

**INFORMAL SECTOR ACTIVITIES OF A
MEDIUM SIZED TOWN IN BANGLADESH -
A CASE STUDY OF FARIDPUR TOWN**

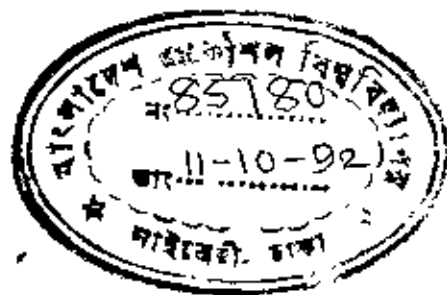
A THESIS

**SUBMITTED TO THE DEPARTMENT OF URBAN AND REGIONAL PLANNING,
BANGLADESH UNIVERSITY OF ENGINEERING AND TECHNOLOGY, DHAKA, IN
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF URBAN AND REGIONAL PLANNING**



BY

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BANGLADESH UNIVERSITY OF ENGINEERING AND TECHNOLOGY, DHAKA
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ABSTRACT

After independence in 1971, population of urban areas of Bangladesh has become almost double due to socio-economic, political reasons and sometimes natural hazards. Employment opportunities coupled with higher wages in urban labour market also attract migrants to move into the urban areas. It has been observed that rates of rural-urban migration continue to exceed rates of job creation of urban formal sector. Consequently the vast majority of unemployed people are engaged in various types of informal activities such as trade, manufacturing, transport, services etc. mainly as self-employment. Nevertheless, there is no policy guide line about the development and regulation of this sector in national development policy.

The present research study focuses on the growth pattern of informal sector enterprises of Faridpur town and also examine the level of employment generation in this sector and income status of participants. The study also describes about source of initial capital and forward and backward linkages of informal sector activities. The study identifies that shortage of capital and permanent shops are the main problems towards growth and development on the informal sectors activities.

In the light of research findings, the study suggests that credit should be provided to the informal sector enterprises and this will lead to higher income and generate employment. Credit can be provided forming groups through co-operatives organised by the low income member enterprenurs for security and proper use of loan. Allocation of low cost permanent shops by the govt. agencies can be helpful for the development of this sector. The study further recommends that in order to reduce negative environmental effects the location of this sector and sub-sector activities has to be incorporated in the land use plans of the urban centres.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction to the Study:

In the third world countries (especially low-income countries) urban economy consists of two parallel sector of activities one is formal and other is informal. Both of this two economic activities provide employment to the labour force in urban areas. It has been observed from various studies that informal sector is more dominant in terms of providing employment and income than the formal sector. One study (Urban Edge, 1982) has found that at least 50 percent of the urban labour force in third world cities are employed in the informal sector. Another study pointed that in Bangladesh 8 percent of the labour force are engaged in the organized sector i.e. formal sector (Mostafa, 1981). Although, no official records are available regarding the number of persons engaged in the informal sector activities in Bangladesh, there is every reason to believe that the number occupies a greater percentage in view of the mounting unemployment problem on one hand and rapid urbanization (about 9 percent per annum) on other hand. It has been estimated that in Dhaka city about 40 to 60 percent of urban labour force are employed in the informal sector (Muslim Uddin, 1983).

Bangladesh is one of the most densely populated countries of the World. Its present population is about 108 million (preliminary census report, 1991), spreading on an area of about 144000 km². Agriculture is the maiustay of Bangladesh's economy. This sector

contributes nearly 50 percent of the country's GDP and around 85 percent of the population either directly or indirectly are engaged in the agriculture sector (ILO 1991). The already over manpowered agriculture sector has little scope for producing surplus produces to cater to the everincreasing requirements of the people as well as for creating further opportunity for viable employment.

In such a situation industrialization would become the corner stone on which Bangladesh's, like many other developing countries. But the industrialization process in Bangladesh is still in its nascent stage and can not provide job opportunities to its unemployed labourforce.

Migration from rural areas in search of jobs in huge number to the urban areas has been observed during the last two decades. This took a critical shape particularly during the post-liberation period, i.e. from 1971 and onward. Employment opportunities with higher wages usually attract migrants to move into the urban areas. One study (Begum 1979) has found that migrants move to urban areas for jobs and that migrants income is higher in urban areas than in the rural area. But it has been observed from third world experience of urbanization that rates of rural urban migration continue to exceed rates of jobs creation and to surpass greatly the absorptiou capacity of urban formal sector. As a result the vast majority of the surplus labourforce happened to have engaged in various types of informal activities such as Trade, Manufacturing, Transportation and Services etc. mainly as self-employment. It was the 1972 ILO report on Kenya (ILO, 1972) which

formally identified informal sector activities on the basis of way of doing things" (Ibid). From then the informal sector paradigm attracted a great deal of interest. Naturally, informal economic activities depends on personnel interest as the sole proprietor of enterprise, the causes behind this interest are, viz.,

- (a) Minimum capital investment. Volume of capital investment depends on the ability of entrepreneur.

- (b) This type of enterprise or business is easy to handle every time because the involvement of labour is minimum and sometime proprietor or entrepreneur himself served as a labour. So the question of labour problem is virtually non-existent.

There has been little investigation and research on urban informal sector in Bangladesh and those studies are not adequate to explain the problems of this sector and relate it to urban growth process. No comprehensive study has been done to carryout a systematic analysis of various issues that need to be resolved in order to assess the role of the sector in the overall urban development process. Therefore there is a need to study the urban informal sector and examine its contribution towards the development of medium-sized urban area in Bangladesh.

1.2 Definition of Informal Sector

The term "informal sector" is an important addition into the development economy especially in the Third World countries. The initial perception of the informal sector was the marginal livelihood of a horde of shoe shine boys, street Hawkers, petty traders etc. But soon it came to light that these are simply the most obvious, by no means the most important, occupations in the informal sector (Amin, 1982). However, in the absence of a clear definition, the concept remained hazy and boundaries were indistinct. The picture began to clear in 1971 when "Keith Hart" compiled a list of income earning opportunities among residents of a slum area in Accra in which he contrasted informal income earning opportunities with that of the formal sector. The distinguishing characteristic used was wage-earning employment (formal) as against self-employment (informal).

The distinction between formal and informal enterprises in this case is drawn on the "way of doing things" in which the informal sector is characterized by:

- a) ease of entry;
- b) reliance on indigenous resources;
- c) family ownership of enterprises;
- d) small scale of operation;
- e) labour-intensive and adapted technology;
- f) skills acquired outside the formal school system, and
- g) unregulated and competitive markets.

The characteristics of the formal sector enterprises in similar activities are assumed to be obverse of these (ILO, 1972). In this respect, Sethuraman (1976) provides a useful direction by suggesting some multiple criteria for identifying informal enterprises. These are, (1) the enterprise distributes output directly to the consumer, (2) members of the household of the head of the enterprise work in it, and (3) it does not observe fixed hours of operation. Lisa Peattie's work (1974) on the informal sector of Bogota focuses on employment characteristics in defining the sector. According to her the informal sector is closely tied to the concept of a class of jobs characterized by easy entry, lack of formal educational qualification, low wages and little job security.

A similar focus on employment characteristics in defining the sector is found in Westley and Kabagambe (1972). According to them the informal sector is distinguished from the formal sector largely in terms of employment characteristics such as the presence or absence of official recognition, trade union organization, taxation and relative security of employment. At the empirical level, the informal sector of a medium sized urban area is defined to comprise those enterprises in which employees are not more than 10 persons (including the owner) per unit and which simultaneously satisfy one or more of the following conditions.

- a) small-scale operation
- b) does not observe fixed hours of operation
- c) in most cases household members operate their business as

a head of the units.

- d) no. official recognition and job security for the employees.

1.3 The Informal Sector and its Sub-Sectors

Thousands of self-employed persons are engaged in the informal sector activities. These activities according to their characteristics can be categorised into four groups.

Manufacturing: Flour and Rice Mills, Saw Mills, Small printing Press, Jewellery, Tailoring, Furniture, Workshops, Metal Work, Bedding etc.

Trading: Hotel and Restaurants, Grocery, Stationery, Rice Selling, Cloth, Fruits, Metal, Utensils, Pan-cigarettes etc.

Transport: Rickshaw-Puller, Push-Cart Driver, Temporarily Engaged Employee in various types of vehicles.

Service: Radio-Television repairs, watch pen repairing, Automobile servicing and repairs, Decorators, photocopier, and casual labours etc.

There are lot of activities under each category which have been listed in detail in the Appendix-A.

1.4 Planning Interest:

According to labour force survey of Bangladesh Bureau of Statistics (1983-84), urban labour force is growing at 6 percent per annum. Since modern industries employ only about 5,00,000 persons i.e. less than 2 percent of the labour force (ILO, 1991: 16-17). Prospects of employment generation in modern sector are severely curtailed by resource constraints. Bulk of the increasing urban labour force engaged themselves in a wide variety of manufacturing, trading and a host of services in thousands of small enterprises. In 1985, there were about 28000 small scale enterprises, employing about 380000 persons and about 37000 cottage industries, employing about one million in Bangladesh. In addition, there were 320000 handlooms employing over 1.2 million people. Nearly half of the total industrial production comes from these units and they account for two-thirds of the total urban population (WB, 1987:10).

Thus, the potentials of the small enterprises are easily understandable. Without much support and encouragement, the urban informal sector remains the fastest growing segment of the economy. Regardless of policies followed, small enterprises continue to multiply, spurred by continued migration of people from rural to urban areas in search of jobs and in anticipation of a better life. Also, potentially these small enterprises are among the most powerful forces of development in the country. But their limited access to resources has so far prevented the realization of this potential. Modernization of the informal sector enterprises

requires both financial and non-financial support, replacement of old and obsolete equipment and training in planning, accountancy, procurement and marketing. They also need access to quality raw materials and improved technology. On the other hand the informal sector small enterprises casually take possession in the government land and create haphazard landuse and cause traffic congestion. Sometimes the low paid employees of the enterprises create slum and squatter settlement in the urban areas. The government has to deploy force to evacuate this type of settlement to keep the urban environment free from pollution and over crowd. In planning the harmonious settlements for the low income people and industrial and commercial landuse by this sector planner should know the actual situation, their growth pattern, their needs and requirements. Therefore, a series of studies are required for the proper planning of informal sector.

