

A CASE STUDY OF UNORGANIZED SECTOR ENTERPRISES



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ABSTRACT

Not only does the unorganised sector make a significant contribution in terms of employment, but it also makes a significant contribution to the GDP of a country. Because there are not enough jobs available in the organised sector, many people choose to work in the unorganised sector instead. In developing nations, women are more likely than males to find work in the informal economy, which is a key source of income for many countries. According to the National Commission for Enterprise in the Unorganized Sector's Report on Condition of Work and Promotion of Livelihoods in the Unorganised Sector (August 2007), "The unorganised sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or Partnership basis and with less than ten total workers." [Citation needed] "The unorganised sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of "The term unorganised worker has been defined under the unorganised workers social security Act 2008, as a homebased worker, self-employed worker or a wage worker in the unorganised sector and includes is not covered by any of the Acts mentioned in schedule – II of Act," stated the ministry of Labour and Employment Government of India (Annual Report 2017-18). The world we live in now still struggles with the issue of gender inequality, just as it has throughout all of history.

keywords: Unorganized, Enterprises

INTRODUCTION

According to the Unorganised Workers Social Security Act of 2008, the term "Unorganized Sector" refers to any business that is run by people or workers who are self-employed and is involved in the manufacture, sale, or provision of a thing or service but has less than 10 employees. Kanak Kanthi Bagchi and Nirupam Gobi (2012) In 1971, British economist Keith Hart was the one who first popularized the phrase "informal sector." The unorganised sector is made up of the informal labour, which has an inferior working status and is subject to fewer rules and regulations that are upheld by the government. According to Tiwari R.S. (2002), the International Labour Organization launched the World Employment Programme Mission in the 1970s in Kenya, Columbia, Sri Lanka, and the Philippines with the goal of encouraging employment in informal sectors and so bringing about economic progress. The unorganised sector has attracted the attention of people all around the world as a result of this initiative. According to the Second National Commission on Labour (2002), the informal sector includes a significant portion of the urban workforce in addition to a huge number of workers in rural areas. These workers may make use of family labour and technology. People who are unorganised tend to have jobs that are part-time, temporary, or dispersed, which makes it difficult for them to join a union. Even worse, the industry is characterised by poor wages, precarious work, and a dearth of legal and labour protections. Unorganized worker is defined by the unorganised Workers' Social Security Act, 2008, section 2 (m), as someone who works from home, is self-employed, works for a wage in the unorganised sector, or works in the organised sector but is not covered by any of the acts listed in schedule II of the Act. This definition applies to people who perform any of these types of work. Commission for Enterprises in the Unorganized Sector of the National Government (2007) During that time period, just 0.4 percent of unorganised employees had access to the Provident fund as a benefit of their employment. In a study of urban Ghana conducted by Kishore C. Samal (2013), the researcher found that rural migrants entering the urban labour market lacked the necessary knowledge and experience to work in the urban formal sectors. As a result, these migrants were compelled to work in the informal sectors. Contract labourers who are employed in the construction industry were one of the types of unorganised workers included on the list compiled by the National Commission on Labour. Casual labour, Employees of stores and other commercial businesses, people who work as sweepers and scavengers, people who do manual labour on handlooms or power looms, people who make beedis and cigars, people who

work in small-scale industries Workers at tanneries, members of indigenous tribes, and members of other unprotected labour groups.

