

By Invitation

Informal Workers & the Economy

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Although informal workers were always a majority in India, they were only 'discovered' with the advent of liberalization. Their vulnerabilities and insecurities need to be addressed through social security policies which recognize their specific needs and through laws which are not confined to labor, but include commercial law as well as regulations which cover specific sectors of the economy. However, organizing and advocacy of the informal workers cannot be confined to specific needs but must be a movement towards a better society and a fairer economy.

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Discovering the Informal Economy

The informal economy has always existed in India, but it was seen neither as an important part of the economy, nor as a theoretical category that needed to be developed and explored. Although, the term "informal sector" was adopted internationally by the ILO in the mid-1970s, it retreated to the margins of both research and policies, until only a little over a decade ago. In 2002, the International Labor Conference finally debated a recommendation, which coined the term "informal economy", and recognized both self employed and wage workers to be part of this economy. It also recognized the unprotected and insecure nature of work in this economy and committed the ILO to working towards social security and various forms of protection of these workers.

In India, the term "unorganized" rather than "informal" has been used when referring to these unprotected workers. This has caused considerable confusion as "unorganized" implies a lack of organization, and many commentators have in fact used it this way. The same term "unorganized" has also been used by the Central Statistical Organization to describe enterprises rather than workers, and it defines unorganized enterprises as

those employing 10 or more workers with power, and 20 or more if there was no power being used (NCEUS, 2007:2). However, a lot of this confusion was cleared up by the seminal work of the National Commission on Enterprises in the Unorganized Sector, when it clearly conflated the terms “informal” and “unorganized” and defined both terms to mean those workers in unorganized enterprises, including the self employed, and those in the organized formal sector without any employment or social security benefits (NCEUS, 2007:2).

It has been a long journey for these workers from the margins towards the centre, which has happened not because of any changes in the conditions of the workers and but far more due to the changes in perception that have come about with the historical shifts due to globalization.

The attitudes which marginalized the informal workers reflected a larger perspective, which defined a worker as one who conformed to the image of the ‘laboring or industrial man’. This was a full time, generally male worker, with one skill and one occupation, working for a well defined employer in a factory or office, a workplace under the control of the employer. This worker, or employee, sold his labor to the employer and received a wage or salary in return. It was the security of this ‘industrial worker’ around which the systems of security or social protection were based. Although, it was recognized that most workers in India did not fit this model, the general wisdom was that as the Indian economy grew and in-

dustrialized, the informal economy would gradually shrink and most workers would conform to the industrial prototype.

But in the eighties and nineties there were rapid changes taking place internationally with the ascendancy of the forces of globalization and trade liberalization. The macro-economic changes in industrialized countries were supported by the rise of neo-liberalism which shifted the emphasis from security to growth. Regulations which promoted security were seen as inimical to economic growth, and ‘deregulation’ was to be promoted in order to facilitate the working of the market. According to the Chicago School of law and economics, statutory or institutional regulations can be justified only if they promote, or do not impede growth. If they do not do that, they are impediments to efficiency, and therefore, because efficiency and growth are equated with improvements in social welfare, most regulations are suspect. This perspective was to become pervasively influential (Standing, 2002:75).

In India, this school of thought gradually began to gain ascendancy in the mid to late eighties, and became the dominant school of thought with the debt crisis in 1991. The main target of this new school of thought was the public sector undertakings, the visible face of the socialist economy. In addition, there were persistent demands for the ‘deregulation’ of markets, which included delicensing of industry, lowering import and excise taxes and removal of reservations and quotas for categories such as small scale industries. The popular image of the ‘Li-

cense-Permit Raj' caught the imagination not only of the industrialists, but of middle classes as well as the poor, all of whom continually suffered under the high-handed treatment and corruption of the entrenched bureaucracy.

The statutory regulatory system for labor too came under attack with demands for 'exit' policy to increase the 'flexibility' of firms and allow them to compete internationally. More and more came to be written about the privileged position of formal sector labor. The focus began to shift towards workers who were not part of the formal sector.

