Problems of Working Women in the Rural Informal Sector of Punjab (Pakistan)

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I. Abstract

The informal sector plays a significant role in Pakistan’s economy as well as in other developing countries. The role of the informal sector in solving the unemployment problem of Third World countries has become the focus of a conceptual and empirical debate in recent years. Most of the research takes a favourable view of this sector and suggests that it should be used as a policy instrument for the solution of the most pressing problems of developing countries, such as unemployment, poverty, income inequalities, etc. Before proceeding further, we will define the informal sector and differentiate it from the formal sector. There are various definitions, but the one given in an ILO report (1972) is generally considered the best. According to this report, informal sector activities are ways of doing things characterized by a heterogeneous array of economic activities with relative ease of entry, reliance on indigenous resources; temporary or variable structure and family ownership of enterprises, small scale of operation, labour intensive and adapted technology, skills acquired outside the formal school system, not depending on formal financial institutions for its credit needs; unregulated and unregistered units, and not observing fixed hours/days of operation.

The importance of the informal sector can be gauged by its contribution to national income and employment and its contribution to financial credit as compared to that of the formal sector. According to Moirs’ study, “The contribution of informal sector to the income in Jakarta was about 30 per cent and the number of urban jobs provided by the informal sector were estimated to be between one quarter and two-thirds” [Hemmer and Mannel (1999)]. The share of the informal credit to total rural credit in many developing countries was estimated to be from 30 per cent to more than 80 per cent [Germidis, (1990)].

The informal sector plays a vital role in Pakistan. The share of the informal sector in the urban employment of Pakistan was estimated to be about 69 per cent for the year 1972-73 by Guisinger and Irfan (1980). The World Bank (1989) also estimated the employment share of the informal sector in urban Punjab to be 78 per cent in 1984-85. Ahmad (1989) calculated the share

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of the informal sector in the total employment of Pakistan as 74.48 per cent for the year 1984-85. Despite the significance of the informal sector in Pakistan, there is limited attention paid to and research done in this sector and especially in the rural informal sector. Although women’s role in the rural informal sector is very significant, it has been completely ignored. There is hardly any research on working women in the rural informal sector of the country.

The object of this paper is to analyse the role and contribution of the female labour force in the rural informal sector of Punjab and to highlight the problems of working women in this sector in the light of the survey results. The layout of the study is as follows: literature review is given in section II. Section III is a description of the survey. Survey results are discussed in section IV and finally policy implications and conclusions are given in section V.

II. Review of Literature

Very few studies are available on the informal sector of Pakistan and especially on the rural informal sector of the country. Guisigner and Irfan (1989) delineated the main features of Pakistan’s informal sector, with the help of data from censuses and sample surveys for Rawalpindi. Their findings were that real wages in the informal sector have increased during the 60s and 70s and that this rise of wages in the informal sector could be accounted for by the rise of the real wages in both the agricultural and large scale manufacturing sectors of Pakistan. They found the share of the informal sector in urban employment of Pakistan to be as high as 69 per cent.

Germidis (1990) carried out a study on the financial share of the informal rural sector in developing countries and found that the financial contribution of the rural informal sector was very significant. He estimated that the share of informal credit to total rural credit in many developing countries was from 30 to more than 80 per cent.

Khan (1983) estimated the earnings functions for the informal sector of Lahore and his main finding was that education was the most important factor which affected the earnings of both male and female. The main conclusion of the study was that wages in the formal sector were higher than those in the informal sector for both males and females, irrespective of their educational qualification. Though Khan’s results are good, his study suffers from certain limitations. She chooses a specialised definition to differentiate the formal sector from the informal sector. According to her definition, professionals, executives and government servants are included in the formal sector while the informal sector comprises skilled workers, petty businessmen, private employees, artisans, mechanics, and casual labourers. It
may be pointed out that production workers are also included in the informal sector. That is why her definition overestimates employment in the informal sector.

Khan (1990) found that the share of female employment in the informal sector has considerably increased. According to the study, this share has increased from 61.4 per cent in 1981 to 84.9 per cent in 1987-88. The increase was most pronounced in urban areas as it went up from 13.3 per cent to 45.8 per cent and in rural areas it increased from 76.9 per cent to 91.4 per cent during the same period. Ahmed (1989) also calculated the share of employment in the informal sector of Pakistan and according to him this share was 74.48 per cent for the year 1984-85. For the same period, the World Bank also estimated the share of the informal sector in employment in the urban Punjab as 78 per cent.

