CHAPTER - III

REVIEW OF LITERATURE
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Although UIS has existed in the past, there has been great deal of interest debate, discussion, dialogue and controversy generated around the concept of UIS, since 1970's particularly in the context of developing countries, which have experienced a pattern of urbanisation characterised by employment of large part of labourforce in the low productivity low income activities outside the modern sector. Studies conducted on UIS indicates that sector is providing employment to the millions of the economically active population in the developing countries. Though, about 90 percent of the economically active population is observed in this sector, the research interest on UIS in promting urban economic development is of recent origin and is very fragmented and scant in some areas.

In this chapter, an attempt has been made to briefly review the literature on UIS in urban labour market. The research studies in India and abroad were dealt with seperately under different headings. This review is based on the literature that the researcher had the opportunity to persue. Though not comprehensive, it certainly indicates the vast amount of interest, which the subject has evoked among the research scholars, academicians and policy makers. The few studies that have come accross during the literature survey are briefly discussed here.

1. Urban Labour Market (ULM)

Standing (1977) and Majumdar (1977) emphasised on the conceptual and theoretical aspects of urban labour market (ULM). Time series model with three sectors in ULM was presented by Krishna (1984). Heuristic model of ULM in developing countries was presented by Freidman and Sullivan (1974). In Kenya, Rample and House (1977) studied the functioning of ULM. Quintessential features of ULM was analysed by Hasluck (1987). While, Harriss (1990) showed the evidence of existences of considereble hetrogeniety and stratification in ULM. Another study by Sinclair (1978) discribed the growth of cities population, migration, employment, emergence and shortcomings of ULM. Relationship between level of urbanisation and structure of urban labour force (ULF) was
analysed by Moir (1976). Segmentation of ULM in LDC's was studied by Mazumdar
(1975) while various related issues on segmentation of ULM was highlighted by many
researcher, i.e., Levine (1977), Sethuraman (1977), Edwards et al. (1975), Sussangkarn
Pitaynon (1990), Cortazar (1990), Lubell and Mouly (1976), Hartman (1977), Feisher

In urban Tanzania, Knight and Sabot (1982) studied the LM discrimination by sex
and by race while Nakanishi (1990) examined the hypothesis that the nature of LM
characterized by a monopsony. Alderman and Kozel (1989) examined the structure of
ULM in Pakistan, particularly focused on wage formation and return to education. Taira
(1977) concentrated on efficiency and rationality of the internal LM. Khan (1985)
examined the direction of quantitative changes in LM segmentations, while Portes, Castello
& Benton (1989) focused on informalisation and its impact on the ULM in different
countries. Bienefeld (1981:13) revealed that woman in ULM constitute a specific group
and they suffer a degree of social oppression.

Kannappan (1977A) analysed a widerange of issues including organisation,
segmentation, relationship between compartments of LM, wages and earning structure,
employment generation and reduction of income inequalities etc. Scoville (1981) evaluated
the impact of some of policies, growth rate, productivity encouragement, training costs
and labour mobility on the level and structure of urban labours. Moir (1977) attempted the
impact of the dimenstions of time series relationships between labourforce,
structure, urbanisation and development.

2. General Studies on UIS

Sethuraman (1981:Ed) contained the case studies in Freetown, Lagos, Kano and
Kumasi provided data on wages and earnings, value added, capital investment, linkages
with formal sector and role of migration in UIS. Alonzo and Mangas (1989), Nadvi (1990),
NEDA (1985), Karanasuta (1987), Trager (1987), Barkat Khunda & Alam (1986) and
Aboagye (1986:A & B) looked on the various issues like; Characteristics, concept,
employment, entrepreneurhip, production, linkages, skills, functioning, income, working
conditions, identification, growth, performance, poverty etc. Feige (1990) distinguished
the economies in illegal, unreported, unrecorded, underground and informal economies
and examined the conceptual and empirical linkages among them. Another study
highlighted the methodological approaches towards the identification of UIS in reference

Bromley (1978 A) concentrated on the origin, diffusion and deficiencies of the FS-IS dualist classification. While, Guy standing (1977:37) divided the economy in the classes which were: formal sector, informal sector and irregular segment. Another study discussed on the petty commodity and capitalist production in Nigeria (Williams and Mutebile 1978). Channa & Morrison (1975) revealed that origin of UIS lies in country's present economic development and structure of its educational system. In saopaulo, Schaefer and Spindel (1976), identified UIS in terms of size, relative importance and employment conditions.

While, Majumdar (1977:13) found household criteria useful in most situations. While, Gododard (1981) attempted to illustrate the significance of personal relations for the operation of informal economic activities in Nepal. Breman (1985 A) showed the characteristics and heterogeneity of workers in UIS.


Food pattern, nutritional levels and consumption patterns in UIS was reported by Chapman (1984). Debate, over the issue that growth of UIS is 'evolutionary' or 'involutionary' was generated by Moser (1978: 1061) and Sethuraman (1981 A: 198). While, Das (1984), Harmas (1990) and Moser (1984 A&B) critically examined the concept of UIS and presented an alteranative view.

