

INFORMAL SECTOR IN INDIAN CITIES : A CASE STUDY OF RICKSHAW PULLERS IN ALLAHABAD CITY

H. N. MISRA, Allahabad

ABSTRACT : This paper aims at bringing into focus several hidden dimensions of the urban poor involved in the process of rural-urban dynamics by analysing the profile of one of the selected informal sectors—the rickshaw pullers—on sample basis. Majority of these people are landless labourers or small farmers belonging to the scheduled castes and backward communities from Allahabad city region. They handle nearly $1/3$ of the traffic originating within the city of Allahabad.

The magnitude and complexity of urban poverty in the third world cities has found focus at several international forums. There is need for policy objectives to attack the root of poverty, income instability and under-development. Before suggesting some policy prescriptions, however, for structural and institutional change ensuring social and economic justice, much more details of the way casual workers contribute to the contemporary urban economy is necessary. This paper aims at bringing into focus several hidden dimensions of the urban poor involved in the process of rural-urban dynamics by analyzing the profile of one of the selected informal sectors on sample basis.

Concept of Informal / Formal Model

One of the fundamental questions is to define the concept of urban poor which is associated with the bipolar model of informal / formal sector. There are several latent forces working behind the persisting duality in the urban economy. Of the two processes—conservation and dissolution, McGee (1979) observes, the conservation process dominates in the less developed countries

with the result that non-capitalist mode of production continues to grow.

The identification of duality in the contemporary urban economic structure gave rise to the concept of formal and informal model which is analogous to modern and traditional sectors of economy. While formal sector consists of wage and salaried workers, non formal sector consists of the self-employed, characterized by low income and low productivity McGee (1979). The International Labour Office in its report on Kenya distinguished informal sector from formal sector by defining the former characterized by ease of entry, reliance on indigenous resources, family ownership of enterprises, small scale of operation, labour intensive and adapted technology, skills acquired outside the formal school system and unregulated competitive markets (I. L. O., 1972). The idea of the concept was originally conceived and introduced by Hart (1973) in his influential paper on urban employment in Ghana. Depending on the criteria used, different authors have used different expressions to express the nature of duality such as capita-

list and peasant systems of production by McGee (1973), a firm centred economy and a *bazaar* type economy by Geertz (1963), the upper and lower circuits by Santos (1973), and a high profit and a low profit sectors by Brown (1974). The system however, is so complex that the two sectors go together along a continuum and it is very difficult to put such a water tight compartment. Breman (1939, 1944) and Gerry (1979) have, therefore, proposed altogether a different structure of labour market in third world cities.

The Case of India

Before focussing attention on one of the selected informal sectors in an Indian City (in the present case it is Allahabad), it would be quite appropriate to review briefly the migrational component and quality of life by way of partial explanation to preponderance of informal sector in Indian urban situation. One of the reasons why dissolution process is only incipient is that India is predominantly rural.

It is estimated that cities having population more than a million have a migrant population (rural emigrants) of over 50 per cent, whereas in cities of 3,00,000 or less, the migrants constitute 30 to 40 per cent of the total population (Misra, 1979). Most of these emigrants have only low technical skill and poor schooling. They are, therefore, pushed to informal sector because of high degree of flexibility in this sector. This thesis is substantiated by the case study of rickshw pullers in the text to follow.

The slum population of most of the Indian cities which absorbs most of the rural emigrants is estimated at 20-30 per cent of the total urban population. According to 1971 Census 66 per cent of the households in cities with a population of more than 1,00,000 live in one room tenements (DeSouza, 1978). According to another estimate nearly one-third of the households neither have access to potable water

nor to any sort of latrine (Srinivasan, 1979). While focussing attention on the Indian problems, Misra (1978) remarks, "Roads are widened only to be chocked by fresh surges of pedestrian and traffic, new slums spring up no sooner than the old ones are cleared and new masses of the unemployed show up much before the backlog of unemployment is cleared."

Allahabad : A Case Study

Allahabad, located on the confluence of the Ganga and the Yamuna (25°26'N — 81°51'E) has been an important centre from times immemorial. It is the largest urban settlement between Kanpur in the west and Varanasi in the east.

The city registered a three-fold increase in its population during a period of 70 years (1901-1971). The projected population is expected to be about a million in the next three decades. There are 99,482 households whereas number of occupied residential houses is 83353. Clearly number of households exceeds the number of houses. The average density of population is 7710 persons/sq. km. The degree of dependency appears to be very high because the workers constitute only 22.77 per cent of the total population. The percentage of working population declined from 30.4 per cent in 1961 to 27.77 per cent in 1971. The analysis of occupational structure reveals that tertiary sector gives the maximum employment, the percentage of workers engaged in this sector being 72.12 per cent. This includes the other services which alone contributes more than 43 per cent of the total working force. The dominance of the other services and thereby the tertiary sector speaks the important role played by informal sector in the urban economy of Allahabad. Major portion of the workers engaged in the informal sector represents the population of urban poors which is 19.2 per cent of the total population and lives in 45 localities identified as slums.

