

# Rise of the Informal Economy and Morphological Adjustments in Bhiwani City

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## ABSTRACT

Present study examines the rise and spatial manifestation of informal economic activities in Bhiwani City, Haryana, and their influence on the city's morphological transformation. The informal sector, comprising activities such as street vending, daily wage labour, transport services, and small repair units, forms an essential component of Bhiwani's urban economy. Based on primary data collected from 155 respondents across 31 municipal wards, the study analyses the socio-economic characteristics, locational preferences, and spatial implications of informal work. The findings reveal that most informal workers operate from temporary or mobile structures located near major roads and market areas, chosen primarily for high customer accessibility and low operational cost. The proliferation of such activities has led to the reconfiguration of public spaces, encroachments, and the development of linear informal corridors within the city. Present study emphasises the need for inclusive urban planning policies that recognise the informal economy as a key driver of livelihood and morphological change in small Indian cities.

**Keywords:** Informal Economy, Urban Morphology, Spatial Distribution, Encroachment.

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## INTRODUCTION

Informal economy is an intrinsic and expanding component of urban livelihoods in developing countries, shaping both socio-economic relations and the physical form of cities. In India, informal activities, street vending, home-based production, waste recycling, informal transport and small repair services, provide livelihoods for large sections of urban populations and often outstrip the formal sector in job creation (ILO, 2013). Empirical studies emphasise that informal work is especially visible in public spaces and market corridors, where economic necessity and high pedestrian flows create opportunities for low-capital, labour-intensive activities (Bhowmik, 2005; WIEGO, 2016). These livelihood patterns do not merely occupy space; they actively reconfigure urban morphology through incremental, often informal spatial adjustments, such as encroachments, the conversion of residential plots for productive uses, and the agglomeration of micro-markets around transport nodes (Bhowmik, 2005; NIUA, 2022).

### Urban Morphology

The study of the form, structure, and configuration of urban spaces provides a useful analytic lens for examining how informal economic practices reshape cities at multiple scales (Conzen, 1960; Whitehand, 2001). Conzen's tripartite focus on town-plan, land-uses and building fabric helps identify the incremental changes that accrue through everyday economic practices, while later work on morphological dynamics highlights how informal activities create new, functional sub-units within the urban fabric (Conzen, 1960; Whitehand, 2001). Theoretical contributions from urbanists such as Jane Jacobs further underscore that the street-level economy and mixed-use vitality often underpin adaptive, resilient urban forms, yet these same processes can create conflict with formal planning paradigms that prioritise order and fixed land-use designations (Jacobs, 1961; recent operationalisations of her ideas show measurable links between mixed uses, density and economic vitality).

### Indian Context

Studies in the Indian context reveal a complex relationship between informal livelihoods and urban governance. While the 2014 Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act signalled a policy shift toward recognising vendors' rights, implementation gaps remain substantial and everyday negotiations between vendors and municipal agencies continue to drive spatial outcomes on the ground (NIUA, 2022). Research by Bhowmik and others documents how processes such as market consolidation, municipal redevelopment projects, and road-widening initiatives frequently displace informal workers or push them into peripheral, less productive locations, thereby altering the city's spatial economy and morphology (Bhowmik, 2005; WIEGO, 2016).

Despite extensive literature on street vending and informal livelihoods in metropolises and large Indian cities, there is less empirical attention on small and intermediate cities like Bhiwani, places where urbanisation is rapid but planning capacity and institutional support are relatively weak. Recent policy and research agendas emphasise that intermediate cities are important sites of structural change and warrant targeted study, as the interplay between informal economies and morphology may unfold differently from that in megacities (NIUA, 2022; WIEGO working papers). This gap suggests the need for place-based, primary empirical research that documents how informal economic actors negotiate space, how their practices spatially reorganise neighbourhoods, and how municipal interventions mediate these processes.

### SIGNIFICANCE OF THE STUDY

The present study is significant for understanding the interrelationship between informal economic activities and the evolving urban morphology of small and medium-sized cities like Bhiwani. While most existing research focuses on large metropolitan areas, the dynamics of informality in smaller cities remain underexplored. This study bridges that gap by providing empirical insights into how informal occupations, such as street vending, daily wage labour, and mobile services, shape the spatial and functional structure of Bhiwani City. The findings highlight how informal activities contribute to economic sustenance, spatial reconfiguration, and the adaptive use of urban space. By examining ward-level variations and morphological impacts, the study provides valuable information for urban planners, geographers, and policymakers to design inclusive urban development strategies that recognise and integrate the informal economy into the city's planning and governance framework.

