

Informal Manufacturing Versus Service Sector – A Comparative Analysis Based On Asansol – Durgapur Industrial Region, West Bengal

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Abstract: *The Growth Rate Of Employment Opportunities In The Formal Sector In India Particularly In The Recent Past Has Been Very Slow And Inadequate. The Transition To The Liberalised Economic Regime Has Thrown Many Workers Out Of The Formal Sector From Socio-Economic Security Net Provided By The Public Sector. Given The Slow And Inadequate Growth Of Employment Opportunity Under This Production System In The Formal Sector, Lack Of Alternative Employment Opportunity And Closure Of Public Sector Units, The Unemployed Labour Force Has Been Forced To Find Its Own Source Of Employment And Livelihood In A Variety Of Non-Registered Manufacturing, Servicing And Trading Activities In The Urban Sector Which Constitutes, What Is Presently Designated As 'Informal Sector'. In This Context, It Is Also Important To Mention Here That Due To Implementation Of Globalisation And Liberalisation Policy During 1990s The Composition, Direction And Character Of Some Informal Activities Have Radically Changed In Indian Scenario. In Recent Times The Severe Expansion Of Informal Sector Activities Especially Self Employment Nature Of Informal Service Activities Accelerates The Growth Of Service Sector In India. Formal Employment Opportunity For Employment Seekers In The Labour Market Is A Decreasing Trend In Asansol - Durgapur Industrial Region Of West Bengal. Closure Of Psus And Large Private Houses, Retrenchment Of Labour Force Due To Modernization In Factory Sector, And Zero Growth Of Industrialization Are The Crucial Causes For Such Decreasing Trend. In This Juncture, Informal Sector Is The Only Potential Sector, Which Can Absorb The Existing Unemployed Labour Force In This Industrial Belt. From Mid 1990s, Due To Slum In Formal Factory Sector, A Radical Change Has Been Found In The Profile Of This Industrial Zone. This Industrial Belt Changes From Industry-Dominated Region To Service-Dominated One With Rapid Development In Different Segments. Analyzing The Emerging Trends Of Informal Manufacturing And Informal Servicing Sector In India, The Study Attempts To Identify The Probable Causes Of Growth Of Informal Sector More Specifically Informal Service Sector, Its Potential Factors For Employment Generation And Transition Of Informal Sector By Considering The Perceptions Of 200 Informal Sector Entrepreneurs Of Durgapur-Asansol Industrial Belt Of West Bengal.*

Key Words – *Formal Sector, Informal Manufacturing Sector, Informal Service Sector, Informal Employment, Migration, Sustainability, Transition*

I. Introduction

The Demographic Feature Of The Urbanization Process Particularly Growth Of Population And Rural-Urban Migration Has Resulted In A Rapid Growth Of Urban Labour Force And Its Consequences In Terms Of Worsening Employment Opportunity. The Requirement Of Labour Is Less Under Capital-Intensive Technique Of Production; The Absolute Increase In Capital Is Not Usually Accompanied By Corresponding Increase In General Demand For Labour. Given The Slow And Inadequate Growth Of Employment Opportunity Under This Production System In The Formal Sector, The Unemployed Labour Force Has Been Forced To Find Its Own Source Of Employment And Livelihood In A Variety Of Non-Registered Manufacturing, Servicing And Trading Activities In Urban Sector Which Constitutes, What Presently Designated As, 'Informal Sector'. The Term 'Informal Sector' Was Casually Used For The First Time In The Context Of Development Model Based On A Dual Economy, Which Is Composed Of Two Segments, Namely, Traditional Sector And Modernized Sector And The Labour Force Migrates From Traditional To Modern Sector (Lewis, 1954; Ranis And Fei, 1964). The Model Offers Limited Analytical Explanation Of The Problem Of Employment And Rural-Urban Migration In A Developing Economy. This Limitation Was Sought To Be Removed By Todaro (1969) Who Assumed A Model Where Migration Of Labour Force Depends On The Probability Of Getting A Job In The Modern Sector. Keith Hert (1973) Also Introduced The Concept Of Informal Sector In His Study On Urban Ghana.