Agency & Organizing

Self Employed Women's Association (SEWA), was perhaps the first trade union to consciously begin to organize workers in the informal economy. Initially, in the early seventies, SEWA found a great deal of resistance even to the idea of organizing women in this sector. Most people believed that to qualify as a worker a person had to be an employee, the problem being compounded by the belief that women were not workers but only wives and mothers. The initial resistance to SEWA came from the Labor Commissioner who refused to register SEWA as a trade union. Firstly, he said, these workers had no definite employer, so they did not fit the traditional definition of a worker. Who would they bar-

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gain with? Secondly, these workers had no fixed occupation. They went from one kind of work to another; they did a number of different types of work together. A proper worker had only one permanent occupation, and Trade Unions were formed by occupation. And finally, these workers often had no fixed place of work, such as a factory, so how would it be possible to organize them. Interestingly, the Trade Union Act does not in fact specify all these conditions, but the officials had a certain type of worker in mind and the women we brought to them did not fit into their idea of a worker.

In fact, women did not fit into anyone's idea of a worker. In India there is a very large category of home-based workers making a variety of goods in their own homes either for direct sale or for a contractor or employer. When we first started organizing the women garment stitchers we were told by the employers that these women were not workers but just housewives who were stitching in their 'leisure time'; whereas we found that they were working anywhere between eight to ten hours a day. We were also told by the labor commissioner's office that since there was no direct employer-employee relationship between the employer and the women, they were not covered by any labor laws, although we found that there was a complete control of production by the employers. Even the husbands of the workers said 'my wife does not work' but only does this as a 'hobby'. Statistical agencies too ignored these women and their work did not appear in population censuses.

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These attitudes towards women informal workers reflected the general thinking. Within the prototype of the “industrial” or “laboring” man, is subsumed the housewife woman. The industrial man through his earnings supports a family, and the woman’s role is nurturing the worker and his children. These norms were reflected even in the labor laws for example, the recommended guidelines for fixing the minimum wage, was that one wage earner should support three consumption units, which would include the man himself, his wife and two children. (Man is one consumption unit, woman is .8 consumption unit and children are .6 consumption units each).

Unfortunately, even today, in spite of the changes that have taken place in the world economies, and in spite of the changed thinking at academic and policy levels on the informal workers, the attitudes of the Labor Departments remain rooted in the last century. This is not surprising considering that the role of the officials remains to be enforcing labor laws, and that the majority of labor laws in India were passed over 50 years ago, some as old as in 1920!

Nevertheless, many organizations of informal workers have come up, and have consolidated the voice of informal workers, having in the process to invent themselves to suit the needs of informal workers. Many new organizations have been

trade unions in various sectors—the contract workers, casual workers and daily-wagers who had been excluded from formal sector benefits formed their own trade unions; street vendors who were being displaced from the selling spots and needed protection against municipality and police; agricultural workers who were exploited not only in wages but also on basis of caste; construction workers, who were usually migrants; domestic workers whose employers were middle-class households; bidi workers in their homes; and many more. The labor movement as a whole in India recognized that informal workers were over 90% of the economy and needed to organize. Today most of the mainstream labor federations—INTUC, BMS, AITUC, CITU—claim about half of their members are informal workers.

The result of these organizing attempts was reflected in various legislations. Nationally, various Acts were passed for protection of Construction Workers and for Social Security of the Unorganized Sector, while a National Policy on Street Vendors was approved by the Government and a National Minimum Wage was proposed. At state level social security boards of different types were set up and social security schemes directed primarily to unorganized workers were implemented, at the same time minimum wages for agricultural workers and many other informal workers were proposed.

However, it has been very difficult to organize informal workers purely along traditional union lines. Many of the work-

ers are self employed and need many different services, like credit and marketing. Skill development is another major need of workers which is not easily provided by trade unions. So, many new ways of organizing have come up.

The “micro-finance movement” has become well-known world-wide as a means to enhance livelihoods, and in fact, micro-finance was started and lead by women, with new organizing structures being developed by them. SEWA was started in India in 1972, and a few years later SEWA Bank was started as a co-operative bank where all shareholders were members of SEWA who then elected their own board. In 1979 Grameen Bank was started in Bangladesh. In the 1980s Myrada and other organizations such as CDF in India found that women were spontaneously getting together into groups, saving their earnings, and taking loans from their own savings. Thus was launched the “Self Help Group” in India. These groups were so successful that the Government of India recognized their potential and began using them as the building blocks for developmental programs. Private sector micro-finance too recognized their potential and small women’s groups became the basis for India’s growing micro-finance movement.