1.5 Literature Review

There has been little investigation and research on urban informal sector in Bangladesh. Ahmed's (1982) study was an early attempt to understand the working condition and the role played by the urban informal sector enterprises in urban economic system and the possible consequences that result from the rapid expansion of the sector as means of self-employment. But this study dealt with only economic aspects of the informal sector but it ignored the social and spatial planning aspects of informal sector enterprises. Specially it did not formulate any guideline to plan the settlement

pattern for the low salaried employees of the enterprises.

Amin (1982) has analysed the modes of labour market and industrial organization of the informal sector in Dhaka. Similar to Ahmed (1982) this study was also confined to economic aspects of the informal sector enterprises and employees. The basic interests of the study were to find out appropriate technology for resource availability, absorbing more labour force, distributing income more equitably, spreading basic skills, developing human resources and the production of basic goods in relation with informal sector enterprises. It did not highlight on the spatial planning aspects of informal sector enterprises and also settlement pattern of labour classes in the urban area.

Chowdhury and Rahman (1989) in their study presented the role played by the urban Informal Finance Market in providing financial support to urban informal sector enterprises, particularly the small scale enterprises which have little access to formal sector institutions. It is a study which dealt with urban informal finance market from where informal sector enterprises get finance at exorbitant rate of interest. Here, some guidelines and suggestions have been offered to institutionalize the sources of informal finance market. There is no spatial planning discussion in this study.

International Labour Organization (ILO) Dhaka, studied the self-employment programme in Bangladesh and quoted 1983-84 labour force study of BBS as urban labour force is growing at 6 percent per annum. Modern industries can employ less than 2 per cent of the

labour force and bulk of the ever increasing urban labour force engaged themselves in the informal sectors such as in a wide variety of manufacturing, trading and a host of service in thousands of small enterprises. The study concluded that modernisation of informal sector enterprises requires both financial and non-financial support, replacement of old and obsolete equipment and training in planning, accountancy, procurement and marketing. Similar to other studies mentioned above this study discussed only economic aspects of informal sector. But its impact on urban environment was ignored..

Muslim Uddin (1983) in his study presented the major problems of the sector. His study also tried to identify the relationship between the formal sector institutions and the informal sector enterprises and made some policy recommendations for the improvement of the informal sector. He emphasised especially, spatial planning of enterprises and also control and regulation of growth of informal sector enterprises. But he did not think about social agglomeration and socio-economic bonding through cooperative system. This study found the informal sector as an urban problem and suggested a guideline to solve this problem. But informal sector is a part and parcel of an urban community. Without this sector urban homogeneous growth can not be thought. There should be a suggestion to regulate the landuse by this sector or to fix up areas for the development of this sector with pertinent regulation. In this study economic development of informal sector enterprises has been discussed.

No study is conducted yet in Bangladesh on informal sector activities of medium-sized town so far.

1.6 Objective of the Research

The main objectives of the present research study have been set as follows:

- a) To identify the growth process of the different sub-sectors of the informal sector.
- b) To understand the conditions under which the sub-sectors of the informal sector employ labour and generates income.
- c) To recommend appropriate policies for the development of the informal sector in a medium-sized town of Bangladesh.

1.7 RESEARCH METHODOLOGY

The present study has been undertaken by adopting a methodology suitable to attain the research objectives. The following steps have been followed to carryout the present research work.

- a) Selection of study area
- b) Collection of relevant literature
- c) Data collection from secondary source
- d) Data collection from primary source
 - (i) Reconnaissance survey
 - (ii) Questionnaire survey
- e) Sampling procedure

f) Data processing and analysis.

1.7.1 Selection of the Study Area:

Faridpur town have been selected for the present study. According to the population census of 1981, Faridpur have been considered as a medium-sized¹ town. It can be mentioned here that there have been little research works on informal sector which were conducted mainly on metropolitan city like Dhaka where rate of growth of informal sector is very high. In medium-sized town, where self-employment is tedious, urban economy predominantly depends on urban economic activities from that consideration Faridpur town² is economically backward. Despite, being a district headquarter there is no large scale Industrial units, some cottage industries are established in the town and traditional trade and commerce ie the main activity in the urban area. So it is clear that informal sector activities are the main economic activities of the town and most of the urban labour forces are engaged in this sector. This is why it needs study on informal sector to realise the existing-situation and to formulate planning for future of this sector. For this consideration Faridpur town has been selected as a study area.

1.7.2 Literature Survey

In order to gain a basic understanding on the subject, literature survey was undertaken and information was collected from published and unpublished sources. For this purpose, attempts were made to collect information regarding urban informal sector from

the daily newspapers, weekly magazines, journal and other related publications.

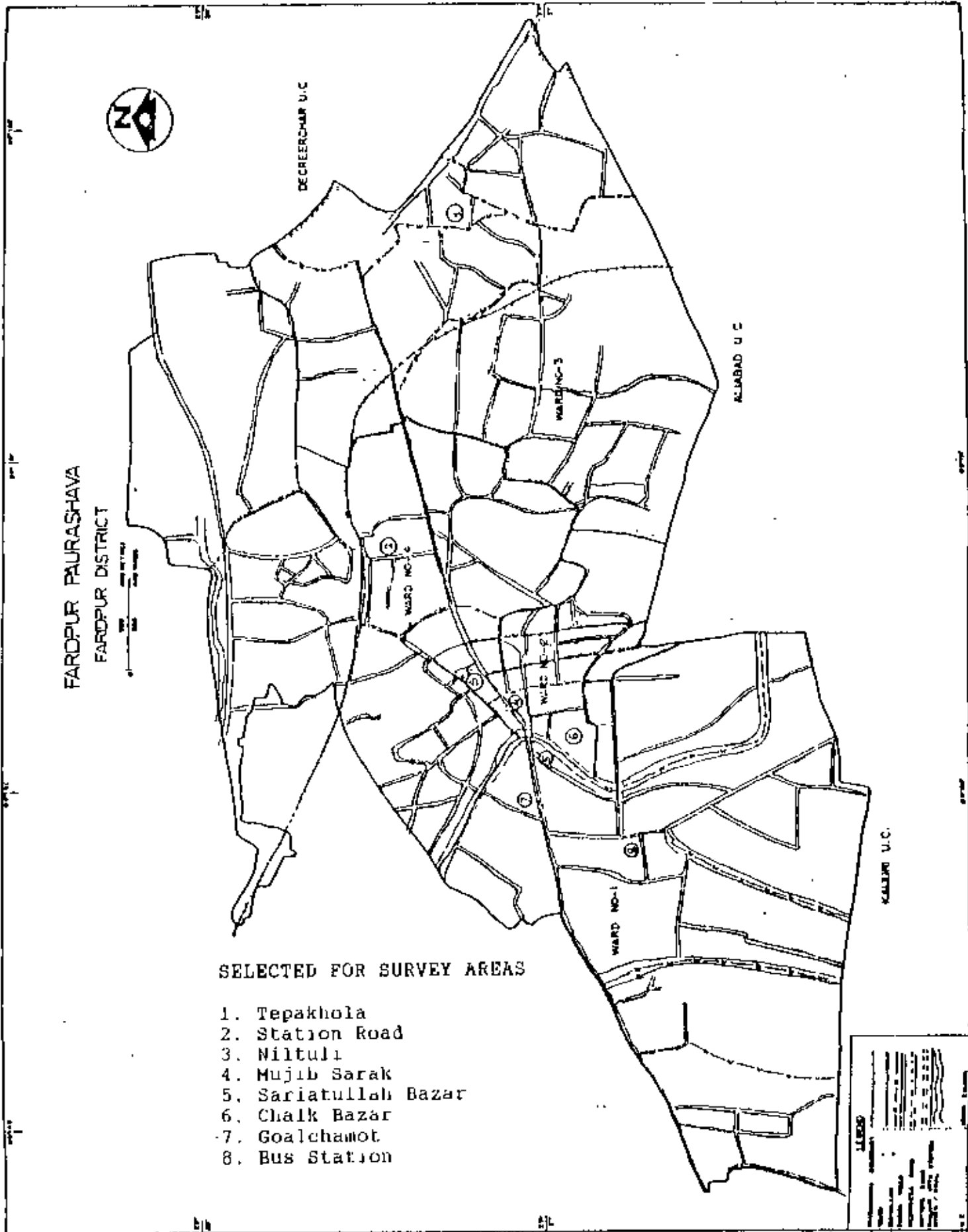
1.7.3 Data Collection from Secondary Sources:

Efforts were made to collect data available from government, Non-government and other relevant organisations. Significant data was obtained from statistical officer of Faridpur Sadar upazila, Faridpur Municipality (Pourashava), Local Government Engineering Bureau (LCEB), Bangladesh Cottege and Small Industries Corporation (BCSIC), Faridpur Transport owners association. Also data was collected from ILO-Dhaka, Bangladesh small Enterprise development project (SEDP), Gramin Bank, Relevant maps e.g. Bangladesh map, municipal map of Faridpur, and useful literature such as census report, District Gazetteers were collected from relevant sources.

1.7.4 Data Collection from Primary Sources:

1.7.4.1 Reconnaissance Survey

An extensive field investigation was required to know the existing condition of the study area. For this purpose a reconnaissance survey was done through observation and interviewing the local entrepreneurs of the informal sector of Faridpur District to gain basic information regarding the present study. It is observed that Chalkbazar area represents at present as CBD of the town. With the large enterprises a huge number of informal



Source: The base map was prepared by the Bangladesh Bureau of statistics

sector enterprises have been agglomerated here due to business prospects. Mujibsarak, the main thorough fare of the town commenced from Chalkbazar and ended at station road. This oldest thoroughfare allured highest numbers of business enterprises with huge informal activities along the thoroughfare. Tepakhola, being a big cattle hat hosted huge number of informal activities around it. Once Tepakhola was the gateway of Faridpur Town, the port of Faridpur was there and it used to serve the catchment areas of the town. Station road, area is one of the important business centre. There is also a big katcha bazar (green market) in this station road business area. Niltuly, is the principal retail business centre lying along the Niltuly road areas upto the "Auroro Talkies" where a variety of jewellery shops, residential hotels, printing press, stationary shops etc are existing. Sariatullah market, is an important shopping centre on the west bank of river Kumar. Huge number of informal activities are agglomerated here. There is a big Kutchha bazar (green market) in this business area. Goalchamot, area is located in between the Sariatullah market and Bus station road. This area represents a concentration of various repairing services and workshops. Faridpur bus station, now is the gateway of Faridpur town. Heavy flow of pedestrian and vehicular traffic are normally found here. It appears to be the most crowded street hawking area of the town. The mentioned spots are the main clusters of informal sector activities. This is why aforementioned spots have been selected for final survey.

