

Urban Informal Economies and Patterns of Livelihoods in Gangtok, Sikkim

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Abstract

The informal economy has its own dynamic in developing countries like India. This sector shares a huge percentage of informal workforces contributing to Gross Domestic Product of the Indian economy but the workers remaining in a vulnerable situation. Due to liberalization in India, the flourishing of new industries seen in Sikkim and this generates new form of employment opportunities in the state. The State capital Gangtok provides a huge number of migrant workers in the informal sector from the neighbouring states, Bihar, West Bengal, Assam, etc. As per the recent data around 142195 workers are under informal sector in Sikkim. These workers come from outside of the State and are engaged in various urban informal services. To study the informal employment and their vulnerability, sub-sectors namely tailors, taxi drivers, construction and garage workers are chosen and samples of 100 worker having 25 in each sub-sector. The analysis shows that the wage rate is lower than the legally prescribed minimum wage in Sikkim. The poor wage security is seen in their wages as the savings are very low. Even the workers don't have decent living and working condition in their workplace. The lack of skill affects their wage pattern. There is low level of social security for them. They are not even aware of the Governmental schemes. Therefore, they are still living in vulnerable condition.

Keywords: Informal Economy, Labour, Wage-pattern, Social-security

Introduction

The term informal sector was first introduced by Keith Hart in 1973 (Hart, 1973). In 2003, the 17th International Conference of Labour Statisticians at the International Labour Organization (17th ICLS) defined the concept of informal employment as all paid work (including wage employment and self-

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employment) that is not registered, controlled, or otherwise protected by current legal or regulatory frameworks, as well as any non-paid activity carried out in an income-producing enterprise (International Labor Organization, 2003).

Like other developing countries, India has a large proportion of the youth population who are suffering from unemployment. In this case, most of them now started small businesses or are engaging in contractual basis work in the Informal sector. Most of the people are coming to urban areas because of jobs. Poorer sections of urban society and rural migrant workers can find relatively simple access to a variety of employment options in the urban unorganized sector (Reddy and Vinodini, 2005). According to NSSO 68th unit level data on employment unemployment 2001-2012 and periodic labor force survey 2017, Ranana Murthy computed that the number of people in the informal sector is 82.6% in 2011-12 as respectively this percentage increase in the year 2017-18(85.5%) and the growth of formal organized is too low in India around 0.7%. Although they are contributing a large amount to the GDP they are neglected by the government policies (Murthy, 2017). The socio-Economic insecurity creates a barrier to growth progress. Not only the worker but their family also suffer from the insecurity level of Job. These unorganized sectors livelihood patterns which is below the poverty line creates a barrier to achieving the country's development as a whole.

Overview of Literature

In 1970 the term Informal economy considers an economic activity that occurred outside the official institution. The "informal sector" has been defined by numerous economists, including those working for well-known agencies like the World Bank and the International Labour Organisation (ILO), as something they must contend with, if only as a fact of life for the urban poor in the Third World (Hart, 1985). In third-world countries like Africa, the labour is surplus but not unemployed. They engaged in the Informal sector which has linked with the Formal sector and capitalism in its organized form as "Informal income opportunities" (Hart, 1973). There are several theoretical approaches taken into consideration to describe the Informal Economy. Mainly three approaches are considered in the whole theoretical work (Bhowmik, 2010). These are Dualist, structuralism, and legalist (Wilson, 2005). The dualist approach talked about the poor infrastructure in rural areas and formed an Informal economy by migrants in urban areas. The structuralism approach shows the exploitation of formal sectors in urban areas (Wilson, 2011). Therefore, in the concept of capitalism, Marxists remarked this as a petty commodity production (Hart, 1985). Lastly, the approach of legalism talked about individuals working in the unofficial sector protesting the bureaucratic regulations imposed by a mercantilist government that benefits the wealthy, implying that the informal sector is characterized by counter-hegemony (Wilson, 2011).

The informal economy has a huge contribution to the Gross Domestic Product of the economy. On a world basis, the economic contribution of the Informal sector varies. In developed countries like Sweden, Denmark, and Austria where urbanization is high the percentage of the Informal economy is 39%, 15.40%, and 16% respectively. On the other side developing countries like Brazil, Nigeria, and Thailand have 49.21%, 48.85%, and 42.24% (Ayyagari, 2007). Being a developing country, the picture is quite the same as other developing countries in the world. In the year of 1991, India introduces the liberalization reform which adjoins the flourishing of the deregulation effort which was started in the year of 1980s. During this time India increase privatization and disclosed the international flow of the Economy (Kohli, 2006).so, a huge number of workers are working in the Informal sector. The nature of the informal economy in India is people invest at their own risk in these small-scale industries, and production costs are often indistinguishable from household expenditure (Maiti, 2010). Similarly, the liberalization of India impacted the Sikkim economy. In 1975 Sikkim was merged with India and from there liberalization of economy between India and Sikkim took place. For this, many businessmen, and workers were coming from different parts of India. Also, on the other side, many hydropower projects were taken by the Sikkim government which create opportunities for the local and migrated workers (Mitra, 2019). On the other side, the migration rate can also create an Informal economy. The study of Chaudhury shows that of the migrant who came to Sikkim after 1975,35% of migrated people come to Sikkim in the year 1981 which is high among the other states of India and the socio-economic condition of the women as well as Labour are poor as the asset is being on the hand of people who came before 1975. This gap creates a major impact on the socioeconomic condition of the people and creates informality in working place as there are fewer facilities for them (Choudhury, 2021).

In the informal economy, the majority of the migrant worker is the only bread owner as their wives are housewives in their respective native places (Pattarnik, 2006). So, the dependency on the worker is high. But the earning wages are very low and they are insecurity of wages due to transport costs, raw materials, and political pressure. The vendors have to pay a certain amount from the earning money. Even if they don't have a bank account (Patel et al., 2014). The savings amount is too low around 300 Rs. a month (Hassan et al., 2015). In an informal economy, there is always gender bias in decisions by small industries. So, women are neglected by the organizer. They are suffering from job insecurity (Coelho et al., 2012). The medical facilities show a similar vulnerability. There is no available first aid box on the construction side worker (Pattarnik, 2006). The study in the town area of Sikkim shows that migrant taxi drivers are facing financial, health problems, and wage insecurity in the town, Singtam (Mitra, 2019). Thus, in spite of contributing to the huge GDP in the growth of the economy the livelihood pattern of the Informal worker is poor and they are not able to break into the barrier and give their family a better stand of living.