### OBJECTIVES OF THE STUDY

Following were the objectives of the present study:

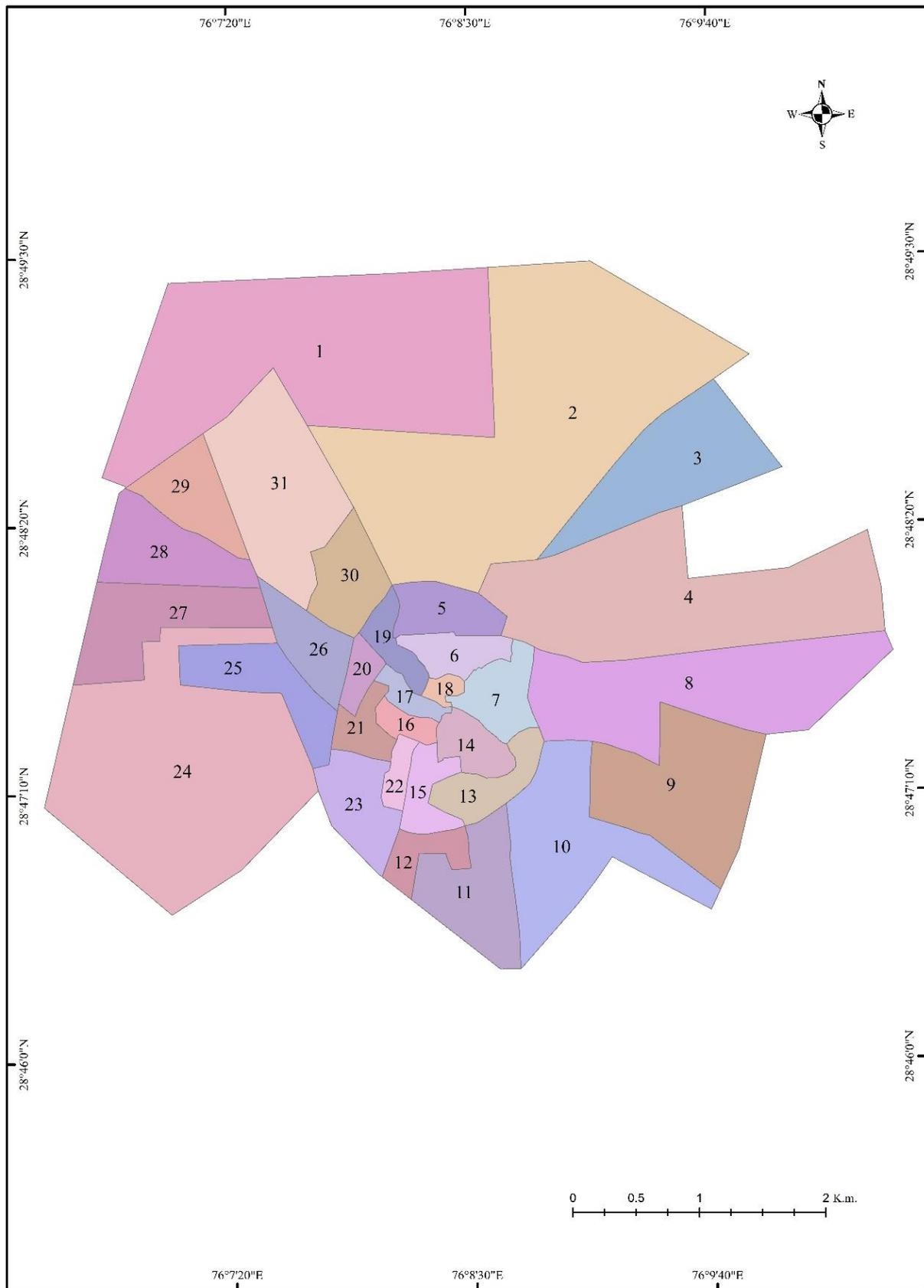
1. To examine the occupational structure and socio-economic characteristics of workers engaged in the informal economy within Bhiwani City.
2. To analyse the spatial distribution and locational preferences of informal economic activities across different wards of Bhiwani City.
3. To assess the morphological impact of informal activities on the urban form and public spaces of Bhiwani City.

### STUDY AREA

The present study was conducted in Bhiwani City, the administrative headquarters of Bhiwani District in the south-western part of Haryana, India. Geographically, the city lies between 28°48' to 28°52' North latitude and 75°52' to 76°00' East longitude, at an average elevation of about 225 meters above mean sea level. Bhiwani is located approximately 125 kilometres west of Delhi and 55 kilometres from Hisar, serving as a regional trade and service centre for the surrounding rural hinterland.

The city is governed by the Bhiwani Municipal Council, which comprises 31 wards, representing a mix of old residential cores, expanding commercial zones, and newly developed peripheral colonies.