UNORGNISED SECTOR IN INDIA

According to the Report on Conditions of Work and Promotion of Livelihoods in the Unorganized Sector (2008), the unorganised sector is an extremely wide and complex sector that is difficult to restrict within a conceptual definition. According to the definition provided by the National Commission for Enterprises, the unorganised sector consists of "the unincorporated enterprises owned under proprietary or partnership by the individuals or households to carry sale or production of goods and services employing less than ten workers." This definition was provided by the National Commission for Enterprises. Rapaka According to Satya Raju (1989), this industry allows for simple entrance, micro operations, local ownership, a high labour intensity, the use of inferior technology, an unknown legal status, flexible price pattern, and employment of a large number of migrant workers. It does not have any advanced packing processes, a brand identity, storage facilities, distribution networks, financial help procedures, or compensation systems. It is extremely challenging to obtain accurate statistics about employment and the amount of revenue generated by the informal economy in underdeveloped countries; yet, the National Sample Survey Organisation of India was able to determine the size of the informal sector (NSSO). According to a survey published by the NSSO (2009-2010), out of 46.5 crore employed workers, just 2.8 crore are from the organised sector, while the remaining 43.7 crore are from the unorganised sector. Of the total number of unorganised workers, 24.6 crore workers are employed in the agricultural sector, 4.4 crore workers are employed in the construction sector, and the rest of the unorganised workers are engaged in activities related to manufacturing, trade, transport, communication, and service activities. A significant proportion of unorganised employees are home-based workers who engage in activities such as rolling beedi, producing agarbatti and pappads, as well as tailoring and embroidery work. It is possible to improve the working circumstances of unorganised labour through the improvement of infrastructure and basic services, as well as through the implementation of self-help programmes that link employees with institutions that provide services. According to Kishore C. Samal (2013), unorganised labour is characterised by low wages, a higher proportion of female workers, the use of family labour and home-based work, instances of child labour, migrant workers, piece rate payment, contractual employment, recruitment through contractors, seasonal employments, underemployment, casual works, self-

employments, cooperatives for employees, a lack of organisation into trade unions, a limited ability to engage in collective bargaining, hazardous jobs, and debt bondage.

FINANCIAL ACCESS OF THE UNORGANISED ENTERPRISES

One of the most crucial factors that determines a company's development and performance is how easily it may have access to various financial services (Blattman, Green, Jamison, Lehmann, & Annan, 2016). People, especially those with lower incomes, are forced to seek self-employment by starting their own businesses because there are not many jobs that provide alternative wages (Sethuraman, 1992). There is a limited amount of financing available to the smaller enterprises. According to a significant portion of the current body of research, businesses that are part of the unorganised sector only infrequently receive credit from FFIs (Farazi, 2014). It has a chilling effect on investment since it makes it difficult for investors to get loans at affordable interest rates (Kim, 2016). Personal savings are used almost entirely to meet the monetary requirements of businesses in the unorganised sector. These savings are augmented by money borrowed from individuals and other non-institutional sources (Banerjee & Duflo, 2011). In addition to this, they frequently consult their relatives, close friends, and ethnic networks in order to gain access to the necessary material and monetary resources (Getahun, 2015; Haftu, Tseahye, Teklu, & Tassew, 2009; Kebede, 2018). The usual method of satisfying the needs for working capital is to use previously earned profits (Morewagae, Seemule, & Rempel, 1995). When compared to small-scale organisations that are part of the organised sector, businesses that are part of the unorganised sector have a lower percentage of their borrowings coming from banks (Farazi, 2014). This is an issue that is especially severe for women who are running their own businesses (Agarwal & Dhakal, 2010). It is common practise to find that businesses operating in the unorganised sector are hesitant to seek for bank loans due to the difficulty of the application process, the high rates of interest, and the stringent criteria for collateral (Farazi, 2014). It has been shown that these businesses pay interest rates that are much higher than average in order to meet their credit requirements from non-institutional sources. However, not every firm in the unorganised sector is excluded from conventional financial services such as bank credit. This is the case even if the majority of these businesses are. According to research conducted by Bhavani and Bhanumurthy (2012), the amount of sales, proportion of owned assets, account records, and registration with any government agency all have a positive influence on an unorganised sector enterprise's ability to obtain institutional credit. According to Farazi (2014), having landed property, having