1.7.4.2 Questionnaire Survey:

Information on the study mainly comes from primary sources. A structured questionnaire was administered to gather necessary information from the owners of the enterprises or head of the enterprises of the selected area of Faridpur town. The questionnaires were developed in computer coded format for rapid processing and analysis of data. Draft questionnaire was pre-tested in selected area. The author and the field investigators were involved in pre-testing the questionnaires. The final questionnaires were developed on the basis of experience of pre-testing. The investigation was made on several aspects related with the study and about 300 sample units were surveyed within the study area. The sample questionnaire has been presented in Appendix-B.

1.7.5 Sampling Procedure:

During the field survey the whole study area was not covered under survey procedure. As because Faridpur being a greater district town, its entire area can not be studied or investigated for the purpose of research. The pourashava area has been shown in Map No. 1. On this map specific survey spots where informal sector enterprises were clustered have been shown such as Chakbazar, Mujib Sarak, Niltali, Tepakhola, Station road, Goalchamot, Sariatulla market and Bus station.

The informal sector activities of Faridpur town have been classified into four major groups (i) trade (ii) manufacturing (iii) transports, and (iv) service.

A simple random sampling procedure was adopted for selecting samples from each activity group as because there is no any list of informal sector enterprises available anywhere of government or non-government sources. Hence, more samples have been chosen from those activities which seem to be existed more through physical observation. This criterion leads to the distribution of sample in an order which maximises trade and commerce activities in percentage i.e. 46.53 percent and then manufacturing 34.23 percent, transport and service 9.62 percent. Detail has been shown in the table 1.1.

Table 1.1
Distribution of Sample Enterprises
by Activity Group

Activity	Frequency	Percent
Trade	121	46.53
Manufacturing	89	34.23
Transports	25	9.62
Service	25	9.62
Total	260	100.00

Source: Field Survey, 1991.

Each activity group of the informal sector enterprises includes different kind of activities which have been illustrated in the Table 1.2. More samples have been chosen from those categories which are found more existing.

From trade activity group 121 samples have been taken out of 260 total samples. 12 kinds of activities have been chosen from

this group. Among those activities highest samples i.e. 20 samples have been chosen from hawkers and then grocery, Pan-cigarettes shops; hotel & restaurants, stationary in a descending order. Detail has been shown in the Table 1.2.

From manufacturing activity group 89 samples have been chosen. 12 kinds of activities have been selected from this group. Among those activities highest samples i.e. 15 samples have been chosen from workshop and then rice and flour mills, Jewellery, steel furniture, wooden furniture, saw mills etc. in a descending order.

From transport activity group 25 samples have been taken. Three kinds of activities have been chosen from this group. Among those activities highest samples (i.e. 17) have been chosen from rickshaw/van and then autotempo, mini bus in a descending order.

From service activity group 25 samples have been taken. Three kinds of activities have been chosen from this group. Among those highest samples (i.e. 16) have been chosen from repairs and then decorator, photocopier service etc. in descending order.

Table 1.2Distribution of Sample Enterprises by Activity

Activity	Frequency	Percent
<u>TRADE</u>		
Hotel & Restaurant	11	4.23
Sweetmeat	9	3.46
Grocery	15	5.76
Rice selling	9	3.46
Stationery	10	3.84
Clothes	10	3.84
Fruite	8	3.07
Shoe & sandal	6	2.30
Hawkers	20	7.69
Metal utensils	5	1.92
Machinery parts	4	1.53
Pan-cigarettes	14	5.38

Contd..

Table 3.2(Contd...)

Activity	Frequency	Percent
<u>MANUFACTURING</u>		
Jewellery	9	3.46
Tailoring	7	2.69
Printing press	5	1.92
Rice & Flour Mills	11	4.23
Wooden Furniture	7	3.69
Steel Furniture	9	3.46
Workshops	15	5.76
Shaw Mills	7	2.69
Bakery	4	1.53
Shoe making	3	1.15
Metal works	5	1.92
Bedding	7	2.69
<u>TRANSPORTS</u>		
Mini bus	3	1.53
Auto-tempo	5	1.92
Rickshaw/van	17	6.53
<u>SERVICE</u>		
Decorators	6	2.30
Photo copier	3	1.15
Repairs	16	6.15
Total	260	100.00

Source: Field survey, 1991.

1.7.6 Data Processing and Analysis:

Survey data were processed for analysis by using SPSS/PC¹ computer software. For the purpose of computer analysis data from field questionnaire were transferred in computer coded form. The analysis of the survey data presented in tabular and graphical forms was done by keeping in view the objective of the research study. Also some of the data collected from primary and secondary sources have been processed manually.

1.8 Limitations of the Study

The study is based on representative master samples chosen from selected survey spots. But for this purpose of fact finding it is necessary to identify the enterprises that belong to this universe and to compile a complete list of all the enterprises that belong to this sector. But infact the function of identification as well as listing of the activities is least with problems. First, a complete list of all the enterprises is not available; in particular hundreds of smallest ones are not registered with any official body and hence unknown to the statistical authorities owing to an absence of information on their whereabouts or because of their itinerant character or because of their ill-defined status or the authorities have not been concerned about such data.

The study was carried out on a defined informal sector in which all government departments/agencies, public sector corporation, formal institution, multinationals, NGOs and the like have been excluded from the outset since they not satisfy the definition of

the informal sector. In order to narrow down the scope, it has been decided to eliminate all enterprises with more than ten workers per enterprise on the assumption that an enterprise of that size normally requires a significant amount of capital and managerial skills; moreover, an enterprise above this size, although small is unlikely to have the orientation of an informal sector enterprise as defined earlier.

In the study the survey missed less concentrated informal sector enterprises scattered throughout the town. Domestic servants, beggars and construction labours etc. were also excluded from the survey coverage due to fund and time constraints and also to minimise the number of samples.

1.9 Organization of the Study:

The present research study contains five chapters. Chapter I provides the introduction about present study and definition of the informal sector. Also this chapter narrates other aspects such as objectives of the research, methodology, planning interest and review of the literature.

Chapter 2 narrates general features of the study area such as regional topography and climate, growth and evolution of Faridpur town, demographic pattern and land use of Faridpur town.

Chapter 3 deals with the survey findings. This chapter describes characteristics of informal sector of Faridpur town such as nature of location and physical characteristics of the enterprises, access to public utilities, growth and expansion,

legal status of enterprises, age-sex distribution of the labour force, education, skill level and migratory characteristics of labour force and background of involvement in present activities.

Chapter 4 also deals with survey findings too. This chapter describes operational characteristics of informal sector enterprises such as pattern of ownership of the enterprises, size of enterprises, working hours, wage level of the labour force, source of initial capital, source of trade goods and raw materials, requirement of development facilities etc.

Chapter 5 presents conclusion of the study and recommends policies for future planning of the informal sector in a medium-sized town like Faridpur.

NOTES

¹ There is no prescribed definition for medium sized town in Bangladesh. But excluding metropolitan cities all other old greater district town (Population 50,000 - 3,00,000) may be treated as medium-sized town in the context of Bangladesh.

² Faridpur town, Faridpur urban area and Faridpur Paurashava are used as synonyms.

CHAPTER TWO

GENERAL DESCRIPTION OF THE STUDY AREA

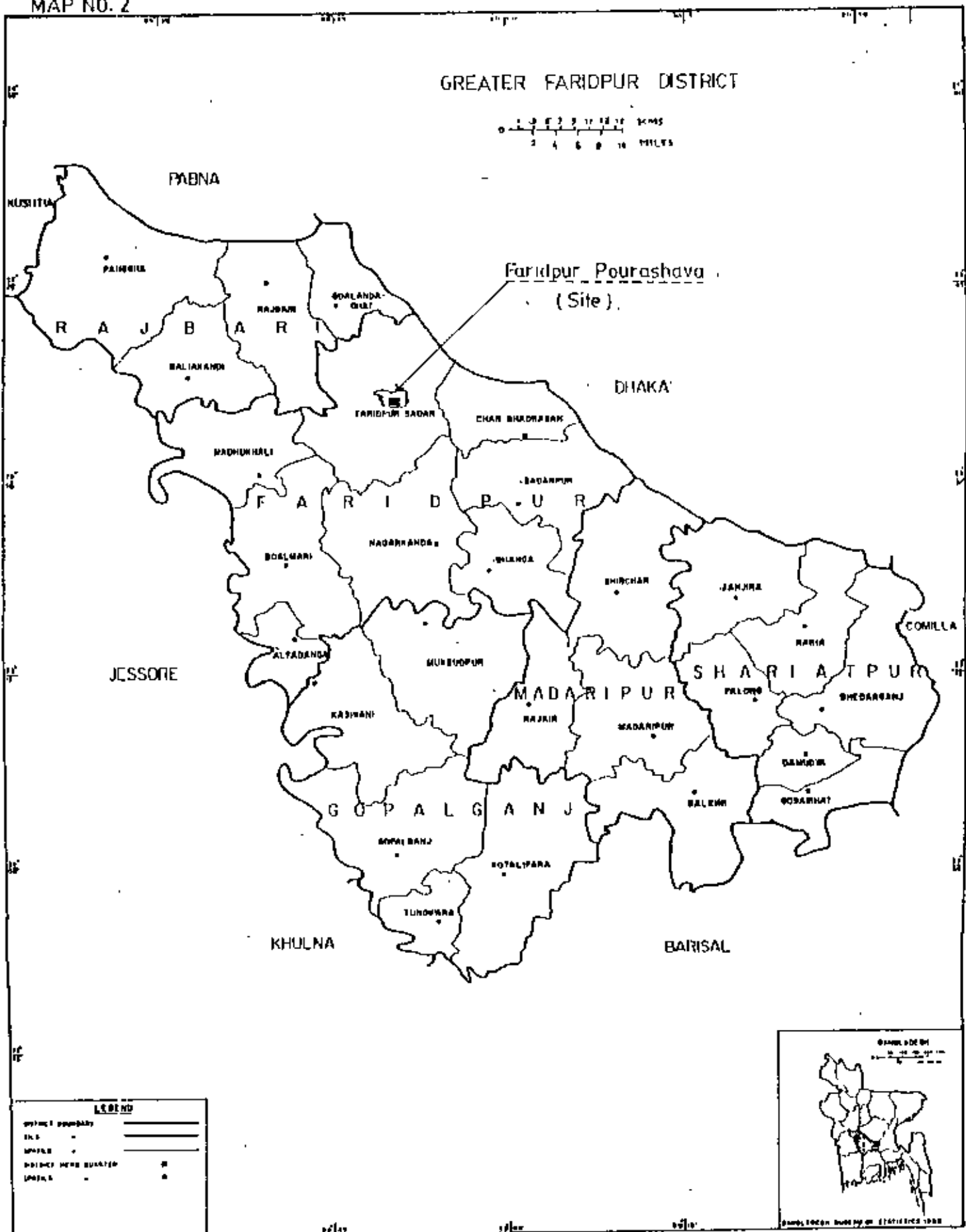
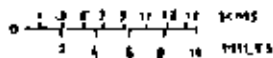
2.1 Location of the Study Area