3. Relationship Between Sectors:

During the study on linkages between IS-FS, Arif (1987), Tokman (1978 A) and Mittar (1988) examined three approaches between FS and IS namely, the benign relationship approach, the subordination approach and a heterogenous subordination approach. While, nature of linkages and elasticity of subordination between formal and informal production was examined by stark (1982 A). Schmitz (1982 B: 433) concluded 'what the UIS does, to provide goods and services, at very low price to FS. which makes possible the high profits of the FS.' Sethuraman (1981 B) concluded that the UIS cannot develop independently of the FS expansion. Vitta (1985) concluded that FS and IS linkages were double edged. Studies by Birbeck (1979), Harriss (1982), Reichmuths (1978), Schmitz (1979) and Watanabe (1971:71) have shown subordination between IS and FS.

On the basis of empirical evidence already available, Harriss (1980) found little solid argument in support of the hypothesis that the UIS was subject to exploitation by the FS, in the sense that a substantial part of the surplus generation in the micro-production unit was appropriated by the FS. Godfrey (1979)'s analysis suggested the ways in which surplus might be transferred from the informal to the formal sector, with the latter exploiting the former. Hangedarom (1988), woielet (1983), Tokman (1978 B), Matebeula (1988) and Mehta (1985) looked on the various issues related with linkages. ILO (1972) favoured linkages between IS-FS to ensure dynamic growth of the former. Marga (1981) and Sanchez (1981) concluded that direct forward linkages with FS are weak but a significant amount of indirect linkages through middlemen or intermediaries seems to existed. Aryee (1981:98) observed that enterprises in the IS has stronger back ward linkages with FS. It was also observed that a good number of manufacturing units in the IS depended on large enterprises alone (Zurado: 1981:133).

Karanshyw and Stark (1980) and Watanable (1978) have thrown light on technological linkages between FS-IS in Egypt and Japan respectively. While, Haan (1982 B) found that the technological gap renders the creation of linkages between the two sectors were difficult. Another study found that intra sectoral linkages existed at both the input and output levels
in the IS-FS (NEDA : 1985).


4. Women Participation in UIS:


ILO study (1980) considered wide range of aspects concerning women; problem concerning nutrition, child care, sanitation and basic health problems of special groups, widows handicaped women training and advice. Tinker (1987) focused mainly on the important role played by women in the production of goods and service in developing countries. Greenstreet (1981) revealed that Ghanian women found UIS, the only means by which they can fulfil their various functions as wife, mother and income earners. The functioning and importance of women work in the survival strategies of low income households was studied by Moser.

Heyzer (1981) looked on the determinant factors of women participation, while, Bienefeld (1981) analysed the problems of women in informal sector labour market (ISLM). on the other hand, Bardouille (1982) examined the constraints affecting the women participation in LM. Kuiper (1991) and Higgins (1989) focused on the women enterprensurship in UIS. Living and working conditions of women in UIS was focused by Ernst (1987) and Prompunrthum & Kerdpol (1985), while, changing pattern and participation of women in petty tradig activities in Khartoom was studied by El Hadi Nagar (1988). Khan (1989) found that women in IS of Pakistan was a recent phenomenon. In Rawalpindi, Pakistan, Bilquees and Hamid (1988) concluded that the myths of social restrictions like purda and permission from husband or father donot hold in case of extreme poverty. Gilbert and Gugler (1982) correlated the femal harrasment and business sucess in Kenya. While, Moser and Yong (1981) and Nelson (1988) studied the gender and capital relation.

5. Urban Poverty

Sethuraman (1977 A) looked into the employment creating capacity of UIS for the urban poors. Galbraith (1979) looked on the nature of mass poverty, while, Tolosa (1978)
concluded the absolute poverty in medium sized cities and metropolitan areas was related to explanatory factors such as internal migration, as well as, the production structure of the cities and its functional position in the urban system. Das (1984:128) concluded that, the demand for the cheap goods was created by the poor and met by the poor. Another study documented the trends in different dimensions of urban poverty (Rodgers:1989). The main thrust of Nitusu and Haslimota (1985) was on attitudes of slum dwellers towards city development. Suwatee (1985) studied on households living in slums and low income housing complex is Bangkok.


6. Migration

Levis model on labour supply from the rural subsistence sector was perfectly elastic and will be absorbed by the continuously growing industrial sector at a constant real wage rate (Levis:1959). Harriss and Todaro (1970:128-142) stated that "migration to the urban areas is a positive function of rural-urban expected wage differential". Standing (1978) observed that the persistance of high rate of urban internal migration to the urban areas of Jamaica. On the other hand, Godfrey (1973:69) had drawn an opposite conclusion, that hypothesis (Jamican experience) failed to coincide with the experience of Ghana. ILO (1972) viewed that, it was not only the FS employment that attracts the potential migrants but also income opportunities in the UIS.


Mohtadi (1986) focused that differential access to land, instread of caste plays as the determinants of migrants background. while, Peek and standing (1979) explained the
rural urban migration and government policies in low income countries. Social and economic effects and consequences of migrants was studied by Elkan Walker (1980), Gande & Peek (1976), Jhonsen and white Law (1974), Matsebula (1988) found the migration process had usually several transitional stages before more permanent position in UIS was achieved. Hugo (1985) in his study is Java, found that a permanent migration tend to look far a job in the FS, whereas circular migrants seek a job in IS. Chognill (1983) concluded that, rural push factors exert stronger force than the sexual selectivity of migrants. ILO-JASPA (1985) and Bairoch (1973) examined the impact of migration on the structure of ULM and evaluated the urban unemployment situation as the outcome of the migration. Moles (1982) reviewed the social Security measures for migrant workers in Latin America. Rampel (1970) in his Ph.D. thesis has, thrown light on labour, migration into urban centers and its effects on urban development in Kenya.