Most Of The Policies Adopted By The Planning Authority Of India Were Geared Towards Organized Formal Sector's Income And Employment Growth. It Was Expected From The Economic Reforms Of 1991 That Rapid And Sustained Growth Of Output And Employment Would Reduce Poverty By Creating

Employment Opportunities For New Unemployed And Existing Backlog Of Unemployed. Unfortunately, This Policy Has Created A Gap Between The Demand For And Supply Of Labour In The Labour Market. In This Situation Informal Sector Acts As A Stepping-Stone For The Employment Seekers In India. The Role Of Service Sector Is Crucial In This Context. The Expansion Of Service Sector Was Visible Even In 1990s And This Sector Has Been Dynamic And Productive, And Has Helped Sustain India's High Growth Rates In The Last Decade (Unni, Naik, 2011). According To The Planning Commission, Report Of The High Level Group Of Service Sector (2008) Focuses On The Issue That The Service Sector Has Been The Key Driver Of The Fast Growth Of The Indian Economy In Recent Years. This Is Why The Issues Related With Informal Economy Attracted The Interests Of The Academicians, Policy Makers And Research Scholars.

1. Objectives Of The Study

The Study Seeks To Highlight The Contributions Of The Informal Manufacturing And Informal Service Sectors In The Development Of Durgapur-Asansol Region And Its Surroundings. In Particular, The Study Has The Following Objectives:

- To Make A Comparative Study Between Informal Manufacturing And Informal Service Sector Units In West Bengal, Particularly In Durgapur-Asansol Industrial Belt.
- To Identify The Main Contributing Factors To The Proliferation And Expansion Of The Informal Sector Activities In General And Informal Service Sector In Particular.
- To Identify The Factors That Are Responsible For Employment Generation In Informal Manufacturing And Informal Service Sectors In This Industrial Region.

II. Data Sources Of The Study

Both Primary And Secondary Data Could Have Been Used For The Analysis And Interpretation Of The Study. As Regards The Secondary Data, There Are Many Published Articles, Journals, Annual Reports, Bulletins Of Various Agencies, Like C.S.O., N.S.S.O (Published Data From 1983-2013), Institute Of Applied Manpower Research (Iamr), National Commission For Enterprises In The Unorganised Sector (Nceus), World Bank Annual Report (2009 And 2010), And Various Publications Of Government Of West Bengal. The Study Has Also Consulted Annual Reports Of Durgapur Municipal Corporation (Dmc), Asansol Municipal Corporation (Amc), Asansol Durgapur Development Authority (Adda), Dic-Dmsse (Ancillary) Under Asansol-Durgapur Sub-Division, Etc. However, Most Of The Informal Units In This Study Area Are Unregistered. Therefore Data On Informal Sector Are Rarely Found In The Publications Of Official Agencies Or Government Authorities. Hence, The Present Study Is Mainly Based On Primary Data Collected From The Study Area.

III. Methodology

4.1. Methodology For Selection Of Informal Units: Binary Logit Model

Selection Of Informal Units Implies The Situation When An Entrepreneur Has More Than One Informal Sector Units To Select. Informal Entrepreneurs Face Various Types Of Informal Units In The Urban Industrial Belt. Since Our Dependent Variable (Selection Of Informal Manufacturing Unit Or Informal Servicing Unit) Is Categorical Variable, We Have Utilised A **Binary Logit Model** In Order To Estimate The Probability Of An Entrepreneur Being Selected Informal Service Sector Units Against Informal Manufacturing Units.