Faridpur town, the district headquarters is located on the bank of the Old Channel of the Padma, at about one mile south-western direction of the present Channel of the Padma river. The town is bounded on the north by the 'mara' padma (dead Padma), on the south by Bilmamudpur village, on the east by the Bhabaneshwar river and on the west by Badarpur village. The town is bisected by the Kumar river. It lies on the $23^{\circ}-36^{\circ}$ North latitude and $89^{\circ}51'$ East longitude and is 46' above the mean sea level. The town is situated on the north eastern part of the district. It is administered by a municipal (Pourashava) authority. The pourashava consists of 4 wards and 24 mahalls. The area of the town is 8.00 sq. miles.

Faridpur district has been shown in the national and regional setting in Map No. 2.

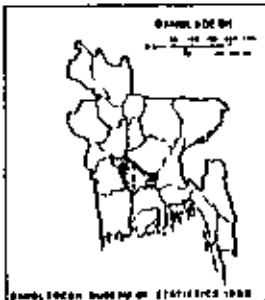
Originally Faridpur was called Fatehabad after Fateh Ali who took immense trouble to convert it into a place fit for agriculture and human habitation. Later on a very renowned saint named Shah Fariduddin, a disciple of Hazrat Mainuddin Chisti of Ajmeer, established his seat near the present collectorate Building in the early part of thirteenth century and it was after his name that Fatehabad was renamed as Faridpur (BDGF, 1977:349).

GREATER FARIDPUR DISTRICT



LEGEND

district boundary	—————
sub-district boundary	—————
RAJSHAHI	—————
INDIAN AIR FORCE QUARTERS	■
RAJSHAHI	■



Scale: 1:50,000
Date: 1965

2.2 The Regional Topographical Features and Climate

2.2.1 Topography

Faridpur may be called the gift of the Ganges (Padma) and its distributaries. It is essentially a fluvial creation, compared entirely of alluvium and exhibiting the various process of land formation in the delta. Bounded and intersected by rivers, it is subject to the vicissitudes of alluvion and dilluvion, as well as to the periodic inundation of the land and annual fertilization of silt deposited by floods, during the rainy season. (BDGF, 1977:3). The district consists entirely of recent alluvium which is composed of sandy clay and sand along the course of the rivers and of fine silt consolidating into clay in other parts, while beds of impure peat commonly occur in the marshes. The silt which the Padma deposits annually has a large proportion of silica, mica and argillaceous earth and has not the same fertilizing qualities as the richer silt brought down by the floods of the Brahmaputra and the Meghna.

For the full appreciation of the nature of the rivers and their relation to the geography and agriculture of the district, a brief explanation of the deltaic river system is desirable. When a river reaches the almost level delta, its current is checked. Owing to the very slight slope of the country, the stream is unable to carry away its burden of silt which is accordingly deposited in its bed and on its banks. By degrees, therefore, the latter are raised, so that in course of time, the river flows at higher level than the surrounding country. Another features of the deltaic system is that

the main rivers no longer receive tributaries, but spread out in distributories, which help to carry off their volume of water. They, too, have their beds and banks raised in the same way. In between the different rivers, there are series of depressions, into which their water spills when they come down in flood during the rainy season. As the river falls, the flood water makes its way back to it through various creeks and channels, leaving behind a deposit of silt which fertilizes the land and raises its level. The rivers will go on rising their beds as well as the adjoining country, till one or two things happen. It either changes its directions, cutting out a new course through the soft friable soil or it dies, either because it is checked by its own sediment or because shoals form at its intake from a parent river and cut off the ingress of water (BDGF, 1977:8).

2.2.2 Climate

The climate of Faridpur may be described as mild, equable and humid. It is not characterised by extremes of heat and cold, and the variation of temperature is comparatively small. The cool and dry winter, December-February, is followed by a hot and showery pre-monsoon period, March-May, and then by the relatively cooler but very wet monsoon season, June-September. This is followed by a transitional humid and showery period upto the beginning of winter. From mid-Novembsr to late-February the weather is dry and relatively cool. The average rainfall is only 0.07" during the whole of this period. The average temperature is between 66^o-70^oF,

with extreme minima and maxima ranging between a little below 45°F and above 90°F.

The period March-May is one of the heat and increasingly violent thunder-showers. The average temperature is about 80°F, with extreme minima and maxima ranging between 60°F and 104°F. The total rainfall during these three months is about 7" at Faridpur. May is always a wet month, when the monsoon begins to break. June to September is the period of true monsoon, but the humid condition continues upto November. The average temperature is 82°-84°F, with extreme minima about 70°-74°F and extreme maxima about 95°F during the main monsoon period. Average rainfall during this period varies between 11" to 12". (District Gazetteers Faridpur 1977: 19-20).

2.3 Growth and Evolution of Faridpur Town

The origin of Faridpur and its precise location remains a legend clouded with mystery. Some glimpses of its past can be gathered from the inscriptions, coins and accounts which prove that Faridpur had emerged as a commercial cum administrative town by tenth century A.D. and gradually developed in the successive periods. The business and commerce of Fatehabad got an enlarged dimension as is unfolded by the historians.

With the advancement of the portugueses in the then Bengal, the Fatehabad became the seat of Zaminders and was developed as a business cum service centre (District Gazetteere 1951:20-22).

The Mughals got hold of Faridpur in 1666 A.D. The Chawkbazar was the then developed business centre of the town. Goalchamot,

Khabashpur and Ambicapur, lying west of it have number of Hindu Asrams, maths temples mainly used for the religious purposes. Niltuly road was only the main road of the town along which some new structures were developed at the period.

The British took the control of Faridpur in 1760. The brick buildings including the European style bungalows were built during the late 18th and early 19th centuries, while introducing district administration in this part of the subcontinent. By that time the mighty Padma was changing her course towards the nearby areas of the town. Silt depositions added the new lands and expansion of vast chars opened up new dimensions for the extension of the town toward the East.

The Faridpur municipality was setup in 1869 with the introduction of the Municipal Administration act in the year 1863 by the British Government. The then Faridpur Municipal Office was housed in a single tinshed nearer to existing municipality building in close proximity the district jail.

The establishment of the Assam Bengal Railway in 1895 proved to be a great impetus towards the development of Goalanda - Calcutta railway line and afterwards Goalanda - Faridpur railway line. It was extended towards south west upto Ambicapur in 1905. The court building at Faridpur was constructed in 1911. In the year 1916, the existing railway station was established near to the proximity of district administration building and the adjacent road was renamed as station road.

With the emergence of a new state of Pakistan in 1947, the

importance of Faridpur increased much more as the administrative centre of the district as a whole. Since then its commercial importance also increased in manifolds. A rapid growth of population began to take place. The population increased by more than 7.6 percent from 1951 to 1961. With the advent of new circumstances, additional responsibilities were thrust upon the town with areal expansion and development possibilities in the near future.

The Faridpur Municipality was first constituted in 1969 and administered by a board of ten Municipal Commissioners of whom six were elected and the four were nominated. The total number of rent payers in 1923-24 was only 2438 (District Gazetteer, 1951).

In the prepartition period, the Faridpur Municipality covered an area of only about four square miles. This area included rivers, marshy lands and other lowlying unused spaces (Rahman, 1978: 17-24).

After the emergence of Bangladesh, the importance of Faridpur has increased with higher degree of urban agglomeration. It has been a gateway to the south, towards Barisal, Patuakhali, Khulna and Mongla Port being linked by Dhaka-Faridpur-Barisal highway and Dhaka-Mawya-Khulna highway. The natural growth of urban population as well as the influx of young and unemployed people from the rural areas have created many problems for the town. As the town could not uphold large industrial land use so small-scale manufacturing and commercial land uses have been extended to a great extent. While large commercial enterprises have not flourished in the town

but small scale informal commercial enterprises such as Hotel and Restaurants, Grocery, stationery, jewellery, printing press, rice and flour mills, workshops etc. have flourished.

2.4 Area and Population of Faridpur Town

The town has developed in an unplanned way from a commercial market place, centering elite (Zamindar) residence, to the administrative centre. Before 1850 almost 4000 population were the residence of the town. Ishan Roy and Kali Babu the two dominant land lords (Zamindar) were the richest men of the town. The administrative employees of Zamindar constituted the bulk portion of total residence at that period. With the introduction of the Municipal administration act in the year 1863 by the then British Government, Faridpur Municipal Council was formed in the year 1869. In 1870 some development programmes including roads and water supply were undertaken by the municipal authority. Only one square mile area was more or less the built up zone for habitation. The main business areas were concentrated on the bank of the river Kumar. (Rahman, 1978: 18-19).

More authentic records are available from 1901 A.D. In the year 1901 only 11000 people lived in Faridpur town. In 1911 this number increased to 13000 and in the year 1921 the number further increased to 14000. In the year 1931 the total number of urban dwellers of Faridpur town was 15000 and in 1941 it increased to 25,000. At the time of partition of India in 1947 a large number of Hindus migrated to India.

During this period the municipal area was only two square miles. Goalchamot, Alipur, Kamlapur, Khabashpur were the peripheries of the town. (Bangladesh Census Commission, Dhaka).

In the 1950 the total area of Faridpur Municipality was 3 square miles and in the census of 1961, its areal dimension was recorded as 5.25 square miles. In the 1974 census, the urban area of Faridpur town was 6.78 sq. miles and in the 1981 census it was 8.0 sq. miles.

