

ROLE OF PETTY TRADERS IN INFORMAL SECTOR (A Class Study of Dehradun District)

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ABSTRACT

This paper seeks to study the economics role i.e. patters of occupation, earning capabilities, contribution to the family and savings of the persons engaged in petty trading informal sector in Dehradun district of Uttarakhand State of India. Before analyzing the economics role of petty traders in Dehradun district, it becomes essential to know what an informal sectors is and what the petty traders are? As such origin, concept and characterstics of informal sector and meaning and types of petty traders are studies as under.:

Key-words: Petty Traders, Informal Sector, Problems, Recommendations.

ORIGIN AND CONCEPT OF INFORMAL SECTOR

The origin of informal sector is not very old. First of all Hart, Keith used this term in 1971 in his study of Ghana to mean that part of urban labour force that falls outside the organised labour market. He used the terms informal income generating activities, unorganised sector, unenumerated sector, self-employed individuals and urban proletariat in his study more or lass alternatively and interchangeably. Later on his term was introduced in international usage in 1972 by International Labour Orgnisation (ILO) in its Kenya Mission Report.

In order to understand the meaning and concept of informal sector it is necessary to have an idea of the formal or organised sector of an economy. The formal sector refers to all economic activities or enterprises which enjoy recognition, protection and support by the Government and are covered under the economic incentives offered by the State and its institution. There is a corporate ownership and use of capital intensive and imported technology. The labour market is regulated and protected and the job of the employees is secured.

On the contrary, all the economic activities or enterprises which do not meet the above criteria are grouped under informal sector.

Informal sector is broadly characterised as consisting of units engaged in the production of goods and services with primary objective of generating employment and income to the person concern. These units typically operate at low level of organisation with little or no division among factors of production. These units are normally operated by the own family members and capital in their own houses, The labour relation, where they exist are based on casual employment. There is no job security. Production units, sometimes, have no separate entity as there is no clear cut distinction between the production activities and household activities of the owner. No complete sets of accounts of production unit are available as expenditure for production is often indistinguishable from household expenditure. Thus, the informal sector can be regarded as a group of production units, which form part of household sectors as household enterprises or equivalently, unincorporated enterprises owned by households.

Thus, informal sector includes all the economic activities and enterprises which are not officially regulated and which operate outside the incentive system offered by the State and its institutions. It is characterised by a low level of organisation with no access to formal credit, little or no division between labour and capital, labour relations based on casual employment and/or social relationship as opposed to formal contracts, labour intensive technology and low-skill labour. These units to a large extent, belong to the household sector and can not be associated with other organisation.

CHARACTERISTICS OF INFORMAL SECTOR

Salient characteristics of informal sector are as follows:

1.Small Size of Operation

Informal sector normally consists of small establishment. The small size of operations means a relatively low level of capital and a small size of employment.

2.Ease of Entry

Labour market in an informal sector is unregulated as such there is easy entry in this sector.

3.Informal Structure and Family Ownership

Informal sector does not have a formally structured organisation. There is no division of labour and capital.

4.Reliance on Indigenous Resources

Informal sector relies on indigenous resources which are easily available in its local area and nearby market.

5.Use of Indigenous Technology

The informal sector is normally characterised by labour intensive techniques, predominantly manual low productive techniques and indigenous technology.

6.Highly Competitive and Unprotected Market

The informal sector generally operates in a highly competitive market and often has to sell goods and services at unfavourable terms.

7.Lack of Access to Government Favours

Informal sector receives ill treatment from the government as it does not provide facility to this sector.

8.Unregulated and Unprotected Labour Market

The labour market in the informal sector is unregulated and unprotected as there is no official protection and recognition by the government.

9.Absence of trade Unions

In informal sector either there are no trade unions and if they are, they are weak enough as such the labour market suffers from low income and wages.

IMPORTANCE OF INFORMAL SECTOR

It has been experienced that formal sector could not provide adequate opportunities to accommodate the work force in the economies and informal sector has been providing employment and income earning opportunities for a larger number of workers for their subsistence and survival. Informal sector, thus, is a perennial source of employment generation.