completed one's education, and having strong social networks are all factors that positively influence an entrepreneur's ability to participate in the financial system. According to Morewagae et al. (1995), entrepreneurs in the unorganised sector should be educated on the significance of savings and should also be made aware of the various loan packages made available by financial institutions. In addition, the findings of the Finscope Consumer Survey (2015) indicate that the majority of individuals have a limited understanding of the advantages associated with maintaining a savings bank account. However, according to Shumba (2016), persons who work in the unorganised sector make their payments in cash, hence they do not consider having a bank account to be necessary for their financial needs. The lack of a sufficient income combined with the availability of specialised banking services results in the financial exclusion of such businesses. Although the factors listed above are suggested in the research as potential reasons for the low level of financial access that unorganised sector enterprises have, it is probably necessary to investigate whether or not these factors have been a contributing factor in the low level of financial access that unorganised sector enterprises have in Bihar as well. Therefore, before continuing with the examination of the extent to which financial access or lack of it determines the profitability and growth performance of the enterprises, an effort has been made to identify the factors that significantly influence the financial access of sample entrepreneurs. This was done in order to proceed with the examination of the extent to which financial access or lack of it determines the profitability and growth performance of the enterprises.

REVIEW OF LITERATURE

Tauffiqu Ahamad (2014) The term "unorganised sector of the economy" refers to the manufacturing activity that takes place in households as well as the small scale and very small industry sector. A market that does not maintain a consistent level of earnings or gains is considered to be disorganised. Both the manufacturing of it and the region in which it may be found are restricted. It needs less expenditure and manpower to accomplish. The handicrafts, artisan professions, khadi, and village industries that may be found in India, such as the handloom sector, beedi manufacturing, agarbatti making, hand paper creation, and match box industries, etc., can all be found in the unorganised sector of the Indian economy. The government of India established the National Commission for Enterprises in the Unorganized Sector (NCEUS) as an advisory body on the informal sector to bring about improvements in the productivity of informal enterprises for the purpose of generating large-scale employment

opportunities on a sustainable basis, particularly in rural areas. The government of India has a number of plans and programmes in place to aid in the professional and economic advancement of workers in unorganised industries and sectors. Following is a discussion on the Unorganized Workers Social Security Act of 2008, the Unorganized Workers Social Security Rule of 2008, the Aam Admi Beema Yojana, and the Rashtriya Swasthya Beema Yojana.

Kumawat Minakashi (2015) conducted research on "Female Workers and their Socio-Economic Profile: A study of Unorganized Sector in India." Kumawat Minakashi's report was published in 2015. According on the findings of the study, workforce When compared to male workers, the proportion of unorganized sector workers who are women is higher. These women employees are subjected to deplorable conditions, including discrimination in salaries, lack of security, lack of access to health and medical services, and discrimination in wages. The findings of the study also indicated that there is a requirement for the national government to revise their policy on the employment of women.

In their study titled "Employment and Working Conditions in Urban Informal Sector: A Study," M Radha Krishna and P Shripathi Kalluraya (2016) investigated the structure of employment, working conditions of labourers, and understood problems in the urban informal sector. Both primary and secondary sources of information were used to compile the findings of this study. The researchers conducted interviews with fifty individuals who were randomly selected from the Dakshina Kannada district of the Karnataka state who were engaged in business activities in the Bell Metal, Gold Smiths, Carpentry, and Tailoring industries. Their goal was to obtain information regarding informal workers who were employed in the informal sector. According to the findings of the survey, a disproportionate number of women are employed in non-trade service occupations. Men are more likely to be involved in commerce than women are, and the working conditions of workers are deplorable. These employees were deprived of their benefits and their rights as a result of a lack of training facilities, understanding of government welfares plan, and an inadequate role played by SHG and NGOs.

D Angel (2017), in the paper "A Analytical Study on The Status of Women Workers In Unorganized Sector In India," analysed the status and recognised factors of female workers in the unorganised sector with the assistance of secondary data sources such as the report of NCEUS (2004-13), and discussed policy measures for improving the working conditions of these female workers that were taken by the government. Angel's research was published in the journal "Analytical Studies on the Status of Women Workers in Unorganized Sectors in

India." According to the findings of the research, the primary motivation for these women to work in this industry is the need to support themselves financially. Despite the fact that the government has passed numerous acts and formulated both central and state government schemes with the intention of improving the working conditions of these workers, the actual needs and requirements of these workers have not been met because there has been a lack of implementation of these schemes with regard to workers in the unorganised sector.