The urban population and the rate of increase of the population from 1901 to 1991 has been shown in Table 2.1

Table 2.1
Population and Growth Rate

Census year	Total Population	Increase	Percentage of increase	Growth rate (compared)
1901		11649	-	--
1911	13131	1481	12.7	1.13
1921	14503	1372	10.4	1.10
1931	15156	1013	6.9	1.04
1941	25671	10155	67.00	1.69
1951	25556	-115	0.4	0.99
1961	28333	2777	10.86	1.10
1974	46232	17899	63.17	1.63
1981	66579	20347	44.01	1.44
1991	68102	1523	2.28	1.02

Source: I. Bangladesh Census Commission, Dhaka
II. Bangladesh Bureau of Statistics.

The table (2.1) reveals that sharp increase took place within the census year 1961, 1974 and 1981. It indicates that after liberation people used to come and settle in urban area to have better living pattern, more income prospects. With the increase of population surplus agricultural labour used to come in urban area to have off-farm employment.

Table 2.1 also indicates that the rate of increase of population from 1981 to 1991 was comparatively low. The reason behind it can be attributed to the fact that after the decentralization of administration in Upazila employment opportunity did not remain consolidated in district town, rather it was distributed to upazilas. Another obvious reason behind it the river erosion. The affected people normally like to migrate in bigger cities like Dhaka where employments are more available. For better living status, higher education of facilities, social and political reasons people like to settle in bigger cities.

2.5 Labour Force of Faridpur District

According to census of Unionwise Labour Force Estimates in Bangladesh, 1986 by Bangladesh Manpower Planning Centre the labour force of Faridpur district found less in percentage than other similar District. Table 2.2 shows that 1.42 percent of total population of Faridpur district are labourers where as in Mymensingh, Dinajpur, Rangpur, Jessore and Barisal the figures are 3.79 percent, 2.17 percent, 2.05 percent, 1.93 percent and 1.90 respectively. The reasons behind it can be attributed to minimum

job opportunities and migration to bigger cities. Faridpur being a district nearer to Dhaka City where job opportunities in informal sector activities and wage rates are comparatively high the labour of Faridpur district used to come in Dhaka city for better prospects.

Table 2.2

Estimated labour Force of Some District in Bangladesh

Name of District	Population	Estimate labour	Percentage
Dinajpur	18,04,379	5,23,270	2.17
Rangpur	17,07,264	4,95,107	2.05
Jessore	17,39,509	4,67,075	1.93
Faridpur	13,24,449	3,44,356	1.42
Barisal	18,36,946	4,59,237	1.90
Tangail	24,41,336	6,59,169	2.73
Mymensingh	31,53,451	9,14,500	3.79
Noakhali	18,21,201	4,18,876	1.73
Dhaka	40,23,838	12,07,149	5.0
Chittagong	44,49,356	11,69,313	4.84
Khulna	-	5,32,485	2.20

Source: Labour Force Estimates in Bangladesh (1986)
Bangladesh Manpower Planning Centre, Ministry of
Labour and Manpower.

2.6 Landuse of Faridpur Town

Major Landuse of Faridpur town can be attributed to the sectors like commercial, residential, educational, administrative, urban utilities, services, agriculture etc. The landuse pattern of the town has been classified in some thirteen types according to their distinct use character which have been discussed below and tabulated in the Table 2.3.

Table 2.3

Existing Landuse of Faridpur Town

Agriculture	3093.18 acres	60.3%
Water bodies	266.53 "	5.3%
Embankment	15.96 "	0.3%
Road	313.06 "	6.1%
Railway	52.16 "	1.0%
Recreational	38.00 "	0.7%
Socio-cultural	39.35 "	0.8%
Residential	1021.90 "	19.9%
Administrative	163.95 "	3.2%
Health	22.50 "	0.4%
Education	27.50 "	0.5%
Industrial	31.50 "	0.6%
Commercial	46.30 "	0.9%
	5131.89 acres	100.0

Source: UDD Master Plan of Faridpur District, 1989.

Commercial Landuse occupies about 46.30 acre of land which includes retail business/markets, banks, petrol pumps and daily bazars etc. The major commercial areas are located in Goalchamot and Faridpur Mouzas. The Chalkbazar, hawkers market and super markets are along the Mujib road and Hazi Shariatullah road. Another major commercial use in Faridpur mouza extend from Mujib road upto railway line in the north. Habeli Gopalpur has shopping centre like super market and a big cattle hat. There are jute purchasing centres in Alipur outside pourashava. These centres will play an important role in generating activities in near future, in the area. The different categories of landuse have been illustrated in the map No. 3.

There is no large scale industry in Faridpur pourashava and its adjoining areas. Apparently, it seems that absence of raw materials and lack of initiative in public as well as private sectors discouraged growth of industries. There are about 10.5 acre, of land occupied by small scale/cottage industries in pourashava. In Goalchamot mouza outside pourashava there are 21 acres of land used for brick fields. About 0.61 percent of the total study area is under industrial use (UDD, 1989: 31) Small Scale Industries and Cottage Industries have been tabulated in the Tables 2.4 and 2.5 illustrating the value of annual products and employed by sex.

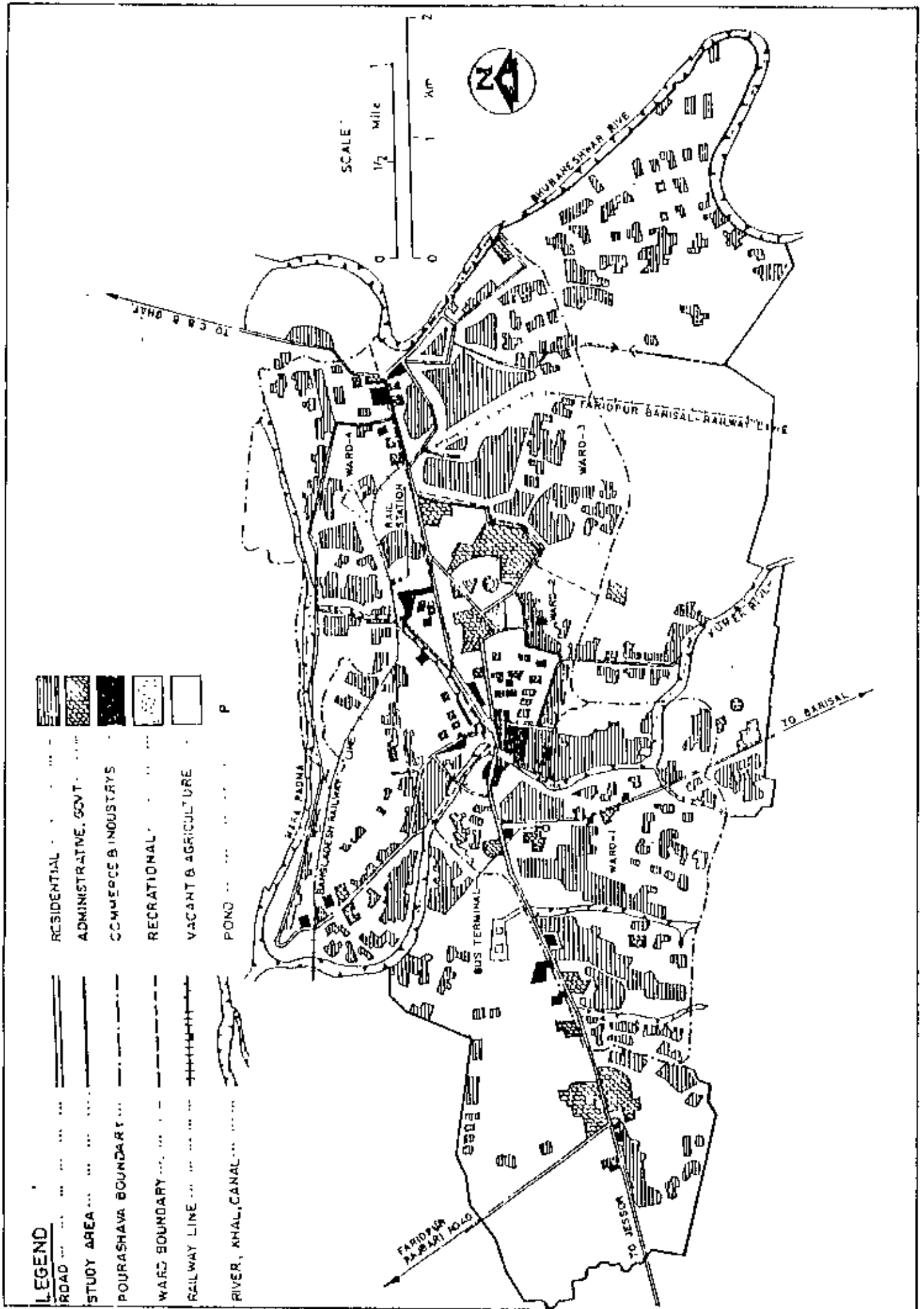


TABLE 2.4Small Scale Industries of Faridpur Sadar Upazila

Sl. No.	Type of small scale industries	Number	Values of annual production (in lac taka)	Labour force		Total
				Female	Male	
1.	Engineering Workshops	50	329	-	300	300
2.	Tyre repairing and Fabricating	01	11.27	-	06	06
3.	Bakery	10	19.46	-	60	60
4.	Tarcuta factory	02	80.00	-	12	12
5.	Tiles making	02	20.00	-	18	18
6.	Steel furniture	11	126	-	45	45
7.	Chocolate factory	02	38	-	45	45
8.	Shoe factory	08	56	-	16	16
9.	Ice Cream	04	9.00	-	32	32
10.	Printing Press	17	5.49	-	95	95
11.	Paint	01	92.00	-	08	08
12.	Saw Mills	19	11.86	-	157	157
13.	Hand Looms/Garments	15	14.03	-	115	115
14.	Tin-container making	01	1.10	-	09	09
15.	Wooden furniture	05	14.03	-	35	35
16.	Bobbin factory	03	5.80	-	20	20
17.	Bucket Making	02	6.00	-	16	16
18.	Rice Mills	109	314.17	-	384	384
19.	Pulse Mills	07	69.30	-	21	21
20.	Oil Mills	22	2119.33	-	80	80
		<u>219</u>	<u>3342.27</u>	<u>-</u>	<u>1474</u>	<u>1474</u>

Source: BSCIC Office Faridpur (1991).