The Binary Logit Model Can Be Formulated In The Following Manner:

To Estimate The Determinants We Can Write The Logit Model As:

$$L_i = \ln\left(\frac{p_i}{1-p_i}\right) = \beta_1 + \beta_2 X_i + \mu_i$$

X_i = Set Of Explanatory Variables, μ_i = Random Disturbance Term

Here, The Regression Equation Can Be Written As:

$$L_i = \ln\left(\frac{p_i}{1-p_i}\right) = \beta_1 + \beta_2(GENDR)_i + \beta_3(FAMILYRDITION)_i + \beta_4(BETTERINCOME)_i + \beta_5(TRG)_i + \beta_6(EDN)_i + \beta_7(INITIALCAP)_i + \beta_8(WORKINGCAP)_i + \beta_9(AGEENETR)_i + \beta_{10}(MIGRATION)_i + \beta_{11}(AGEWORKER)_i + \mu_i$$

Table 1: Explanatory Variables And Abbreviations – Selection Of Informal Units

Abbreviations	Units	Explanatory Variables
GENDR	Dummy	Gender Of Entrepreneur (Male – 1, Female – 0)
FAMILYRDITION	Years	Family Tradition Business (Yes-1, No - 0)
BETTERINCOME	Dummy	Better Income Than Previous Activity (Yes-1, No - 0)
TRG	Dummy	Training Of Entrepreneur (Yes-1, No - 0)
EDN	Years	Years Of Formal Education Of Entrepreneur
INITIALCAP	Rupee	Initial Capital Of Entrepreneur
WORKINGCAP	Rupee	Working Capital Of Entrepreneur

AGEENTER	Years	Age Of Entrepreneur
MIGRATION	Dummy	Migration Status (Migrated -1, Non-Migrated - 0)
AGEWORKER	Years	Age Of The Workers

4.2 Employment And Growth Of Informal Sector

This Section Tries To Estimate The Influencing Variables Of Employment Size In Informal Manufacturing And Informal Service Sector Units. The Model Can Be Summarized As Follows: The Factors Which Determine The Employment Size In The Urban Informal Sector Can Be Specified In The Following Equation.

$$NW_U = \beta_0 + \sum \beta_i X_i + \varepsilon_i$$

Where,

NW_U = Employment Size Of The Unit

X_i = Set Of Explanatory Variables

ε_i = Random Disturbance Term

The Above Function Can Also Be Estimated By Using Multivariate **Ordinary Least Squares** (Ols) Method.

The Regression Equation Can Be Written As

$$NW_U = \beta_0 + \beta_1 (AG_U) + \beta_2 (M_E) + \beta_3 (ED_E) + \beta_4 (VT_E) + \beta_5 (RV_U) + \beta_6 (BP_U) + \beta_7 (EC_F) + \beta_8 (MW_{HRS}) + \beta_9 (EXP_U) + \beta_{10} (I_C) + \beta_{11} (W_C) + \varepsilon_2$$

β_0 Is A Constant And β_1 To β_{11} Are Regression Co-Efficients To Be Determined.

ε_2 Stand For Random Disturbance Terms.

Variables Like MW_{HRS} , VT_E , BP_U , EXP_U , M_E Are Qualitative In Nature And Are Therefore Used As Dummy Variables. To Build The Regression Model Gross Employment Level In The Informal Sector Considered As Dependent Variable.

The Above Function Can Also Be Estimated By Using Multivariate Ordinary Least Squares (Ols) Method. Table-2 Highlights The Expected Sign Of The Explanatory Variable

**Table 2 : Explanatory Variables And Expected Sign – Ols Regression.
Dependent Variable – Employment Size Of Unit (NW_U)**

Explanatory Variables	Description	Expected Sign
AG_U	Age Of The Unit	+
M_E	Migration Status Of Entrepreneur (Migrated = 1, Otherwise = 0)	-
ED_E	Educational Qualification (In Years)	+
VT_E	Vocational Training Of The Entrepreneur Before Setting Unit (Trained = 1, Otherwise = 0)	+
RV_U	Sales Revenue Of Units	+
BP_U	Business Premise Of The Unit (Permanent = 1, Otherwise = 0)	+
EC_F	Frequency Of Activity/Employer Change By Worker	-
MW_{HRS}	Willing To More Working Hours (Yes =1, Otherwise = 0)	-
EXP_U	Expansion Of Unit In Future (Yes =1, Otherwise = 0)	+
I_C	Unit Wise Initial Capital	+
W_C	Unit Wise Working Capital	+

Results And Discussion

5.1 Selection Of Informal Units In Informal Sector

Selection Of Profitable Unit Is One Of The Crucial Decisions That The Informal Entrepreneurs Have To Make. To Intervene Into This Selection Of Unit Binary Logit Regression Model Has Been Used To Estimate The Determinants. The Regressions Have Been Estimated By Using E Views Software. The Results Of The Regressions Are Shown Below.

