



Economic exploitation and labour rights of contract-based women workers in India

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Abstract

The present study titled “Economic Exploitation and Labour Rights of Contract Based Women Workers in India” critically examines the multilayered vulnerabilities experienced by women employed under contractual labour systems across different sectors in India. Contract-based employment has emerged as a dominant labour arrangement in manufacturing, textile, construction, food processing, agriculture, logistics, and various service industries. Although this form of employment is often justified on grounds of flexibility, cost-efficiency, and short-term labour needs, it perpetuates a significant degree of economic exploitation, insecurity, and violation of labour rights—particularly for women workers who already face structural gender disadvantages. Through a socio-economic and gender-sensitive lens, the study analyses how contract-based employment systems create conditions of low wages, irregular payments, long working hours, occupational hazards, absence of social protection, and lack of workplace safety and welfare facilities.

A significant focus of the study lies in understanding the economic marginalization that results from wage discrimination, gendered division of labour, and absence of wage transparency. Women contract workers are often confined to low-skilled, repetitive, or labour-intensive tasks where wages are determined not by skill or productivity but by their weak bargaining power. The study highlights issues such as payment below minimum wages, piece-rate exploitation, denial of maternity benefits, lack of provident fund or pension, and a near-complete exclusion from social security schemes. Furthermore, the power dynamics between contractors, employers, and workers create a system where women are unable to negotiate better conditions due to fear of job loss, lack of unionization, and widespread informality.

Overall, the research argues that the economic exploitation and violation of labour rights of contract-based women workers is not merely an outcome of weak policy implementation but a reflection of the structural character of India’s labour market. The study emphasizes the need for stronger legal enforcement, increased union participation, gender-sensitive labour reforms, financial inclusion, better social security coverage, and targeted state interventions to protect women workers from exploitation. Ensuring decent work, fair wages, occupational safety, and labour dignity for contractual women workers is essential not only for gender justice but also for achieving inclusive economic development in India. This study thus contributes to the academic and policy discourse by uncovering the realities of contract-based women workers and proposing pathways for improving their economic and labour conditions.

Keywords: Contract based women workers, economic exploitation, labour rights, gender discrimination, wage inequality, vulnerable workforce

Introduction

India’s labour market has undergone significant transformation over the last few decades, shaped by rapid industrialisation, the expansion of the informal sector, technological growth, and globalised production systems. Within this evolving landscape, a large share of the working population especially women remain outside the ambit of formal, secure, and well-regulated employment. Contract labour, casual work, outsourcing arrangements and fixed-term engagements have increasingly become the norm across various industries, from textiles and manufacturing to construction, food processing, domestic work, and service sectors. This shift has widened employment opportunities but simultaneously intensified economic precarity. Women workers, particularly those employed on a contract basis, are among the most vulnerable to marginalisation, systemic exploitation, and denial of labour rights.

Contract based women workers in India often work at the intersection of gender, class, caste, and informal employment, making their socio-economic position uniquely fragile. Their experiences of employment are shaped not only by economic factors but also by deeply embedded patriarchal norms, caste-based occupational segmentation, rural-urban migration pressures, and the

structural functioning of the informal labour economy. Even when women participate actively in industrial and service-sector work, their contributions are undervalued, poorly compensated, and seldom recognised in formal records. Employers frequently use contract labour as a strategy to reduce labour costs, avoid regulatory obligations, and maintain flexibility in production, resulting in insecure jobs with minimal social protection. The devaluation of women’s labour, combined with weak implementation of labour laws and inadequate unionisation, creates fertile ground for exploitation.

Objectives of the Study

1. To examine the socio-economic background of contract-based women workers.
2. To analyse the wage structure, income levels, and economic exploitation faced by women workers.

The Rise of Contract Labour and Its Gendered Dimension

The growth of contract labour in India intensified after economic liberalisation in 1991. As industries sought to remain competitive in national and global markets, flexible labour systems became widespread. Contracting allowed

firms to outsource labour, evade accountability for working conditions, and circumvent responsibilities such as providing provident fund, insurance, maternity benefits, paid leave, or job security. Women workers became preferred employees in many sectors because they were perceived as more “manageable,” “disciplined,” and willing to accept low wages due to their marginalised social position. As a result, women found employment predominantly through contractors, intermediaries, labour agents, or directly as casual workers without written contracts.

The gender gap within the contract labour system is stark. While men more often secure permanent or semi-skilled roles, a majority of women remain in temporary, unskilled, or semi-skilled positions with little possibility of upward mobility. Women’s employment is further characterised by occupational segregation industries tend to channel them into repetitive, low-skill tasks such as spinning, stitching, packaging, sorting, cleaning, construction support, and piece-rate home-based work. This segmentation reinforces the belief that women’s labour is supplementary, rather than essential, thereby justifying lower wages and fewer benefits. Consequently, contract-based women workers experience a double burden: they face both structural gender discrimination and economic insecurity inherent within the contract system.

Economic Exploitation: Wages, Working Conditions, and Job Insecurity

The economic exploitation of contract-based women workers manifests in multiple forms. Low and irregular wages are among the most critical issues. Women often receive wages significantly lower than the minimum wage or less than what permanent male workers earn for similar tasks. Many employers pay women on a piece-rate basis, which pushes them into longer working hours without corresponding compensation. Irregular payment cycles, wage deductions for accommodation or equipment, and delays in wage disbursement further heighten financial instability. In extreme cases, wages are withheld as a coercive measure to prevent workers from leaving before a contract ends.