In the urban areas organizing has taken place around basic services such as water and sanitation and against overcrowding and crime. The struggle for water, sanitation and tenurial rights has lead to shack-dwellers coming together to change policies. Another form of or-

ganizing is the “People’s Movement” which has no structure but is organized to protest dispossession. The Chipko Movement was an early spontaneous people’s movement which was followed by people’s movements against big dams which displaced thousands of people, and again against land acquisitions for big industries. These movements came up as people in a particular area faced extreme change which would disrupt their lives and perhaps bring them into a cycle of poverty. Women, whose way of life is rooted in the land and in their homes feel the threat even more than men, and are willing to take, join, or often take the lead in long drawn out protests.

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The changing world of work has led to the many different forms of organizing around the needs associated with work and livelihoods. But organizing is never easy. The workers are usually poor, belong to unprivileged castes, and are afraid to lose whatever little they have acquired. Women are perhaps the most vulnerable and disempowered within these groups. Organizing required empowerment, and the quest for economic justice is seeking the path towards change, towards an economic system where people have a certain level of security, at least of their basic needs, where work is fulfilling and not back-breaking and exploitative and where people feel a sense of community and empowerment.

Movement towards new economic systems requires direction, and it is those who have the most to lose within the existing systems, the most insecure, the vulnerable, the poor, who can become the agency for change.

However, agency of the weak requires some form of coming together or of organizing before people can feel empowered to act. Empowerment is the desire of people who feel powerless to have more control over their lives. People feel powerless in many ways. They feel that their lives are ruled by forces over which they have no control, which are too powerful for them. People are confronted by powerful figures in their lives who control them, they also face forces which are far away and they cannot identify. Powerlessness causes fear that their lives might be crushed or destroyed or reduced any time. It kills the human spirit.

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Empowerment through organizing is the process by which the disempowered, or powerless, people can change their circumstances and begin to have control over their lives. Empowerment results in a change in the balance of power, in the living conditions, and in the relationships. In many ways empowerment is not only the means to achieve better incomes, better livelihoods or better social security, it is the means to the renewal of the human spirit.

Quest for Social Security

The earnings of informal workers tend to be low and their employment opportunities are insecure. These insecurities are compounded by their lack of social security, so that their contingent expenses in times of ill health or unemployment or disaster can send them down into a spiral of poverty or even destitution.

In any country the social security system should respect the prevailing character of economic insecurity. In an industrial society, based on a vast majority having stable full-time employment with contracts and union-backed collective bargaining, one could make a reasonably good estimate of which groups are in need, and which are not. This is not India today, and it will not be India in the future. In a globalising, open economy, more and more people will be subject to economic shocks and have to put up with systemic uncertainty, against which they will be unable to insure properly. Many more will be vulnerable to sudden declines in income.

The need for social security is well recognized by governments who attempt to alleviate their conditions, entitlements and schemes. There are presently a number of entitlements which are provided by the government¹ either to all citizens or to those who are poor. The approach of the citizen based entitlement

¹ For a more complete discussion of social security see RKA Subrahmanya, "Social Protection of Workers in the Unorganized Sector", this volume

is a 'rights' approach, that is, as a citizen of the country, every human being has a right to satisfaction of certain basic needs and it is the duty of the State to provide for those needs. There are presently a number of citizen based entitlements which are provided by the Government either to all citizens or to those who are poor, on a 'means tested' basis. These are drinking water, health care, education, food security, housing and social assistance schemes. The State is required to finance the services as well as undertake the provision.

The other approach to providing security for workers is the work-based entitlements which supplement the citizens based ones. The work based entitlements are statutory and apply to all workers in an employer-employee relationship. The finances for these entitlements are provided by statutory contributions from the employers and the employees. The role of the Government is to enforce and implement the schemes.

The main statutory work-based entitlements in India are the old age benefit schemes (in particular the Employees Provident Fund) and the health services (in particular the Employees Social Insurance Scheme). In addition, there are schemes for particular sectors covered by the Welfare Funds. In the Welfare Funds scheme, funds are raised by levying a cess on the production, sale or export of specified goods, or by collecting contributions from the various sources including the employer, employee as well as the government. The Welfare Funds are used to meet the ex-

penditure of the welfare of the workers. The Central Funds, set up by the Government of India, are for Bidi, Mines, Cine workers, dock workers and Building and Construction workers. Among the states, Kerala State has many such funds, one for each sector while Tamil Nadu and Maharashtra and Gujarat have funds constituted under the Manual Workers Acts.