Table 3: Results Of Selection Of Informal Units In Urban Informal Sector: Binary Logit Regression

Variable	Coefficient	Std. Error	Z-Statistic	Probability
GENDR	-2.082	0.652	-3.188	0.001*
FAMILYRDITION	3.119	0.713	4.371	0.000*
BETTERINCOME	0.908	0.704	1.289	0.197
TRG	1.669	0.592	2.816	0.004*
EDN	0.076	0.082	0.931	0.351
INITIALCAP	3.60e-06	4.46e-05	0.080	0.935
WORKINGCAP	8.98e-05	7.14e-05	1.257	0.208
AGEENTER	-0.193	0.048	-4.016	0.000*
MIGRATION	0.699	0.557	1.255	0.2093

AGEWORKER	-0.077	0.034	-2.281	0.022*
C	9.902	3.267	3.030	0.002
Count R²	0.915			
Mc F R²	0.681			
Lr Statistic	188.964 (Probability 0.000)			

Source – Calculation Based On Primary Survey Data * Significant Variable

The Model Is Highly Fitted One As Its Count R² (0.915) And Mc Fadden R² (0.681) Values Are Very High. Count R² Is A Simple Measurement Of Goodness Of Fit. A Negative But Significant Impact Of Gender Over Unit Selection Implies That Most Of The Female Entrepreneurs Are Engaged With Informal Service Sector Activities. The Reason May Be That Women Entrepreneurs Are Not Fitted For Manufacturing Activity. Manufacturing Sectors Are Mainly Dominated By Male In This Study Area. The Study Result Found Most Of The Manufacturing Units Based On Family Tradition Are Positively Significant. It May Be The Reason That The Manufacturing Units In Our Study Area Are Conventional Family Business. It May Also Infer From This Result That Most Of The Servicing Units Are Emerging In Nature. The Study Found That The Vocational Training Has A Positive Impact On Selection Of Informal Sector Activities. Most Of The Servicing Units Such As Computer Training Centers, Beauty Parlours, Repairing Centers Are Training Based. The Co-Efficient Of Age Of Worker And Age Of Entrepreneurs Are Found To Be Negative. This Implies That Prime Age Group People Are Associated With Informal Service Sector Activities. The Entrepreneurs And Workers Within This Age Group Both Prefer Job In The Service Sector. This Might Be Due The Fact That In Recent Times Service Sector Activities In India Are Expansionary In Nature, With Self-Employment And High Absorption Capacity. Fear Of Losing Jobs In Service Sector Is Less Compared To Manufacturing Sector Due To Various Job Openings In Service Sector. The Result Also Implies Experienced People Are Engaged With Manufacturing Sector Mainly Which Are Based On Family Business. Other Variables Are Positive Coefficient. To Sum Up Compare To Informal Manufacturing Sector, Young Generation And Vocationally Trained People Choose Informal Service Sector Activities. So, Urban Informal Service Sector Plays A Crucial Role In Absorbing A Sizable Portion Of Trained Young Generation In This Study Area.

5.2 Informal Manufacturing Sector And Employment Size

This Section Tries To Identify The Factors And Analyses Them In Order To Understand The Impact Of Factors On Employment Size In Informal Manufacturing Sector. Employment Size Is Considered As Dependent Variable And The Regression Equation Has Been Estimated By Using Spss Software. The Regression Results And Analysis Are Shown Below.