7. Earnings and Earnings Determinants

Ibrahim (1985) provided the information on earnings of workers in various subsectors of UIS. Olaloye (1976:25) studied the level of average wage earnings in the Nigerian manufacturing industries and analysed the important factors influence on it. Merrick (1976) found formal sector wage to be more than 85 percent higher than IS earnings in Belo Horizonte, Brazil, Lubell (1977) assessed that the earnings of head of enterprises, generally at equal to the average wage in manufacturing and most often above that level. Wage of the employees are generally well below the FS wage.

In Pakistan, Aldernan and Kozal (1989) found that the average wages between FS and IS, primarily caused by differences in skills measured in terms of work experience and education. Another study concluded that traditional skilled sector earning level was driven by demand factors (Scoville:1980). Porters etc.(1986), Mulat (1977), Trager (1987) and Vitta (1985) examined the effects of informal employment on income.

Teilhat and Waldorf (1983) found that average earnings of UIS workers were significantly higher that those of unskilled workers in FS. On the other hand, Knight and Sabot (1982) found that the mean real wages of males was substantially in excess of the mean wage of women. According to Mazumdar (1975 B) and Guisinger (1980) much of the earning differential between formal and informal sector can be explained by the age, sex and educational characteristics of workers in the sectors. Sethuraman (1981 A) attempted to show comparison between prevailing wages and legal minimum wage in various towns. Another artical focused on inter-occupational wage differentials between the IS and FS (House and Rampel:1976). Mazumdar (1980) explained that persistence
wage differences between FS and IS, both in terms of rational behaviour of FS firms and in terms of wage legislation and power of unions. Lindaner and Sabot (1981:151) concluded, that workers characteristics can not account for all of the differential in earnings.

Mazumdar (1978) focused on the determinants of the earnings of employees in Malesiaya. While, In Study of Bagota and Cali, Mohan Rakesh (1981) observed that place of residence and other spatial characteristics may be important omitted variables in many studies. Phongpaich, et.al.,(1988) revealed that age, educational level, and employment status were the three factors which determine the workers wage. Corbo and Stehcnr (1983), Pastfo, etc. (1977) and Rampel & House (1977) analysed the determinants of the change in the urban wage and development structure. Zvi Susman (1973) presented the interdependence of wage structure in dual economy.

Kennedy (1983) found that differences between workers in the IS and employees in FS enterprises are less significant that it generally assumed. David Lin (1978) stressed the need for introduction of minimum wage legislation to protect the interest of UIS employees. Pang Eng Fong (1977) presented the fragmentary evidence on the gap between wage aspirations, the type of employment desired by job seekers, and available opportunities in Singapoore. Kundu and Mathur (1984) concluded the average income as well as the level of public amenities in large cities were generally higher than in small cities.

8. Credit & Finance:

Phongpaichit and others (1988) revealed that initial funding was one of the most important barriers for UIS. Seibal (1989 B) examined the extent to which both informal and formal financial institutions can be more wisely used for the betterment of the poor. Chipeta and Kondawire (1990) attempted to explain the nature, size and role of informal financial sector in Manila. While, Mark (1989) analysed the importance of UIS in the mobilisation and allocation of household saving in Zambia. Romijn (1986) analysed to what extent IS participants represents as potential source of saving. Rahman (1989) examined the performance and potential of UIS in Bangladesh in relation to institutional credit, specially, about Gramin Bank. Ramos (1989) focused on the social credit programme in Manila. Kirkul (1989) and Mosokotwne (1990) examined the informal sector financial structure. IRD (1989) discussed the ways and means as to how informal producers achieve a higher level of saving mobilisation and technology. Sunderatne (1989), in Srilanka, provided a classification of informal credit market. While, Senanayaka (1989) dealt with
the wide range of issues relating to UIS financial markets, Kundu and Alam (1989) concluded that efforts should be made to ensure that savings generated in the IS are not scattered in the other sector of the economy.

9. Entrepreneurship


10 Technology:

Khunder (1989) observed the some of question regarding to technology in UIS. while, Amin (1988), Ashe (1985 B) and Nadvi (1990) dealt with the nature of technologies used and patterns of technological change in UIS. Question of choice of technology industrialisation in developing countries was discussed by Dojkanovie (1984). while, Singer and Jolly (1973:108) concluded that, 'the sector had served as a basic for the development of technological adoption'.

Maldonado and Sethuraman (1992), Stark (1982 B), Bamiro (1983) and Barampara (1987) looked on the technological change in UIS. Aftab and Rahim (1989) found that upward movement towards the modern sector was interrupted by technological linkage between formal and informal sector of manufacturing industry. Another study concluded that IS was an appropriate intermediate mechanism enabling a transition from traditional to high technology society (Mettelin:1987). Khundkar (1992) observed that IS enterprises are technologically not a stangent one.
Hellgren, Islam and Muqtada (1990) discussed on the capital intensity, acquisition and adoption of technology and skill acquisition and formulation in south east Asia. Hakam (1978) focused on diffusion of technology in IS in Ghana. Amin (1988)'s study analysed the factors contributing to technology adoption and suggested policies to promote it.

