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A STUDY ON MANAGEMENT PRACTICES OF ENTREPRENEURS IN INFORMAL SECTOR

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Abstract

The informal sector plays a significant role in the economy in terms of employment opportunities and poverty alleviation. This sector generates income-earning opportunities for a large number of people. In India, a large section of the total workforce is still in the informal sector, which contributes a sizeable portion of the country's net domestic product. The unincorporated or non-corporate sector has the largest share of national income, manufacturing activities, services, savings, investment, taxes, credit market, employment, forex earnings, etc. Yet it is little understood, dismissed as `un-organized', `informal' or `residual' sector. It is important that the nature and role of this sector are explored to see how it impacts the economy. The non-corporate forms of organizations are major players in such activities as manufacturing, construction, transport, trade, hotels and restaurants, and business and personal services. Terming them as "un-organized" is inappropriate as they are well-organized from the economic and organizational point of view. The informal sector got an inherent ability to adopt the changing economic condition, technological changes and changing customer perceptions with its inbuilt indigenous management practices.

Keywords: Informal Sector, Unorganised Sector, Informal Economy

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