Rickshaw Pullers : A Case Study in Informal Sector

One of the reasons why choice fell on the study of rickshaw pullers is that they are more on record and a little better organized than other casual workers of the same category. Besides, rickshaw pullers are by far, the most important representatives of informal sector for, they constitute nearly 44 per cent of the total population of the urban poor and handle nearly one-third of the total traffic originating within the city. As may be gleaned from Table I, the population of rickshaw pullers has been continuously increasing. Within a period of five years it registered an increase of about 53 per cent. Surprisingly enough, however, the number of rickshaws did not increase in the same proportion, the ratio between rickshaw and rickshaw pullers being 1 : 3.7. There is an anomaly in the ratio in the sense that for one rickshaw there are approximately 4 rickshaw pullers. This anomaly may have three possible alternative explanations. Firstly, the number of licence holders is more than that of the actual rickshaw pullers. It so happens that casual workers coming from rural areas obtain the licence to ensure sustenance through at least one of the viable alternatives. Secondly, there is a feasibility of more than two shifts in operation which is rare in any formal in-

dustrial sector. Thirdly, it discloses the degree of unemployment, scarcity of jobs in formal sector and amount of surplus labour coming from the rural areas.

Methodology and Data base

The data of total rickshaw pullers was obtained from the licence department of the Allahabad Municipal Corporation. *Khatahs* (place where rickshaws are kept and pullers live) were located on the basis of survey. It is important to mention that all the *Khatahs* are located in the slum areas. Based on 1979-80 figures one per cent random sample was undertaken and thus 402 rickshaw pullers representing various categories were selected and interviewed with the help of questionnaires prepared for the purpose. A few important findings are discussed in the following pages.

Zone of Rickshaw Pullers

The area covered by the map (Fig. 1) showing the place of origin of rickshaw pullers corresponds closely to the theoretical and empirical city region boundary delimited the author (1977). Since a significant proportion of rickshaw-pullers travels backward and forward daily between the village and city, these may be treated as one of the best indices for displaying the rural urban interdependence as well as for delineating the zone socio-economically linked with a city. About 89 per cent

Table-I
Growth of Rickshaw and Rickshaw Pullers

| Year | No. of Rickshaw pullers | Per cent Growth | No. of Rickshaws | Per cent Growth | Ratio between Rickshaw and Pullers |
|---------|-------------------------|-----------------|------------------|-----------------|------------------------------------|
| 1974-75 | 26,386 | - | 7441 | - | 3.5 |
| 1975-76 | 29,676 | 12.43 | 8153 | 9.56 | 3.6 |
| 1976-77 | 33,113 | 11.57 | 9181 | 12.64 | 3.6 |
| 1977-78 | 35,369 | 6.81 | 10080 | 9.75 | 3.5 |
| 1978-79 | 37,953 | 7.30 | 10632 | 5.47 | 3.3 |
| 1979-80 | 40,290 | 6.15 | 10846 | 2.00 | 3.7 |

Source : Licence Department, Allahabad Municipal Corporation.

