CHAPTER - I

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One of the most striking features of development in the third world during the last few decades has been described as the 'Urban Explosion'. Urban population in these countries is expected to rise from 16 percent in 1950 to 43 percent by the year 2000 A.D. (U.N. Population Division:1970). Besides, unprecedented rates of growth of population, there has been an exodus of rural population towards urban centers, which have resulted a substantial increase in Urban Labour Force (ULF). The 'Process of Urbanisation' has contributed to mass urban unemployment, underemployment and extreme poverty in the urban areas of third world.

Modern manufacturing industries, public utility infrastructure, civil administration and large private enterprises, usually referred to interchangably as the 'modern', 'organised' or 'formal' sector in urban areas of developing countries have not been able to absorb the total addition to the ULF. As a result, the bulk of the increase in the ULF has either remained openly unemployed or has entered the 'Informal', 'Traditional', 'Unorganised' or 'Murky' Sector, which is popularly belived to consist mainly of low productivity activities in trade and commerce and personal services, specially.

This Sector in not new for the country like England, but, there has been an upsurg of debate, discussion, dialouge and controversy around the concept of Urban Informal Sector (UIS). Since 1970's, particularly in the context of developing countries. Though the concept was first used by Keith Hart (1973), it has started gaining considerable importance in the literature on development policy in general and employment policy is particular with its adoption by ILO's employment report to Kenya. ILO launched a series of studies on the employment potential of the UIS in selected developing countries, which concluded that UIS is the major contributor to maximise the employment and improve the living conditions of the surplus labour in the developing countries, and recognised the UIS as the point of focus for further growth and development. Since then, concept of UIS has gained great importance in research and policy on employment, urbanisation and development, not only in developing countries but also for advanced industrialised and socialist countries.
There is vast scope, potential and need to study the different aspects of UIS. It is in this context, a study on the UIS in a rapidly growing city, may yield interesting results. Hence, a modest attempt is made to study the UIS in Raipur city of Madhya Pradesh state. The study emphasises on earning and employment situation of UIS labours, working in trade sector, specially.

1. Dualism and Dichotomy

The Concept of UIS assumes a dualism in urban economy. Although dualism is an universal phenomenon, yet many of its elements are not common. The central feature of dualism seems to be two contrasting principles on which production activities are organised. It will be worthwhile to look at the various classifications used from time to time, and examine how the latest of them is advantageous over formal sector informal sector dichotomy.

There has been a long discussion from social dualism to urban dichotomy. Boeke (1953) presented the social dualism theory, while Higgins (1966) emphasised on technological dualism theory. In his macro theory of dualism, Arthur Levis (1954) assumed the existence of two sector in an economy: a Capitalist Sector and a Subsistence Sector. Fei & Rain (1967) elaborated Levis model and assumed coexistence of two sectors: Subsistence agriculture sector and commercialised industrial sector. Todaro’s (1969) model was seen as an improvement over all other macro dualistic models, in which he divided the urban economy in to urban traditional sector and modern sector.

The two sector of urban economy have been labelled by different terms. They are: ‘Richand Poor Sector’ (week:1977); ‘Protected and Unprotected Sectors’ (Harberger;1971); ‘Factory and Nonfactory Sector’ (KalPagam; 1981); ‘Enumerated and Unenumerated Sector’ (weeks:1975); ‘Firm centered and Bazar type Economy’ (Geertz:1963); ‘Uppar and Lower Circuits (Santos:1979), ‘Capitalist and Peasant System of Production’ (Mcgee:1973) and ‘Organised and Unorganised Sectors’ (Joshi & Joshi:1976) etc. Some scholars (Like;Lewis:1979, Mazumdar:1973; Sen:1975;, Mukhopadhyay:1981) have brought dichotomy in a labour market of an industry, or in an area, or in an economy as a whole.

All of the above dichotomus approaches emphasized are the organisations of production activity in the urban economy. In view of conceptual vagueness, analytical variability and operational usability, it is better to argue for use of formal and informal sector dichotomy as a convenient method of analysing the structure of urban economies.
FS-IS dichotomy was first used by Hart (1973) and well accepted by ILO-WEP and other leading institutions.

