnerable to exploitation by middlemen as a source of cheap labour. They are a group who would be necessarily out of the purview of any labour legislation and are also likely to be least informed about the marketability of their products and competitiveness of the piece rates they get. Although detailed information was not collected on the working conditions of the home workers in our survey, an earlier study of home workers in Pakistan indicates that the level of exploitation is high [Shaheed and Mumtaz (1981)]. However, further in depth investigation is required into the working conditions and remunerations of these women in order to identify specific measures for improving their economic status. In this regard the potential of community-based organizations as a replacement for middlemen as well as the possibilities of upgrading the quality of women's work through appropriate training need to be explored.



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## Comments on "Women in the Informal Sector: Home-based Workers in Karachi"

The paper is another offshoot of a research study carried out in 1987 in Karachi entitled "Productive and Reproductive Choices". An earlier one was a paper entitled "Income, Employment and Household Organization of Female Headed Households". It is commendable that careful planning of the initial research design resulted in a questionnaire covering several socio-economic aspects, which can help further investigation of cross sectoral linkages.

However, this type of approach also has some inherent constraints. Going back to the same set of people can reduce the degree to which this research can claim representation of the hidden female work force. Credibility may also be affected, without supplementary references to similar research undertaken at other locations, and among women of varied socio-economic characteristics. The development of multiple papers based on a single study also leads to minor problems for the reader. The authors may assume that readers have had access to earlier documents, so some assumptions and concepts are not clearly defined in later papers.

The Introductory Section, does not specify how labour force participation is defined, or why the low official estimates are likely to omit women in the informal sector. It is unclear whether the problem of low official estimation of female LFP is conceptual, definitional, pertaining to definitions, the questionnaire or the field operations?

The paper makes some points which support common assumptions or findings of other similar researches, and others which negate them. This indicates – (i) the open minded approach of the research team and (ii) the diversity of the situation of our women due to various factors.

It is important to note that all women in the sample are currently married, and are involved in economic activities, inspite of having a male economic provider in the family. The common assumption is that married women are not economic contributors in monetary terms, as that aspect is fully taken care of by the husbands. Given the average income level of the sample households, the woman's earnings, even when as low as 16 percent of the total family income, can make a significant contribution, as this can help to get better food or health care, or education for one child, or become the critical buffer between starvation and subsistence.

The fact that women were found to have been working for 8 to 15 years is also noteworthy, because normally women's work is considered a sporadic or temporary activity.

Reference the variations in earnings between the three categories studied, it seems to have been overlooked, that women who go out to earn, need to spend more on transport and clothing, than home-based workers. Yet, this monetary loss may be offset by the confidence gained through working outside the home, an increase in the visibility of their economic contribution, and hopefully therefore their control over earnings.

The paper does not focus on — comparisons in spending patterns, control over income earned, and improved status of the woman. Income seems to be an end in itself. Yet, the ultimate objective surely is, the actual benefit accruing from increased income, to the earner and his or her family in terms of personal development and quality of life. One side benefit which the paper does mention is the effect on involvement in domestic work. It says that women going out to work have a lesser burden of household responsibilities. That may be generally true, but it is strange to know that almost 50 percent of them are "free from domestic responsibilities". Normally working women, even of the middle income group undertake some domestic responsibilities, even if they live in extended families or can afford hired help.

It would also have been interesting to know whether any of the three categories studied were concentrated in specific localities, to ascertain whether ethnicity was the major determining factor. Information on the ethnic distribution and their areas of concentration, might have provided a more comprehensive perspective, regarding other factors assisting or constraining involvement in work outside the home. Admittedly social sanctions are major deterrents, but it has been established by this and other researches, that other practical realities often have a significant impact. Two of these, pointed out by the paper, are dire economic need and support for domestic responsibilities. Some others are — convenience and cost of access to the place of work, which includes traveling distance between home and workplace and security of travel, the nature of employment options and facilitation services available, the opportunity cost involved, and the preparedness of the woman herself in terms of awareness, ability and self confidence levels.

A special contribution of this paper is the identification of the diversity of the categories of women's work in the informal sector. It also identifies the labour intensive nature of women's work and their concentration in activities requiring low capital and infrastructural inputs. The fact that those involved in tailoring and sewing have the highest and lowest incomes should also be noted by those involved in promoting women's income generation projects. It seems a minor point, but assumes massive proportions in view of the number of agencies trying to make

women economically self reliant through the indiscriminate supply of sewing machines, or low quality training in sewing.

The authors are to be congratulated for having provided new insights and food for thought, on a neglected area in macro research, identified female enumerators and given them specialized training. May I also suggest further dissemination of these and other related findings, to macro level research agencies and Government Departments sponsoring women's income generation projects, so that such research can be of practical utility, rather than of mere academic interest.

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