11. Working Condition


Karnasuta (1987) analysed the labour conditions, employment relations, remuneration and socio-economic characteristic of workers. While, Goddard (1981) described briefly the working conditions of workers in slum of Nepal. ILO-ARPLA (1990) presented some of important legislation designed to afford protection, problems of application and discussed implementation of legislation. Gerry (1978) in Dakar, concluded that without radical change to the economy as a whole, there exist little or no possibility of an across the broad improvements is the living and working condition of mass of small scale producers. Another study examined the three types of youth training in Lusaca, they are: non formal training in skill centers, informal on the job training in workshops and formal industrial training (Harper:1981). ILO study (1988) emphasised to reorient the training system towards enhancing skills for self rather than wage employment. King (1989) focused on the policy issue of training for the UIS in developing countries. Carton (1980) analysed the role of training in the creation and growth of enterprises. Nihan and jourdin (1978) looked on the ILO research programme on skill acquisition and self employment in the UIS of french speaking Africa. While, ILO report (1980) aimed at discussing the existing programme of womens. Chen (1983), Matsebula (1990), ILO (1977) focused on vocational training for unskilled workers in UIS. King (1977) and Blaug (1979) focused on the nature, needs and importance of nonformal training programmes for UIS.
Moser (1978:1055) found that UIS had an important contribution to make in three areas: one, consumer goods for lowest income group; two uses indigenous goods and capital; three, more employment generating. Helliran et al. (1990) provided the sectoral composition and contribution of UIS to GDP. Sjarir (1985) observed that UIS contributed to the development of FS by distributing its output to the bottom stratum of the market and also helping to keep unemployment low.

12. Organisation:

Sanyal (1991) discussed the political behaviour of workers in UIS and identified the factors that might contribute to the creation of organisation of workers in the sector. Study also discussed the potential areas of conflict and common interest among workers organisation in the formal and informal sector. Pandse (1984) looked on the politics and organisation of urban workers. Another study in Bangladesh revealed that trade union activities in UIS were organised by all major parties which were mainly concerned with organised sector (Ahmed: 1984). Caberera, Magassa and Robquin (1988) described the operation of trade union association in Mali. While, Sandee (1985) analysed the organisation of sellers of vegetables and fruits. ILO report dealt with the role of employers organisation in the UIS and discussed the possible contribution towards the employers association vis-a-vis the UIS. Jayasuta attempted to assess the problem and need of construction workers in order to formulate appropriate policy measures and organisation of construction workers union. Rashid (1986) felt that an efficient and representative union would be essential to safeguard the UIS participants.

13. Training and Education:

Generally UIS absorbs persons with relatively little education (Sethuraman: 1981 A:91). Various studies in different cities have reported that median level of schooling of UIS participants is between 3 to 9 years, (Flower: 1981; Fapohund: 1981; Aryee: 1981, Margo: 1981; Moir: 1981, Berlink: 1981). Another study examined a correlation between the level of earnings and the level of education; and between the levels of earnings and the years of experience (IDS:1987). Oduaran (1989) examined the education background and training programme of UIS workers in Nigeria. A number of studies with various country or city experience, found that informal apprenticeship system demonstrated a considerable potential for training and development in UIS (i.e. Sufina: 1986; Hakam: 1983; ILO: 1989; Allen: 1982; Maldonada and Boterf: 1985).
Bas (1989) showed the possibility of management training in UIS. Another study proposed the adaption of marketing to training policies for development of UIS (Bas: 1987). Ramos (1989) examined the training programme for micro entrepreneurs and suggested to adopt indigenous management methods, while, Nadavi (1991) called for assessment of prevailing training programmes in the FS, with a view to improving the quality of skills in UIS. Herschbath (1989) discussed the three different training approaches that appeared promising were, namely: making services available approach, daily release approach and production activities approach.

14. Growth Constraints:

Manda (1990) revealed the barriers and constraints of UIS development, included lack of adequate capital and credit, management, skill and education, foreign exchange markets, licensing restrictions and the low level of urbanisation. Lachaud (1987), Carrizo (1986), NEDA (1985) and Ministry of labour (1991) and Msambichaka etc. (1989) found the major constraints were: lack of designated work premises, poor working environment, inadequate equipment, irregular raw materials supply and lack of business management skills etc. Lall and Mallcoum (1978) focused on demand and supply constraints in UIS of Bagota. Another study by Aftab and Rahim (1989) revealed that: non upgradation of techniques, inability of sector to absorb and attract new resources, skill and educational attainment were the handicaps for the UIS. Mead (1990), Nadvi (1990), Kazi (1987) and Lubell (1990) identified the lack of financial resources as most important obstacle of entry of micro enterprises. Schmitz (1982 A) and Lachaud (1984) focused on internal and external factors which seems to hamper the development of enterprises. Amin (1987) drawn attention to the various constraints imposed by the legal institutional framework and legal interest group, which hampers the economic performance of IS, obstacles to female labour force participation in the ULM was examined by Baud, Hemakers, Voibeda (1983).