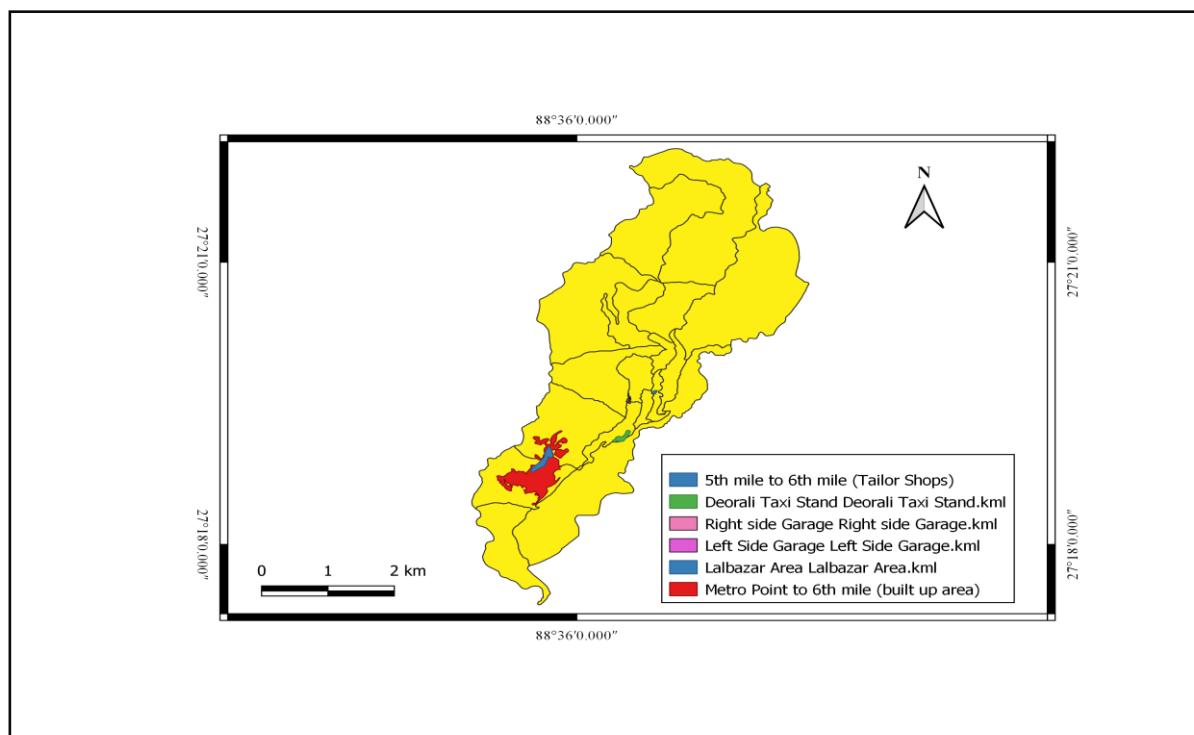
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Considering this, the study primarily aims to analyze the working conditions and pattern of Livelihoods in the Selected sub-sectors (Garage workers, Taxi drivers, Construction workers, and Tailors) of the Informal Economy. It further seeks to suggest measures to overcome the difficulties and challenges faced by Informal Workers.

Sources of Data

This study is done on the basis of Secondary and Primary data. There are some published and unpublished data which is taking consideration to fulfill the objectives of the current study. The data provided by the government offices of Sikkim like Directorate of Economy, Statistics & Monitoring and Evolution (D.E.S.M.E), Labour Department, Middle Lingding is used in this study. Year wise data of Gross District Domestic Production is taken from the D.E.S.M.E and the unpublished data of Informal labour mobility, District wise workers of Informal labour (within state, outside state, and foreign national), participation of Informal Sector (male & female) are taken from the Labour Department office. State, district level data was collected from District Census Handbook. The primary data was being collected through questionnaire in four locations with target group of Informal workers.

I:1 Map: Field Site of Primary Survey



Source: Digitize from Singh et al., 2020

Methodology

Four informal sectors were chosen to analyze this study. These are Construction, Tailoring, Garage, and Transport services. The samples were collected from four worker areas, Lalbazar (lower MG Murg), Indira Bypass area (Lower Sichey 2), Deorali taxi stand (Deorali), and Tadong to Ranipool.

This study is done with 25 samples of each Informal sector by snowball sampling method as no of labourers are unknown. The secondary data has been collected and analyzed from both the published and unpublished data. The primary and secondary data are processed through various software like Excel and SPSS. For the comparison study of four sectors the data of demographic condition (age, religion, native places, caste, and education qualification), economical condition, social security (availability of washroom, fast aid box, pandemic facilities, medical facilities) were putted into the SPSS software. To calculate the average monthly income, monthly expenditure, and savings arithmetic mean is used to calculate this.

Study Area

Sikkim's east district is home to the Northeastern Himalayan town of Gangtok. According to the Census of India (2011), the total area of the Gangtok subdivision is 563 km², in this area 541.83 km² is rural and 21.17 km² is urban (Census of India,2011). Gangtok urban area has a higher population (52.41%) than the rural (44.46%), making up the total 219450, the total population of Gangtok. According to the Census of India (2011), There were total 9 towns (including the Census town) in Sikkim. These are Mangan(NP) in North District, Gyalshing, Bazar Area in the West District, Namchi, Jorethang (NP) in the south and lastly the East district had relatively large number of towns like Gangtok (M.Corp.), Singtam (NP), Rangpo (NP), Rhenak (CT), have the least number of people (5.03%) among the all cities in Gangtok (Census of India,2011). In terms of literacy; all the districts of Sikkim have more literacy rate than the national average of 74.04%. In Sikkim, the East district has the highest literacy rate (83.85%). The literacy rate of Gangtok is 77.09% almost 6.76% less than the East district. But the literacy rate of Gangtok (Municipality Corporation) is 81.08%, almost 3.99% greater than the Gangtok. Regarding the Sex Ratio, the state has 890 females for every 1000 males, compared to the

Abbreviations

NP- Nagar Panchayet

M.Crop.- Municipality Corporation

CT- Census Town

national average. Only the West and South districts have a Sex Ratio that is higher than the state average. In Sikkim the West District stands first with 942 females per 1000 males, followed by the Southern District (915), the East District (873), and the West District with 767 females per'000 males. Gangtok (Municipality corporation) has a 912 Sex Ratio (Females per 1000) which is lesser than Gangtok (856 females per 1000) (District Census Handbook, 2011).