**Table 4: Results Of Employment Size In Informal Manufacturing Sector
Multivariate Linear Regression**

Model	□	Std. Error	T	Sig.
(Constant)	4.171	1.536	2.716	.008
AG_U	0.128	0.048	2.675	.023*
M_F	1.389	0.481	2.889	.005*
ED_F	0.104	0.082	1.265	.209
VT_F	-1.360	0.601	-2.261	.026*
RV_U	-1.536e-005	0.001	-0.976	.332
BP_U	-1.116	0.513	-2.175	.032*
EC_F	-0.060	0.126	-0.477	.635
MW_{HRS}	1.517	0.520	2.919	.004*
EXP_U	-0.297	0.585	-0.508	.613
I_C	0.002	0.001	2.704	.007*
W_C	-6.204	0.001	-0.898	.372

Dependent Variable – Size Of Employment, R² = 0.611, Durbin-Watson – 1.994, F-Ratio – 18.53

Source – Calculation Based On Primary Survey Data * Significant Variable

The Value Of Squared Multiple Correlation Coefficient (R²) Is Weak For Size Of Employment In Informal Manufacturing Sector. Quality Of Data In Informal Sector Is One Of The Important Factors For Low R² Or Explanatory Power Of The Regression Equation. Entrepreneurs In Informal Sector Usually Keep Accounts And Records In Informal Way Or No Written Records Are Kept. Also In This Equation, Nature Of Migration, Training, Willing To Devote More Working Hours And Expansion Of Unit In Future Are Categorical Variables And Thus Dummy Variables Were Used. It Is Found That Age Of The Unit Has A Positive Impact On Employment Size Of The Informal Manufacturing Unit. It May Be Due To The Reason That Higher Demand For Manufacturing Goods Of The Older Units Increases The Volume Of Employment Size. The Study Found That A Positive Correlation Exists Between Migrated Entrepreneur And Employment Size Of

The Unit. The Reason May Be That Migrated Entrepreneur Favours The Migrated Workers From Their Native Place Mainly The Relatives And Neighbours Of The Entrepreneur. Therefore Employment In Different Manufacturing Units In The Study Area Acts As A Pull Factor For Rural-Urban Migration. The Study Found That Formal Education Of Entrepreneur Is A Factor For Greater Employment In Informal Manufacturing Units. The Economic Logic Is That Educated Owners Always Try To Expand Their Unit With Large Number Of Diversified Products And Adoption Of Modern Technology. This May Increase The Number Of Workers In Each Unit. The Units With Vocational Trained Entrepreneur Always Search For Skilled And Trained Workers Which Are Rarely Found In The Informal Labour Market. The Study Found That This Type Of Units Have Negatively Influenced The Employment Size Of Manufacturing Units. The Business Premises Of Most Of The Units In Our Study Area Are Temporary Or Residential Business Premises. Therefore It May Be The Reason That Business Premises Of The Units Aggravate The Employment Size In This Sector. The Study Highlights That The People With More Working Hours In Manufacturing Units Increases The Size Of Employment. The Reason May Be That The Entrepreneur Prefers Those Workers Who Are Willing To Work More Hours Than Scheduled Working Hours. Initial Capital Plays A Vital Role At The Initial Stage Of The Manufacturing Units. The Study Found That Initial Capital Of The Unit Directly Influences The Employment Size Of The Unit. The Logic Is That More Initial Capital Investment Expands The Size Of The Unit And That Influences The Level Of Employment. So, Urban Informal Manufacturing Unit Plays An Important Role In Employment Generation If Some Employment Generating Factors Are Considered For Its Development.

5.3 Informal Service Sector And Employment Size

In This Section The Study Intends To Intervene What Are The Sets Of Explanatory Variables That Determines The Employment Size In Informal Service Sector. Employment Size In Informal Service Sector Is Considered As Dependent Variable And The Regression Equation Has Been Estimated By Using Spss Software. The Results And Analysis Can Be Interpreted As Follows:

**Table 5: Results Of Employment Size In Informal Service Sector:
Multivariate Linear Regression**

Model	β	Std. Error	T	Sig.
(Constant)	3.689	1.197	3.083	.003
AG_U	0.111	0.035	3.182	.007*
M_E	1.010	0.347	2.912	.023*
ED_E	0.156	0.059	2.652	.043*
VT_E	1.106	0.362	3.056	.005*
RV_U	0.002	0.001	2.821	.028*
BP_U	-0.667	0.365	-1.826	.071*
EC_F	-0.001	0.088	-0.004	.997
MW_{HRS}	1.236	0.396	3.122	.008*
EXP_U	-0.210	0.497	-0.423	.674
I_C	0.003	0.001	2.909	.032*
W_C	1.351	0.001	0.395	.694

Dependent Variable - Size Of Employment, $R^2 = 0.582$, Durbin-Watson - 1.640, F-Ratio - 12.714

Source – Calculation Based On Primary Survey Data (2011-2012) * Significant Variable

Like The R^2 For Employment Size In Informal Manufacturing Sector, A Low Magnitude Of R^2 (0.582) Was Obtained For Informal Service Sector. Low R^2 Can Partly Be Attributed To The Use Of Categorical Data In The Form Of Dummy Variables. The Study Result Shows That There Is A Direct And Significant Relation Between Age Of The Unit And Employment Size Of The Service Sector Units. The Reason May Be That Experienced Units Provide Quality Services To The Customers And So Demand For Informal Services Increases. The Increase In Demand Creates More Employment Opportunities In Service Sector Units. The Result Reveals That Migrated Entrepreneurs Has A Positive Impact On Employment Generation In Informal Service Sector. Like Informal Manufacturing Sector The Logic May Be That Migrated Entrepreneur Favours Migrated People For Employment Mainly Their Friends And Relatives Are In Service Sector. The Analysis Shows An Expected Significant Direct Relationship Between Human Capital And Employment Size In Service Sector Units. Educated And Trained Entrepreneurs May Try To Expand The Units By Using Their Educational And Technical Skill. Due To This, The Probable Result Is Higher Demand For Service Workers In Informal Service Sector Units. The Study Result Shows That Revenue Of Service Sector Is Directly Related With Employment Size Of The Unit. This May Imply That Demand For Informal Services Has Rising Trend And

This Directly Influences The Employment Level Of Service Sector. A Proportion Of Service Sector Units Operate From Household Premises. Almost All Family Members Are Engaged With This Type Of Service Units And Does Not Create More Employment Opportunities. One Of The Interesting Features Of The Result Is That Values Of Initial Capital Directly Influence The Employment Of Informal Service Sector. As The Capital Of The People Increases Then It Gives Opportunity To Invest In Informal Service Sector. The Economic Logic Is That This Sector Is Characterized By Low Capital Requirement, High Absorption Capacity, Minimum Risk, Easy To Entry And Self-Employment Nature. The Study Result Also Highlights That Working Hours Of The Entrepreneurs Has A Positive Impact On Employment Size Of Service Sector. To Sum Up, The Analysis Reveals That The Major Determinants Of Employment Size In Informal Servicing Units Are Age Of The Unit, Migration Of Entrepreneur, Formal Education And Vocational Training Of Entrepreneurs, Initial Capital And Revenue Of The Service Sector Units.

5.4 Determinants Of Informal Manufacturing Sector And Service Sector: A Comparison

Table 6: Variations In R² And Impact Factors For Employment Size Between Informal Manufacturing And Service Sector Units

Units	Sample Size	R ² Value	Positive Impact Factors	Negative Impact Factors	Durbin – Watson Value	F-Ratio
Manufacturing Sector	100	0.611	$AG_U, M_E, ED_E, MW_{HRS}, I_C, EXP_U$	$VT_E, RV_U, BP_U, W_C, EC_F$	1.994	18.53
Service Sector	100	0.582	$AG_U, M_E, RV_U, MW_{HRS}, W_C, ED_E, VT_E, I_C$	BP_U, EXP_U, EC_F	1.640	12.714