RESEARCH METHDODOLOGY

This study makes use of both primary and secondary sources of information. The surveys carried out by the National Sample Survey Office are the primary and most credible source of secondary data pertaining to India's unorganised businesses (NSSO). The National Sample Survey (NSS) of unorganised businesses is carried out at sporadic intervals, and the survey reports are subsequently made public. For the purpose of conducting an analysis of the current situation of unorganised businesses in India, data drawn from the 67th and 73rd rounds of the National Sample Survey (NSS) on unincorporated non-agricultural (other than construction) businesses in India are utilised. Data from published publications of the National Commission for Enterprises in the Unorganized Sector, the Economic Survey of Bihar for a variety of years, and the Statistical Handbook of Bihar for a variety of years were also obtained as secondary sources of information.

Need for Primary Data and Sampling Design

The collection of primary data is necessary for the pursuit of the second and third goals because the utilisation of secondary data is insufficient to achieve these goals.

Location Selection: The primary data was acquired by means of a sample survey that was carried out in Muzaffarpur between the months of June and December of 2017. Patna was chosen at random from the urban bodies in Bihar with a population of more than one lakh, while Muzaffarpur, which is the most populous urban area in the state of Bihar, was chosen on purpose.

Activity Selection: We chose four subsectors of unorganised manufacturing enterprises and four subsectors of service sector enterprises based on data from the National Sample Survey (NSS) on the sectoral composition of urban unorganised businesses in the state of Bihar as well

as preliminary field observations from Muzaffarpur. From the manufacturing sector, the following sub-sectors were chosen: the manufacture of wooden furniture, the manufacture of textile and wearing garments, the manufacture of food and drinks, and the manufacture of fabricated metal items. The retail trade, the trade and maintenance of motor vehicles, land transport activity, and food service activity were chosen as the sub-sectors that represent the services sector (restaurants). These particular sub-sectors account for a comparatively larger proportion of the total number of urban unorganised businesses in Bihar.

Cluster Selection: Both Muzaffarpur and Patna were first segmented into a few different clusters determined by their respective geographic locations. Then, in order to create a sample that is more typical of the city as a whole, certain clusters were chosen at random to cover various parts of the city.

Ultimate Sample Unit Selection: Even though a random sample is the most accurate type of sample, it cannot be used in this situation since the sampling frame cannot be formed. This is due to the fact that a significant portion of unorganised businesses are not registered with any agency, and there is no information regarding the entire number of urban unorganised businesses in Bihar that can be found in any record. Therefore, a non-random procedure that is analogous to accidental sampling was used to select sample businesses from within the clusters. The potential drawbacks of using a non-random sample were mitigated as much as possible with the utmost care.

Analytical Framework

Compiling, analysing, and contrasting the secondary data that is already accessible is how the first goal will be accomplished. In this exercise, ratios, averages, and figures are utilised to complete the task. By conducting an analysis of the data gathered during the field study on the financial elements of the businesses, the second purpose will be accomplished. It is necessary to calculate the financial resource gap in order to account for both the expenditure of working capital and the investment of capital. A regression analysis is carried out in order to determine the elements that determine the pattern of financing sample businesses. Examining the differences in the financial access of the various businesses that were the focus of the field study and then regressing those differences on the various background elements of those units satisfies the third purpose of the study. An index of financial access and inclusion is developed so that the degree to which each unit has access to financial resources may be measured. An

answer to the first research question, which was "what causes the financial exclusion of the unorganised enterprises?" was found by analysing the pattern of financing the unorganised sector as well as the factors affecting the financial access of the unorganised enterprises. This provided an insight into the first research question. In order to answer the second study question, some sort of monetary performance indicator needs to be developed. After that, the variable is regressed on financial access as well as other variables that could explain the results.

