

# National Seminar

on

## *Revisiting the issues in the Indian Unorganised Manufacturing Sector*

*21-22 March 2024*

*VENUE*

*Institute of Development Studies, Jaipur*



**Institute of Development Studies  
Jaipur**

&



ICSSR

**Indian Council of Social Science Research  
New Delhi**

### About the Institute

The Institute of Development Studies, Jaipur (IDSJ) is an autonomous research institute established in 1981 under the Societies Registration Act of 1958. The institute receives support from the Indian Council of Social Science Research (ICSSR) and the Government of Rajasthan. IDSJ also receives occasional support from various national and international organisations.

### Context

The debate on informal/unorganised sector enterprises in India is mostly centered around the issue of productivity, efficiency, and competitiveness. The evolution of commercial enterprises, enterprise clusters, missing middle, and globalization and its impacts are not only thinly discussed but also observed evaporating slowly from academic discourse. The argument of 'small is beautiful' has been put aside in contemporary literature. However, the informal or unorganized sector in India has continuously been proving this wrong with its increased pervasiveness.

Indian social system has an inbuilt element that keeps the informal/unorganized enterprises intact. As a result, with a steep competitive environment and enterprise size transition, the informal enterprises often registered their presence in large numbers and proved all apprehensions wrong. Further, the general belief is that globalisation adversely impacts informal manufacturing enterprises because of less efficient technology, limited market access, and information asymmetry. Some economists argue that globalisation hampers the growth and sustainability of indigenous infant and small industries due to their inability to compete with global firms having large economies of scale (Pack, 1988). Other scholars are of the view that globalisation, which is nothing but a set of economic reforms desirable to remove trade barriers across nations, has had a positive effect on absolute levels of technical efficiency in the entire manufacturing sector (Kathuria et al., 2013), and that it has expanded the size of both formal and informal manufacturing sectors. However, the rate of growth of the former is much higher than that of the latter (Bairagya, 2015). There is a need to understand why the middle segment of the enterprises is missing. Is it due to transition or dropping from the chain?

Even though research has been done on the evolution of enterprise class in India, the evolution of commercial enterprises in India needs to be understood properly.

This may help understand the small economics of rural people and create a link to the large enterprises' economy.

The 'Make in India' initiative launched in India in September 2014 sought to transform the nation into a global design and manufacturing center, primarily through foreign direct investment (FDI). The initiative applied to 25 industry sectors that aimed to increase the manufacturing sector's contribution to 25 percent (from 16 percent) of the gross domestic product (GDP) by 2020 and create 100 million jobs in manufacturing. The data from the Centre for Monitoring Indian Economy (CMIE) shows that even though FDI had increased, FDI in manufacturing remained sluggish (Alexander, 2019). Can 'Make in India' achieve its targets in an economy where merely 1-2 percent of the manufacturing enterprises are organised while the unorganised manufacturing enterprises generate about 72 percent of the manufacturing employment (CSO, 2018, MOSPI, 2016)?

With the economy's progress, growth is normally considered to be brought about more by increasing share in the production of formal manufacturing enterprises than by informal manufacturing enterprises, and the informal sector shrinks eventually (La Porta and Shleifer, 2014; Gollin, 2008). However, the informal manufacturing sector in India has evolved as a major source of income and employment for millions during the post-liberalisation period. Does it suggest that informality is the new normal? In this context, the proposed seminar shall emphasise the following thematic issues:

- (i) Is 'small is beautiful' still valid in the case of Indian informal/ unorganised enterprises?
- (ii) What are the definitional complexities and comparability issues in the available data set?
- (iii) The beauty of small enterprises and the canvas of productivity
- (iv) Caste and Indian informal enterprises
- (v) Does Productivity always matter?
- (vi) How Informal is the Indian informal manufacturing Industry?
- (vii) Challenges before the Indian informal manufacturing sector?
- (viii) Is informal the 'new normal'?

### Sub-themes

We are expecting research articles on the manufacturing sector in aggregate as well as on different sectors within

the manufacturing in the context of India and its states on the following sub-themes from the potential participants of the proposed seminar:

- (i) Informality Debate revisited
- (ii) Statistical issues related to data on informal manufacturing
- (iii) The Productivity conundrum
- (iv) Caste and entrepreneurship in India
- (v) The sizes of enterprises and the missing middle
- (vi) Whether 'small is still beautiful' in the context of informal/unorganised manufacturing enterprises.

### Expected Outcome

1. The seminar will offer a space to rethink on the issue of 'informal enterprises' from a different perspective and may open new vistas of research.
2. An edited volume or a special issue of a journal will be brought out based on selected papers of this seminar. The book/special issue will help the reader understand the Indian informal/unorganised enterprises from a different perspective and open new areas for further research.
3. The mentioned themes are suggestive only; hence, scholars may go beyond these and reflect upon other relevant issues. Contributors are requested to submit a full-length paper of about 5000 words.

### Important Deadlines

1. **Submission of extended abstract (500 words):** March 5, 2024
2. **Paper Acceptance Confirmation:** March 8, 2024
3. **Full Paper submission:** March 16, 2024

Scholars and researchers interested in participating in the Seminar may submit their extended abstract and full papers as per the above time schedule to: The Seminar Coordinator.

Note: The IDSJ will be happy to provide local hospitality and 'to and fro' economy class air travel/II Class AC Train Fare as per IDS norm. There is no registration fee to present and participate in the seminar.

You may address your communication to:

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