In spite of the fact that dualism in the urban economy is by now a well recognised and widely used concept, it does not necessarily mean that the FS-IS terminology is satisfactory from every point of view and is operationally usable. Some scholars, like, Emmerij (1974:203) feel that the UIS enterprises are in the process of transition and eventually they will merge in to the formal sector. Advancing from the dichotomy, some scholars have assumed the UIS as one of the three segments in a trichotomus urban economy, viz, Lewis:1979; Joshi:1980; Steel:1977; Sanchez; et.al.:1981; Aziz:1984.

2. Conceptual Controversy on UIS

The term UIS was first used in Socio-anthropological studies of third world cities in the 1950's mainly in ethnic groups or studies. Subsequently, sociologists and economists used it in the context of area or sectoral surveys of fast growing urban situations in developing countries. Finally, the term 'Informal or 'Irregular' economy came to applied also to events taking place in the industrialised countries in last decades.

Since the utility of the UIS concept was first recognised, researchers and policymakers have applied it to a diversity of empirical data, and in many different contexts. 'What has resulted is complete confusion about what is actually meant by the UIS ? (Moser:1984 B:142). According to Sethuraman, 'the term UIS has acquired various meanings, according to the researchers and their objectives what is UIS ?' Though the question is very simple, the answer is far from it... it is like asking what is an underdeveloping countries' (1981 A:10&13). Hansenne added that, "It has so for provided impossible to reach out a clear and generally accepted definition of the concept. There is far from universal agreement on what constitutes an informal activity or what distinguishes it, from a 'formal production unit.'"

If the ability of the UIS to generate economic growth and consequently employment is to be assessed, clarity of concept is, essential. So, it is useful to reiterate very briefly, some of the most important definitional distinctions, within the common a priori dualist framework, shared by all conceptualisation of the UIS. They are:
I. ISIC Approach:

Some authors (i.e. Bhalla:1971) has suggested that one can define IS by listing specific informal activities from the International Standard Industrial classification (ISIC).

On practice, however, such a simple system of classification is not feasible. Small scale manufacturing which is an important component of IS will in this classification fall in FS. Sofar developing countries are concerned neither ISIC is sufficiently disaggreated to permit a separation of informal and formal activities on the basis of sectoral classification nor such disaggregated information would hardly be available anywhere in the third world and probably not even is the industrialised countries.

ii. Characteristics of Enterprises Approach:

According to Kenya mission (ILO:1972) and Sethuraman (1976) it is the enterprise not individual that are classified into the two sector which is to be considered as a positive step in defining IS.

This approach identify IS enterprise through the certain specific characteristics proposed by ILO-Kenya mission (ILO:1972:215) and followed by other i.e., Sethuraman (1976).

This approach has certain problems. First, on the basis of characteristics may be impossible to absorb in FS. Second, for the emperial research these charasteristics are impossible to operationalize. Third, listed and observed characteristics of the IS, not necessarily consisted with each other and donot also provide a clear identification. Lastly, proposed charasteristics by studies (ILO:1972, Sethuraman:1976) donot seems to relevant in else where.

iii. Itinerent or Foot loose workers Approach:

Another approach to define the IS in terms of itinerent or footloose or flouting workers (C.S.O. 1985) who operate a business without a fixed workplaces such as street vandors, shoeshiners, carwasher, beggars, prostitutes, those who works in the open air or unroofed structure and others.

This approach has been abandoned as it recognise that it also includes a variety of activities, which takeplace in tiny forms, operated within the house of the owners or even a proper workshop.
iv. Legalistic Approach:

Another approach limits the IS to unregistered, unlicensed, illegal enterprises or trades (Sethuraman 1976: 126; Hart : 1973 ; Ports, Blitzer and Curtis: 1986 : 726 ; Wellings and Sutcliffe : 1984 : 519). But this type of definition are rather vague and confusing.

v. Workers Characteristics Approach:


vi. Urban Poor Approach:

UIS is taken to consist of urban households or individuals with low income or poverty striken workers (Sethraman : 1976 : 25 ; Das : 1984 : 125).