It was earlier believed that the work-based entitlements would become universal as the organized sector grew and the unorganized sector shrunk. It has now become obvious that in fact the opposite is happening. More and more workers are being left out of the social security net, and the coverage of both ESIS and EPF is shrinking, as are the number of workers covered by the provisions of various welfare Acts such as the Maternity Benefit Act. There is therefore a need to think afresh on how to devise work-based social security systems particularly targeting the unorganized sector.

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Many unorganized sector workers do avail of the citizenship based entitlements like health services from Primary Health Centers, free primary education and public distribution systems. However, these services remain highly inadequate. Therefore, though work based entitlements are meant to supplement the citizenship based ones, in actual fact, where

the work based entitlements work well, such as in the organized sector, workers use these services rather than the public sector services. This is because, the work related benefits are better financed, better targeted and remain more in the control of the users. Also, increasingly these services are being used to make the best possible use of both public and private available services. Many companies, for example, which have health insurance will now allow their employees to choose health providers from the market.

Nevertheless it is still the Government systems of entitlements that reach out to the largest numbers of the vulnerable. Unfortunately, the efficiency of these systems has become very low. In India, the base of the state benefit system in most parts of the country is the ration card, consisting of the BPL (Below Poverty Line) and many studies have shown that this form of targeting, means testing and provision of particular schemes have led to large scale inefficiencies. For example, it has been shown that nearly 50% of the really poor in rural areas do not receive BPL or Antyodaya cards (Report of the Expert Group), and that only 27% of the subsidized grain in the PDS system actually reaches those who need it (Planning Commission, 2005). The implementing machinery of the Government is too bureaucratic and full of leakages and corruption. The pipes of Government are clogged, and so alternative implementing systems are needed.

Solutions are still to be found, but a number of promising trends are emerging. One solution that has been proposed,

but not yet implemented by the Government is to help the unorganized sector or poor population set up its own organizations and run its own social security schemes with financial aid from the Government. These organizations could be the existing ones like trade unions, cooperatives, federations, village mandals, micro-finance institutions which could be supported by government as well as voluntary organizations to become self-sufficient and well-managed.

In order to decentralize this process, Worker Facilitation Centers had been proposed during the discussions on the Unorganized Workers Social Security Act². These centers would:

- a) Disseminate information on available social security schemes for the workers.
- b) Facilitate the filling, processing and forwarding of application forms for registration of workers.
- c) Obtain registration from the District Committee and deliver the Identity Cards to the registered workers.
- d) Facilitate to enroll the registered workers in social security schemes.
- e) Act as an authorized intermediary in collecting contributions from the workers and employers to the social security schemes and remit them with the designated institutions.
- f) Ensure the delivery of social security benefits in co-operation with institutions designated to deliver such

² Labor Ministry website (2007)

social security (insurance companies, post offices, Departments of the State/Central Government and other institutions concerned).

- g) Any other function as may be prescribed by the State Social Security Board.

Some organizations which could become Worker Facilitation Centres were.

- a) Existing Worker Welfare Boards and their local offices.
- b) Local Panchayati Raj Institutions (PRI) or urban local bodies.
- c) Organizations of workers including trade unions, associations and co-operatives in the unorganized sector.
- d) Self-help Groups (SHGs).
- e) Non-profit organizations working among the unorganized sector workers.
- f) Such other organizations as may be designated by the State Boards.

Another set of solutions concern the types of benefits that can be made available to people to ensure some form of security. In India today we have a variety of schemes. These schemes include the *cash line* (benefits in terms of cash such as pensions or scholarships), the *food and commodity line* (provision of goods and services for free or at subsidized prices for those designated as 'the poor') and the *labor line* (provision of labor to be performed by those designated as poor, in return for monetary payment or food).

These are the three main ways by which Government tries to cut poverty and economic insecurity directly through providing goods needed by people, through providing labor for a payment from which they can buy the goods they think they want, and through providing money from which they can buy such goods and develop work opportunities (Standing, 2012.)

In recent times, direct cash transfers have been discussed as a means of ensuring social security. Pensions is a form of cash transfers as are scholarships and surveys have found that these forms of social security tend to be more reliable than other forms which require continuous intervention. In the case of pensions for example, although getting registered and approved as a pension beneficiary is time consuming and often expensive, once the person is registered and the benefit starts to flow, it is much more reliable than other forms of social benefits including subsidized grain or right to labor.