Working conditions for women under contracts are frequently unsafe and unhealthy. In textile and spinning mills, women operate in dust-filled environments where they suffer respiratory infections, fatigue, and ergonomic injuries. In construction, they carry heavy loads, work without protective equipment, and are exposed to hazardous surroundings. In factories, they may work long shifts, sometimes twelve hours or more, with limited breaks and inadequate sanitation facilities. Many women workers report lack of access to toilets, drinking water, and rest spaces conditions that compromise their health and dignity.

Job insecurity lies at the core of contract labour. Women can be dismissed easily without notice or compensation. Seasonal fluctuations, company closures, or changes in contractors have immediate effects on their livelihoods. With no written contracts or formal documentation, women cannot claim rightful dues or file grievances. This perpetual uncertainty prevents them from planning for the future, investing in education, or improving their living standards.

Denial of Labour Rights: Legal Frameworks and Ground Realities

India possesses an extensive labour law framework intended to protect workers’ rights, including the Contract Labour

(Regulation and Abolition) Act, 1970; Minimum Wages Act, 1948; Equal Remuneration Act, 1976; and more recent reforms under the Labour Codes. However, enforcement remains deeply inadequate, particularly in the unorganised and semi-organised sectors where contract-based women workers are dominant. Contractors often avoid registration, maintain minimal or no records, and operate without oversight. Employers deny that contract labourers are their responsibility, claiming they are merely hired through intermediaries. As a result, women workers fall into legal grey zones where their rights are systematically ignored.

The challenge is not only legal but structural. Many women lack awareness of their rights due to low literacy, limited exposure to legal systems, or social isolation. Patriarchal norms discourage women from questioning employers or joining unions. Fear of losing work, which is often their family’s only source of income, pushes women into silence even when they face harassment, wage fraud, unsafe conditions, or unfair treatment. Those working in home-based or migrant contexts face additional vulnerabilities, such as housing insecurity, language barriers, and lack of social support networks.

The Role of Intermediaries and Recruitment Practices

Recruitment intermediaries’ contractors, labour brokers, middlemen, or agents play a pivotal role in the exploitation chain. In many regions, contractors recruit women from remote rural areas, often using promises of good wages, safe accommodation, or lump-sum payments at the end of contracts. In reality, these arrangements often resemble debt-bondage or coercive labour practices. Women become dependent on contractors for food, housing, and transport, creating a captive workforce with little autonomy. This is particularly visible in systems like the Sumangali Scheme in Tamil Nadu’s textile mills, where young women are bound to exploitative contracts under the guise of earning a dowry. Contractors often manipulate or control wage disbursement, issue fake attendance records, or act as gatekeepers to benefits. Since women interact more with contractors than with factory management, their grievances rarely reach authorities. Middlemen also discourage unionisation by threatening workers with dismissal or withholding wages. The dependence on intermediaries thus adds another layer to women’s economic and social vulnerability.

Intersection of Gender, Caste, and Class

Economic exploitation of contract-based women workers cannot be understood in isolation from broader social hierarchies. A disproportionately large number of contract-based women workers belong to marginalised caste groups Scheduled Castes, Scheduled Tribes, and Other Backward Classes. These communities historically lack access to education, land, and formal employment opportunities, making them easy targets for exploitative labour systems. Caste-based discrimination further restricts their ability to negotiate fair treatment or seek support. Women from such backgrounds face multiple layers of disadvantage: caste oppression, gender inequality, poverty, and the vulnerabilities of informal employment.

Class inequality adds another dimension. Families with limited assets rely heavily on women’s incomes, yet their labour remains undervalued. The absence of social security—such as health insurance, maternity benefits, pension systems, or childcare facilities—makes women’s

work economically indispensable yet inherently insecure. Their dual responsibilities of wage work and unpaid household labour intensify economic and emotional stress, often leading to poor health outcomes and restricted mobility.

Global Supply Chains and New Forms of Exploitation

In industries connected to global supply chains, such as garments, electronics, food processing and packaging, contract-based women workers face intensified production pressures. International brands demand low-cost, fast, and flexible production, prompting local manufacturers to rely on temporary female labour. While global corporations claim ethical sourcing, the work conditions of women on the factory floor remain precarious. Subcontracting, outsourcing, and multi-layered supply systems allow companies to distance themselves from labour violations. Women at the bottom of these chains receive the least wages and bear the highest risks.

The Need for Focused Research

Despite their substantial contribution to India's economic growth, contract-based women workers remain invisible in official data, labour policy discussions, and academic literature. Their hardships are often overshadowed by narratives of industrial growth, export achievements, or employment generation. Research on this topic is crucial for uncovering systemic patterns of exploitation, documenting women's lived experiences, and assessing the effectiveness of labour laws. It also highlights the need for structural reforms aimed at ensuring economic justice, gender equality, and decent working conditions.

A comprehensive study on the economic exploitation and labour rights of contract-based women workers in India is therefore essential not only from an academic standpoint but also from a policy and social justice perspective. Such research can illuminate how gendered labour practices perpetuate inequalities, how legal ambiguities facilitate exploitation, and how socio-economic reforms can empower millions of marginalised women.

Discussion

The condition of contract-based women workers in India reveals a complex intersection of gender, class, caste, and employment informality. The analysis of available literature, labour reports, and empirical findings indicates that the economic exploitation of women working under contractual systems is not an isolated phenomenon but a structurally embedded outcome of India's labour market dynamics. Contractualization, which was introduced as a flexible labour strategy, has gradually become the primary mode of employment for women in low-wage industries such as textiles, garment units, food processing, construction, domestic work, packaging, health care, and manufacturing. This discussion synthesizes the key dimensions of exploitation and examines how their labour rights continue to be limited in practice, despite the existence of legal provisions.

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