To be more specific, informal sector has established itself to be the only source of survival to a large segment of work force and women in particular. An increasingly large portion of the women has been absorbed by this sector. Women all over world and more so in India are part and parcel of the labour market. They are found employed in informal sector as agriculture labourers, domestic servants, sweepers, construction workers, coolies, petty traders and as self employed workers in stitching, knitting, weaving and embroidery etc.

FINDINGS OF THE SURVEY

A sample of 200 petty traders (120 male and 80 female) was taken on the basis of stratified random sampling technique from Dehradun district. All the petty, for the purpose of study have been classified mainly into five categories-(i) petty traders retailing new and old clothes, woolen garments and foreign goods etc., (ii) petty traders vending in refreshment and food items, (iii) petty traders vending in vegetables and fruits, (iv) petty traders selling in grocery items, and (v) other petty traders dealing in news paper, magazines, video cassettes, picture cards and many items of daily use. The number of the sample petty traders from each category has been taken on the basis of their availability in the district. Number of the various petty traders taken for study purpose are shown in the table. 1

Table 1: Number of Petty Traders under different categories

S. No.	Category	MALE		FEMALE		TOTAL	
		No. of Male Petty Traders	% of Male Petty Traders to Total Sample Male Petty Traders	No. of Female Petty Traders	% of Female Petty Traders to Total Sample Female Petty Traders	No. of Total Petty Traders	% of Total Petty Traders to Total Sample Petty Traders
1.	Retailing new and clothes , woolen garments & foreign goods etc.	63	52.5	40	50.0	103	51.5
2.	Vending in refreshment and food items	18	15.0	10	12.5	28	14.0
3.	Vending in refreshment and fruits	15	12.5	10	12.5	25	12.5
4.	Selling grocery items	12	10.0	10	12.5	22	11.0
5.	Other petty traders	12	10.0	10	12.5	22	11.0
Total		120	100.0	80	100.0	200	100.0

Source: Field Survey

Finding of the survey are summarised as follows:

Caste Composition:

A large number of sample petty traders (i.e. 50.5% petty traders were tibetans. The reason is that after Chinese invasion in Tibet a large number of the Tibetans are mainly engaged in retailing new and old cloths. Woolen garments, foreign items and many other Tibetan handicraft items. There is a separate and famous Tibetan or Bhutia Market in Dehradun and Mussoorie. Among rest 49.5% there were 25.5% petty traders from General Caste, 7.5% from OBC category and 7.5% from SC/ST category. These petty traders had no specific field of business. 9% petty traders were Nepalese. They were dealing mainly with grocery items and vegetables and fruits, and running small restaurants.

A higher percentage of Tibetans of the order of 70% can be noted in the case of females as compared to 37.5% in male. On the contrary, a higher percentage of general category of the order of 37.5% can be noted in the case of males as compared to 7.5% in females.

Age Composition

They were found engaged in petty trading from different age groups. The main concentration of the petty traders was in the age group of 31-45 as 41% of the sample petty traders. The children being immature and unable to handle the monetary transactions were not given the responsibility of running

the trading as the inexperience would lead to severe loss. The petty trade was more or less run by persons of older age. The percentage of the workers in the age group of 16-60 was 92 percent. Even the participation of old persons was quite high. 7.5% of them were of the age above 60. This shows that in trade it was the experience that was counted. The physical strength was not a factor that effected the employment of persons in petty trading. There was little bit divergence in the age composition of male and female petty traders.

Educational Leave

23.5% sample petty traders were illiterate and 21% had their education upto primary level 26.5% petty traders had their education between 6th to 7th class and 29% petty traders above 8th class. If we compare the educational level for males and females we find that males are slightly better educated in comparison of females as percentage of vi class and above is 57.5% in males as against 52.5% in females.

Marital position

27.5% sample petty traders (male 25% and female 31.25%) were unmarried and 72.5% petty traders (male 75% and female 68.75%) married.

Female size

A large number of sample petty traders (i.e. 51%) had 4 to 6 family members. It is also clear that 37.5% of the sample petty traders and their family size 1 to 3 persons. There were only 11.5% petty traders who had their family size 7 persons or more. The average family size of all the 200 petty traders was 4.22 person.

