



Assessing Vulnerability and Policy Gaps in The Urban Informal Sector: A Case Study of Midnapore Municipality

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Abstract

This research deeply investigates the vulnerabilities and policy gaps of the informal sector workers in the Midnapore Municipality of West Bengal. The study shows that despite claims of the government protecting informal sector workers, these workers are not protected from income shocks, there are significant differences in circumstances across informal sectors, and while there are numerous welfare schemes in place for informal sector workers community, workers have little access to them. In Midnapore, workers can avail themselves of a number of government welfare schemes including E-Shram, Ayushman Bharat, and, PM SVANidhi, yet largely remain excluded and unable to join these schemes due to low awareness, documentation barriers, a high percentage of digital illiteracy amongst workers, and a bureaucracy that did not make application easy. The study reveals a significant distance between what is said in legislation and what happens on the ground and calls for interventions to be designed to be inclusive, accessible, and place-based. The study ends with constructive recommendations and calls for accountability so that actions match commitments; to work towards a fairer, more equitable urban governance and ultimately inclusion and equity in the informal economy.

Keywords: Informal Sector, Urban Vulnerability, Midnapore Municipality, Welfare Schemes, E-Shram, Policy Gaps, Income Instability, Social Security.

1. INTRODUCTION

The urban informal sector is critical to the economic life of Indian towns and cities and provides us with a large share of our workforce who are not bound by the formal regulation systems. In municipalities like Midnapore in West Bengal, informal workers like daily wage laborers, street vendors, domestic workers, and other small service providers can be seen as the heart of the urban economy. The urban informal sector plays an important economic role as informal workers work in precarious conditions, generally without access to basic social protections. Informal workers have low and unstable incomes, insecure jobs, and little to no access to healthcare or legal protection. The informal status of their work makes them invisible in official statistics and policy discourse, thus rendering them particularly vulnerable in situations like economic shocks, health emergencies, and urban redevelopment policy trends. In this context of rapid urbanization, the situation of informal workers in smaller municipalities like Midnapore warrants urgent attention from scholars and policymakers.

This study aims to investigate the multidimensional vulnerabilities of informal workers in Midnapore Municipality and examine the shortcomings of existing welfare schemes and labor policies. While a number of the central and state-led initiatives (including the E-Shram Card, Ayushman Bharat, PM SVANidhi) exist to provide coverage for informal workers, they often fail to reach that subset at the municipal level. Informal workers also face a number of challenges accessing these schemes due to unfamiliarity with the schemes, digital illiteracy, misleading of the benefits of the schemes, bureaucratic grievances, and disjointed eligibility criteria. Using primary data and policy critiques of a number of different welfare schemes, this study will identify the disconnect between the intents of these policies and everyday ground realities, and provide suggestions to bridge the identified gaps. Finally, the study will underscore the importance of inclusive urban governance to help make informal workers part of local municipalities that plan development for urban structures and services, benefiting both the informal workforce and the population and governance of the jurisdiction.

2. LITERATURE REVIEW

Basu and Bhattacharjee (2022) studied the effects of the high urban growth within the New Town located in the Rajarhat zone in the eastern outskirts of Kolkata. Their analysis was based on understanding the disruption of the socio-space configurations through urbanogenic interventions (big projects, large townships, conversion of agricultural areas to real estate, etc.).



The resultant outcomes were the forcible eviction of the locals, disconnection of traditional livelihood patterns, development of gated urban enclaves, establishing zoning of exclusion, which discriminated low-income and informal laborers. The study attracted the need to realize that when left uncontrolled, urban sprawl without an inclusive plan weakens the rights of housing, instability of employment and ecological imbalance, leading to widening social and spatial disparity within the peri-urban areas.

Basu (2020) examined the multidimensional vulnerability of communities living in different agro-climatic regions in West Bengal as per the climate change. The combination of theoretical analysis with field-based case studies indicated how the socio-economically vulnerable populations especially people who have been relying on informal and climate sensitive sectors such as agriculture and fishing have been at an increased risk given the irregular weather patterns, flooding and even worsening of resource situation. It is important to note that the study highlighted that climate vulnerability was more than environmental and it was highly entrenched in the social and economic systems. It promoted subversive or participatory forms of government as well as a locally-rooted climate change adaptation politics over the aggravated precarity of informal citizenry.