As per the 1991 census the categories of workers are nine. These are Cultivators, Agricultural labour Livestock and forestry Livestock Forestry etc., Mining and quarrying, Household industry, Construction Trade and

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Commerce, Transport & storage communication, others workers. And in 2001 the category of worker is four. In Gangtok the main and marginal workers are high in respect to Sikkim and East District. In the category of workers, mostly the temporal variation shows a complete picture of changing economy where the more workers are engaging in the service sector (Household Industry, others) and Gangtok Urban area have the highest percentage of workers in this category and this is an indication of the mobility of the labourers in cities like Gangtok, also emerging of Informal economy.

Table 1: Census Year-wise Trend of Workers

Indicators	Year	Sikkim	East District	Gangtok (Urban)
Main Worker (%)	1991	40.45	37.14	56.7
	2001	39.4	37.8	39.16
	2011	37.73	39.16	46.55
Marginal Worker (%)	1991	1.06	1.37	1.6
	2001	9.3	9.8	2.8
	2011	12.73	10.09	7.28
No Worker (%)	2001	51.4	52.4	32.6
	2011	49.53	52.4	69.5
Cultivator (%)	2001	49.9	32.6	0.2
	2011	38.1	22.54	0.44
Agricultural (%)	2001	6.5	7	0
	2011	8.43	8.22	0.4
Household Industry (%)	2001	1.6	1.8	7.7
	2011	1.67	1.72	1.19
Others (%)	2001	42	58.7	98.61
	2011	51.8	67.51	84.43

Source: District Census Handbook 1991,2001,2011

Similarly, in relation between the selected sub-sectors of Informal Economy and the GDDP of states are showing the increasing pattern of targeted workers and the total GDDP of Sikkim. Year-wise the Subsectors from 1991 is rapidly increasing on the other side in case of urban area like Gangtok where the percentage of sub-sector is high in respect to Sikkim, and East District. In respect to GDDP from the selected subsectors are also increasing. So, a Urban area like Gangtok is creating opportunity for the labourers and this fulfill the demand of service sectors.

Table 2: Relationship between Selected Sub-sectors and Gross District Domestic Product

Selected Sub-sectors	1991			Selected Sub-sectors	2001				2011				
	Sikkim	East Sikkim	GDDP of Sikkim (in Lakh)		Sikkim	East District	Gangtok (Urban)	GDDP of Sikkim (in Lakh)	Sikkim	East District	Gangtok (Urban)	GDDP of Sikkim (in Lakh)	
Transport & Storage Communication (%)	1.47	3.26	941	Others Worker (%)	42	58.7	98.61	33353	51.8	67.51	84.43	140558	
Construction (%)	7.5	10.61	3044										
Other Workers (%)	13.14	19.54	2690										
Total GDDP (in Lakh)			6675	Total GDDP (in Lakh)				33353	Total GDDP (in Lakh)				140558

Source: District Census Handbook 1991,2001,2011 and calculated from the unpublished data provided by DESM &E-Office,202

Limitations of the Study

- Due to unavailability of Town wise data of Informal Economy it's become difficult to study the micro level analysis of the Informal Economy in Urban areas.
- The data of inter-state migration and the migration from the other states is not taken consideration due to a lack in the amount of data
- This study is only done on the basis of 4 Informal sub-sector so; the finding is only based on these sectors.
- The data of formal economy shares, and Labour registration card issues year-wise is not given by the Labour Department of Sikkim.
- For the taxi drivers, only one taxi stand is chosen due to the short period of time for research.
- The very young workers (18-20 age) who just came from other places the operator doesn't want to give the survey details of the respondents, due to the peak season of the taxi drivers are not able to give sufficient time for interaction.

Trends of Economy and Informal Sector in Sikkim

There is an end number of objectives that are used to represent the Informal Economy. These are hidden, parallel, gray, underground, unorganized, shadow, unregulated, alternative, and illegalness. (Schoof's, 2015). The main two approaches which can use to define the Informal Economy is the Definitional and Behavioral approach. The Definitional approach considers it as unrecorded and on the other side Behavioral approach considers it as an economic activity (Fleming et al., 2000). Although there are numerous issues regarding the based definition of the Informal Economy it's become an important phenomenon in various countries in recent days. In past decades the world economy is confessing to some kind of economic crisis. As a result, the flourishing of the Informal Economy is becoming an essential occurrence in the different parts of the world economy (Chen, 2010). So, nowadays the study of the formation, flourishing, and impact of an Informal Economy in an individual country's economy becomes a more interesting topic in the study of geography.

District-wise Economic Trends and Employment in Sikkim

The rapid process of urbanization and Sectoral Flourishment may be one of the major reasons for the high demand for Informal Labour. On the other side, the informal sector and formal sector interlink with each other in the context of material, labor, and finished product. Instance, both informal and formal sector helps to increase the rate of Gross state domestic Product of Sikkim. With respect to the data of DESME, 2022 the temporal analysis of GDP shows that in the primary sector, the GDP contribution percentage was 8.14% in the year of 2011-12 and it's become 7.83% in the year of 2020-21. The

secondary sector contributed 61.29% in the year 2011-12 and the contribution of secondary sectors in the year 2020-21 is 56.60%. But in the case of the tertiary sector, the contribution of gross state domestic product increased over the period. In the year 2011-12, the contribution was 28.12 and it's become 31.12% in the year of 2020-21. So, in Sikkim, the tertiary and secondary sectors contributed a major role in the agricultural sector over the period of time. The flourishing of the tourism industry may be one of the reasons behind it as.

