

Abstract

Informal sector is being recognized as an important segment of the labour market across the world. With growing urbanization, this sector has assumed prominence in several developed and developing economies. The process of Urbanisation is a social change which involves a number of factors such as rapid growth of industries, development of trade and commerce, transportation, communication, development of health and education sectors, advancements in science and technology, demographics etc. Urbanisation plays a very important role on the informal sector and vice-versa Papola, (1981). Informal sector attracts a large number of job seekers. These comprise of rural migrants to towns as well as urban educated unemployed who fail to get any job in the organized/formal sector. The limited employment opportunities in the formal sector leads to growing labour force in urban areas, resulting in increased absorption of labour in micro-entrepreneurship ventures in the informal sector, Mazumder, (1975).

In India, almost 92 percent of workers are employed in the informal sector Banerjee & De, (2018). Informal sector plays a vital role in generation of employment, aggregate output and income in developing countries like India (Sharma, 2001). Unfortunately, in spite of the sector's contribution to the Indian economy, the socio-economic condition of the workers engaged in India's informal sector remain very poor. These workers are economically backward, illiterate and deprived of basic amenities like health and nutrition. Moreover, this section of the workforce has remained out of focus in most of the policy programmes and schemes of the government. Research efforts in informal sector employment has also been less when compared with studies on formal employment Srija, A & Shirke, (2012)