15. Economic Development and Further Perspective

Hittige (1986) studied the employment and income generating potential in urban economy in Sri Lanka. Amin (1992) found that during the economic recession, UIS had played a cushionary role, while during upturn, the absorptive capacity of sector really increased. Sethuraman (1981 A: 33) discribed UIS as a source of growth because of the various reasons and benefits. Dynamics of the UIS activities was presented by Romijn and Mongkarnasutana (1991). While, Enzo Mingione (1984) studies the growth, modernisation and industrialisation of Italy in context of UIS.
Compact work by fluitman (1989) offered a wide range of empirical evidence of training for worker in the UIS around the world, and described how training for work in UIS should carefully examined for specific target groups and its need. Becker (1989) described the training Programmes carried out in Bangladesh. Portes, Castello and Benton (1989) provided evidence of a developing country in which the importance of UIS was on decline. Phongpaichit (1991) concluded that a gradual decline in the rate of employment in UIS anticipated from the ongoing economic boom. While, Standing (1977:43) observed that UIS participants were motivated by a 'survival algorithm' rather than by any form of profit maximisation. Khan (1987) observed that UIS can play a very important role in mobilising the human resources. Leburn (1990) discussed the sector's contribution to the country's employment and national product; the human resource involved; and the aquisition of skills etc. Bromley and Garry (1979) viewed that UIS not only relies heavily on the use of local resources but also plays a significant role in recuporating and recycling of the waste material in the urban areas. According to Bromley (1978 A:1036), "UIS appeared to possibilities of helping the poor without any major threat to the rich".

Study conducted by ILO (1985) cautioned that the traditional 'Safety valve' role of the UIS can not be relied on indefinitely. Aryee and Mhone (1990), Shen Ping Yu (1985) and Golozo & David (1991) concluded that the performance in terms of employment looks impressive, considering that conditions were not very favourable for the development of the Sector. According to Breman (1976:1981), there are two approaches about UIS, one school of thought looked UIS as most promising source of development. Sethuraman (1981A:23) argued the UIS has a due role to play in the process of urban development.

16. Regulation, Policies and Suggestion

Bhattacharya (1990) made an assessment of the impact of policies, regulations and institutions on the UIS. Maipose (1990) concluded that various legal and regulatory constraints had adversely affected the operations of UIS units by rising their costs of production, restricting mobility, decreasing revenues and investment. A large number of scholars discussed about the governments policies towards UIS, (i.e. Maldonado:1991, Amin:1981; Sjahri: 1992) and called for reduction and rationalisation of regulations, (i.e. Gozo & Davide:1991; Alexandar, at,al,1983; Siddique:1990;Rutaka:1991; Carrizo:1986; Schefft:1982).

Illy (1988), in Manila, concluded that regulations were purely symbolic and
ineffective, nevertheless, maintaining a climate of harassment and extortion. Relevance of labour standards of the UIS and the problems of extending their application was discussed by Hellgren, Islam and Muqtada (1990). Attin, concluded that enforcement of legislation would mean an extra cost for the production units, lower incomes for their owners or higher prices for the consumers. Ferchiou (1990) aimed to demonstrate that UIS have the capacity to absorb the "cost of legislation". Kornasuta (1987) recommended for a strict enforcement of labour laws and government policies. Sethuraman (1989 A) raised a number of issues pertaining to appropriate institutional framework for promoting incomes in UIS as well as the policy adjustments and coordination that are required. Alonzo (1988) examined the impact of key policy areas, i.e., tariff reform programme, trade policy regime, exchange rate policy and fiscal policy on UIS. Various issues and policy have been suggested by the researchers, they are positive governmental attitude, improvement in product and technological upgradation, licensing, reducing taxes, incentives, protection from government, a selective credit system, training facilities marketing (i.e., Kenya Mission: 1972; Morsden: 1984; Gozo: 1985; ILO: 1980; UNISEF: 1985; Aboagye: 1985; Moyo, et al: 1984; Scoville: 1981; Gozo & Draise: 1990).

Review of Literature on India

1. Urban Labour Market

The role of political and economical forces in the historical process, that divided a LM into distinct systems, was highlighted by L.K. Deshpandey (1983). In his thesis Mohan (1984) investigated dualism in Indian Labour Market. He also looked nature and direction of dualism, change over time and dualistic structure of labour utilisation in modern industries. Another study reviewed the existence of heterogeneity and stratification in Indian ULM (Harriss : 1990). Breman (1985B) attempted to divide labour in classes in his study in south Gujrat. Kabeer (1987) emphasised the way in which the social relations between men and women in Indian society ensured that they enter the LM as different and unequal categories of labour. On the other hand, Bapat and Crook (1988) presented evidence on the duality in that contact, kinship, caste and communities were some of the factors which determined the segmentation in the ULMs. Several authors studied a wide range of issues like LM, nature of work, working conditions, technology, dichotomy, concept of UIS, wages etc. (Raju: 1989; Kashyap & Singh: 1987; Tiwari: 1990). Papola (1985) discussed the segmentation, efficiency and equity in the Indian LM. While, in another study on ULM, he focused on LM process and wage structure in Ahmedbad (Papola: 1977). The dynamics and characteristics of ULM was revealed by ORG (1980) in metro Madras. Another study in Coimbatore, Harriss (1982) concluded that the degree of segmentation existed in the LM was high. Where, Mehta (1985) focused on segmentation of the LM.