Table 3: Year wise GDDP Trend in Sikkim (2011-12 to 2020-21)

Sectors	2011-12(%)	2014-15(%)	2017-18(%)	2020-21(%)
Agriculture, Forestry & Fishing	90137 (8.07)	99226 (7.59)	130498 (7.38)	148295 (7.79)
Crops	78207 (7.00)	84688 (6.48)	111000 (6.28)	129243 (6.79)
Livestock	7627 (0.68)	9547 (0.73)	13026 (0.74)	13136 (0.69)
Forestry and logging	4017 (0.36)	4606 (0.35)	5937 (0.34)	5298 (0.28)
Fishing	287 (0.03)	385 (0.03)	535 (0.03)	618 (0.03)
Mining & Quarrying	800 (0.07)	1097 (0.08)	1273 (0.07)	789 (0.04)
Total of Primary Sector	90937 (8.14)	100323 (7.68)	131771 (7.46)	149084 (7.83)
Manufacturing	430623 (38.57)	523485 (40.05)	782910 (44.30)	753791 (39.59)
Electricity, Gas, and water supply	186623 (16.71)	180893 (13.84)	212158 (12.00)	253214 (13.30)
Construction	67095 (6.01)	66452 (5.08)	69658 (3.94)	70629 (3.71)
Total of Secondary Sector	84341 (61.29)	770831 (58.97)	1064726 (60.24)	1077635 (56.60)
Trade, Hotel, and Restaurants	31446 (2.82)	60093 (4.60)	76207 (4.31)	107606 (5.65)
Transport, Storage & Communication	28365 (2.54)	40088 (3.07)	49843 (2.82)	54951 (2.89)
Transport by other means	21351 (1.91)	29772 (2.28)	37631 (2.13)	42879 (2.25)
Communication	7014 (0.63)	10315 (0.79)	12212 (0.69)	12072 (0.63)
Banking and Insurance	16521 (1.48)	19558 (1.50)	24024 (1.36)	35939 (1.89)

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Real estate, ownership of a dwelling	58394 (5.23)	62725 (4.80)	66880 (3.78)	73742 (3.87)
Public Administration	74027 (6.63)	10315 (6.83)	12212 (5.20)	12072 (7.70)
Other Services	105197 (9.42)	116568 (8.92)	127338 (7.21)	173703 (9.12)
Total of Tertiary Sector	313932 (28.12)	388300 (29.71)	436133 (24.68)	592545 (31.12)
Total State Value added at Basic	1089210	1259455	1632630	1819263
Product Taxes	40600	60603	140920	94178
Product Subsidies	13300	13960	6215	9449
Gross State Domestic Product	1116510	1307097	1767335	1903998
Population(lakh)	(6.14)	(6.33)	(6.54)	(6.73)
Per capita income (in Rs.)	18142	206492	270235	282911

Source: Calculated from the data provided by DESM &E-Office, 2022

There is a shift in industry location after World war-2. Due to the profit maximization concept in the mind of capitalists, the industries were formed in the developing part of the world where the mass population is in poverty because of unemployment. These decrease the bargaining power of the labor which is beneficial for the capitalist. On the other side, the process of formalization is very low in developing countries. So, the unemployed population is seeking a job to full fill their basic need. they found opportunities in the informal sector. As Simon said, “Underemployment is better than employment, subsistence preferable to starvation” (Simon, 1984:570). Thus, this informal economy helps the people as well as economic development.

Trends and Patterns of the Informal Sector in East Sikkim

In cities where economic growth has lagged behind population growth, the informal sector is expanding quickly. It is now widely acknowledged that industrialization has not produced enough expansion and formal employment opportunities to absorb the substantial increase in urban labor supply resulting from urban population growth in low and middle-income countries due to both migration and natural increase (Castells and Portes 1989; Elgin and Oyvat 2013; Meagher 1995; Moser 1978). Crush et al., (2015) said “The numbers of international migrants are frequently exaggerated, it is clear that they have played an increasingly important role in the Informal Economies of South African cities over the last two decades”. The work of Rogerson shows how migrant people join an urban informal economy (Rogerson, 2000; Rogerson, 2008). Besides retailing, the migrant is also engaging in recycling and repairing. Like garage machines and phone repair (Rogerson, 2008). The small clothing industries, taxi drivers, and street barbers are seen in the informal market in cities (Rogerson, 2000). In east Sikkim mainly Gangtok

there are many industries formed in recent days. Mainly tourism industry flourished in such a way that it contributes a large amount of GDP to the economy of Sikkim. There is a rapidly increasing rate of tourists in Sikkim. From the year 2014, around 562418 people from the country and 49175 people from foreign countries visitors came in Sikkim whereas the number of tourists in the year 2019 is 1421823 people from the country and 133388 people from foreign. So, the number is increasing by around 152.80% with respect to the country's visitors and 171.251 per cent of foreign visitors (Ministry of Tourism,2014; Ministry of Tourism, 2019). For this accommodation also increased by providing goods and services. Mainly transport, hotel services, hospitality, electricity, water supply, and other accommodation like a shopping mall, Bazar, and traditional cloth shops are rapidly increasing nowadays and it's expanded the process of urbanization in Gangtok. These accommodations need workers to build and maintain Many workers are coming from different regions and are engaged in informal or unorganized sectors.

The trend of the Informal Sector shows the contribution of the informal Workers from different states/ Union Territory of India to the Economy of Sikkim. This trend of the migrated workers represents that from the October 2020 to 20th April, 2022 the no. of total migrated workers is 137348. In Distance wise the most of the workers are from immediate neighbor states. The percentage is 96.76%. In respect to state wise total migrated workers the most of the workers are from West Bengal and Bihar. The percentage is 50.73% and 29.53%. Similarly, in trend wise also, from October 2020 to 28th Feb 2022 around 112533 (97.09%) workers are from the immediate neighbor states, 2991 (2.58%) workers are from moderate neighbor states and 379 (0.33%) workers are from distance neighbor states. Likewise, 29th Feb to 22nd March and 23rd March to 20th April 2022 the highest no. of workers is from immediate neighbor states. The no. of workers in respective dates are 16923(93.98) and 3417 (99.51%). These shows a high positive trend of the migrated worker are joining rapidly in the Informal Sector in a short period of time and these workers are from the states like West Bengal and Bihar. In region wise most of the workers are coming from North Bengal. So, the most of families of the immediate neighbor states are depend upon this Informal economy of Sikkim. Therefore, Less employment opportunities and less wages become a push factor for migration to Sikkim from their native.