Basu (2023) discussed the gender relationships in the family-based handloom weaving industry in Nadia district where the invisible contribution of women to the maintenance of such informal economic units was an important but unobtrusive role. The study was conducted through qualitative stories and micro-level case studies that exemplified that although women proactively participated in production, marketing and financial management, their labor was not recorded as part of the official records or policies. This invisibility did not only disenfranchise them of direct accession to social protection and creditor arrangements but even the patriarchal conventions associated them with low decision-making ability along with limited financial control. The research showed that there is an urgent problem of realizing and incorporating the labor of women in the informal sectors into development and labor policies.

Bhunia and Sahoo (2023) developed a spatial and socio-economic evaluation of the housing status and quality of life in the town of Midnapore according to the Census of 2011. The study found out that the spotting of basic amenities like safe drinking water, sanitation facilities, electricity, and solid waste management was highly lacking in the unofficial households in urban areas specialized especially in slum like settlements. Such drawbacks had direct effects on the life of the population, health, educational, and well-being aspects, fueling the chains of poverty and marginalization. They emphasized that fair infrastructure development and city governance that includes the direct participation of the stakeholders are virtually very crucial to enhance quality of life in second-tier cities such as Midnapore where informal workers frequently dwell in them.

Bhunia and Sahoo (2023) conducted a detailed investigation of housing conditions and overall quality of life in Midnapore Town with respect to the 2011 census. The authors found significant gaps in basic services, including safe drinking water, sanitation, and reliable electricity supply, with these gaps being most pronounced in informal and low-income households. Further, the authors argued that housing inadequacies are not simply inadequate infrastructure but rather represent deeper forms of socio-economic marginalization of the urban poor. The authors noted that the urban poor's vulnerabilities were compounded by the lack of integrated urban planning and the limited reach of government welfare schemes. The authors concluded that there is an urgent need for policy measures that focus on inclusive infrastructure development and equitable service delivery in small and medium-sized towns, like Midnapore.

3. RESEARCH METHODOLOGY

This paper adopts descriptive research method to examine pattern of employment, fluctuation of income, and entitlement of welfare programs among 150 informal workers in Midnapore Municipal Area, West Bengal. Purposive sampling was conducted in the gathering of data through structured interviews and descriptive statistics and graphical means of analysis used in garnering significant vulnerabilities and policy gaps.

3.1. Research Design

The current research will rely upon a descriptive research design that help in a systematic investigation of the descriptive nature of employment, income volatility, and availability of welfare schemes with reference to the informal sector workmen of Midnapore Municipality. The research will focus on finding trends of vulnerability as well as evaluating the gaps in implementation of the policy through a study of qualitative and quantitative data.

3.2. Sampling Area

The sampling area for this study is the Midnapore Municipal Area in the Paschim Medinipur district, West Bengal. The area has wards with various economic activities with a very high presence of informal labor such as vendors, construction laborers and domestic workers.

3.3. Sample Size

In this research, a total of 150 informal workers were chosen. The sample was determined to be large enough to represent the major occupational groups of daily wage laborers, street vendors, domestic workers, and other informal service providers.

3.4. Data Collection Tools

The primary data were collected using a structured interview schedule containing a number of open and closed-end questions taken from fields including, but not restricted to, demographics, income scale, awareness and access to welfare schemes, and perceived barriers to registration. The secondary data obtained included government reports, municipal reports and academic papers, which would enable supporting analysis.

3.5. Data Analysis

Data were analyzed descriptively with frequency counts, percentages, and means. Patterns and discrepancies among various groups of informal workers were reported using tables and graphs (bar graphs and pie charts). Alongside interpreting these descriptive statistics: the interpretation was aimed at identifying crucial policy issues and advocating for targeted programs based on the findings.

4. DATA ANALYSIS AND INTERPRETATION

The distribution of informal workers by occupational type and average monthly income is outlined in Table 1. Based on the distribution of respondents, the majority of respondents fell among daily wage laborers (45%), followed by street vendors (30%), domestic workers (15%), and other informal services (10%). Average monthly incomes for the various informal worker category types varied: the average monthly income for street vendors was the highest (₹6,500), while the average monthly income for domestic workers was the lowest (₹4,200).