2. Concept of UIS

Mangit Singh (1991) cleared the conceptual confusion by the study of labour process in the unorganised sector. A large number of researchers, if not all, used the employment size of enterprises to define the UIS (Samal: 1990; Joshi & Joshi: 1976; Mittar: 1988; Papola: 1981; Raju: 1988; Sreerammurthy: 1986; Raman & Krishna: 1984; Balasubramaniam and Raju: 1986). While Breman (1977), followed the type of working class to define the UIS. Lall (1991:6-9) defined the UIS by using quantitative parameters like, employment, investment, turnover, labour laws, registration, characteristics of
units and also used qualitative definition. He concluded that the definition should be location
specific and purpose specific. Society for Development Studies (SDS: 1986) found
quantitative definition more relevant than qualitative. National commission on labour defined
that, 'unorganised labour cannot be identified by definition but would be described as those
who have not been able to organise in pursuit of a common objective because of some
constraints.' Tiwari, R.S. (1990) defined the UIS activities as distinct from the formal in a
sectoral perspective. Banerjee (1981) defined UIS as those using traditional technology or
those activities organised on a small or those producing goods for local markets. NIUA
(1987 A:2) defined UIS as a proportion of the economy; which is composed of people
operating or working in very small business or enterprise; who lacks government recognition, registration and support for the enterprises; have poor access to commercial
sources of credit, earn low income and have limited employment and future security.
Joshi (1980) examined the definitional foundations and also looked at the boundaries of the
UIS.

Another study defined the UIS with four characteristics: labour force not recruited by
the law, no trade union; mostly self-employed units and casual and irregular workers
(Benjamin, Singh and Hariharan: 1988). Ramanujan and Nair (1978) reviewed on definitions
of UIS classified into five categories: size of establishments, technology used, industrial
relation practised in the firms, entrepreneurs access to market and institutional facilities
and skill of workers and entrepreneurs. Methodological and conceptual issues related to
informal sector was outlined by UNISEF (1985 B), and Kashyap and Singh (1987).

3. General Studies on UIS

Lall (1987 & 1989) with some other issues, assessed employment generation
capacity in UIS. Dasgupta (1985), in his Ph.D. thesis, studied whether the UIS was part and
parcel of the production process of the FS, and thrives because of low cost. While, Samal
(1990) covered the structure and operation of UIS, relationship between the UIS and FS,
rural-urban migration, socio-economic characteristics, productivity and earning differential,
pattern of linkages between the two sections in his study in Sambalpur. In Vizakhapatnam
city, Sreeramurthy (1986) sought to identify the absorption and mobility pattern of the LM
and determinants of earnings of the workers. Alfred De Souza's (1978) study was focused
on the urban poverty, Slums and UIS. Some other studies discussed issues like; profile
and problems of entrepreneurs, size, structure, socio-economic profile of employees.
Suggestion for growth, linkages, turnover, production, skill, technology, employment and
income generation etc. (TCPO; 1981; Benjamin, Singh and Hariharan: 1988; ILO;
Mathew (1987) studied the fundamental issue that what constitute formalism or informalism. While, Papola (1986 A) focused on growth of UIS and discussed the transient or permanent character of UIS. Buch and Pathak (1985) examined the role of UIS in the development of small and intermediate sized city with reference to Itarsi and Ratlam cities. While, Balasubramaniam and Raju (1986) concluded that, in general, both city size and growth rate were inversely related with UIS. Jaganathan (1987) studied about the informal market in economy. Sarkar (1984) documented the response of authorities to the problems of unemployment in UIS and looked what solutions they offered. Natarajan (1991) critically assessed the existing loop holes in statistical data collection on economic activities with the aim to bridge the existing information gaps on some aspects of UIS.

4. Working Conditions

With regards to the working conditions of UIS, various studies has pointed out the long hours of work, lack of job security, variability and uncertainty of incomes, lack of social security, absence of paid holidays, occupational risks and health etc. (Raju:1989; Samal:1990; Sreerammurthy: 1986; Mathew and Nair, ManjitSingh: 1988) Mukherjee (1990) and Mittar (1988) studied the problems of working condition and living condition of UIS workers in Calcutta and urban Punjab, respectively. Another study in greater Bombay focused long working hours, low wages, unsafe working policies and lack of basic amenities (Vaidhya:1986). Manjit Singh (1988), In the UIS in developing countries, looked at measures indicated to improve the condition of work where information is available.

Mathew (1985) studied about the gender based exploitation of labour under changing environment. While, Banerjee (1985), Gulati (1991) and Padumini (1987) analysed the working conditions of women in UIS. National commission on selfemployed women (1988) examined the status and health of woman in UIS in India. Bose (1990) analysed the grassroots efforts to improve working condition in UIS and drawn lesson from field. In the same line, wadhawan (1989) studied on various schemes of social and welfare protection covering the UIS in India. Bhatta (1989) discussed the extent to which labour regulations are actually applied with activities resulted to women's socio-economic conditions in UIS.
5. Migration

In the UIS workforce, migrants constituted, 46 percent in Vizakhatpattanam (Raju:1989; Sreerammurthy:1986); 61.6% percent is Sambalpur (Soumal:1990:65); 55 percent in Ahmedabad (Papola:1981:77) and 60 percent in kanpur (Tiwari:1990:234).

