



A Case Study

Structure and operational performance of informal enterprises in the urban area of Muzaffarnagar

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ABSTRACT : The present study examined the nature and structural attributes of informal enterprises engaged in a wide spectrum of diverse activities. It aimed at investigated and evaluated a number of important growth parameters of informal enterprises with special reference to productivity of labour and capital, employment levels, income and saving potentials as well as techno-economic characteristics. Data were sourced from secondary and primary data. The data were analyzed using multiple regression analysis. The results showed that the unorganized sector is in no way an independent and exclusive sector. It is linked to or in many cases, dependent on the organized sector and the rest of the economy through a variety of linkages. It depends on the organized sector for raw-materials and other capital requirements, generation of employment, marketing facilities and so on. The sub-contracting model is also used by the formal sector for engaging labour in the unorganized sector. Both these sectors are mutually dependent on each other not with standing the incidence of exploitation of the informal sector by the formal sector. It was therefore concluded that the need of an appropriate policy structure to enable the informal enterprises to play a more significant role in urban development.

KEY WORDS : Informal sector, Formal sector, Enterprises

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