By and large, most of the poor work is the IS but all persons working in IS are not poor and all the poor people donot work in IS.

vii. Hidden Economy Approach:

Attempts has also been made to the notion of hidden or shadow economy for IS in industrialised economy (Bromely:1982; Tanzi:1982; Illich:1981; Mingione:1987).

Infact hidden economy and IS have some common characteristics but by and large both terminology refers to essintially different phenomenon.

viii. Relationship with the State Approach:

According to some authors, i.e. weeks (1975); Portes, Blitzer and Curtis (1986); Bromely (1978A); Willings and Sutcliff (1984); Shen Ping Yu (1984); Feige (1990); IS activities are largely ignored, rarely supported, often regulated and somtimes activity discouraged by government.

This definition leads us nowhere. In country like India, IS enterprises needs and have some short of relations like licencing etc. with the state.

ix. Earning Criteria Approach:

Sabot (1979:167-168) argued that IS is different from FS, in terms of earning, which is protected from the market forces and in other hand unprotected and flexible wage structure for the IS. According to Souza and Tokman (1976:355-64) and Schafer (1976),
IS sometimes defined to include workers' earnings below the legal minimum wage.

This approach has some problems. One, an enterprise excluded from the IS category on the basis of characteristics may be impossible to include in the modern sector. Two, these type of definitions are impossible to operationalise for the purpose of empirical research. Third, minimum wage criteria is still seriously flawed, particularly in countries where data on non-wage segments to the total labour force are weak.

x. Multiple Criteria or Combination Approach:

Nihan and Jourdan (1978), Manjit Singh (1990), Sethuraman etc. defined IS by combining at least two criteria or multiple criteria. Any enterprise satisfy at least some of them can be qualified for IS.

Eventually the use of such multiple criteria to identify the population of the UIS leads to a number of theoretical and empirical problems (Haan : 1989A:7).

xi. Industrial Relation Practiced:

According to Mazumdar (1975) FS is protected by the action of trade unions and government. While same is denied to the IS labourer. According to other authors, IS is equated with the unprotected segment of the urban labour market, where free entry exist owing to high labour turnover and wages are significantly lower than in the FS (Viz. Lubell and Mouly:1976; Herperger:1971; National Commision on labour).

Conceptually the approach is very good but it is difficult to apply in practice. In a firm, some employees enjoy all benefits but other (temporary and contract labour) did not have the facilities.

xii. Mode of Production Approach:

Sethuraman (1981), Willings and Sutchcliffe (1984), and Papola (1981) argued that UIS should be conceptualised as a specific form of production, which is dependent on, integrated with and subordinate to the capitalist mode of production, which therefore determine the space in which the UIS may develop.

It is however not clear in what sense the term mode of production is used and what it meant by modern mode of production. In practice it is very difficult to determine the exact mode of production in a particular sector or sub-sector. In spite of difficulties, some scholars like Gerry (1979), Lipton (1984), Mcgee (1973), Moser (1978), Remy (1982), Davis (1979) have tried to define the concept of IS on the basis of mode of production.
xiii. Size of Employment of the Firm:

In most of the literature on IS, researchers used size criteria or size of employment of the firm to distinguish IS from the FS. In spite of some authors, viz. Joshi & Joshi (1976), Despandey (1979), Squire (1981), Souza and Tokman (1976), Bose (1978) and Harriss (1978); a large number of researchers followed the cutoff point of less than 10 employees, e.g. Aryee (1978), Mazumdar (1981), Aziz (1984), Raman & Krishan (1984), Papola (1981), Satyaraju (1989), Sreerammurthy (1986), Sethuraman (1976) Desai and Wadhawa (1984). More than 10 employees in an enterprise means implication of factory act and working in this type of enterprise should be formalised.