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Table 4: Spatial Interaction and Mobility of Informal Labourers in Sikkim

Distance of Class from the capital of the states to Sikkim (Road distance in km)	States/ Union Territory	October 2020 to 28th Feb 2022	Percentage	29 Feb to 22nd March	Percentage	23 rd March to 20th April 2022	Percentage	Total Informal Labour (October 2020 to 20th April 2022)	Percentage
0-1000 Km (Immediate Neighbour States)	West Bengal	59442	51.29	8540	47.42	1699	49.48	69681	50.73
	Bihar	33523	28.92	6377	35.41	654	19.04	40554	29.53
	Sikkim	10004	8.63	10	0.06		0	10014	7.29
	Jharkhand	6892	5.95	826	4.59	801	23.33	8519	6.2
	Assam	2669	2.3	1167	6.48	263	7.66	4099	2.98
	Nagaland	2	0	2	0.01		0	4	0
	Meghalaya	1	0	1	0.01		0	2	0
Sub-Total		112533	97.09	16923	93.98	3417	99.51	132873	96.74
1001-2000 Km (Moderate Neighbour States)	Odisha	1825	1.57	182	1.01	8	0.23	2015	1.47
	Delhi	882	0.76	2	0.01	1	0.03	885	0.64
	Uttar Pradesh	147	0.13	427	2.37	1	0.03	575	0.42
	Madhya Pradesh	93	0.08	8	0.04		0	101	0.07
	Manipur	20	0.02	8	0.04		0	28	0.02
	Himachal Pradesh	15	0.01	15	0.08		0	30	0.02
	Haryana	8	0.01	2	0.01		0	10	0.01
	Tripura	0	0	0	0	1	0.03	1	0
	Arunachal Pradesh	1	0	27	0.15		0	28	0.02
	Chhattisgarh	0	0	1	0.01		0	1	0

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	Mizoram	0	0	0	0	1	0.03	1	0
Sub-Total		2991	2.58	672	3.72	12	0.35	3675	2.68
2001-3000 Km (Distance Neighbour states)	Tamil Nādu	128	0.11	128	0.71		0	256	0.19
	Andhra Pradesh	65	0.06	65	0.36		0	130	0.09
	Maharashtra	88	0.08	20	0.11	5	0.15	113	0.08
	Kerala	64	0.06	15	0.08		0	79	0.06
	Punjab	10	0.01	10	0.06		0	20	0.01
	Kashmir	7	0.01	5	0.03		0	12	0.01
	Karnataka	4	0	4	0.02		0	8	0.01
	Telangana	4	0	4	0.02		0	8	0.01
	Bangalore	3	0	3	0.02		0	6	0
	Gujrat	3	0	159	0.88		0	162	0.12
	Ladakh	2	0	2	0.01		0	4	0
Hyderabad	1	0	1	0.01		0	2	0	
Sub-Total		379	0.33	416	2.31	5	0.15	800	0.58
Grand Total		115903	100	18011	100	3434	100	137348	100

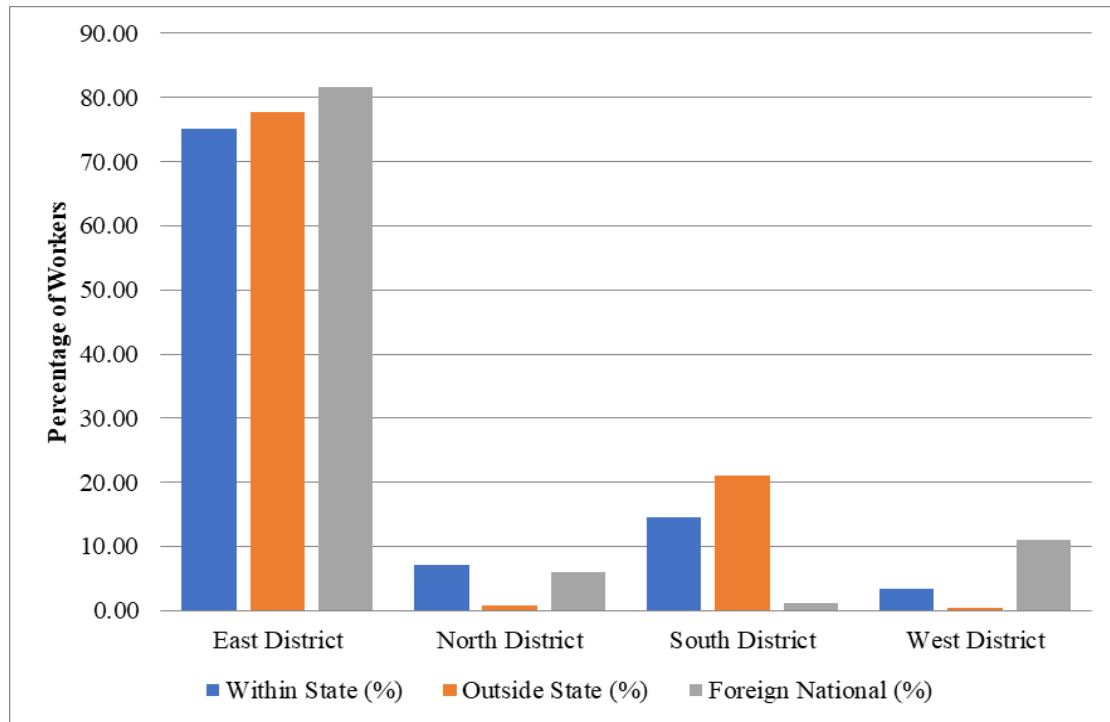
Source: Source: Directorate of Economics, Statistics & Monitoring, and Evaluation, 2022

So, the workers from both local and migrant are finding many job opportunities in the informal sector of East Sikkim. Around 14295 within-state, outside-state, and foreign Labours are engaged in the informal economic sector of Gangtok. From there 10014 laborers are from with state, 1277703 laborers are from non-local, and the other 4478 laborers are from foreign countries. The data shows that the number of high laborers is from out of the state in the Informal Economy. The difference between within-state and outside-state workers is 117689. In respectively the laborers are high in the east district of Sikkim. The percentage of within-state, outside-state, and Foreign countries Labours in East Sikkim district is 75.085%, 77.69%, and 81.69% respectively. Within that 77.69% of Non-Local laborers are engaged in the Informal Economy in East Sikkim which signifies that there is a high demand for Informal migrated Labours in this district. The total Labours of East Sikkim in the Informal Economy is 110391 people. Relatively, the South District, North District, and West District of Sikkim is ranked 2nd, 3rd, and 4th respectively. The rapid process of urbanization and Sectoral Flourishment may be one of the major reasons for the high demand for Informal Laborers. Hence the contribution of the Informal Laborers can be noted down in the economy of the urban area of Sikkim.