Banerjee (1986) examined the probabilistic migration model in Delhi and concluded that does not seem to be realistic. He found that over half of UIS entrants attracted in Delhi by opportunities available in this sector. The behavioural model of rural urban migration of labour in Ahmedabad was examined by Papola (1986 B). Another study in Delhi, examined. the migration decision, nature of information flow, selectivity, job expectation of rural to urban migration, sectoral mobility, structure of LM and determinants of earnings, (Banerjee:1983). Samal (1990:68) found the 'inadequate income' and 'poverty' in the native place were the most important cause for migration. The findings were similar to that, implicitly or explicitly stated by other scholars (Aziz:1984; Dandkar and Rath:1971; Mittar:1988; Bandhopadhyaya;1990; Papola:1981).

Mazumdar (1980) suggested that the decision of UIS participants to migrate was rational response to prevelence of better employement and economic opportunities was based on the invisiable information network. Banerjee (1983) found 'pushfactor' was not so important in Delhi migration. while, Samal (1990:64) observed higher proportion of migrants moving out was owning to push factors. Tiwari (ICSSR) found migration into cities certainly less trouble some if some one from the family or native place were already living there. Papola (1981) and Samal (1990) in their empirical study showed that direct and intermediate motivation for migration was the expected current earnings differentials. Mittar (1988) found that the current rural-urban earning difference hypothesis was not tenable.

Studies shown that the migrant has close links with their native place (Mazumdar:1980; Papola:1981;Banerjee:1986). Mittar (1988) looked on the remittances made by migrants to their native place and their uses at the place of origin.

6. Urban Poverty and Poverty In UIS

There seems to be close relationsip between 'urban poverty, slums and participation in UIS. Mittar (1989) examined the characteristics and employment problems of slum in Indian cities. Aziz (1984) examined the conditions of urban poor in Banlglore. Another study attamated to analyse the situation and causes for the growth of urban prverty in a
semi urban city (Kisthaish:1985). While, Mitra (1990) analysed the emergence of slum in the context of migration. Mukharjee (1990), felt that the question of measuring poverty becomes more complicated in the context of the UIS. While, in Ludhiana, Vaisishta (1990) found that the incidence of nonfood poverty was some what less than that of food poverty.

Vaidhyanathan and Bhatta (1987) examined the perception of beneficiaries about the economic support measures intended for the urban poor in Hyderabad city, while asperiation and hopes of slum dwellers is Bombay has been examined by SPARC (1987). Shaw (1984) and Romatet (1983) studied on the working of slums in Culcutta. In Patiala, Mittar (1986:33) concluded, that incidence and intensity of poverty was high is UIS and large among the migrants. The socio-economic and cultural dimensions of urban poverty was focused by Desouza (1978). Punit (1982) has tested the relationship between caste and poverty in India. Mazumdar (1978:40) emphasised the essentiality of urban poor for the economy. Deshi and Dhariwal (1981) studied about the health education, productivity, daily diet, housing, clothing and personal care in Amritsar city.


7. Entrepreneurship in UIS

Raju (1989) studied the profile, backgrounded and the attitude of entrepreneurs in the UIS. VanDen Bogaort (1978) mainly focused on the manners in which the tribes participates in Ranchi, as entrepreneurs or self employed persons. While industrial and commercial entrepreneurship in Vizakhapattna, Ankapalli, Vijayawada and Guntur region of Andhra Pradesh was explored by B.S. Rao (1975). Entrepreneurial background of Pan shopkeepers in Ahmedabad and Anand was looked by Ramchandran (1989). Cher (1989), Raju and Ratanam, (1985) ORG (1980) and Lall (1987) also thrown light on related issues on entrepreneurship in UIS.

8. Relationship and Linkages

Kalpagam (1981) examined the types of linkages which exist between FS &IF. While, Aziz (1984) examined, wether the FS in more effective in improving a faster growth
of UIS? Harriss (1982) found that the extent of subcontracting between big capital industries and small units is shown to be considerable. Mehta (1985) dealt with the direct and indirect relationship and social dependency relationship between the two sectors. While, Lall (1987) found little forward and backward linkages between the two sectors. Mohammed (1989) studied the intersectoral linkages and showed the vertical linkages with FS were rather weak.

Thippaiah (1985) revealed that existence of FS was almost impossible without the help of UIS. Bose (1978) found that market for small producers was controlled by large scale firms in footwear and clothing in India. Shaw (1985), Chaudhary (1989), Kashyap and Singh (1987), Riberio (1989) etc. examined the linkage between UIS and FS. Shaw (1990) highlighted the complex interdependence existed among the UIS and FS, and N.G. Singh (1990) focussed on structural relationship between the developed UIS and petty production sectoral. Balasubramaniam and Raju (1986:9) found that there existed a strong relationship and interdependence between FS and IS.

9. Earning and Earning Determinants

Banerjee (1986) looked upon the determinants of earnings in UIS and found the process of determination was different from FS. While, Sreerammurthy (1986) examined the influence of various factors on the determination of earnings of the UIS workers. Deshi and Wdhawan (1984), in Nangal study, pointed out that ownership status, training and education were the most important variables in productivity, earnings and employment potential. Attention was drawn on the wide disparities in the earning levels of the UIS participants by Cherumilam (1981). Popola (1986B) showed the wages differential in the FS and UIS. While, Mathew and Niar (ICSSR) emphasised on the exploitative nature of wage structure in UIS. Mittar (1986:36-37), in Patiala, arrived at the conclusion that 47.8 percent of the UIS workers were earning less than the legal minimum wages and over half of the UIS workers earning half of the FS earnings. R.S. Tiwari (ICSSR), in his Kanpur Study concluded that average earnings at the time of first job in this sector was higher by three times that what workers had at their native places before migration.