Some authors (e.g., Papola: 1981) think this approach can create some problems in co-ordinating the theoretical notion of the concept of IS with the empirical identification, on certain economic counts, scale of production and turnover, capital intensity, productivity and surplus generation (Samal: 1991: 19).

What may be the demerits of this approach, but this approach is widely used in the literature and research on IFS.

xiv. Sectoral Perspective Approach:

Some authors defined IS activities as distinct from the formal in a sectoral perspective and used different definition for each subsector of IS. According to R.S. Tiwari, "In manufacturing sector IS can be classified less than 10 with the use of power and less than 20 without use of power, in non-manufacturing segment, employing less than 4 have been classified under IS' (1990: 11). This type of definition is good for the heterogenous group like IS, but cut-off point for non-manufacturing sector is vague.

xv. Other Approaches:

IS is defined in various other loosely used terms, which reveals nothing but increasing confusion about the concept. In brief they are:

A. Social Nature Approach:

Some authors like van Gelder (1984) and Mingioni (1983) defined IS in terms of social nature or labour relation or kinship etc. But this concept largely used for African society.
B. Technology used Approach:

Tokman and Souza (1976) and other defined IS as the sector uses simple technological progress. But some times IS units uses the same technology which is being use by FS and some of FS firms use simple technology because of oldness or lack of resources.

C. Households Approach:

Another authors attempted to define IS not in terms of individuials but in terms of households to which they belong. The choice of household as a unit can be possiblewhere household survey data exists and sampling focused on developing countries.

D. Sex & Race Approach:

Number of authors viz., Ports & Stepick (1985), Ports, Blitz and courtis (1986), Willing and Suitcliff (1984) identified the race and sex as major discriminating factors between FS and IS. This approach leads us no where.

E. Capital Investment:

According to Ashe (1985:3) 'Investment in IS various from few Dollers to less than 4000 Dollers for the equipment and working capital of a shoe making shop employing 4 or 5 workers.

F. Residual, Refuse and Buffer Sector:

Das (1984) viewed IS as some short of a refuse economy of urban poor migrants who were enable to participate in the modern industrial economy of the urban areas (p.124). While, Niitsu and Hasimota (1985) and Lubell (1973:28) called as residual buffer economy, and Mazumdar (1978) called as 'buffer economy.

G. Discountinuties or Inherent Disadvantage Approach:

Schafer, prefered to define the IS in terms of discountinuties, the substantially disparities in income level, size of enterprises and technology which prevail in a relatively low income economy (1976:64).

The discountinuties are said to be the consequence of the inherent disadvantage focused by small enterprises interms of technology, degree of exptrtise and institutional organisation.

Definition used in Present Study:

Despite the conceptual controversy posed in the above table, for an empirical study
like the present one, it is essential to adopt an operational criterion to identify the UIS. Here, it will be worthwhile to make it clear that it is enterprises or activities not the individuals are classified.

One criterion which is common to UIS units and it is approximately synonyms, is the size of units. Which is also operationally a convenient criterion. We therefore, postulated a general proposition that the all trading units employing less than 10 workers may be considered as UIS units. Because, up to the employment of this size the factory act is not applicable. So it will be worthwhile to chose this size criteria in the present study. Above this size of employment, the enterprise requires a higher degree of managerial skills and capital investment. In those units institutional factors have no role to play in determination of wages, social security and working condition. Hence, informal sector units, in general, has informal relationship with its employees. All units covered in this study comes under the M.P. shops and establishments act, 1958.

3. Role of UIS in an Economy:

There are two dramatically opposite views regarding the role of UIS in developing economies. According to one view, the growth of UIS is a symptom of parasitism and have to eliminate this by emphasising the FS. The other view, is that the FS is a real parasite and UIS is the way, who try to correct the distortions and best way to promote employment, is to remove all legal-administrative obstacles which hamper it. Inspite of the controversy, the significance of UIS is well recognised by researchers, on various reasons, are:

(i) Due to its low capital intensity, UIS requires only a fraction of the capital needed in the FS to create a job.

(ii) UIS tends to generate demand for semi-skilled, unskilled and illiterate labourer, whose supply is rapidly increasing.