PROFILE OF THE SAMPLE ENTERPRISES

The Field Study Location

Muzaffarpur and Patna were host to the primary field investigations that were carried out. In addition to being the most populous city in all of India's northeastern area, Muzaffarpur is also one of the cities in India with the quickest rate of urbanisation. Muzaffarpur is home to the state capital of Bihar, which bears the same name. The Muzaffarpur Municipal Corporation region had a total population of 957,352 residents as of the census that was taken in 2011. The town of Patna, which is considered to be one of the most important urban areas in the state of Bihar, can be found in the most eastern part of the state and is situated 435 kilometres away from Muzaffarpur. The town of Patna serves as the administrative centre of the Patna district. The population of Patna town was counted to be 139,565 during the census that was taken in 2011. On the other hand, the total population of the projected metropolitan region that includes Patna is 154,296. There has been a discernible quickening in the rate of population expansion over the past few decades in both Muzaffarpur and Patna. In addition, there is a significant influx of people moving to metropolitan areas from various regions of the state as well as from various regions of the country. And a significant portion of them are working in the unorganised sector, either as independent contractors or as employees of businesses that are not formally established. All of these factors served as motivation for the researcher to carry out the field experiment in these two metropolitan settings.

Table 1 : Distribution of the Sample Enterprises Across Different Sub-Sectors

	Muzaffarpur	Patna	Overall
Manufacturing of Wooden Furniture	8 (80.0%)	2 (20.0%)	10 (100.0%)

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Manufacturing of Textile and Apparel	9 (60%)	6 (40%)	15 (100.0%)
Manufacturing of Food Products and Beverages	14 (82.4%)	3 (17.6%)	17 (100.0%)
Manufacturing of Fabricated Metal Product	2 (40.0%)	3 (60.0%)	5 (100.0%)
Manufacturing Sector	32 (69.6%)	14 (30.4%)	46 (100.0%)
Retail Trading	16 (31.4%)	35 (68.6%)	51 (100.0%)
Trade and Repairing of Motor Vehicles	7 (46.7%)	8 (53.3%)	15 (100.0%)
Land Transport Activity	0	21 (100.0%)	21 (100.0%)
Food Service Activity	18 (81.8%)	4 (18.2%)	22 (100.0%)
Services Sector	42 (38.2%)	68 (61.8%)	110 (100.0%)
Overall	74 (47.4%)	82 (52.6%)	156 (100.0%)

Source: Calculated by the author from Field Survey Data (June- December, 2017)

Table 1 provides a profile of the selected sample for your perusal. It was decided to take a sample from Muzaffarpur consisting of 74 units and one from Patna consisting of 82 units. The total number of units included in the sample was 156 in total. The number of units chosen from each of the several sub-sectors in Bihar is equal to the total number of urban unorganised businesses in the state. On the other hand, because of some logistical challenges, the sample does not contain any units from the land transport sector in Muzaffarpur. The sample includes 46 businesses in the manufacturing sector and 110 businesses in the service sector. The sample includes both own account enterprises (OAE) and establishments in their composition. OAE refers to activities that proceed on a reasonably consistent basis without the assistance of any paid employees. On the other hand, established businesses always have at least one employee who is hired from outside. OAEs made up as much as 72.4% of the sample enterprises, while establishment enterprises made up 27.6% of the remainder of the businesses (please refer to Figure 1). Establishments accounted for each and every one of the businesses in the sector of wooden furniture, whilst operating activities on the ground were carried out only by OAEs.