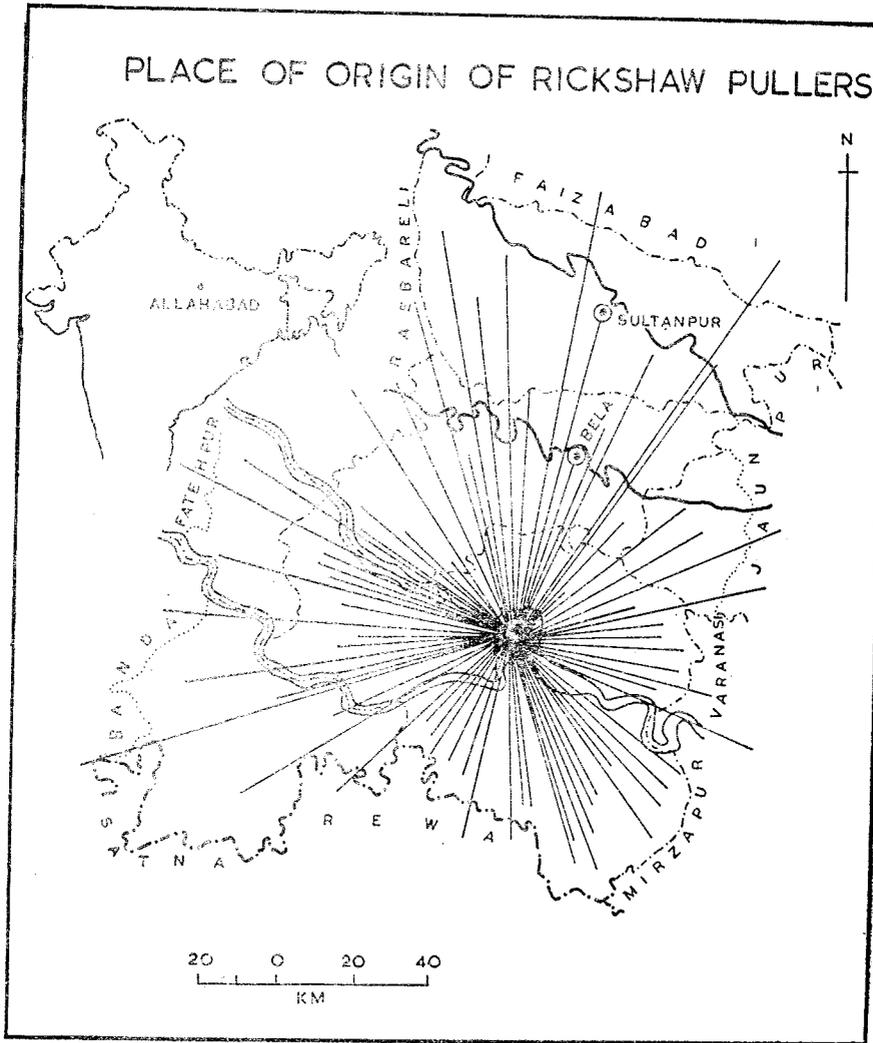


Fig. 1

rickshaw-pullers come from Allahabad (rural) and other adjoining districts. The contribution of Allahabad (urban) is only insignificant (7 per cent). Allahabad (rural) sends 68 per cent. This also supports the thesis of distance decay function i. e. the number of rickshaw pullers coming to the city of Allahabad goes on declining with increasing distance from the city. The contribution of Pratapgarh, a closeby district for example is 9.5 per cent whereas Sultanpur which is farther apart contributes only 3.5 per cent). The share of adjoining

states (M. P. and Bihar) is only marginal (4 per cent). Though there is no such administrative restriction, yet Rewah (M. P.) another closeby district sends only 2.5 per cent rickshaw-pullers. The zone of rickshaw-pullers thus extends about 100 kms. in the north, 60 kms. in the south, 50 kms. in the west and 70 kms. in the east from the city of Allahabad (Fig. 1).

Degree of Rural-Urban Interaction : Nature of Labour Mobility

Based on the migrational duration and frequency of rural-urban contact established

by rickshaw-pullers, four types of migrational characteristics – circulatory, semi-circulatory, seasonal and permanent-are identified. It may be emphasized that these are the stages through which an urban poor has to undergo before he finally adopts with the social and cultural customs of the city. The rickshaw-pullers are the best example of circulatory labour mobility under which as many as 29.9 per cent rickshaw-pullers travel forward and backward daily between the places of their residence and the city. No matter what is the scale of operation and what are the underlying forces behind this migration, it stresses the rural-urban linkage. Through this linkage flow money, goods and information, which play pivotal role in transforming rural values and life style.

The second stage is that in which the frequency of visit is twice a week, once a week or once a fortnight which is referred to as semi-circulatory mobility. About 48 per cent rickshaw – pullers belong to this system of migration. The linkage however becomes feeble with longer duration of stay such as seasonal or permanent stages. Yet these two stages are only insignificant because they involve only 12.8 per cent and 9.5 cent rickshaw-pullers respectively. The thesis that poverty is carried from rural to urban areas through the migrational mechanism holds good in case of rickshaw-pullers also.

Demographic Characteristics

In the text to follow age structure and family size, the two important demographic components are discussed as they have direct bearing on economic background of rickshaw-pullers.

Age-Structure

Analysis based in the sample survey reveals that 20-30 years age-group is most common in this profession. This age-group alone constitutes 41.8 per cent of the total rickshaw-pullers selected for sample. It is this age-group which has greater tendency

of migrating to the urban areas in search of various kinds of jobs. The people belonging to this age group also appear to be more conscious towards their social status which they endeavour to achieve even by accepting the occupation like rickshaw-pulling due to illiteracy and poor skill. About 27 per cent rickshaw-pullers belong to the age-group of 30-40 years. The number of rickshaw-pullers decreases with increasing age-group. For example, there are 12.9 per cent and 7 per cent rickshaw-pullers in the age groups of 40-50 and 50 and above respectively. This is quite understandable because one has to have lot of vitality for rickshaw-pulling which he lacks partially because of nutritional deficiency and partially because of age-factor itself.