(iii) The UIS is performing an important role in formulation of human capital by providing access to training and necessary expertise, even at a cost substantially lower than that provided by the formal training institutions.

(iv) UIS, uses the local resources and, also, recuperation and recycling discarded materials that are otherwise wasted. Besides generating employment, UIS save real capital and promotes the efficient use of resources.
(v) One of the reasons for the thriving of the UIS is the comparatively low prices, due to very low establishment charges and low profit margin.

(vi) The UIS makes a major contribution to the reduction of the high youth unemployment by providing jobs to them.

(vii) UIS provides income opportunities for the poorer, although a majority of UIS workers earn relatively low wages.


(ix) Insecure and competitive market for UIS, contributes to an increase in the innovative potential and changes for development of this sector.

(x) Some of UIS functions having significant export potential, i.e. handicraft etc. but it is not fully exploited, owing to distortions in exchange rates and market prices.

(xii) UIS, is playing a significant role for the process of urbanisation, by keeping the price of urbanisation at lower level.

Above and all, it will be worthwhile to quote, Sethuramans (1976) argument that 'UIS has a due role to play in the process of urban development'.

4. Significance of the UIS in India.

The series of city or country studies conducted under the auspise of ILO-WEP revealed that the share of urban labour force engaged in the UIS ranges anywhere between 30 percent to 70 percent in urban areas of many developing countries. In India, several studies have attempted to indentified the importance of UIS. Table 1.1 presents the employment in FS-IS during 1971, 1973, 1978 and 1981 for country as a whole and indifferent industrial categories. The table reveals that the proportion of IS employment is over 90 percent of labourforce indifferent years. As per the Planning Commission,
### Table 1.1
**Industrial Distribution of the Employed Population**
*By Formal Sector and Informal Sector in the Years 1971, 73, 78, 81*

<table>
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<tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Formal sector</td>
<td>Informal sector</td>
<td>Total</td>
<td>Formal sector</td>
</tr>
<tr>
<td>1.</td>
<td>Agriculture &amp; Allied Activities</td>
<td>14.2 (7.65)</td>
<td>165.91 (79.65)</td>
<td>167.33 (73.76)</td>
<td>1.45 (7.24)</td>
</tr>
<tr>
<td>2.</td>
<td>Mining &amp; Quarrying</td>
<td>0.70 (3.77)</td>
<td>0.35 (0.17)</td>
<td>1.06 (0.46)</td>
<td>0.79 (3.94)</td>
</tr>
<tr>
<td>3.</td>
<td>Manufacturing</td>
<td>4.68 (25.20)</td>
<td>16.64 (7.99)</td>
<td>21.32 (9.40)</td>
<td>5.01 (25.00)</td>
</tr>
<tr>
<td>4.</td>
<td>Electricity, Gas &amp; Water</td>
<td>0.48 (2.59)</td>
<td>0.08 (0.04)</td>
<td>0.56 (0.25)</td>
<td>0.53 (2.60)</td>
</tr>
<tr>
<td>5.</td>
<td>Construction</td>
<td>1.02 (5.49)</td>
<td>1.41 (0.68)</td>
<td>2.43 (1.07)</td>
<td>1.19 (5.94)</td>
</tr>
<tr>
<td>6.</td>
<td>Whole Sale and Retail trade,</td>
<td>0.34 (1.83)</td>
<td>9.36 (4.49)</td>
<td>9.70 (4.27)</td>
<td>0.36 (1.80)</td>
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<tr>
<td></td>
<td>Restaurant &amp; Hotel</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>7.</td>
<td>Transport, Storage and</td>
<td>2.54 (13.68)</td>
<td>2.06 (0.99)</td>
<td>4.60 (2.03)</td>
<td>2.63 (13.12)</td>
</tr>
<tr>
<td></td>
<td>Communication</td>
<td></td>
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<tr>
<td>8.</td>
<td>Finance &amp; Insurance &amp;</td>
<td>7.39 (39.79)</td>
<td>12.49 (6.99)</td>
<td>19.68 (8.76)</td>
<td>8.08 (40.32)</td>
</tr>
<tr>
<td></td>
<td>other services</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td></td>
<td>18.57 (100.00)</td>
<td>208.30 (100.00)</td>
<td>226.87 (100.00)</td>
<td>20.04 (100.00)</td>
</tr>
</tbody>
</table>