Fluitman (1987) on the basis of 17 enterprise level questionnaires and 48 questionnaires for individual participants for Lahore and Rawalpindi, found that the share of informal sector employment to total employment was 47 per cent. He further found that all the entrepreneurs in the informal sector were earning more than they would in the formal sector and this refuted the commonly held view that earnings were lower in the informal sector.

Hayat and Qamar (1987) did an analysis of employment opportunities in the rural informal sector and found that most of the activities in the informal sector are undertaken as an additional source of income. They conducted this study for four districts in the Sindh province.

Sattar and Kazi (1988) analysed the problem that working women face in the informal sector. They distinguished formal and informal sectors from each other by adopting a very _ad hoc_ definition. According to this criterion, workers residing in _Katchi Abadies_ and other low income areas were included in the informal sector and the rest belonged to the formal sector. According to this study, most women working in the informal sector were poor, illiterate and in poor health. They were low-paid workers and had to work to fulfill the basic needs of their families. They faced many other problems as well.

Ali, K. (1990) worked on the problems of working women in the rural informal sector of Multan District. Based on survey data for 30 respondents in five villages of Multan, he found that most of these working women started working as children, most were illiterate, unskilled and in poor health. They were usually engaged in home-based work and services. Their income was found to be low and the majority of them were working to finance their large, dependent families. On the average, each family had
nine members. Survey results showed that about 83 per cent of the total respondents received wages lower than those paid at the market rates for the same quality and quantity of work. Based on the survey, he also suggested measures for the improvement of the conditions of these working women. According to his study, their conditions can be improved by providing reasonable wages and raw materials and by bringing markets within their reach for the sale of their products.

Ghayur, S. (1990) worked on the urban informal sector and the need for a labour market information system for this sector. According to him, exploitation can be eradicated and employment opportunities increased by developing a labour market information system for the informal sector of the country.

Ahmad, V. (1990) analysed the problems of the informal sector and suggested policy measures for their solution. He said that the informal sector of Pakistan is handicapped by stagnant technology, low productivity and substandard working conditions which limited the ability and performance of the informal sector to play its role effectively in the economy. He said that suitable public policies would assist the informal sector in meeting these challenges.

From the literature review, it is clear that very little research has been done on the role and problems of working women in the rural informal sector. In this paper an attempt has been made to analyse the role of working women and to highlight their main problems in the rural informal sector of Punjab (Pakistan).

III. Description of the Survey

About 70 per cent of the population in the Punjab province resides in villages and females constitute about half that population. The female labour force plays a significant role in the rural informal sector of the Punjab. In order to achieve the objectives of the research paper which were mentioned earlier, a survey was conducted for eight districts including Multan, Kasur, Bahawalpur, Layyah, Sargodha, Jhang, Attock and Sialkot. On average, five villages were surveyed in each district randomly. In each selected village one per cent of the households were selected randomly for the purpose of the survey. In each household, one female was interviewed. The sample is made up of 30 to 40 respondents from each village.
IV. Result of the Survey

Present age and age at which Women Started Working

Most female respondents were found to be young and were of age between 15 to 30 years. 34.15 per cent of the total respondents were between 15 to 20 years of age and 33 per cent were of the age between 21 to 30 years. The age at which these women started working indicates that about 53 per cent of the total respondents started working when they were less than 15 years of age. It means that they had started working as child labourers. The highest incidence i.e. 72 per cent of such child labour is in Attock and a minimum, i.e., 30 per cent is in Layyah.

Marital Status and Education

In all the districts, the married women constituted the largest single group among the working women in the rural informal sector. The unmarried women were less numerous in the sample. Married women make up 47.52 per cent and un-married 37.81 per cent of the sample. Among all the surveyed districts, Multan has the highest percentage (67 per cent) of the married women in the sample and Attock the lowest (28 per cent). The survey data also revealed that the majority of working females were either illiterate or only able to read the Holy Quran. On average 57 per cent of total respondents could read the Holy Quran, while 27 per cent were totally illiterate. Only 12 per cent women had had some form of formal education ranging from primary to secondary level. Only 2 per cent had done their matriculation.