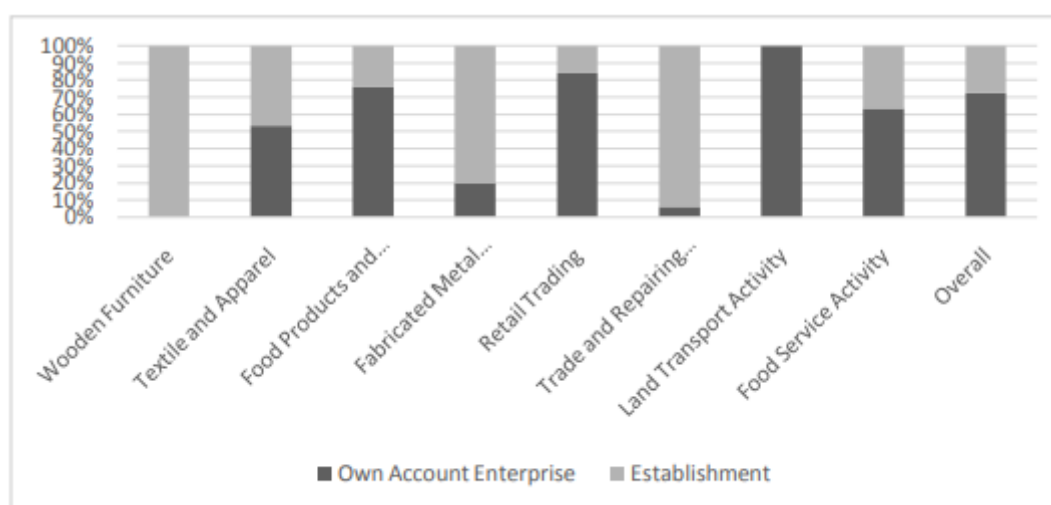


Figure 1 Distribution of the Sample Enterprises according to their Type

DATA ANALYSIS AND RESULT

The unorganised sector is a component that is typical of developing and undeveloped economies like India, which was covered in detail in the chapter before this one. Because it is one of the more underdeveloped states in India, Bihar is not an exception to this rule. This chapter, which is based on secondary data acquired from many sources, will make an attempt to highlight various characteristics of the unorganised enterprises that are present in Bihar. The

National Sample Survey Office (NSSO) has on occasion been responsible for carrying out surveys of businesses operating in the unorganised sector. NSSO formerly distinguished between organised and informal businesses when defining unorganised businesses. Therefore, informal businesses were a subset of the unorganised sector enterprises as a whole. In addition, surveys of unorganised businesses in the manufacturing sector and service sector were carried out independently. Nevertheless, beginning in 2010–2011, the NSSO discontinued conducting surveys on both unorganised sector enterprises and informal sector enterprises. Instead, it began conducting a national study on unincorporated non-agricultural businesses. The unincorporated non-agricultural enterprise survey contains all of the enterprises that are also included in the unorganised enterprise survey, with the exception of those enterprises that are registered under the Companies Act, 1956. In addition to this, the discrepancy between the two surveys' respective definitions of the total number of businesses that are expected to exist is quite little 4. The results of this survey are therefore utilised in the process of conducting an assessment of the state of the unorganised businesses. In the years 2010–2011 and 2015–2016, respectively, the Countrywide Survey of Small Businesses (NSSO) carried out national surveys of unincorporated non-agricultural businesses. In addition, the NSSO surveys of unincorporated businesses include businesses involved in manufacturing, commerce, and other service sector activities. Therefore, it is conceivable to do a comparison between these three subcategories of businesses during the past two years. The purpose of this chapter was to gain an insight of the state of unorganised businesses in Bihar by compiling and calculating the data that was obtained from these two surveys.

COMPOSITION OF UNINCORPORATED NON-AGRICULTURAL ENTERPRISES

The term "unincorporated non-agricultural enterprises" refers to businesses in the manufacturing sector as well as businesses in the service sector. Table 1 provides an explanation of the structure of the unincorporated non-agricultural businesses operating in the state of Bihar. Over the course of several years, there has been an overall rise in the number of businesses. When compared to the state's share of India's total number of trading firms, Bihar's share is significantly higher. This is in contrast to the state's share of manufacturing and other service sector enterprises. In a similar vein, Bihar's percentage of the overall number of establishing firms is far larger than its percentage of OAEs.

Table 2 : Estimated Total Number of Unincorporated Non-agricultural Enterprises in Bihar

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	2010-11			2015-16		
	OAE	Est.	All	OAE	Est.	All
Manuf.	1,57,682 (1.93) {72.15}	60,877 (2.36) {27.85}	2,18,559 (2.00) {100.00}	152938 (0.90) {75.27}	50249 (1.76) {24.73}	203187 (1.03) {100.00}
Trading	4,68,815 (2.63) {83.97}	89,504 (3.06) {16.03}	5,58,318 (2.69) {100.00}	567505 (2.91) {84.78}	101882 (2.85) {15.22}	669390 (2.90) {100.00}
Other Services	3,15,273 (1.90) {84.26}	58,914 (1.87) {15.74}	3,74,188 (1.90) {100.00}	266283 (1.55) {77.96}	75265 (2.08) {22.04}	341548 (1.65) {100.00}
All Enterprises	941770 (1.93) {81.82}	209295 (2.36) {18.18}	1151065 (2.00) {100.0}	986729 (1.84) {81.27}	227396 (2.26) {18.73}	1214125 (1.91) {100.00}

Source: Values in ‘()’ indicate the percentage share of Bihar in the total number of enterprises in India.