Table 5 District-wise Workers in the Informal Sectors from 20th October 2020 to 20th April 2022

Districts	Within State	Outside State	Foreign National	Grant Total
East District	7519 (75.08)	99214 (77.69)	3658 (81.69)	110391 (77.63)
North District	714 (7.13)	1033 (0.81)	270 (6.03)	2017 (1.42)
South District	1449 (14.47)	26932 (21.09)	54 (1.21)	28435 (20)
West District	332 (3.32)	524 (0.41)	496 (11.08)	1352 (0.95)
Total	10014 (100)	127703 (100)	4478 (100)	142195 (100)

Source: Directorate of Economics, Statistics & Monitoring, and Evaluation, 2022

Chart I: District-wise Distribution of Workers in Informal Sectors

Source: Directorate of Economics, Statistics & Monitoring, and Evaluation, 2022

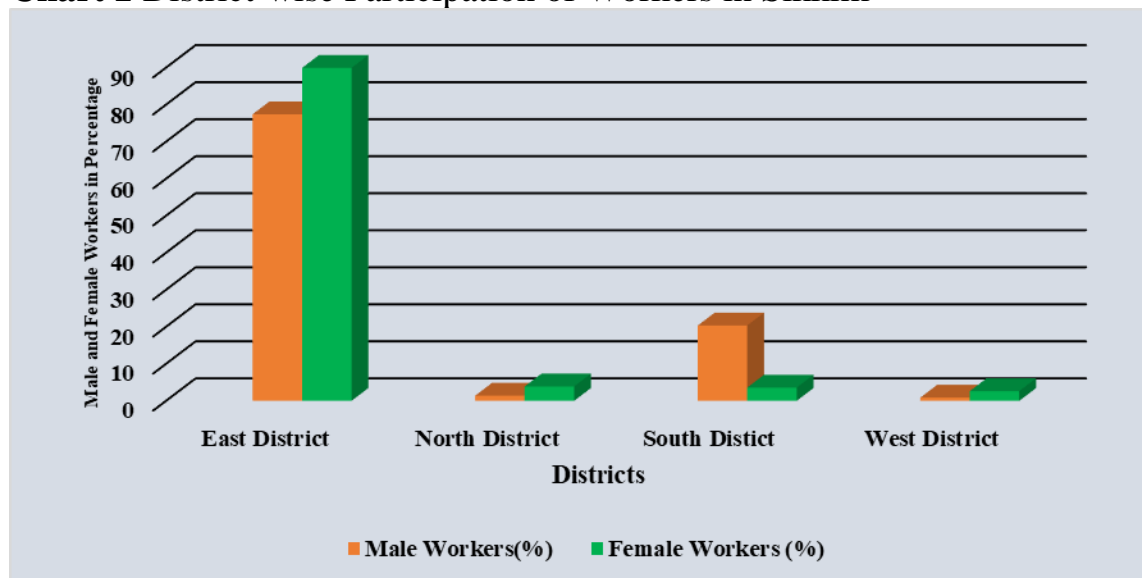
Table (3) shows that the total number of male and female informal laborers in Sikkim is 136818,5377. So, no. of male informal Workers is high in this state. In the male worker percentage also, a high percentage of male Labours is seen in the East District of Sikkim and South District, North District, and West District ranked 2nd, 3rd and 4th respectively in the percentage of male informal workers. The total number of female informal workers in Sikkim is 5377. The majority of the female informal workers are seen in the East District of Sikkim. The percentage of female workers respected by the total female worker is 89.92 %. Which signifies that there is a high opportunity for females in the East District of Sikkim.

Table 6: District-wise Participation of Males and Females in the Informal Sectors

Districts	Male	Male Workers (%)	Female	Female Workers (%)	Grant Total	Percentage
East District	105896	77.4	4835	89.92	110731	77.87264
North District	1901	1.39	209	3.89	2110	1.483878
South District	27830	20.34	192	3.57	28022	19.70674
West District	1191	0.87	141	2.62	1332	0.936742
Total	136818	100	5377	100	142195	100

Source: Directorate of Economics, Statistics & Monitoring, and Evaluation, 2022

Chart 2 District-wise Participation of Workers in Sikkim



Source: Directorate of Economics, Statistic & Monitoring, and Evaluation, 2022

Policies Related to Informal Labour in Sikkim

The Inter-State Migrant Workmen (RE&CS) Act by the government of India was established in 1979. This Act was enforced in Sikkim in the year 1983, 7th June. In this act, every establishment and contractor employing 5 or more migrant workmen is required to register themselves. One-time Registration is applicable to the principal employer only. Each year, the license will be up for renewal. It is applicable to Employers and Contractors both. To date, 11822 Inter-State Migrant Workers registered in the Unorganized sector. On the other hand, 220 nos. of Contractors have been registered to date. An act for Unorganized Sector workers for social security published in 2008 by the Government of India. This Act was enforced in Sikkim in the year of 2009, 16th May. The e-SHARM portal is also there for Informal Labor. Once they registered themselves in this, they don't need to register any other scheme for social security. The workers will be paid 2 Lakhs for accidental death and 1 Lakh for partial disability. The accidental insurance is covered by Pradhan Mantri Suraksha Bima Yojana (PMSBY) for 365 days. This will not only provide social security but also help eligible Informal workers in case of pandemics and calamities. Also, it kept the all records and create more job opportunities for them. Till now 152532 workers are under *e-Sharm* portal-1 (DESM&E, 2022).

Liberalization creates a major impact on the Economy of India. The formation of urban cities in different parts of India where due to the flourishing of the new industries in urban areas the unemployed people and people from the rural area migrated from rural to urban. As the city-centric Industrial development flourishes day by day people from rural areas or the periphery states are coming to the urban center, on the other side the city-oriented population growth is there. So, a huge portion of the population is

taking to jobs in the Informal sector. This Sector has its own contributions to the economy as it is related to the formal sector. Similarly, the analysis shows the picture of the growth of the informal economy in Gangtok with respect to the data and literatures.

Comparative Analysis of Sub-sector: Case study Approach

The rapidly growing industries in the urban area of Sikkim create opportunities for the people of that place and the periphery states of Sikkim. The population growth in urban areas is becoming very high nowadays and a recent study shows that overpopulation creates by the growth of the population in urban areas than the migration from the other area. Therefore, people are suffering from unemployment and engaging in the informal economy with low wages (Papola, 1988). On the other side workers who came from the outside part of the state for the better living condition remain living in the poor condition in the urban area. To, analyze the livelihood patterns of different subsectors of the Informal Economy the living condition, wages patterns savings are considered in this study. The garage, taxi drivers, construction workers, and tailors from different areas of Gangtok livelihoods pattern are described below with respect to the field survey.