**Source:**
2. Employment Review, DGE&T
3. Agrawal B.L. "Changing Pattern of employment and income in India" paper presented to ADIPA, Kuala Lumpur.
unorganised sector accounts for 99 percent of workforce is agriculture. 78 percent in manufacturing; 34 percent in mining; 58 percent in construction. 70 percent in trade 46 percent in transport and 67 percent in services (Govt of India: Planning Commission: 1978-83).

The proportion of UIS employment in different cities of India was found to be very significant. These are 47.7 percent and 49.5 percent in Bombay during 1961 & 1971 respectively (Joshi:1976:48); 61.4 percent and 53.8 percent in Delhi during 1961 & 1971 respectively (Majumdar:1980:25); 50 to 70 percent is Madras (ORG:1978:46); 75 percent in Valsada (Breman:1976); 83.8 percent in Vizakhapattanan (Raman & Krishna :1984). 28.3 percent is Calcutta in 1971 (Bose:1978:19); 40.3 percent is Bangalore during 1971 (Aziz:1984:52); 79 percent and 82 percent in Sambalpur during 1971 and 1984 respectively (Samal:1990:57); 28.88 percent in Madurai (Benjamine and others:1988:119); between 53 percent to 62 percent in cities of Wardha, Jaipur, Allahabad and Gaziabad (NIUA:1987B:93) and 37 percent in Kanpur (R.S. Tiwari : 1990:233-34). Although these researchers used various definitions for UIS, but mostly used definition was size criteria of less than 10 (ten) employed in unit.

Some studies have shown that the size of employment is UIS has increased over a period, particularly, in Bombay, Ahmedabad, Sambalpur and urban Delhi (Deshpandey:1979:66; Papola:1981; Samal:1990:57: Majumdar:1980:3). In Madurai, Benjamine (1988) found that an average employment per unit was 6 workers, while in Calcutta it was 6.2 workers (Banerjee:1985). The average employment per unit was 2.82, 1.6 and 3.84 respectively in Sambalpur, Nangal and Ahmedabad (Samal:1990; Deshi & wadhawa:1983; Papola:1981).

UIS, in India, is absorbing the great pace of migrants from rural to urban areas. Proportion of the migrant workers in UIS was 61.67 percent, 79 percent, 64 percent, 55 percent, 34 percent, 47 percent and 72 percent in Sambalpur, Nangal, Vizakhapattanan. Ahmedabad, Calcutta, Delhi, Bangalore, respectively (Samal:1990; Deshi & wadhawa :1983; Sreerammurthy:1986;Papola:1981, Banerjee:1985, B.Banerjee1983; Aziz:1984).

In his study is Ahmedabad, Papola found that value added per worker was Rs 29728 in manufacturing, Rs. 11000 in trade and commerce, Rs. 22570 in services, Rs. 5223 in hotels and restaurents and Rs. 16376 as an average of all category (Papola:1981:45, Table III:6). Value added in Sambalpur for formal manufacturing sector
was Rs. 15 thousand, while, it was Rs. 5.70 thousand in UIS. Thus, capital is more productively used in the UIS (Samal: 1990:46, Tab 3:10).

In Delhi, Riberio (1986) found that an average annual turnover of Rs. 1,00,000 generate employment for 2.97 workers in manufacturing activities, 1.10 in trade and commerce and 1.35 in repairing and services (1986:295). Papola, found that a turnover of Rs. One Lakh generates employment for 1.5 workers in manufacturing, 0.18 in trade and 0.25 in services (1978). Samal, revealed that turnover per employee was 0.52 lakhs in Sambalpur. (1990:39).