Family Size and Income of Family

Large family size and low income levels of respondents were the two characteristics which all the districts had in common. On average, in all the districts, each family consisted of 7 members. Multan District had the highest figure for family size, i.e., 9 per family and Bahawalpur the lowest, i.e., 6.37 per family. On average, in each family three members work and earn something, and of these working family members, women make up 50 per cent, each of them earning 12 rupees per day on average. These details highlight the extremes of poverty and very low wages which are these women’s lot. Women contribute about 34 per cent to the daily income of their families. This figure illustrates the significant role these women play in the rural informal sector of the Punjab.
Other Information

For each District, the information about working days in a month and working hours in a day was collected. For the respondents in all the District the average figure is 24 working days per month. The highest (26 days per month) is in Multan and Sialkot Districts while the lowest (18.6 days per month) is in Sargodha District. The average figures in all districts for working hours per days is 6, the highest being 9.96 per hours per day in Jhang and lowest being 4.66 hours per day in Sargodha. These figures indicate that the women in the informal sector work as much as the women in the formal sector. However these women are usually exploited and the wages of women working in the rural informal sector of the Punjab are much lower then those of the women working in the formal sector.

Reasons for Working

The survey also looked at the reasons that make women work in the rural informal sector. The survey reveals that about 55 per cent of the total respondents have been forced to work due to abject poverty, to fulfill their and their families’ day to day needs such as clothing and shelter. If we include those respondents also who work to facilitate their domestic requirements, then this average will rise to 75 per cent in all the districts surveyed. Fulfillment of basic economic needs as a reason for working applies to the highest percentage of respondents in Bahawalpur District and to the lowest percentage of respondents in Layyah. To provide their children education, unemployment and death of the working male bread winner are the other reasons for working and account for 5.22 per cent, 4.49 per cent and 8.44 per cent of the respondents respectively. There are some other reasons for working for instance, to provide a dowry and to pass time etc. The percentage in this regard is 5.42.

Work-Related Problems

The major job related problems confronted by women were also looked into. The major problem is the disproportionately low wages paid to women for the work done by them. About 61 per cent of the women working in the informal sector are not paid what is their due according to market rates. Other problems are difficulties in buying raw materials, problems of selling commodities as markets are too far away and time taken up by domestic engagements, etc. However, the major problems are economic rather than social and cultural as appears from the survey data. These women have to deal with males outside their families, and their job related activities are frowned upon by their families and friends or neighbours. They make up only 5 per cent and 3 per cent of the respondents respectively.
Suggested Measures

The respondents were also asked to give suggestions which could facilitate their work. More than half the respondents (55.14) wanted steps to be taken that would lead to higher wages for their work. About 34 per cent had suggestions concerning better training and education facilities. 22 per cent were those who wanted something done about the availability of better raw materials. About 18 per cent of the total respondents required other facilities such as a financial system, banking system, roads and transport etc. The percentage of respondents who suggested better market facilities was 11.48.

V. Conclusions

Women play a significant role in the economy but unfortunately their work and contribution have been underestimated. They are accorded no recognition or respect. Most of their work and income are not even counted in the national income accounting. As is apparent from the surveyed data for the Punjab, women in rural areas of Pakistan not only work in the agricultural sector but also play a significant role in the rural informal sector of the country. They make up half of the labour force in the rural informal sector of the country. Women working are stretched to their endurance limit, devoting all their energy and time in unfriendly or often hostile conditions. They work as much as the women in the formal sector i.e., they work 26 days a month and 6 hours a day. But the wages they are paid are lower than the wages in the formal sector. The average daily income of such women is only rupees 12. They are usually poor, malnutritioned, sick, uneducated and unskilled. Inspite of this, they make up 50 per cent of the labour force and contribute about 34 per cent to the total family income. More than half of them started working as child labour. A major reason forcing them to work is to fulfill the basic needs of their large family. Major hinderances in the way of working are very low remuneration or wages, non-availability of adequate raw material and absence of markets for the sale and purchase of commodities. The analysis in the preceding paragraphs makes it very clear that working women in the rural areas are the most neglected segment in the population of Pakistan. Moreover, it is not the cultural and social obstacles which hinder women’s participation in economic activities and the contribution they can make to the development of the country and to their own well-being. Rather, the economic factors are mostly responsible for the miserable plight and exploitation of working females in the economy and especially in the rural informal sector of the country. They are a great hurdle in the utilisation of their skill and time. There is an urgent need to remove these obstacles and to improve the living and working conditions of the women in the rural informal sector of the economy. They should be provided education and training, be paid wages
according to their work, and should be given access to better raw materials and markets and other facilities such as hospitals, educational institutions and training centers, banks, transportation, etc. so that they may work in a better environment and play their part for the prosperity and development of the country to the fullest extent possible.
References