In the four Informal subsectors only in two subsectors (Construction and Tailoring) the female participation seen in this urban area. Mostly young age group labours are seen in 3 sub-sectors like in garages, taxi stands, and construction side. This kind of job is labourious so the contribution of youth population seen in this sector but on the other side the tailoring work is being done under the roof so the elderly people can also take participate in this job. In the caste wise the most of the population is from backward caste. Except the taxi drivers in each sub-sectors of Informal Economy the high percentage of workers are from the Other Backward Class. Similarly, to the secondary data the field survey shows the same picture, where most of the labour are migrated. Except the tailoring, in each sub-sector the migrated worker's participation from other states participation is high. Most of the labours come from Immediate Neighbour States like West Bengal, Bihar, Uttar Pradesh etc. In tailoring the majority of the tailors are from Sikkim but in this case also an interstate migration of worker is being seen.

There is circular trap in the Informal Economy (Mishra, 1998). Worker's father who were engaged in Informal sector mostly their son also become the part of Informal workers because the less amount of wages, low job security does not full fill the needs of their family so, their children become a part of again in this informal economy in early age. Similarly, in case of Gangtok the most of the Informal workers economical background is poor and most of the cases their fathers were also part of this economy. Also on the other hand they are the only bread owner in their family. So, because of the low security level they become more vulnerable.

In case of the wages the taxi drivers' wages are comparatively high but in the lean season when the tourists are low they have no income. These drivers are mostly belonging to West Bengal (Siliguri, Kalimpong, Darjeeling) and Sikkim. Majority of the drivers who are from West Bengal don't have land for agriculture so they are fully depend upon this and they have to survival in the lean season is become so difficult for them and also those who don't have their own car they have to pay a certain amount in peak and lean season to the owner of the car so the earning money remain low. Tailors have the low income in this four sub-sector. Omens are having less skill so they only do repairing work and remain under low wages. On the other hand, during the construction workers survey the workers said they are suffering from wage security as the *Thikadars* are not giving money on time. They said in their native place they don't have proper job facilities and the wages are low so, these force them to migrated toward Sikkim. Most of the workers come to urban area for the betterment of their wages and living condition but the less availability of facility and the low wages they remain under the same socio-economic condition. Even in the bypass area there is no public toilet for the workers are there working place condition is relatively poor. In most of the work place, there are basic facilities like washroom, First aid box are not available and there are no special medical facilities for the workers. The workers are not aware of labour Registration Card even after Covide-19 pandemic the government published *e-sharm* card, but the huge portion of workers don't even know about this.

Table 7: Socio-Economic Background of Migrant Labourers, Gangtok

Items	Garage Workers		Taxi Drivers		Construction Workers		Tailors	
Gender (%)	Male	25 (100)	Male	25(100)	Male	23(92)	Male	21(84)
	Female	-	Female	-	Female	2(8)	Female	4(16)
Age Group(%)	15-24	13 (52)	23-31	5(20)	18-25	15(60)	15-24	4(16)
	25-34	8((32)	32-40	14(56)	26-33	5(2)	25-34	6(24)
	35-44	3(12)	41-49	4(16)	34-41	4(16)	35-44	13(52)
	>45	1(4)	50-58	2(8)	42-49	1(4)	45-54	2(8)
Religions(%)	Hindu	8(32)	Hindu	21(84)	Hindu	13(52)	Hindu	20(80)
	Muslim	16(64)	Christian	1(4)	Muslim	12(48)	Muslim	3(12)
	Christian	1(4)	Buddhist	3(12)	Christian	-	Christian	2(8)
Caste(%)	SC	4(16)	SC	15(60)	SC	9(36)	SC	11(44)
	ST	1(4)	ST	4(24)	ST	3(12)	ST	2(8)
	OBC	20(80)	OBC	6(24)	OBC	12(48)	OBC	12(48)
	General	-	General	-	General	1(4)	General	-
Native Places(%)	West Bengal	11(44)	West Bengal	13(52)	West Bengal	21(84)	West Bengal	7(28)
	Bihar	12(48)	Bihar	1(4)	Bihar	1(4)	Bihar	6(24)
	Sikkim	1(4)	Sikkim	11(44)	Sikkim	2(8)	Sikkim	12(48)
	Uttar Pradesh	1(4)	Uttar Pradesh	1(4)	Uttar Pradesh	1(4)	Uttar Pradesh	1(4)
Education Qualifications(%)	Illiterate	7(28)	Illiterate	7(28)	Illiterate	8(32)	Illiterate	4(16)
	Primary	7(28)	Primary	6(24)	Primary	4(16)	Primary	10(40)
	Secondary	69(24)	Secondary	7(28)	Secondary	8(32)	Secondary	9(36)
	Higher Secondary	3(12)	Higher Secondary	4(16)	Higher Secondary	2(8)	Higher Secondary	2(8)
	Higher Education	2(8)	Higher Education	1(4)	Higher Education	3(12)	Higher Education	-

Source: Field Survey, May 2023

Urban Informal Economies and Patterns of Livelihoods in Gangtok, Sikkim

Items		Garage Workers	Taxi Drivers		Construction Workers		Tailors	
Only Bread Owner (%)	Yes	17(68)	21(84)		14(56)		6(24)	
	No	8(32)	4(16)		11(44)		19(76)	
Economic Activities of Worker's Father (%)	Primary	14(56)	7(28)		11(44)		4(16)	
	Secondary	7(28)	10(40)		14(56)		7(28)	
	Tertiary	-	8(32)		-		14(56)	
	Unemployed	4(16)	-		-		-	
Sectors (%)	Formal	7(28)	9(36)		5(20)		4(16)	
	Informal	18(72)	16(64)		20(80)		21(84)	
Family Members (Class) (%)	2-5	14(56)	3-5	20(80)	3-6	18(72)	1-3	4(16)
	6-9	8(32)	6-8	4(16)	7-10	6(24)	4-6	14(56)
	10-13	2(8)	9-11	1(4)	11-13	1(4)	7-9	7(28)
	14-17	1(4)						
Average Monthly Income (Rs.)	Main Mechanic	30000	Self-Owners of car	43400	Mistree	20000	Owners	12714
	Mechanic	15000	Not Self-Owner of Car	24267	Helpers	15000	Helpers	7111
	Helper	10208						
Average Monthly Expenditure (Rs.)	Main Mechanics	20714	Self-Owners of car	20200	Mistrees	8000	Owners	7857
	Mechanics	9357	Not Self-Owner of Car	14933	Helpers	6000	Helpers	4666
	Helpers	6091						
Average Monthly Savings (Rs.)	Main Mechanics	9286	Self-Owners of car	23200	Mistrees	12000	Owners	4857
	Mechanics	5643	Not Self-Owner of Car	9333	Helpers	9000	Helpers	2444
	Helpers	4625						