Other countries such as Brazil and Mexico too have found that cash transfers are an important source of social protection especially for the vulnerable. However, in India there are many reservations and hesitations about cash transfers as a form of social protection. First, there is the fear that the money received will be "mis-spent", the most common cited being that "men will drink it away". Another hesitation is that inflation will erode the value of the cash and so will reduce the efficacy of the protection. Unlike other medium income countries,

India has a poor record of financial inclusion, with less than 40% of people having bank accounts. In the case of informal workers, who are generally poor, this is even lower, so that until bank accounts, or accounts in other financial institutions are opened, the implementation of cash transfers would be difficult.

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However, research experiments with cash transfers have shown that they tend to be successful as a means of social protection. In an experiment conducted by SEWA in Delhi, it was found that substitution of Public Distribution System led to better nutrition and health outcomes. In an on-going larger rural study on cash transfers also run by SEWA, a small cash transfer is provided to every individual each month and is universal in that every person identified by an independent survey as a resident of the village at the outset of the pilot will be eligible to receive the grant. Further it is to be unconditional, i.e., the recipients will not be obliged to spend the money in any preconceived or externally determined way.

In this experiment the cash transfer scheme is not offered as a panacea, and it is recognized that successful social policy requires a multitude of interventions. However, lack of money is a major source of insecurity and poverty and the sub-optimal decisions poor people have to make. This project starts from

the premise that low-income people are just as rational as high-income people, and therefore can be expected to act rationally and in their long-term interests. The objective is to identify a policy instrument that could substantially reduce poverty and economic insecurity in low-income areas, whereby the population living there would gain and build sustainable livelihoods in a more dynamic economic environment. Apart from the issue of corruption and leakages, one of the failures of many state policies supposedly helping the poor is that they have very low local multiplier effects.

Although the results of this experiment are still being analyzed, the first indications are that regular, and unconditional cash transfers are quite transformative in that it provides families flexibility to attend to their actual needs, which leads to better nutrition, better health care, better schooling outcomes, more productive work and release from a cycle of bondage caused by debt.

Informal Workers & the Law

Once it is recognized that the informal are workers too, the major question is what are the methods and mechanisms, which would help them to move towards greater security. The best forms of security tend to be statutory regulations, however labor laws are generally designed in a fairly detailed and inflexible way for industrial workers and it is difficult to adapt them to informal workers. Most labor laws require proving the existence of an employer-employee relationship, usually such a relationship does

not exist in its traditional form and even if it exists it is often difficult to prove. For example, workers often have accidents in the course of their work, SEWA went to court on behalf of a cart-puller, who with a hired cart, in the process of delivering cloth from a wholesaler to a retailer, was involved in a street accident and broke both the legs. Although the cart-puller had been doing deliveries for the wholesaler for more than twenty years, the court ruled that there was no employer-employee relationship, and so no one could be held liable under the Workmen's Compensation Act.

On the other hand there are a few labor laws which can be adapted for the informal workers. For example the Bidi Workers Welfare Fund Act, where there is no intrinsic need to prove an employer-employee relationship and the employer is not directly liable for particular employees, but pays contributions through a cess into a fund, which provides social protection to bidi workers.

However, labor laws are only a small part of the problem. The traditional industrial worker did not deal directly with the market, his main relationship as a worker was with a specified employer. The informal worker is subject to a variety of relationships, ranging from market relationships to those with various statutory authorities, and is subject to a wide range of laws from commercial law to municipal regulations to laws relating to specific sectors such as forests or oceans. For example, street vendors or waste collectors are subject to municipal laws

and police laws. Forest workers are subject to Forest Acts and small farmers to various land-related laws such as land acquisition Acts.

Decentralization & Co-operation

Informal workers constitute more than 90% of the workforce and when we consider how the insecurity and vulnerability of this large working population is to be reduced, we are in effect looking at how the economic and social structures need to change in order to be a more just and fairer system. In this section, we present some thoughts on a "better society".

Work is part of, not separate from, life.

Work is part of, not separate from, life. It is embedded in social and cultural processes and there is close interrelation between work, social systems, local community, family and on an individual level, of identity and self-worth. The nature and arrangement of work often signals the relationships in society.

In India, the insecurities around work have been increasing as the economy has been changing and opening itself to global markets. Economic centralization in the form of large corporations which control their environment and government regulations which encourage large companies at the expense of small ones is rapidly increasing. Although it is widely accepted that political decentralization is required for a vibrant democracy, the

opposite is seen as true for the economy. Centralization of production (and ownership of resources and skills) is viewed as leading to a more efficient economy. In opposition to this favourable view of centralization, there are arguments for decentralization of production and distribution of goods and services.