**Map 1: Location of Wards in Bhiwani City**



**Source:** Prepared by Research Scholar with the help of Q-GIS

The city has experienced rapid urbanisation and population growth, leading to increased pressure on land and public spaces. In recent years, informal economic activities, such as street vending, daily wage labour, and transport services, have expanded significantly, contributing to the city’s economic vitality but also altering its spatial structure. The study

area thus offers an ideal setting to analyse the interrelationship between informal economic practices and the morphological transformation of a medium-sized Indian city.

## METHODOLOGY

The present study, titled “Rise of Informal Economy and Morphological Adjustments in Bhiwani City”, is based on both primary and secondary data sources. The methodology has been designed to capture the spatial distribution, socio-economic characteristics, and morphological implications of informal economic activities within the urban limits of Bhiwani City.

Bhiwani City comprises 31 municipal wards that collectively represent the city's spatial, functional, and socio-economic diversity. To ensure adequate spatial representation across different morphological zones, such as the old core, transitional areas, and peripheral extensions, a ward-based sampling framework was adopted.

From each of the 31 wards, five respondents engaged in informal economic activities were purposively selected, yielding a total sample of 155 respondents ( $31 \times 5 = 155$ ). This sampling approach ensured that informal workers from various occupations, street vending, rickshaw/auto driving, daily wage labour, household-based work, repair and service activities, and waste collection were proportionately represented from all parts of the city.

The purposive sampling technique was considered appropriate because the study specifically targets individuals involved in informal economic activities, who are not uniformly distributed across the urban landscape. The selection of respondents was guided by on-ground observation, consultation with local residents, and visual identification of active informal work sites such as markets, roadside areas, residential colonies, and transport hubs.

## ANALYSIS

The empirical data collected from 155 respondents engaged in various informal economic activities across Bhiwani City provide valuable insights into the scale, structure, and spatial organisation of the informal economy. The responses reveal significant occupational diversity, differing income levels, variable spatial preferences, and distinctive morphological imprints on the city's form and function.

### 1. Type of Informal Activity

The informal sector of Bhiwani is characterised by occupational heterogeneity. The largest group of respondents (46, or 29.7%) are engaged in daily wage labour in construction, transport, and loading activities, indicating the strong demand for low-skilled manual work in expanding urban infrastructure.

Street vendors constitute the second-largest group (31 respondents; 20%), reflecting the prominence of vending in the city's commercial morphology. Rickshaw and auto drivers (29, or 18.7%) highlight the role of informal transport in urban mobility. Smaller but significant shares include repair/service shops (20, or 12.9%) and waste collectors/recyclers (18, or 11.6%). Only 11 respondents (7.1%) reported home-based work such as tailoring or handicrafts. This occupational spread shows that the informal economy in Bhiwani is predominantly outdoor, mobile, and street-oriented, thereby exerting direct influence on land use and traffic corridors.

### 2. Years of Involvement

A majority of respondents (88, or 56.8%) have been engaged in informal activities for 1–5 years, suggesting that informal work has become a relatively recent survival and livelihood strategy, possibly triggered by post-pandemic economic disruptions or limited formal employment opportunities. Another 24.5% (38 respondents) have been in such work for 6–10 years, while only 9 respondents (5.8%) have more than a decade of experience. The presence of 20 newcomers (12.9%) with less than one year of experience also indicates continuous inflow into informal occupations, reflecting both urban pull factors and rural distress migration.

### 3. Location and Spatial Choice

The spatial distribution of informal work reveals that roadside locations (65, or 41.9%) and market areas (53, or 34.2%) are the most preferred spaces, followed by transport hubs (23, or 14.8%) and residential colonies (14, or 9%). These concentrations near high-traffic zones reflect the morphological clustering typical of small Indian cities, where commerce spills into public spaces.

Regarding reasons for location choice, high footfall (62) and low rent (43) were the dominant factors, followed by lack of alternatives (41) and proximity to residence (35). These responses underscore that spatial decisions are driven by customer accessibility and cost minimisation rather than legality or planning norms. The result is evident in the transformation of street edges and open spaces into informal markets, indicating a clear morphological adjustment in Bhiwani's urban form.