Source: Field Survey, May 2023

Table 9: Availability of Health Care Facilities and Labour Card Provisioning of Migrant Labourers in Gangtok

Items		Garage Workers	Taxi Drivers	Construction Workers	Tailors
Availability of Washroom(%)	Yes	16(64)	25(100)	15(60)	25(100)
	No	9(36)	-	10(40)	-
Availability of first aid box(%)	Yes	4(16)	25(100)	3(12)	21(84)
	No	21(84)	-	22(88)	4(16)
Covid-19 time facilities(%)	Yes	1(4)	6(24)	-	-
	No	24(96)	19(76)	25(100)	25(100)
Medical Facilities(%)	Yes	1(4)	20(80)	2(8)	5(20)
	No	24(96)	5(20)	23(92)	20(80)
Availability of Labour Registration Card(%)	Yes	19(76)	20(80)	21(84)	14(56)
	No	6(24)	5(20)	4(16)	11(44)
Availability of e-Sharm Card (%)	Yes	4(16)	4(16)	-	-
	No	8(32)	-	4(16)	5(20)
	Unknown to them	13(52)	21(84)	21(84)	20(80)

Source: Field Survey, May 2023

The livelihood pattern includes ways of obtaining the essentials of life. Therefore, the case study in different Informal sectors shows that the workers in the different sectors came to this urban area for the new formation of job opportunities, and on the other side they came to join this Informal economy as fewer opportunities are available in their native place. But due to high migration, the Labour market of this urban area become flourished as this affecting the bargaining power of the worker for basic wages to maintain their basic needs and sustain in the recent money inflation economy. The wage pattern, savings, living conditions, and facilities provided to them do not become sufficient for them although they are providing services to the formal economy as well as the economy of Sikkim.

Conclusion and Policy Recommendation

The informal economy has its dynamic in developing countries like India. This sector shares a huge percentage of the workforce contributing to the Gross Domestic Product. Similarly, after the liberalization of the economy in India many new industries, and urban centers are generated in the state of Sikkim. The trend of the GDP of Sikkim shows an increase in the secondary and tertiary sectors and the activities related to these sectors are related to the urban area. The new industries in urban areas of Sikkim create more job opportunities for unemployed workers from different districts of Sikkim as well as different states of India. Although they are providing their services in various ways the subsector-wise analysis shows the ground reality of the condition of the Informal workers.

The workers in this Informal sector do not have any income security concerning their job and mostly they are from lower castes. The official statement of the states said the minimum wage of a worker is Rs. 500 per day but except for some construction workers the daily wages are low. Like, for garage workers monthly fixed money is around Rs. 4000 to Rs. 5000. They get extra money concerning how many cars they are servicing in a day. If any car doesn't arrive at the garage in a day, they won't be able to make that extra cash. Also, some workers in the construction industry are also unhappy with their compensation. They continue to experience wage instability since the manager (*Thikadar*) is not providing money timely. Migrant cab drivers have a bad economic situation. They do not have enough money to support their family during the lean season. Due to fewer prospects in the official sector, those who migrated to Sikkim after 1975 are also impacted by this wage pattern. The pay in the tailoring industry is too low, according to many workers, whose wives also work in this unorganised sector. Due to the low salaries in tailoring, they employed themselves as domestic workers in their home country. Some of the female tailors claimed that because their husbands' earning money is low, they engaged themselves to work in this industry to support their husbands in running the household. However, they claimed that because of this, they are unable to take care of their children in terms of study and other things.

Because of the low wages, the workers have to reduce their daily expenditure so, most construction workers are staying in the working place without basic amenities and the environment is too unhygienic. Some of them said they have to live like this as the rents in hilly areas are high. On the other side, those who are staying in the rented room, they share the room with more people. According to them, it will reduce the rented amount per person so, they have to stay like that.

Skill is being played a major role in this economic sector as it helps them to earn more wages than others. But female tailors, only do repair and cutting work since the beginning as they are not able to make dresses because they

don't have that skill. So, still, they are earning comparatively low money from the master craft man. Similarly, the migrant tailor and garage workers who come recently are earning less wages because they don't have proper skills.

Concerning facilities, the workers are suffering from basic facilities which are necessary for every workplace. Only some of the garages have washrooms, there is no public toilet available in the working area. It is not only problematic for them as well as the customers who are coming to garages and waiting too long for service the car. On the other side, *Thikadars* didn't provide any bathrooms initially so, the construction workers made their own, which is too poor as it made of plastic or sacks. As women are also engaging in this informal sub-sectors, they are also suffering from less numbers of public toilets are available in this area. There are no first aid boxes available in the respected workplace for accidental use. As government of India start the e-Sharm card for the migrant labour till the date April 20,2023, around 8crore migrant labour registered in the e-Sharm portal but the labourers are not under the Food Security Act. On the ration card data only 20.63 crore people registered whereas only 28.6 crore registration are done till the date. So, workers and the families are not only depriving from the scheme but also from the National Food Security. The migrant labourers who are working out of district or out of sates the ration scheme in migrated place help to save their earning money. But the study shows the labourers are not aware of this schemes so, the implementation of new scheme by the higher authority will be beneficial to upgrade the livelihood pattern of migrant laboureres.

As this economy has a huge portion of a workers, the proper facilities like the formal sector are hard to give all of them but opportunities and basic facilities can help them for the betterment of their family condition. So, skill-related classes can help the informal sub-sector like tailors, and garage workers as new fashion and model cars are launched frequently in recent years, it will help them to earn more money. There is no availability of car parking area and the garages are too small in size. Therefore, when 4-5 cars come at a time, it became problematic for them while working in garage. So, a parking area can solve this problem. Public toilets from a certain distance and the garage area can be helpful for them for the betterment of the workplace. Each informal subsector has its different type of problem so, the individual schemes for each sector will be beneficial for them, the new schemes like the *e-Shram* card for the informal workers are unknown to them, and also some of the labours don't make any labour card as they don't know about the importance of it. So, a promotion program can help to increase awareness of the schemes in this urban area.

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