Table 1: Nature of Employment and Income Volatility

Occupational Category	Percentage of Respondents (%)	Average Monthly Income (INR)
Daily Wage Laborers	45%	₹4,800
Street Vendors	30%	₹6,500
Domestic Workers	15%	₹4,200
Other Informal Services	10%	₹5,000



Figure 1: Graphical Representation of Nature of Employment and Income Volatility

The figure shows a marked distribution of income by occupation in the informal sector. Even though daily wage labourers are the largest number of workers, their income is significantly lower than street vendors, also showing that income is not linearly distributed by worker power. Domestic workers are also economically vulnerable – compared to other service providers - due to their lower income. These differences are indicative of the unevenness of informal work and demonstrate the need for occupation-based policy responses to income uncertainty and economic vulnerability.

Table 2 shows how informal workers are enrolled into specific social security and welfare schemes in the Midnapore Municipality area. The E-Shram card is the most popular scheme with 18% enrolment, followed by Ayushman Bharat (14%), BOCW Welfare Scheme (10%), and PM SVANidhi (8%). There is a peril of high non-enrolment for all the schemes; with enrolment drop-off mostly due to low awareness, documentation, delays in implementation, corruption, and access - particularly digital exclusion.

Table 2: Access to Social Security and Welfare Schemes

Social Security/Welfare Program	Enrolled (%)	Not Enrolled (%)	Primary Reason for Non-Enrollment
E-Shram Card	18%	82%	Lack of awareness
BOCW (Construction Workers)	10%	90%	Documentation challenges
PM SVANidhi (Street Vendors Loan)	8%	92%	Procedural delays, corruption
Ayushman Bharat	14%	86%	Digital exclusion, unregistered workers

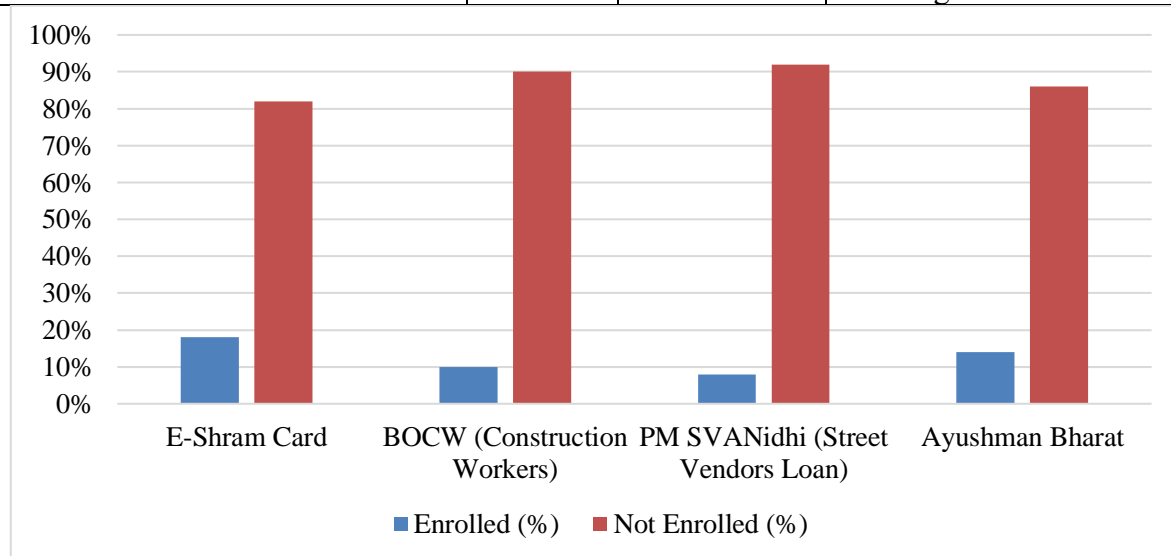


Figure 2: Graphical Representation of Access to Social Security and Welfare Schemes

The graphic representation illustrates a stark disparity between the existence of welfare schemes and their accessibility to informal workers. Government schemes exist, but low Enrollment rates indicate that systemic barriers exist, and/or information barriers exist which prevents access. The extremely high non-Enrollment rate (mostly for PM SVANidhi and BOCW schemes) indicates non-Enrollment efficiencies (mostly avoiding supervision of informal workers), while the obstacles and exclusions some of the most vulnerable segments from bureaucratic and digital access to schemes. The situation elucidates a dark need for awareness building on the ground, and follow-up on procedures that allow for welfare inclusion from authorities at the municipal level.