This figure at 4.25 persons is slightly improved for male petty traders as compared to 4.18 persons of female ones.

Level of Earning

Table- 2 studies the level of net monthly earning of the sample petty traders it is clear from the table that 36% of the sample petty traders had their montly earning between Rs. 4501 to 6000 and 30.5% petty traders Rs. 6001 and above. Only 3.5% female petty traders had their net monthly earning upto Rs. 1500 and 11.5% between Rs 1501 and 3000. Thus, 66.5% petty traders and their net monthly earning more than Rs. 4500 and rest 33.5% upto Rs. 4500. The average net monthly income at Rs 5202.55 is slightly higher for female petty traders as compared to Rs. 4863 for male petty traders.

Monthly Contribution to the Family

Table- 2 studies the monthly contribution of sample petty traders of their families. It is clear from the table that 38% and 34% of the sample petty traders has monthly contribution to their families upto Rs. 1000 and between Rs 1001 to 2000, respectively. Thus, there were 72% petty traders who had montly contribution towards their families was Rs. 2001 and above. It is also noted that 7% petty traders had no contribution to their families. The average monthly contribution at Rs. 1242.22 is slightly higher for female petty traders as compared to Rs. 1192.13 for male petty traders.

Table 2^{CS}
LEVEL OF MONTHLY EARNING OF THE SAMPLE PETTY TRADERS

Level Monthly Earning (IN Rs.)	Male		Female		Total	
	No. of Male Petty Traders	% of Male Petty Traders to Total Sample Petty Traders	No. of Female Petty Traders	% of Female Petty Traders to Total Sample Petty Traders	No. of Total Petty Traders	% of Total Petty Traders to Total Sample Petty Traders
X	f	Xf	f	Xf	f	Xf
Rs. 0001-1500	5	4.17	02	02.50	7	3.50
Rs. 1501-3000	15	12.50	08	10.00	23	11.5
Rs. 3001-4500	22	18.33	15	18.75	37	18.5
Rs. 4501-6000	42	35.00	30	37.50	72	36.0
Rs. 6001 and above	36	30.00	25	31.25	61	30.5
Total	N=120	100.0	N=80	100.0	N=200	100.0
Results	$\bar{X} = \frac{\sum Xf}{N} = \frac{583560}{120} = 4863.0$		$\bar{X} = \frac{\sum Xf}{N} = \frac{402040}{80} = 5025.5$		$\bar{X} = \frac{\sum Xf}{N} = \frac{985600}{200} = 4928.0$	

Source: Field Survey

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Table 3
MONTHLY CONTRIBUTION OF THE SAMPLE PETTY TRADERS

Monthly Contribution	Mid Value of Monthly contribution X	Male		Female		Total		
		No. of Male Petty Traders f	% of Male Petty Traders to Total Sample Petty Traders	No. of Female Petty Traders f	% of Female Petty Traders to Total Sample Petty Traders	No. of Total Petty Traders f	% of Total Petty Traders to Total Sample Petty Traders	Xf
Nil	0	10	8.33	0	6.25	15	7	0
Rs. 0001-1000	500.5	46	38.33	30	37.50	76	38	38038
Rs. 1001-2000	1500.5	40	33.34	28	35.50	68	34	102034
Rs. 2001 & above	2500.5	24	20.00	17	21.25	41	21	102520.5
Total		$N=120$	100.00	$N=80$	100.00	$N=200$	100	$\sum Xf=242592$
Results		$\bar{X} = \frac{\sum Xf}{N} = \frac{143055}{120} = 1192.13$		$\bar{X} = \frac{\sum Xf}{N} = \frac{99537.5}{80} = 1244.22$		$\bar{X} = \frac{\sum Xf}{N} = \frac{242592}{200} = 1212.96$		