Radhakrishna (1977:15) has observed significant variation in earnings in UIS of Ahmedabad. While, Subramaniyam (1975:127) have observed the earnings differentials among different types of workers viz., establishment workers independent workers and casual workers.
10. Growth and Potential:

Chaudhai (1989) pointed out the capacity of the UIS to expand in terms of output and employment, while, Mohammad (1989) shouted that UIS, having high potential of employment and income generation and reduce the pressure for employment on FS. Cherumilaum (1981) found that the UIS forms a very important part of the urban economy for the development and is equally important to the growth of FS. Another study concluded that proper and systematic planning of this sector can accelerate the development process and indicate balanced development of urban affairs (NIUA: 1987 B). Buch and Pathak (1985) focused that the IFS was an important and growing source of employment in small and intermediate level cities. Mittar (1988) assessed the role of the UIS in urban economy.

11. Trade Union and Organisation:

Sarkar (1984) studied the response of political parties, trade union and voluntary organisation to the problems posed by UIS. In the same line, Sanyal (1991) discussed that the political behaviour of self employed workers in UIS, and identified the factors contribute to the creation of organisation of workers in the sector. Extent to which attempts have been made by informal workers in India to organised themselves into trade union had been examined by Shukla and Shukla (1987). Vaidhyan (1986) found that workers liked to joined unions but were afraid of loosing their job in the case they join the union in Bombay. Vijay Shankar (1986) analysed the growth of trade union organisation among the head load workers in Trichur. Manjit Singh (1988) found in Punjab, that trade union’s was not strong enough to fight out the appealing working condition.

12. Credit and Finance:

Mazumdar and Lall (1992) examined the financial requirement of UIS economic activities and recommends a specialised financial system for UIS. During the examination of working of informal credit market in India, Dasgupta and Nayar (1989) concluded that such market can play on important role not only in the unorganised sector but also in the organised sector. Vaidhyanathan and Bhatt (1987) examined the perception of beneficiaries about economic support measures intended for the urban poor.

13. Education, Skill and Training:

A large number of research studies revealed that labour force dominated by less educated and unskilled labour (i.e., Mittar: 1988; Papola: 1981; Samal: 1990). Sreerammurthy (1986:68) found that, ‘UIS is one of the major source of employment accessible to the illiterates’. IMAR (1988) examined the role of UIS in skill development in
Tumukur, Karnal, Kanti and Deori. Jumani (1989) set out to examine the role of SEWA in improving women's socio-economic conditions and concluded that training must provide solution of plight of all those engaged in informal activities. While, Godade (1989 A&B) described the mainfold role of SEWA in assisting women informal producers particularly in the field of training.

14. Women in UIS:


15. Labour Standards:

Bhattacharya (1990) focused on the impact of policies, regulations and institution of UIS. Singh, M (1988) emphasised to evaluate the performance of the labour law enforcement machinary in hosiery export industry in Punjab and found labour department a mute witness against the interest of labourer. Jumani and Joshi (1984) assessed the relavency of the present legislation which affected the howkers, namely, the constitution of India, the municipal corporation act, the public act, and the railway act etc. Mathew and Nair (ICSSR) observed that there existed no benefit under labour laws in UIS, while Bhatt (1989) detailed the tour diary of national commission of self employed workers and self employed in UIS and briefly discussed the extent to which regulation are actively
16. Policy Measures:

Agrawala (1986) suggested a package approach encompassing effective implementation of minimum wages act is UIS. Kauser (1992) identified the basic needs and areas in which intervention might be desirable. Kale (1985) felt that assistance efforts were not closely linked and an integrated programme to this sector can be one solution, like one window service. Bose (1974) in Calcutta study, suggested that problems should be tackled at source, that is, rural areas, through land reform and by creating heavy demand for UIS goods. Lall (1992) recommended to utilise the delivery system of informal manufacturing enterprise to allivate poverty through provision of credit and delivery inputs to be made available in three stages to upgrade individuals or households from a level of poverty to a self sustiable growth path. While, a number of studies suggested proper definition, skills and entrepreneurship development programme, proper linkage with other section, accessibility of institutional finance, basic infrastructure, provision of basic facilities, saving mobilisation etc. (Lall:1991; Mehta : 1985 ; Buch and Pathak :1985 ; Rajula Devi :1985; Thakur :1985; Thippaiah:1985; Raju:1989; Bose:1989)

Concluding:

The present chapter highlighted the interest of the scholars in the field of UIS the improvement on UIS constantly increasing, consequently, new dimensions of UIS emerging. The studies emphasis the importance of UIS in the field of development, still the literature on the UIS are suffering from problems and lacunae even after, 20 years. Since the receipt of the attention of scholars there is acute shortage of data, which is very essential for any study and this lack of data is an important obstical for analytical studies. Further, the data which are available are not compiled from particular situation using particular parameters. The matter needs special attention by scholars.