Here, it would be beneficial to have an idea about the percentage share of different sub-sectors in the total number of unincorporated non-agricultural enterprises in Bihar. The overall share of the manufacturing sector in the total number of unincorporated non-agricultural enterprises during 2010-11 and 2015-16 were 18.99% and 16.74% respectively. These two rounds of surveys categorized the unincorporated enterprises into 25 sub-sectors. These are cotton ginning, cleaning and baling, food products and beverages, tobacco products, textiles, wearing apparel, dressing and dyeing of fur, tanning and dressing of leather (luggage, handbag, saddler, harness and footwear), wood and products of wood & cork (except furniture), coke, refined petroleum products and nuclear fuel, chemicals and chemical products, rubber and plastic

products; other non-metallic mineral products, basic metals, fabricated metal products, except machinery and equipment, machinery and equipment (not elsewhere classified), office equipment and computing machinery, electrical machinery and apparatus (not elsewhere classified), radio, television and communication equipment and apparatus, medical precision and optical watches and clock, motor vehicles, trailers and semi-trailers, other transport equipment, furniture manufacturing (not elsewhere classified) and recycling.

Table 3 : Percentage Share of Different Sub-Sectors in the Total Number of Unincorporated Manufacturing Enterprises in Bihar

Activities	2010-11	2015-16
Wearing Apparel	10.14	11.97
Textiles	18.84	7.5
Manufacture of Wooden furniture	11.11	17.67
Food Products and Beverages	27.94	32.47
Wood Products	23.69	17.34
Fabricated Metal Products	2.31	2.86
Other manufacturing	5.97	10.19
Manufacturing Activities	100.00	100.0

Source: Compiled and Calculated by the Author from Economic Characteristics of Unincorporated Non- Agricultural Enterprises (Excluding construction) in India, 2010-11, (Technical Report No. 549), NSS 67th Round, National Sample Survey Office & Economic Characteristics of Unincorporated Non- Agricultural Enterprises (Excluding construction) in India (2015-16), Technical Report No.582, NSS73 Round, National Sample Survey Office

Table 3 depicts, in percentage terms, the relative contribution of several sub-sectors to the overall number of unincorporated manufacturing companies in the state of Bihar. The firms that are involved in the production of textiles and wearing apparels combined have the highest part of the total number of unincorporated manufacturing enterprises in Bihar throughout the

course of the years. This is true across the various sub-sectors of the manufacturing industry. Other sub-sectors having a much bigger share of the overall number of unincorporated manufacturing firms include the manufacture of fabricated metal products, the manufacture of food products and drinks, and the manufacture of wood products. None of the unincorporated manufacturing businesses were engaged in activities such as cotton ginning, cleaning, or bailing; the production of paper and paper products; the manufacture of pharmaceutical, medicinal chemical, or botanical products; the production of machinery and equipment N.E.C.; or the production of other types of transport equipment. The remaining subsectors each account for a relatively insignificant portion of the total number of unincorporated businesses.

In this context, it is absolutely necessary to have some concept of the proportional contribution of the various sub-sectors to the overall number of unorganised service sector businesses in Bihar. The Unincorporated Non-Agricultural Enterprise Survey was conducted in 2010-11 and 2015-16. It grouped unincorporated businesses in the service sector into two major categories: trade enterprises and firms in other services. Trading is the most prevalent kind of unincorporated non-agricultural business, making it the most important category overall. During the years 2010-2011 and 2015-2016, the percentage of unincorporated non-agricultural businesses in Bihar that were trading operations ranged from 48.50 percent to 55.13 percent. Table 4 provides an overview of the percentage contributions made by various sub-sectors to the overall number of unincorporated trade companies in the state of Bihar. Four primary classifications can be used to the many types of unincorporated commercial enterprises. The largest proportion of all trading businesses can be found in the retail sector, despite the fact that there are many other types of trading.