Source: Field Survey

Table 4
NET MONTHLY SAVINGS OF THE SAMPLE PETTY TRADERS

Net Monthly Savings	Mid Value of Monthly Savings	Male		Female		Total	
		No. of Male Petty Traders	% of Male Petty Traders to Total Sample Petty Traders	No. of Female Petty Traders	% of Female Petty Traders to Total Sample Petty Traders	No. of Total Petty Traders	% of Total Petty Traders to Total Sample Petty Traders
	X	f	Xf	f	Xf	f	Xf
Nil	0	16	13.33	0	12.50	10	0
Rs. 0001-1000	500.5	53	44.17	28526.5	43.75	35	17517.5
Rs. 1001-2000	1500.5	37	30.83	55518.5	31.25	25	37512.5
Rs. 2001 & above	2500.5	14	11.67	35007.0	12.50	10	25005.0
Total		N=120	100.00	$\Sigma Xf=117052$	100.00	N=80	$\Sigma Xf=60035.0$
Results		$\bar{X} = \frac{\Sigma Xf}{N} = \frac{117052}{120} = 975.43$		$\bar{X} = \frac{\Sigma Xf}{N} = \frac{80035}{80} = 1000.44$		$\bar{X} = \frac{\Sigma Xf}{N} = \frac{197087}{200} = 985.44$	

Source: Field Survey

Net Monthly Savings

Table- 4 studies net monthly savings of the sample petty traders. It is clear from the table that 44% and 31% sample petty traders had their monthly savings between Rs. 1 to Rs. 1000 and Rs. 1001 to 2000, respectively. Thus, 75% of the petty traders had their net monthly savings between Rs. 1 to 2000. 12% petty traders had their net monthly savings more than Rs. 2000 while 13% petty traders no savings at all. Thus figure of average net monthly savings at Rs. 1000.44 is slightly higher for females as compared to Rs 975.43 for males.

PROBLEMS FACED BY THE PETTY TRADERS

During the survey the petty traders reported that faced a lot of problems. Some of them are summarised as follows.

Lack of Capital

32% sample petty traders reported that they were lacking capital. As a result of which they could not extend their business to the desired extent.

Lack of Business Skill

These traders being petty don't have business skill, resulting in lower income and consequently in lower standard of living.

Improper Price

The petty traders sell their commodities at the unfurnished and petty shops in the streets or nearby market which lack pump and show. As a result of which the customers don't want to pay the same bigger amount what they can pay easily at well furnished and beautiful shop in shopping complex and main market for the same commodity.

Lack of Organisation

Though there is a Tibetan Market Association for Tibetans ladies mainly for those who are selling new clothes and woolen garments particularly in Dehradun, yet, there is no such organisation which looks after the welfare of all types of petty traders in the district. This lack of organisation makes the petty traders weak.

Harassment by Police

It is the normal complaint of the vendors that police harasses them for getting 'Hafta' and 'Suvidha Shulk'. Those who deny to pay it will have to pay its price.

Problems in Getting Loan

Some petty traders reported that they had faced the problems in getting the loan all from money traders, banks, government and friends and relatives. Money trader took them in the net of vicious circle of loan system. In the case of loans by the Government and bank it is revealed that there was a large gap between the receipt of the application, sanction of the load and disbursement of loan. It took several months in disbursing the loan after the receipt of application. Some of them reported that they had to pay bribe to the officers of availing the loan.

Following Suggestion are recommended to improve the economic condition of petty traders in Dehradun District

Extension of Loan facility through Self-employed Schemes

60% sample petty traders reported that they suffered from the shortage of capital. As a result they could not extend their business to the desired extent. On an average, sample petty traders had a loan of Rs 11450.30 . Many of them had taken loan from shylokian money lenders. It is, therefore, suggested that Government should extend the facility of loan of them through self employment schemes. Norms under the schemes should be framed in such a way so that a large number of the petty traders may be benefited with the scheme.

Development of Co-operative Societies

Co-operative societies for petty traders in the distirct should be developed which may provide loan in the need of venders on easy conditions and at the reasonable rate of interest.

Strict Vigilance on Police

It is normal complaint of the sample petty traders in the district that police harasses them for getting 'Hafta' or 'Suvidha' Shulk'. Those who deny to pay it, will have pay its price. It is, therefore suggested to keep the strict vigilance on police and if somebody is found harassing any petty trader he/ she should be punished and penalised under the law.

Strengthening the Trade Unions

The trade union should be formed and strengthened to safeguard their interest. It will safeguard from the notorious customers on the one hand and from the harassing element like police on the other.