**Table 1: Economic and Morphological Adjustments in Bhiwani City**

Sr. No.	Transformation	Response	No. of Respondents
1	Type of informal activity:	Street vending	31
		Rickshaw/auto driving	29
		Household-based work (e.g., tailoring, craft,	11
		Daily wage labor (construction, transport, etc.)	46
		Repair/service shop	20
		Waste collection/recycling	18
2	Years of Involvement in informal Activity:	Less than 1 year	20
		1–5 years	88
		6–10 years	38
		More than 10 years	9
3	Location of activity:	Roadside	65
		Market area	53
		Residential colony	14
		Near transport hub	23
	Why did you choose this location?	High footfall	62
		Low rent	43
		Near residence	35
		Lack of alternatives	41
4	Working Hours per Day:	Less than 6 hours	24
		6–8 hours	52
		9–10 hours	58
		More than 10 hours	21
5	Average Monthly Income (₹):	Below 5,000	13
		5,001–10,000	16
		10,001–15,000	28
		Above 15,000	98
6	Ownership of Work Space:	Self-owned	2
		Rented	27
		Temporary/mobile space	126
7	How did you choose your work location?	High footfall area	96
		Availability of space	34
		Other	25
8	How would you describe your relationship with local authorities?	Supportive	3
		Neutral	88
		Harsh/Unsupportive	16
		No contact	48
9	Type of space used:	Fixed structure	8
		Temporary stall	85
		Mobile unit	62
11	Condition of space:	Clean	11
		Congested	41
		Encroached	89
		Unsafe	14
12	Proximity to major roads/markets (approx. distance):	<100 m	102
		100–500 m	49
		>500 m	4

**Source:** Computed by Research Scholar from the data collected during primary survey

#### 4. Working Hours and Labour Intensity

A large proportion of informal workers (58 respondents; 37.4%) reported working 9–10 hours per day, while 52 respondents (33.5%) worked 6–8 hours, and 21 respondents (13.5%) worked beyond 10 hours per day. Only 24 (15.5%) worked for less than six hours. This shows a long working-day pattern, with limited social security or time regulation. Extended working hours in makeshift or open environments also relate to morphological use of public spaces over prolonged durations, affecting pedestrian movement and spatial congestion.

### 5. Income Distribution

Income data reveal significant disparity but generally low earnings. The majority (98 respondents; 63.2%) earn above ₹15,000 per month, often reflecting contributions from multiple family members or extended hours. Another 28 respondents (18.1%) earn between ₹10,001–15,000, while 16 (10.3%) earn ₹5,001–10,000, and 13 (8.4%) earn below ₹5,000. These earnings, though modest, highlight the informal sector's importance in sustaining livelihoods and its contribution to the urban economy, albeit outside formal regulatory and taxation frameworks.

### 6. Nature and Ownership of Workspace

The data show that 126 respondents (81.3%) operate from temporary or mobile spaces, while 27 (17.4%) rent small spaces, and only 2 respondents (1.3%) have self-owned workplaces. The dominance of temporary structures is a clear marker of the transient and flexible morphology of informal activity zones in Bhiwani, often leading to encroachment on public land and blurred boundaries between commercial and civic spaces.

### 7. Relationship with Local Authorities

The interaction between informal workers and municipal authorities remains limited. A majority (88 respondents; 56.8%) described the relationship as neutral, while 48 (31%) reported no contact. Only 3 respondents (1.9%) found authorities supportive, and 16 (10.3%) described the relationship as harsh or unsupportive. This indicates minimal institutional engagement and the absence of formal recognition or regulatory integration of informal workers.

### 8. Spatial Conditions and Morphological Features

Field observations confirm that encroachment (89; 57.4%) and congestion (41; 26.5%) are the most common spatial conditions. Only 11 respondents (7.1%) reported working in clean areas, while 14 (9%) felt their sites were unsafe. The proximity data show that 102 respondents (65.8%) operate within 100 meters of major roads or markets, indicating the concentration of informal activity along transport arteries and defining a linear morphological pattern typical of emerging commercial corridors.

Furthermore, temporary stalls (85; 54.8%) and mobile units (62; 40%) predominate in the physical form of informal spaces, indicating adaptive reuse and transient urban morphology in the city's commercial zones.

### Morphological Implications

The analysis reveals that the rise of informal economic activities in Bhiwani is spatially concentrated along major roads, transport hubs, and markets, forming visible nodes and linear corridors that reshape the city's morphology. The widespread use of temporary and mobile structures, coupled with minimal regulation and heavy reliance on public spaces, has led to the informalization of the city's streetscape. Morphological adjustments are evident through roadside encroachments, flexible land-use conversions, and the emergence of micro-commercial clusters, reflecting both the adaptability and challenges of small-city urban growth in India.

## CONCLUSION

Present study concludes that the informal economy plays a crucial role in shaping both the socio-economic fabric and spatial form of Bhiwani City. Informal activities such as vending, transport services, and daily wage labour not only sustain livelihoods but also redefine urban morphology through encroachments, adaptive use of public spaces, and linear clustering along major roads. The findings highlight that informalization is both a livelihood necessity and a spatial reality. Therefore, urban planning in Bhiwani must adopt inclusive policies that integrate informal workers while ensuring orderly and sustainable city development.

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