5 Objectives of the Study

Present study is basically a case study, which seeks to identify the income and employment patterns of workers in Urban Informal Sector and examine the influence of various factors on the determination of earnings of workers. The main objectives of this study are:

(i) To identify the process of generation of income and employment in Urban Informal Sector;
(ii) To examine the labour market behaviours in Urban Informal Sector in relation to migration;
(iii) To study the working and living condition of workers in Urban Informal Sector;
(iv) To assess the proportion of the Urban Informal Sector workers living below the poverty line;
(v) To find out the number of days and months for which the workers in Urban Informal Sector get employment.

6 Hypothesis of the Study:

In dealing with the objectives stated above, this study will examine some hypothesis. they are:

(i) The Urban Informal Sector plays a key role as absorber of migrants in urban labour market;
(ii) Incidence of poverty is higher on Urban Informal Sector workers;
(iii) Urban Informal Sctor labourer experience a higher degree of unemployment;
(iv) Wage structure in Urban Informal Sector is exploitative.

7. Methodology of Research:

Present study was carried out with the help of both secondary and primary data:
i. Secondary Data:

The secondary data was collected from published and unpublished records, reports and research materials of various institutions and individuals. Data relating to population, labour force, workforce structure, sex were collected from census of India. District Handbook was also used to obtain various information regarding to Raipur city. Some other important published and unpublished data were also used in our research.

ii. Primary Data:

On account of lack of any indication about the workers engaged in UIS, we didn't have any idea about the size of universe. To arrive at an estimate of total numbers of units, which form the universe of this study, relied on various sources of information, such as, District Industry Center, Raipur Municipal Corporation, District Statistical office, Employment Exchange, Labour Welfare and Industrial Safety Dept., Labour Dept. and various organisations. By this method it was found that there were 10,172 shops and establishments in Raipur City, employing 4996 workers under M.P. Shops and Establishments Act, 1958, during 1991.

Present study used data of 200 workers engaged in trading units in Raipur city. The sample size of 200 workers forms 4 percent of the total workers engaged in shops and establishments Act, 1958 in Raipur. The data relating to these trading activities and obtained by canvassing workers schedule. A workers schedule was prepared for this purpose (Annexure).

iii. Sample Design:

It was observed that trade sector covers various type of shops and establishment, so it was worthwhile, to divide the trade sector units in to 4 subsectors. They were (i) Edible's Trade (ii) Cloth's Trade (iii) House hold's Trade, (iv) Machinery's Trade. We divided these subsectors with the help of National Industrial Classification (NIC category No. 60 to 68).

We decided to pick up 50 workers from each of 4 subsectors of Trade Sector.

iv. Area-wise Distribution:

The study covers only some areas in Raipur city. In the selection of areas or regions we looked at the typicality of the areas and location of trading activities. In the absence of information regarding the location of trading units in Raipur, we formed our own impression
### Table 1.2
Area wise Sample Distribution

<table>
<thead>
<tr>
<th>Subsector of Trade</th>
<th>Sample distribution according to area and type of market</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>G.E. Road (Mixed)</td>
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<tr>
<td>--------------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td><strong>Edible Trade</strong></td>
<td></td>
</tr>
<tr>
<td>1. Trade of Grain, cereals and pulses</td>
<td>5</td>
</tr>
<tr>
<td>2. Grocery stores and other edible trade</td>
<td></td>
</tr>
<tr>
<td>3. Trade of meat, fish, eggs, dairy and bakery products</td>
<td></td>
</tr>
<tr>
<td>4. Pan. bidi, cigarette and liqure shops</td>
<td></td>
</tr>
<tr>
<td><strong>Total of Edible Trade</strong></td>
<td>5</td>
</tr>
<tr>
<td><strong>Cloths Trade</strong></td>
<td></td>
</tr>
<tr>
<td>1. Trade of textiles (Non readymade)</td>
<td>2</td>
</tr>
<tr>
<td>2. Trade of readymade garments</td>
<td>2</td>
</tr>
<tr>
<td>3. Trade of hosiery garments</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total of Cloths trade</strong></td>
<td>5</td>
</tr>
</tbody>
</table>

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<td>Machinerys trade</td>
<td>1. Trade of petroleum and allied product</td>
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<td>3. Agriculture and industrial machinery</td>
<td>4. Electrical machinery &amp; equipment</td>
<td>5. Trade of transports equipment</td>
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about the possible areas where these units were located. We tried to give proper representations to all types of trades and residential areas and bazzars.