Family-Size

Over 60 per cent rickshaw-pullers belong to larger family size (6-8 and over 8). Naturally the number of dependants in such families is very high. The pressing circumstances as well as the high degree of dependency compels one to accept this arduous occupation. But in the scheduled caste and backward families every individual works no matter what is the scale of earning. It is, therefore, very difficult to say that large family size alone is the major motivational force in this migrational process.

Social Characteristics

Religion and Caste Structure

The analysis of rickshaw-pullers based on caste structure shows that the proportion of Muslims is low (5.5 per cent) compared to Hindus (94.5 per cent). This proportion is in tune with the general population structure. Among the Hindus, representation of caste Hindus such as *Brahmins* and *Chhatriyas* is only 10.9 per cent whereas share of Backward and Scheduled Caste communities is over 83 per cent. Among the Scheduled Castes which alone contributes 65.7 per cent, the *Pasi* and *Chamar* share 45.3 per cent and 20.4 per cent respectively. The next lot is that of backward community such as

Kurmi-Patel, Ahir-yadav, Paal-Gareria, Bhunjwa, Teli-Gupta etc which contributes 17.9 per cent. These Scheduled Castes and backward communities leave the villages for the city for two reasons :

1. The wage of labourers in rural areas (between Rs. 4/- to Rs. 5/- for 8 hours) compared to the city (Rs. 5/- to Rs. 20/ for 6 hours depending on skill), is low.

2. Socially they are considered inferior in the villages and put to harassment and exploitation whereas they find themselves safer in the cities.

Literacy

The level of literacy among labourers involved in the informal sector is very low. This is because of their weak socio-economic background. Rickshaw-pulling for example is labour intensive and attracts only those who are illiterate or have no skill or efficiency. More than 79 per cent rickshaw-pullers are illiterate. Literates constitute only 20.4 per cent out of which 3 per cent can only read and write, 9 per cent have primary schooling and 7 per cent have secondary education. Although the percentage of rickshaw-pullers having schooling at higher secondary level is only 1.5 per cent, yet this shows the problem of unemployment among young and educated.

Economic Characteristics

Size of Land Holdings

Most of the rickshaw-pullers are either landless labourers or only marginal farmers having uneconomic size of land holding (Table II). Besides, agricultural sector provides only seasonal employment. As a

result there is a heavy influx of surplus labour from rural to urban areas. More than half of the rickshaw-pullers do not have any land and therefore, naturally they look forward towards a nearby city to support themselves as well as their family members. Over 48 per cent rickshaw-pullers are either marginal or small farmers, who have land holdings of only uneconomic size. The productivity is low partially because of the poor quality of land and partially because they cannot afford the new agricultural technology. Besides, the natural calamities such as drought and flood also play havoc in this region almost every year alternatively. These factors also contribute in the mobility of labour from rural to urban areas.

Income, Expenditure and Savings

An analysis of income, expenditure and saving is necessary to understand what part of their income they spend on themselves and how much are they able to save to supplement their family income. No matter what is the degree, this process of supplementing the income has positive effect on the socio-economic background of their families. It may be noted that 67.2 per cent rickshaw-pullers earn between Rs. 10/- to Rs. 15/- per day and 19.3 per cent of them earn from Rs. 7/- to Rs. 10/- per day. There are only 9 per cent rickshaw-pullers who reported their income above Rs. 15/- per day. Only 4.5 per cent rickshaw-pullers reported their income below Rs. 7/- per day. They feel that due to their old age they are not able to earn more. The rickshaw-pullers

Table II
Land Holdings of Rickshaw Pullers

| Land holding size | No. of Rickhaw pullers | Per cent | Category |
|-------------------|------------------------|--------------|---------------------|
| No land | 210 | 52.2 | Land-less labourers |
| Below 2.00 Acres | 164 | 40.8 | Marginal farmers |
| 2 Acres and above | 28 | 7.0 | Small farmers |
| TOTAL | 402 | 100.0 | |

in general, have to sell their physical labour for very low return. This works as a constraint in their standard of living. With this low income it is very easy to guess the type of life style they can afford. They are compelled to live in groups, sleep on foot-path or at *Khatahs* and cannot afford to rent even a small room what to say of other urban services such as latrines, electricity and individual water taps. The income depends on individual capacity, hour of work and operational frequency.