Table 4 : Percentage Share of Different Sub-Sectors in the Total Number of Unincorporated Trading Enterprises in Bihar

Activities	2010-11	2015-16
Retail Trading	90.73	94.88
Wholesale trading	7.18	2.91
Trade and Repair of Motor vehicles and motorcycle	1.63	2.21

Activities of Commission Agents	0.45	0
Trading Activities.	100.0	100.0

Source: Compiled and Calculated by the Author from Economic Characteristics of Unincorporated Non- Agricultural Enterprises (Excluding construction) in India, 2010-11, (Technical Report No. 549), NSS 67th Round, National Sample Survey Office & Economic Characteristics of Unincorporated Non- Agricultural Enterprises (Excluding construction) in India (2015-16), Technical Report No.582, NSS73 Round, National Sample Survey Office The percentage of the total number of urban unincorporated non-agricultural enterprises in Bihar that were owned by businesses in the other services sector was between 32.51% and 28.13% for the years 2010-2011 and 2015-2016, respectively. Enterprises that are part of the unincorporated service sector (which excludes trading) are separated into a variety of sub-sectors. Some examples of these sub-sectors include the following: the accommodation business; food service activities; land transport; water transport; warehousing and storage; support activities for transport, postal and courier activities; information and communication; financial service activities other than insurance and pension funding; other financial service activities; real estate activities; professional, scientific and technical activities. Table 5 provides a breakdown, in terms of percentages, of the various sub-sectors' contributions to the overall number of unincorporated service sector businesses in the state of Bihar. Land transport; other community, social and professional service activities; real estate business; and food service activities have a significant share in the overall number of unincorporated businesses. These four sub-sectors make up the majority of the total number of unincorporated businesses. The activities of postal and courier services, accommodation, water transport, warehousing and storage, and support activities for transportation are all included in the "others" category. Less than one percent of each of these activities is contributed by each individual.

Table 5 : Percentage Share of Different Sub-Sectors in the total Number of Unincorporated Other Service Sector Enterprises in Bihar

Activities	2010-11	2015-16
Land Transport	37.40	29.18

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Other Community, Social and Professional Service Activities	19.58	27.25
Food Service Activities	19.16	16.96
Education	4.37	5.25
Human Health and Social Work	1.90	2.55
Real Estate Activities	0.95	4.44
Financial Service Activities	9.79	3.12
Information and Communication	1.30	1.52
Administrative and Support Service Activities	2.60	7.09
Professional, Scientific and Technical Activities	1.08	1.54
Others	1.87	1.10
Total Service (excluding trade)	100.00	100.00

Source: Compiled and Calculated by the Author from Economic Characteristics of Unincorporated Non- Agricultural Enterprises (Excluding construction) in India, 2010-11, (Technical Report No. 549), NSS 67th Round, National Sample Survey Office & Economic Characteristics of Unincorporated Non- Agricultural Enterprises (Excluding construction) in India (2015-16), Technical Report No.582, NSS 73 Round, National Sample Survey Office

CONCLUSION

It has been discovered that the unorganised firms are reliant on their own funds and credit from informal sources in order to keep their business afloat financially. However, if an entrepreneur starts a business with funds that are wholly owned by them, then the entire risk of the business falls on the shoulders of that individual entrepreneur. In addition, expanding a business largely by the use of one's own funds is a challenging concept, particularly for businesses that are not organised. A greater proportion of unorganised businesses are run by members of economically disadvantaged segments of the population. These members of society engage in such endeavours because they are unable to find work in the organised economy and are therefore forced to fend for themselves. Therefore, if an entrepreneur makes the entire investment out of

his own pocket, then there is a very good chance that he or she will have a restricted amount of access to loans from official financial institutions.

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