Table 2.5Cottage Industries of Faridpur Sadar Upazila

Sl. No.	Type of Cottage industries	Number	Values of annual production (in lac taka)	Labour force		Total
				Female	Male	
1.	Tailoring	200	111.20	262	131	393
2.	Sweetmeat	30	19.50	60	20	80
3.	Radio, Watch and TV Repairing	27	21.60	29	-	29
4.	Sisi-Bottle Factory	01	0.90	04	-	04
5.	Aluminium utencil	01	2.10	05	-	05
6.	Welding Works	10	6.30	10	-	10
7.	Lime making	10	6.10	10	05	15
8.	Torch repairing	04	2.15	04	-	04
9.	Stamp Pad Making	04	1.40	08	-	08
10.	Rickshaw & Cycle repairing	40	5.80	40	-	40
11.	Wooden furniture	50	160.50	111	-	111
12.	Light Engineering Workshops	13	29.64	29	-	29
13.	Umbrella Factory	08	6.00	10	-	10
14.	Biri factory	03	4.44	12	-	12
15.	Bedding	04	12.00	12	-	12
16.	Jewellery	43	66.22	73	-	73
17.	Blacksmith	50	17.05	89	-	89
18.	Pottery	111	37.85	158	79	237

Table 2.5 (Contd...)

Sl. No.	Type of Cottege industries	Number	Values of annual pro-duction (in lac taka)	Labour force		Total
				Female	Male	
19.	Bamboo and cane work	78	50.67	50	50	100
20.	Slate factory	02	1.80	02	-	02
21.	Mat making	20	5.20	-	20	20
22.	Globe making	01	1.37	05	-	05
23.	Bakery	01	2.00	06	-	06
24.	Bed sheet making	03	.20	-	03	03
25.	Ghur making	28	52.36	-	28	28
26.	Box making	04	2.90	12	-	12
27.	Lock key repairing	08	3.30	08	-	08
28.	Fishing	01	2.89	05	-	05
		755	633.44	1014	336	1350

Source: BSCIC Office Faridpur (1991).

In pourashava area there are educational institutes in all mouzas except Tepakhola amongst them Faridpur mouza which is the core area of the town has the largest amount of land under educational use, occupy 27.5 acres which is 0.5 per cent of the total area.

Being an administrative centre and a former Greater District Headquarter, Faridpur has always played a regional administrative role. As a result the town has substantial number of government and non-government buildings. About 68 government/semigovernment autonomous and financial organizations are functioning in Faridpur pourashava.

Administrative zone is in the centre of the pourashava, and Faridpur mouza has a large share of 85.25 acres land out of the total administrative areas occupy 163.95 acres which is 3.2 per cent of the total area.

Health facilities occupy 22.5 acres of land which is 0.43 percent of the total area.

The residential area is spread out around the CBD of the town and occupies 1021.90 acres which is 19.9 per cent of the total area. The pattern of distribution is decreasing density levels from the area immediately away from Goalchamot mouza and south of Kamlapur and Tepakhola mouza.

The upper class or high class residential area comprises the areas of Niltuly, Jheeltuly, West Kamlapur and areas adjacent to the civil lines. The electricity, water supply and sewerage facilities are available in these areas.

The middle class residential area of Faridpur town comprises the area of Khabashpur, Uttar Tepakhola, Ambicapnr and East Goalchamot. The river Kumar passes through the heart of the town and has divided the town into two parts. The middle class

residential areas have been developed along the two sides of the river.

The lower class residential area of the town occupies the areas of Alipur, Goalchamat, Laxmipur, Guha Luxmipur, and some other part of Kamlapur and Tepakhola. These are usually newly built up areas by the poor migrants from the villages. Along northern side of the old Faridpur Khal urban slum has been developed there. The Mirdhapara, Chokderpara in the southern part of the town are the extensions of the lower class residential areas. These areas are mostly inhabited by the day labourers and poor working class of people.

Recreational land use includes openspace, park, cinema/auditorium, stadium, playground etc. Recreational facilities occupy only about 38 acres which is about 0.73 percent of the total area (UDD, 1989:35).

Land use under this category is 39.35 acres which is 0.8 per cent of the total area. Socio-cultural facilities include religious facilities like mosques, temple, temple yard, Churches, Eidgah, Orphanage, Graveyard, Cementery etc.

Inadequate and narrow road networks are the dominant feature of Faridpur town. The following classifications of the roads in the town can be used based on their functions.

a) Arterial roads (b) Sub arterial roads (c) Neighbourhood roads

About 313.06 acres are used as roads of different kinds which is about 6.03 percent of the total area (UDD, 1989:36).

Railway line reached Faridpur town as early as 1915. Considerable volume of goods and passenger traffic utilize this mode of transport in order to reach various destination within the country. The railway occupies 52.16 acres of land which is about one percent of the present urban area.

River Kumar and Bhabaneswar are the two important rivers which have been responsible for the growth of Faridpur town. These rivers were used to be main transportation routes for the movement of passengers and goods by country boats, launches, mechanized vessels etc. Due to retreat of water in the upper courses of the Padma, both the rivers have been dried up and remain navigable only for rainy seasons. C&B ghat at Padma about two miles north from the Tepakhola embankment is the only point which connects Faridpur town with various places in the country by road and water transport.

Water bodies occupy 266.53 acres which is 5.3 per cent of land in the pourashava (UDD, 1989: 37). It includes ponds, low lands and khals.

An embankment surrounds north and eastern part of the town along Mara Padma and Bhabaneswar river. The total embankment covers an area of 15.96 acres which is 0.3 per cent of total area. The town is badly effected by flood every year.

According to the master plan of urban Directorate, 1989 urban area of Faridpur town occupies 3093.18 acres of land under agriculture. This is due to the fact that lowlying areas of the municipality are costly to be made buildable and as such owners have preferred to get return in terms of agriculture crops. Other

areas which are not even suitable for agriculture, are kept as vacant land which ultimately become breeding ground of mosquitoes and source of diseases. The agricultural areas within the town provide a source of openness. About 25 percent of the agricultural land of Faridpur town are not suitable for cultivation and as such they remain as unused vacant spaces.

2.7 Transport Linkage of Faridpur Town with Dhaka City and Other Urban Centres.

The location of Faridpur town is very important in respect of road network in Bangladesh. It acts as a gateway to south-east and south-west region of the country. The road linkage with Barishal and Patuakhali district is only the regional highway which connects those districts with the capital city. Similarly the road linkage with Jessore, Kushtia and Khulna is only the high way which connects those districts with the Dhaka city. The new alignment of a high way namely Dhaka-Maowa which is under construction at present may create discrete momentum on Faridpur town being linked up through a shortest distance with Mongla, the second port of the country. The coach and bus services from Dhaka to Jhenaidah, Jessore, Khulna, Barishal, and Patuakhali pass through Faridpur and some of them also have stop overs in district shahar.

The district headquarter is linked with the upazila headquarters by road as well as water ways. Some upazilas are connected with Faridpur town by rail. There are 12 railway

stations, 9 steamer and launch ghat and 9 bus terminals in the district.

The north and western major towns of the country are connected with Faridpur town by railway.

This district is well served by steamers/launches which ply along the Padma, the Meghna and the Madhumati. Launch services with the Dhaka city and surrounding districts take the major proportion of total trips. The most remarkable services are Faridpur-Barisal service Faridpur-Dhaka service, Bhanga-Dhaka service, Tepakhola-Narayanganj service, Goalunda-Chandpur service etc.

A ferry service of the BIWTA connects Dauladia ghat with Aricha in the Dhaka city. The ferry service runs several times a day between these two points and make transshipment of both passengers and goods coming through the roads.

Water ways, roads, and railways facilitate the district in trade and commerce. But the great bulk of the trade is carried over the water ways by boats and launches. The main articles of export and import still consist of agricultural produce. This is because the economy is predominantly agricultural and the needs of the people in general are still traditional. The Chief trade in agricultural produce is in jute. Another important article of export of the district is fish. The district being located by the riverside, the annual outturn of fish is quite large. The bulk of the export of fish goes to the northern districts of Bogra, Rangpur, Rajshahi and Dinajpur. The other districts to which fish is exported are Khulna, Jessore and Kushtia. Other agricultural

produces exported out of the district consist of onion, garlic, masur, khesari and gur (cane) are despatched mainly to Narayanganj, Chandpur, Khulna and Dhaka. But rice has to import from other districts, specially from north Bangladesh.

Summary

This chapter describes general features of the study area which includes locational characteristics, demographic pattern, landuse of urban area etc. This is evident from the above articles that Faridpur town is lagging behind in respect of industrial development, even that Table 2.1 refers that after independence population of Faridpur town has been almost double between two consecutive population censuses (1961-74). Hence it is implied that migrated people from rural areas for better income and those affected in the river erosion used to engage themselves in the informal sector activities having no other alternatives.

On the other hand Table 2.2 shows that data on labour force in Faridpur district stands quite below in comparison to similar other districts. The reasons behind it can be attributed to minimum job opportunities and migration to bigger cities like Dhaka where job opportunities and wage rate are comparatively high. It is one of reasons why population between 1981 to 1991 has been found to be slow growth in Faridpur town.

CHAPTER THREECHARACTERISTICS OF INFORMAL SECTOR OF FARIDPUR TOWN**3.1 Nature of Location of the Enterprises.**

The study based on 260 samples of different categories of informal sector activities of Faridpur town. According to field survey of the informal sector enterprises, it has been found that about 75 percent of enterprise were in fixed and remaining 25 percent were in mobile location. It appears from Table 3.1 that 100 percent of enterprises in manufacturing activities were in fixed location while about 72 percent of trade and 76 percent of service activities.

Table 3.1

Percentage Distribution of Informal Enterprises by Nature of Location and Activity.

Nature of Enterprise	ACTIVITY GROUPS				Total sample
	Trade	Manufac- turing	Service	Trans- ports	
Fixed	71.90	100.0	67.0	-	75.39 (196)
Mobile	28.10	-	24.0	100.0	24.61 (64)
Total	100.0 (121)	100.0 (89)	100.0 (25)	100.0 (25)	100.0 (260)

Figures in parenthesis represent the frequency of respective activity groups in total.

Source: Field Survey, 1991.