Almost all rickshaw-pullers spend between 30 to 40 per cent of their income on their basic needs, and the rest of it they remit to their families. The remittances are either given directly or sent through their relatives and friends once in a week or a fortnight. This saving extends only marginal support and is in no way sufficient for the family size, majority of the rickshaw-pullers come from. As it has been mentioned in the analysis of caste structure, over 83 per cent rickshaw-pullers belong to Scheduled Caste and backward communities where almost every individual (whether male or female) works for his/her support either in the agricultural land owned by the family or as a casual labour.

Conclusions

The circulatory and semi-circulatory migrational systems of which the rickshaw-pullers are the classic example, prove the thesis that the root of the urban poor lies in the villages. It also stresses the rural-urban interdependence. Through this rural-urban interaction, flow the capital (in the form of remittances), goods and information probably help in transforming the rural economy and life style. But this is a point which should be investigated in detail.

The analysis of caste structure and landholding reveals that majority of people engaged in informal sector who pour into the cities are either landless labourers or small and marginal farmers belonging to Scheduled Castes and backward communities.

The productivity of informal sector in supporting the cities' economic system cannot be underestimated. The occupation of rickshaw-pulling may be cited as an example. It does not only absorb more than 40 thousand people, it is also indispensable as it handles more than 1/3rd of the traffic originating within the city of Allahabad. Thus, it enables the artery system of the city working flawless. Since this is low cost based and requires less skill, it has great absorption capacity.

To contemplate the strategy of reducing the population of urban poor by absorbing them into the formal productivity sector is difficult, if not impossible. Besides, it is highly unlikely that the trend of circulatory migrational system will decrease in near future and, therefore, this may be treated as a 'holding' strategy for regional self-sufficiency. There is also the need to properly identify, classify and reorganise the informal sector. Since this is the reality in Indian City system,, it should be properly trained and regulated to improve the lot of urban poor.

Acknowledgements

The author wishes to express his sincere thanks to Prof. R. P. Misra, Dy. Director, United Nations Centre for Regional Development, Nagoya, Japan, for his valuable suggestions and encouragement in preparing this paper.

References

- Breman, J. A. : Dualistic Labour System : A critique of the Informal sector concept, *Economic and Political Weekly*, Vol II, No. 48, pp. 1870-1875, No. 49, pp. 1905-08; No. 50, pp. 1939-1944.
- Brown, M. B. (1974) : *The Economics of Imperialism*, Harmondsworth : Penguin.
- De Souza, A. (edit.). (1978) : The Indian City, *Manohar*, XIX.
- Geertz, C. (1963) : *Peddlers and Princes : Social change and Economic Modernization in two Indonesian Towns*, Chicago, Chicago University Press,
- Gerry, C. : Shanty town production and Shanty town producers : Some reflections on Macro and Micro linkages, paper prepared for Burg Wartenstein Symposium No. 37 on Shanty towns in Developing countries, Wenner-Gren Foundation, New York (Quoted in T. G. McGee, *Labour Mobility in Fragmented Markets, Rural-urban linkages and Regional Development in Asia*, UNCRD Nagoya, 1979).
- Hart, K. (1963) : Informal Income opportunities and Urban employment in Ghana, *Journal of Modern African Studies*, Vol. 11, pp. 61-89.
- I. L. O. (1972) : *Employment, Incomes and Equality : A Strategy for Increasing Production* Geneva, I. L. O.
- McGee, T. G. (1973) : Peasants in Cities : a paradox, a paradox, a most ingenious paradox, *Human organization*, vol. 32, p. 138.
- (1979) : *Labour Mobility in Fragmented Markets, Rural Urban linkages and Regional Development in Asia*, UNCRD, Nagoya,
- (1979) : The poverty syndrome : Making out in South-east Asian City, in Ray Bromley et. al. (edit.), *Casual work and Poverty in Third World Cities*, Wiley, p. 53.
- Misra, H. N. (1977) : Empirical and Theoretical Umlands : A case study of Allahabad : *Geographical Review of India*, Vol. 39, pp. 312-19.
- Misra, R. P. (edit.). (1978) : *Million Cities of India*, Vikas, VIII,
- (1979) (edit), *Habitat Asia*, vol. I, Concept, p. 34.
- Santos, M. (1973) : *Economic Development and urbanization in underdeveloped countries the two circuits and their spatial implications* (unpublished), University of Toronto 1973.
- Srinivasan, P. K. (1979) : For Millions to live in, *Yojana*, Vol. 23, No. 14 and 15, pp. 82-86

Address of the author

Dr. H. N. Misra, Deptt. of Geography, University of Allahabad, Allahabad—India.