We chose 10 areas or bazaar's in Raipur to pickup the 200 sample of worker, which in presented in Table 1.2. We decided to chose two areas separately for each subsector, one area for whole sale trade and other for retail trade and 20 workers were sampled from each area. Remaining two areas out of total 10 areas, were mixed trading type areas. From each of these two areas, 5 workers were sampled for each subsector. In each subsector, many types of units was given relative importance as per our experience and observations shown on Table 1.2.

v. Collection of Data:

The 200 workers were sampled on random basis. For this purpose we followed what we could be called the chain sampling technique. The procedure followed was: we divided the trade sector into 4 sub sectors and chose 10 areas in Raipur city to get the required number of sample. In each area we managed to get hold on one respondent worker, who was working in unit of president or secretary of area's traders organisation or vyapari sangh. After interviewing him he was asked to take up to a respondent worker, who was known to him from that area and from the allotted trade subsector. We approached the second worker and after collecting information from him, he was asked to name one worker... In this manner we built a chain of respondent workers whom we approached for information. This process went on till we achieved the target number of sample. This process was repeated in all 10 areas or regions of Raipur city and required sample was drawn.

vi. Pilot Survey:

Before starting the final sampling a pilot survey was conducted to understand the nature and structure of the sector and the various problems that may be faced by us in the field for this study. We found that trading activities had its own structure and wide range of functions being performed here. The final version of schedule was prepared after an earlier version was pretested by researcher on 10 workers in April 1993.

8. Reference Year:

The sampling of 200 workers was done during the May 1993 to Dec. 1993. So, the reference period of this research should be 1993.

9. Limitations of the Study:

Limitations of the present study are:
(i) The non-availability of data on important aspects relating to UIS units were considered as a major limitation in the research regarding to UIS.

(ii) Present study is restricted to the trade sector workers only.

(iii) As we know, that in trade sector many types of workers were engaged. i.e., selfemployed, unattached workers, contract workers, casual workers, family workers and hired workers, etc. Present study is restricted only on hired workers, who employed as regular basis in shops and establishments.

(iv) Various types of functions and work being performed by hired workers in trade sector. We tried to choose all types of workers in our sample. But, in our analysis we have taken workers as a whole.

(v) Present study covered those units which is subject to came under M.P. shops and establishments act. 1958.

Though above mentioned limitations are serious, but we have our limits as researcher.

10. Analysis of Data:

Various statistical tools have been used in the present study to fulfill the objectives set forth in this enquiry. For the analysis of primary data collected from field investigation regarding urban informal trade sector workers, we have prepared a number of tables showing various salient characteristics. The figures also have been shown in percentages. These characteristics have been worked out by using the Simple Mean (X), Standard Deviation (S.D.), Correlation (r), coefficient of variance (C.V.) in this study.

For the purpose of poverty analysis, we measured poverty by two methods; one, incidence of poverty, which is measured in terms of the percentage of population below the normally specified poverty line; two, the extent of poverty, which is measured by poverty Index. We used Kakwani’s Poverty Index given by N.C. Kakwani.

Determinants of earnings is a complex phenomenon. To know the impact of various explanatory variables on earnings variations, Regression Coefficient are computed with the help of matrix and their reliability. Standard Error of coefficient is used. Computed $R^2$ explains the joint effect of all explanatory variables on dependent variables.
In the process of calculations of Multiple Regression Analysis, the individual contribution of each explanatory variable on dependent variable cannot be ascertained through normal procedure, due to the presence of multicollinearity in the data. To avoid this problem, we used the Path Analysis Method. Path Analysis measures the direct and indirect contribution of independent variables on dependent variable, by splitting the total contribution.