3.2 Physical Characteristics of the Enterprises

In the present study physical structure of the fixed enterprises are classified into three categories, Pucca, Semi-pucca and Kutcha structure. According to sample survey it was found that about 11.73 percent were pucca, 47.45 percent were semi-pucca and 40.82 percent were Kutcha. From the above findings it is evident that majority of the structure of the enterprises are semi-pucca and kutcha i.e. about 88 percent and remaining 12 percent are pucca.

It appears from Table 3.2 that pucca structure has been found highest numbers i.e. 14.61 percent in manufacturing activities followed by services 13.04 percent and trade 8.33 percent. It is evident from table 3.2 that semi-pucca structure which is dominant structure in each activity groups which varies from 48 percent in manufacturing to 56.5 percent in service. Kutcha structures have been found high and low in trade activities and service respectively.

Pucca Structure: In the present study pucca structure are defined as those solid permanent structure whose floor, roof and walls are made of cement, brick, concrete or stone.

Semi-pucca structure: The semi-pucca structure are defined for the present study as the structure in which walls are made of brick, roof is made of tin and floor is made either of concrete or mud.

Kutcha structure: The kutcha structure are defined for the present study as the structure in which roof, floor and walls are made of tin, wood, Bamboo, thatch and mud etc.

Table 3.2Percentage Distribution of Fixed Enterprises by Physical Structure and Activity Groups

Physical Structure	ACTIVITY GROUPS			Total sample
	Trade	Manufacturing	Service	
Pucca	8.33	14.61	13.04	11.73 (23)
Semi-pucca	51.19	48.31	56.52	47.45 (93)
Kutcha	40.48	37.08	30.44	40.82 (80)
Total	100.0 (84)	100.0 (89)	100.0 (23)	100.0 (196)

Source: Field Survey, 1991.

3.3 Access to Public Utilities

Informal sector enterprises of Faridpur town are facilitated with only electricity and water supply. Only 5.11 percent enterprises reported to have both the utilities and 80.85 percent have only electricity and remaining 14.04 percent have neither electricity nor water supply.

It is also evident from Table 3.3 that manufacturing has the highest percentage (i.e. 93.26 percent) of electricity while trade has got the lowest percentage i.e. 72.73 percent. Out of 235 samples of three activity groups, Trade, Manufacturing and Service only 12 samples have been found facilitated with water supply, among them 6.74 percent manufacturing and 4.96 percent trade. No

enterprise has been found with water supply in service activity groups.

Table 3.3

Percentage Distribution of Enterprises by Access to Public Utilities and Activity Groups

Public Utilities	ACTIVITY GROUPS			Total
	Trade	Manufactu- ring	Service	
Electricity	72.73	93.26	76.0	80.85
Water and Electricity	4.96	6.74	-	5.11
None	22.31	-	24.0	14.04
Total	100.0 (121)	100.0 (89)	100.0 (25)	100.0 (235)

Source: Field Survey, 1991.

3.4 Growth and Expansion of Informal Sector

Table 3.4 indicates that growth and expansion of the enterprises of informal sector has taken place rapidly in the period 1971-1980 and the trend continued afterward. The reason can be attributed to the fact that after independence surplus labour of rural area used to migrate in urban area and due to shortage of employment in government sector and in other formal sectors, people have chosen this sector as a source of income and even means of subsistence livelihood.

Trade has been reported the oldest occupation of 3.31 percent sample started this occupation in or before 1950 and then manufacturing within the period 1951-1960 transport and service enterprises started first within 1971-1980. In the case of transport activities, growth and expansion was almost nil before 1971 because of short life time of vehicle and changes of ownership. It is evident from table 3.4 that 80 percent growth in this activity have taken place within the period 1981-1990. The reason can be pointed out as the rapid urbanization trend.

Table 3.4

Percentage Distribution of Informal Sector Enterprises According to Growth and Expansion

Years	ACTIVITY GROUPS				Total
	Trade	Manufacturing	Trans-ports	Service	
Upto 1950	3.31	-	-	-	1.54
1951-1960	2.48	2.25	-	-	1.92
1961-1970	13.22	8.99	-	-	9.23
1971-1980	36.36	37.08	8.0	40.0	34.23
1981-1990	42.98	51.68	80.0	56.0	50.77
1991+	1.65	-	12.0	4.0	2.31
Total	100.0 (121)	100.0 (89)	100.0 (25)	100.0 (25)	100.0 (260)

Figures in parentheses represent the frequency of respective activity groups.

Source: Field Survey, 1991.

3.5 Legal Status of Enterprises

Legality of enterprises are being judged by the license issued by the municipal authority. The enterprises which have permanent location can not hide themselves from the notice of the municipal authority but itinerant type of enterprises normally carry on their trades beyond the notice of the authority.

More license holder enterprises have come out from the study in manufacturing activities. Table 3.5 reveals that trade enterprises stands at the lowest i.e. 51.23 percent with regard to license holding as because itinerant enterprises are maximum in this activity. Table 3.5 also shows that percentage of license holders in transport activity is very close to manufacturing activity. The reason can be attributed to the fact that checking of license by the police in this activities is frequent, so vehicles can not hide themselves from the notice of the police, even though 8 percent samples of this activity remained silent in answering to the quarry about licenseholding.

Table 3.5

Percentage Distribution of Enterprises by Legal Status

Indicator	ACTIVITY GROUPS				Total
	Trade	Manufactu- ring	Trans- ports	Service	
License holder	51.23	92.13	92.0	60.0	70.0
Without license	42.15	5.62	-	24.0	23.85
No. response	6.62	2.25	8.0	16.0	6.15
Total	100.0 (121)	100.0 (89)	100.0 (25)	100.0 (25)	100.0 (260)

Source: Field Survey, 1991.

3.6 Demographic Characteristics

3.6.1 Participation by Sex in the Labour Force

The participation of females in the informal sector labour force in Faridpur was found very low in number. According to survey only 5 out of 669 participants were found to be female and none of them were owners. This means none of the 260 sample enterprises was headed by a female. It should, however, be noted that our survey did not include some occupations such as domestic service in which females are expected to be many in number.

In view of the low female participation in the labour force as a whole, it is not surprising that female employment in Faridpur's informal sector is found to be very small. The omitted occupations are not likely to alter this basic characteristic of the sector's labour force in Faridpur. The above finding, however, contrasts sharply with most findings in other low income countries. This is particularly so for Latin American countries. Reporting Merrick's data on Belo Horizonte and Peru, Mazumdar (1976) claims that female workers are disproportionately represented in the informal sector (Merrick, 1976:660). Much higher rate of female employment in the informal than in the formal sector in several Latin American cities is also reported in Souza and Tokman (1976:362).

The precise reasons for very Low female participation in the Labour force in Bangladesh have not been elaborated in any study. One article notes that these reasons are complex and varied and are embedded in the socio-cultural system of the society (Chaudhury 1977: 154). Although for a predominantly agricultural economy like.

Bangladesh with its vast Muslim population one would expect low female participation in the labour force, nevertheless it is surprising that economic needs have not forced many more women into the job market.

3.6.2 Age Distribution

Table 3.6 indicates that highest percentages of age group in the informal sector labour force is between 25 to 29 years. About 72 percent labours are under 35 years of age. This means that participants of this sector are mostly youngsters and youth. Specially this young group is predominant in transport activity. The trade activity maintains almost horizontal level from 15-19 age group to 40-44 age group. In the manufacturing activities, about 60 percent labours are under 30 years of age. This indicates that young labours are more in this activity group. Table 3.6 also indicates that youngsters of under 15 years age work in trade, manufacturing and transport activities. But this age group is absent in service activity, even 20-24 age group is only 3.64 percent. So it refers to the fact that service activity requires aged and skilled labours.

Table 3.6

Percentage Distribution of Labour Force by Age and Activity Groups

Age in years	ACTIVITY GROUPS				Total
	Trade	Manu- facturing	Transport	Services	
Under 14	4.63	5.22	5.88	-	4.63
15-19	12.5	17.86	5.88	3.64	14.35
20-24	12.5	15.38	14.70	18.18	14.50
25-29	20.37	21.43	23.53	16.36	20.78
30-34	14.35	9.06	20.59	20.0	17.19
35-39	10.65	12.91	14.71	16.36	7.62
40-44	11.57	9.89	5.88	9.09	10.16
45-49	6.48	4.40	5.88	12.73	4.94
50 ⁺	6.95	3.85	2.95	3.64	5.83
Total	100.0 (216)	100.0 (364)	100.0 (34)	100.0 (55)	100.0 (669)

Figure in parentheses represent the frequency of labour force including owner of each activity groups in total.

Source: Field survey, 1991.

3.7 Education Level

It appears from Table 3.7 that about 38 percent labours of informal sector received no education and 46 percent received only primary education. This refers to the fact that the labourers which have no access in formal employment have crowded in this sector due to low level of education and illiteracy. It appears from table 3.7

that heads of the enterprises are more literate, about 54 percent received atleast primary education and about 19 percent received atleast secondary education. But the percentage in higher secondary and above level of education is very low i.e. 8.1 percent in head of the enterprises and about 4 percent in total labour force.

Table 3.7

Educational Background of Labour Force (including head of enterprises)

Educational Background	Total labour force (including Head)	Head of the Enterprises
No. Schooling	37.82	19.2
Primary	46.03	54.2
Secondary	12.26	18.5
Higher Secondary and above	3.89	8.1
Total :	100.0	100.0

Source: Field survey, 1991.

It appears from Table 3.8 that more illiterate labours can be found in transport activity than in manufacturing. About 70 percent labours in service activities have been found literate. It indicates that this activity requires more experienced and literate labourers.

Table 3.8**Percentage Distribution of Informal Sector Labour Force by Educational Background and Present Occupation**

Educational Background	ACTIVITY GROUPS			
	Trade	Manufac- turing	Transports	Service
No. Schooling	30.10	46.70	55.88	30.91
Primary	55.55	42.04	41.18	41.82
Secondary	9.72	8.79	2.94	14.54
Higher Secondary	13.63	2.47	-	12.73
Total	100.0	100.0	100.0	100.0

Source: Field Survey, 1991.

3.8 Skill level of the labour force

Since lack of formal education is a predominant features of the participants in the informal sector, any opportunity for human capital development of these people rests on the general provision of skill acquisition in these activities. But that is an issue which requires separate treatment. Normally heads of enterprises learnt their skills through on the job training and labours of low level of education or illiterate labours learnt their skills through apprenticeship.