Table 3 outlines the level of awareness, attempt to avail, and success to access government welfare schemes among informal workers in Midnapore Municipality. Ayushman Bharat has the highest awareness level (48%), followed by E-Shram (42%) and PM SVANidhi (35%). To note there is a large drop in the percentage of workers who attempted to avail these schemes in the next level down, with only 22% attempting E-Shram, and 20% for Ayushman Bharat. Note

there is only a very low completion availing rate for the two schemes, Ayushman Bharat is at 14% and E-Shram at 18% while the State Urban Livelihoods Mission is at 3%.

Table 3: Awareness and Accessibility of Government Welfare Schemes

Welfare Scheme	Aware of Scheme (%)	Tried to Avail (%)	Successfully Availed (%)
E-Shram	42%	22%	18%
PM SVANidhi	35%	12%	8%
Ayushman Bharat	48%	20%	14%
BOCW Welfare Board	28%	13%	10%
State Urban Livelihoods Mission	17%	6%	3%

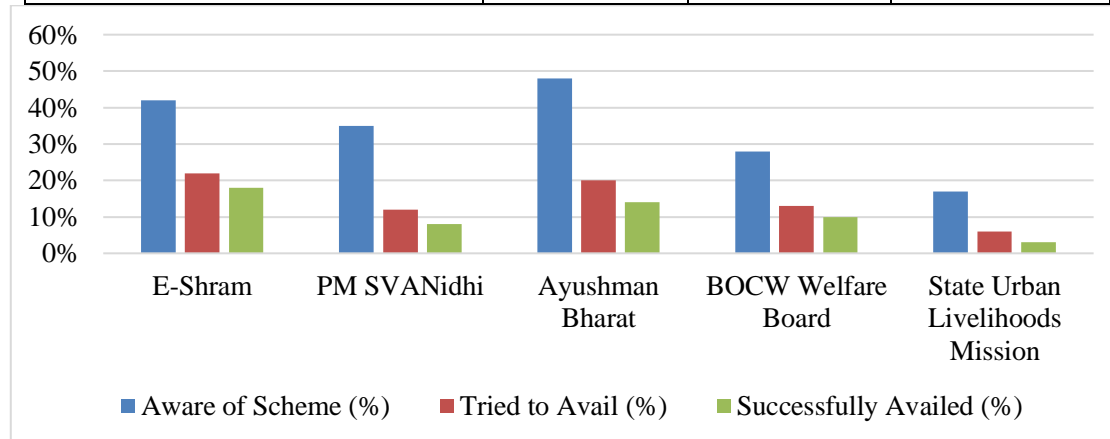


Figure 2: Graphical Representation of Awareness and Accessibility of Government Welfare Schemes

The gradual gap between awareness and uptake of welfare scheme benefits is clear from the graph. Awareness of schemes is clearly not sufficient. Even when workers knew about schemes, many did not do anything to take advantage of them largely due to the perceived or experienced barriers to uptake. The drastic decline from awareness to successful access suggests barriers such as complicated processes, lack of documentation, and uncooperative administrators. Not only does this trend expose glaring shortcomings in the implementation of welfare programs, but it also emphasizes what would help bridge the gap between awareness and benefits received - ease of access, stronger facilitation, and better follow-up.

5. CONCLUSION

The results of this research reveal significant socio-economic vulnerabilities and policy implementation deficits for informal workers in Midnapore Municipality. While informal workers have a substantial role to play in the urban economy, the vast majority of workers continue to remain trapped in low income-insecure employment, with very limited access to social security and government welfare measures. The data has revealed many pervasive challenges such as low take up of schemes like E-Shram and PM SVANidhi, largely predominating by a lack of awareness, as well as bureaucratic processes, and lack of digital inclusion. Even when they do possess awareness of these schemes, the gap between awareness and capability to access the scheme through a successful application and uptake remains systematic. The findings reveal the critical need for policy reforms, better targeting, outreach and facilitation processes, and increased engagement with municipalities so that the results are not only with regard to directing informal work in the urban development process but that informal work is better supported.

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