A just society requires that ownership of economic resources be distributed more equitably. Within most countries and across nations, the distribution and ownership of wealth tends to be concentrated in certain areas, and generally the wealthier areas attract more resources and the poorer areas lose them. Economic decentralization is one way (although not necessarily the only way) of distribution of resources.

Economic decentralization also follows this idea of achieving economic justice by focusing on the most vulnerable. In practice, identification of the most vulnerable is a major exercise, where a number of criteria have to be accepted and the people fitting those criteria to be identified. Poverty or vulnerability criteria are not as simple as for other vulnerable groups like the aged, widows or the disabled. The most successful practices in these processes of identification would occur at local level. Reaching the poorest has been a major administrative exercise when organized on a national level (centrally). A more efficient system would be one where food, clothing and other minimum requirements are distributed locally. Even more efficient would be local production of required needs. We are not proposing that local areas disconnect with

mainstream markets, but that a minimum amount of basic needs goods be produced and distributed locally. New technologies and inputs could boost this production and encourage backward and forward linkages with mainstream markets.

Decentralization leads to a more satisfying type of work, often called “holistic work”. It is not only the quality of work which gives satisfaction but also its purpose and the relationships within the work process. Decentralized production gives communities greater control over what they produce, and how it is to be used. Furthermore, local organization of production links more easily with local cultures and developed within a holistic and sustainable approach to development. One good example of the holistic nature of decentralized work is found among communities who live in areas rich in natural resources such as forests. Where communities have a greater control over these resources, they tend to preserve and regenerate these resources. This holistic perspective requires that each individuals give back something to the world, even as he takes away from it for his own maintenance. Building such interdependence requires a strong sense of local community and culture that integrates the economic and social realms.

Local production and distribution also strengthens the economic role of women.

Local production and distribution also strengthens the economic role of women. Much of their work is non-monetary and

meant for use within the family. Much community work that involves maintaining social relationships is also done by women. Economic decentralization would lead to two trends that would be beneficial to women. It would strengthen local markets and local skills and make markets more accessible to women. It would raise the value of non-monetary (or reproductive) work, including all forms of community and service work, as this would acquire a more holistic meaning and come to be understood as work done for the maintenance of society.

Another form of production that is being disregarded in today's competitive and individualistic economies is the co-operative forms of work systems, where people work together to produce results that are beneficial for all. There are many such forms in existence today. They vary from small self-help groups being promoted in India, to traditional *roscas*, to mutual-help groups found in many African countries, to community grain banks and community social protection systems, to large formal co-operative societies.

Co-operative forms of work are also more likely to be adopted by the poor or by those who have few resources. Co-operation is one way of pooling resources and hence increasing the control and bargaining power of those who are weak. These forms can be seen as the best form to meet minimum needs of every individual.

Formal registered co-operatives exist worldwide. Ranging from small-scale to multi-million dollar businesses across

the globe, co-operatives are estimated to employ more than 100 million women and men and have more than 800 million members. They operate mainly in agricultural marketing and supply, finance, wholesale and retailing, health care, housing and insurance, but are venturing into new fields such as information and communication technology, tourism and cultural industries. Co-operative organizations and groups are abundant in the informal economy, especially in developing countries, although so far there has been no attempt to measure them.

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Co-operative economic organizations are not only feasible for informal workers but bring about better work in several ways. First, they give workers, especially those who are the most vulnerable, a new identity based on respect for the contribution their work makes to society and to their own families. Second, co-operative forms of work allow them to build an enterprise and reach markets directly, instead of being at the mercy of traders and others who exploit their lack of access to markets. Third, they are able to pool their resources, capital, knowledge and skills. Fourth, they are able to avail themselves of government schemes and programmes, which would be difficult for them to do individually. Finally, their coming together into a viable

organisation increases their voice and bargaining power in society and in the marketplace.

Informal workers today are no longer invisible, but are getting empowered. New policies are being formulated for them, their organizations are gaining voice as they attempt to become part of the mainstream. However, the mainstream economy as it exists today is an informalizing force, and is unlikely to incorporate the needs of these workers, unlikely to address their vulnerabilities. As informal workers develop agency it is important for them to advocate for policies leading to a more decentralized and co-operative economy, rather than only to address their immediate needs. In this way they can become the vanguard for a better and more just society.

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