Source – Calculation Based On Primary Survey Data

Table-6 Reveals That Employment Size Of Informal Units (Both Manufacturing And Service) Is Highly Influenced By Age Of The Unit, Migration Status Of The Entrepreneurs And Willingness To Devote More Working Hours Than Scheduled Hours. It Has Been Observed That Mortality Rate Among The Manufacturing Units, Which Are Associated With Factory Sector Is Very High. In Recent Times, Due To The Transition Of Informal Sector Activities And Growth Of Emerging Informal Units (Mainly Service Sector Activities), The Mortality Rate Is Found To Decline. Hence, Informal Activity Need Not Be Considered Temporary Phenomenon As They Have A Great Potential To Provide Lasting Employment Opportunities To The Entrepreneurs On A Full Time Assignment. Employment Level Of Informal Manufacturing Units Is Highly Influenced By Education Level Of The Entrepreneur But In Service Sector Both Formal Education And Vocational Training Are Influencing Variables For Size Of Employment. The Analysis Also Infers That Size Of Employment In Manufacturing Sector Highly Depends On Initial Capital Of The Unit But In Service Sector Working Capital Is More Relevant. Therefore, Initial Capital May Not Be An Important Factor For Growth Of Informal Service Sector And Employment In This Region. The Economic Logic May Be That Most Of The Service Sector Activities Are Self-Employment In Nature. Consequently, Vocationally Trained Young And Energetic Unemployed Youth, Mainly Migrated People In This Area Are Attracted Into Service Sector Rather Than Into Informal Manufacturing Sector.

IV. Conclusion

Unemployment Or Underemployment Is A Common Socio-Economic Problem In Almost All Developing Economies Like India. There Are Deep Inter-Linkages Between Unemployment And Growth Of Urban Informal Sector Activities In India. One Of The Most Increasing Trends Of Opportunities In The Employment Sector Prevailing In Urban Industrial Areas Is Its Informal Sector. In Fact, Urban Informal Sector Is Characterized By Certain Features (Minimum Investment Requirement, Easy To Entry, Low Requirement Of Skill, Variety Of Openings And High Absorption Capacity) Which Attract Local As Well As Migrant Unemployed People. Being One Of The Major Industrial Regions In West Bengal, Durgapur-Asansol Industrial Belt Is Not An Exception In This Phenomenon. Here Also, Formal Employment Opportunities Have Been Decreasing At A Rapid Manner Due To Closure Of Public Sector Units And Certain Anti-Employment Policies Implemented By Government Of India. This Industrial Belt Has Been Historically Dependent On Organized Factory Sector. The Slackening Pace Of The Organized Factory Sector Has Resulted In An Overall Economic Recession. Its Effect Was Felt By The Informal Manufacturing Units, Mainly The Units Which Were Almost Entirely Dependent On Them. From Mid-1990s, A Radical Change Has Taken Place And Profile Of This Area Changed In Many Directions. Due To Emerging Profile Of This Area, Now This Industrial Region Has Been A Spurt Of Various Informal Service Sector Activities. In Fact, Informal Service Sector Has Certain Characteristics (Like, Variety Of Jobs, Self-Employment, High Absorption Capacity, Low Risk) Attract New Generation Unemployed People. In Recent Times, This Industrial Belt Has Changed From Informal Manufacturing Dominated To Informal Servicing Dominated Region. Since Informal Sector Is An Alternative Source Of Employment In This Industrial Belt So Certain Steps Must Be Taken For Revival Of The Formal

Factory Sector And Form Strong Linkages Between Formal Manufacturing And Informal Manufacturing Sector. Positive Measures Must Be Taken For Providing Infrastructural Facilities Such As Proper Place Of Work, Electricity, Water Supply, Etc. And Some Provision For Socio-Economic Benefits (Soft Loan Facility, Leave, Health Insurance Scheme, Etc.) For The Workers And Entrepreneurs Of This Sector. Government Authorized Bodies And Private Training Institutions Can Conduct Various Job Oriented Trainings And Government Self-Employment Awareness Programmes. Before Registration Government Should Give Assurance Of All Institutional Support Including Easy Loan Facility, Tax Exemption, And Protection Of Infant Informal Units Etc. For Registered Units Under Any Act/Authority.

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