It appears from Table 3.9 that about 53 percent participants have started work in informal sector enterprises within 5 years. The percentage of participants within 3-5 years is more dominant. About 92 percent of participants have been involved in this

occupation within 20 years. This indicates that most of the participants have been involved in this present occupation after independence. The table also indicates that trade activities is the earliest occupation among the activity groups followed by service and manufacturing.

The labour force involved in transport activities has been in recent years i.e. 74 percent participants have been involved within 5 years. Long time involved occupants in this activity have been found less in percentage.

Table 3.9

Percentage Distribution of Skill Level and Occupation of Informal Sector Labour Force

Year	ACTIVITY GROUPS				Total
	Trade	Manufac- turing	Transport	Service	
0-2	25.46	22.80	29.41	27.27	24.36
3-5	30.55	26.10	44.12	21.82	28.10
6-9	17.14	19.23	11.76	18.18	18.09
10-14	8.33	16.21	11.76	20.0	13.75
15-19	6.48	9.07	2.95	9.09	7.93
20-24	6.94	4.94	-	1.82	5.08
25+	5.10	1.65	-	1.82	2.69
Total	100.0	100.0	100.0	100.0	100.0
	(216)	(364)	(34)	(55)	(669)

Source: Field survey, 1991

3.9 Migratory Characteristics of Labour Forces of Informal Sector.

There are three kinds of labour forces working in the informal sector enterprises.

i) urban origin (ii) sub-urban or nearby rural origin (iii) migrants.

The labours of suburban or nearby rural origin used to come to working place and go back home at night. The migrants reside in urban areas coming from outside temporarily or permanently. Table 3.10 shows that there are 17.19 percent of labourers who used to come from suburban areas and nearby rural areas.

Table 3.10

Percentage Distribution of Labour Force by Residence and Activity Groups

Year	ACTIVITY GROUPS				Total
	Trade	Manufac- turing	Transport	Service	
WARD NO.. 1	26.85	39.01	38.23	34.54	34.68
WARD NO. 2	14.35	12.36	5.89	12.73	12.71
WARD NO. 3	21.30	27.75	20.59	43.64	26.60
Village near to town	19.91	15.11	35.29	9.09	17.19
Working Place	17.59	5.77	-	-	8.82
Total	100.0 (216)	100.0 (364)	100.0 (34)	100.0 (55)	100.0 (669)

Figures in parentheses represent frequency of respective activity groups.

Source: Field survey, 1991.

Table 3.11

Percentage Distribution of Informal Labour Force According to Migration Status and Activity Groups

Place of birth	ACTIVITY GROUPS				Total
	Trade	Manufac- turing	Transport	Service	
Faridpur Paurashava	56.48	51.65	17.65	50.91	51.42
Faridpur Rural in Faridpur Sadar Upazila	29.17	32.97	61.76	30.91	33.03
Other upazila of greater Faridpur District	10.18	12.36	14.71	10.91	11.66
Other dist. & outside Bangladesh	4.17	3.02	5.88	7.27	3.89
Total	100.0 (216)	100.0 (364)	100.0 (34)	100.0 (55)	100.0 (669)

Source: Field Survey, 1991.

Table 3.11 also shows that 51.42 percent labours are urban origin and about 49 percent labours are migrants. The percentage of migrants in transport activities is more dominant i.e. about 82 percent. Detail picture of present residence and migratory status of labourers have been shown in the Tables 3.10 and 3.11 respectively.

3.10 Background of Involvement in Informal Activities

Table 3.10 indicates that maximum (46 percent) participants have been involved in this sector owing to their personal selection, free business etc. But about 17 percent participants have reported that due to lack of education they were bound to be involved. Similarly about 18 percent were compelled due to shortage of capital.

It is implied that due to shortage of capital participants are being forced to be involved in this sector. With the increase of unemployment people are compelled to be involved in this sector to earn their livelihood.

Table 3.12

Percentage Distribution of Persons Engaged in the Present Occupation

Indicator	Trade	Manufac- turing	Transport	Service	Total
Unable to get a Govt. job	9.02	4.19	6.25	4.65	6.7
Lack of higher Education	18.43	18.85	9.37	16.28	17.85
Paternal source	11.37	13.09	-	2.32	10.55
Shortage of capital	29.80	5.76	-	18.60	18.23
Independent Business	15.69	32.98	15.63	37.22	23.80
Other	14.51	25.13	68.75	20.93	22.26
No. response	1.18	-	-	-	0.57
Total:	100.0	100.0	100.0	100.0	100.0

Source: Field Survey, 1991.

Summary

This chapter describes the characteristics of informal sector of Faridpur town which includes. Physical characteristics and access to public utilities of the enterprises, growth and expansion of the informal sector, legal status of enterprises, demographic characteristics, education and skill level of labour force, migratory characteristics and background of involvement in present occupation etc. It is evident that most of the informal sector enterprises of Faridpur town have been established after 1971 and onward i.e. after independence. The reason can be pointed out as the rapid urbanization trend and employment opportunities in formal sector for increasing number of unemployed people. It is evident that about 50 percent of participants are being forced to be involved in this sector due to shortage of capital and lack of education. With the increase of unemployment people are compelled to be involved in this sector to earn their livelihood. Hence this sector should be paid special emphasis to boost up employment for increasing unemployed population.

CHAPTER FOUR

OPERATIONAL CHARACTERISTICS OF INFORMAL SECTOR ENTERPRISES OF
FARIDPUR TOWN

4.1 Ownership of Enterprises

The ownership pattern of informal enterprises is an essential criterion to understand the scope for individual initiatives. The feasibility of partnership business can also be measured by the ownership pattern. The distribution of ownership of the surveyed enterprises is shown in Table 4.1.

Table 4.1

Percentage Distribution of Enterprises by Type of Ownership
and Activity Groups

Type of Ownership	ACTIVITY GROUPS				Total
	Trade	Manufac- turing	Transport	Service	
Single Owner(self)	96.7	97.75	88.0	92.0	96.15
Partnership with relatives	2.5	1.1	8.0	-	1.54
Partnership with other persons	.8	1.1	4.0	8.0	2.31
Total	100.0 (121)	100.0 (89)	100.0 (25)	100.0 (25)	100.0 (260)

Source: Field survey, 1991.

It appears from Table 4.1 that single ownership, mostly by the producer himself, stands almost universal for enterprises in trade,

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manufacturing and service. Even transport stands at 88 percent in single ownership pattern. Partnership business is found dominant in transport and service than in others because these activities require more initial capital.

Single ownership can impose effective constraint on size, expansion and improvement of an enterprise depending on the individuals ability to raise required capital. But lack of capital and miniscale operation stimulate prevalence of single ownership.

4.2 Size of Enterprise in Terms of Participant

The sample enterprises (260) provide employment to a total of 669 persons including 279 family workers. It can be observed from Table 4.2 that the average number of persons engaged per enterprise is 2.57. In trade activity group - hotel & restaurants and sweetmeats shops are larger establishments in terms of average number of persons engaged which is 5.09 and 3.22 respectively. In manufacturing activity group - bakery, saw mills and printing presses are larger establishments in terms of average number of persons engaged which is 8.25, 6.42 and 4.0 respectively. In transport activity group - minibus is the highest establishment in terms of average number of persons engaged which is 3.33. In service activity group - decorator is the largest establishment in terms of average number of persons engaged which is 5.0. It is found that bakery is the largest establishment among all enterprises under study.

It is also evident from Table 4.1 that single participant is

highest in number in transport activities i.e. 80 percent followed by trade activities i.e. 63.6 percent and service activities which is 56 percent. The lowest number of single participant in percentage is found in manufacturing activities i.e. 4.49 only and highest numbers i.e. 9-10 participants are also found in manufacturing activities in 4.49 percent of enterprises of this activity group.

As a whole 44.2 percent of informal sector enterprises employed only one person and about 41 percent of enterprises employed 2 to 4 persons. Rest 15 percent of enterprises employed 5 or more than 5 persons.

Table 4.2

Size Distribution of Enterprises by Participants (Percentage)

Activity	Number of Participants of Enterprises						Total	Average no. of participant per enterprise
	1	2	3-4	5-6	7-8	9-10		
TRADE	63.63	14.88	17.35	1.65	1.65	.84	100.0	1.79 (121)
Hotel & Restaurants	-	-	54.55	18.18	18.18	9.09	100.0	5.09 (11)
Sweetmeat	-	-	100.0	-	-	-	100.0	3.22 (9)
Grocery	40.0	60.0	-	-	-	-	100.0	1.6 (15)
Rice selling	88.89	-	11.11	-	-	-	100.0	1.33 (9)
Stationery	60.0	10.0	30.0	-	-	-	100.0	1.6 (10)
Clothes	50.0	50.0	-	-	-	-	100.0	1.5 (10)

Table 4.2(Contd...)

Activity	Number of Participants of Enterprises							Average no. of partici- pant per enterprise
	1	2	3-4	5-6	7-8	9-10	Total	
Fruits	87.0	-	12.50	-	-	-	100.0	1.25 (8)
Shoe & sandal	83.33	-	16.67	-	-	-	100.0	1.33 (6)
Hawkers	100.0	-	-	-	-	-	100.0	1.0 (20)
Metal utencil	60.0	40.0	-	-	-	-	100.0	1.4 (5)
Machinery parts	75.0	25.0	-	-	-	-	100.0	1.25 (4)
Pan-cigarettes	100.0	-	-	-	-	-	100.0	1.0 (14)
MANUFACTURING	4.49	15.74	46.06	23.59	5.63	4.49	100.0	4.09 (89)
Jewellery	22.23	33.33	33.33	11.11	-	-	100.0	2.66 (9)
Tailoring	-	28.58	57.14	14.28	-	-	100.0	2.85 (7)
Printing Press	-	-	60.0	40.0	-	-	100.0	4.0 (5)
Rice & Flour Mills	9.09	27.27	36.37	27.27	-	-	100.0	3.72 (11)
Wooden Furniture	-	28.58	57.14	14.28	-	-	100.0	3.57 (7)
Steel Furniture	11.11	11.11	44.45	22.22	11.11	-	100.0	4.11 (9)
Workshops	-	13.33	60.0	20.0	-	6.67	100.0	3.93 (15)

Table 4.2(Contd..)

Activity	Number of Participants of Enterprises						Total	Average no. of participant per enterprise
	1	2	3-4	5-6	7-8	9-10		
Shaw Mills	-	-	-	57.14	42.86	-	100.0	6.42 (7)
Bakery	-	-	-	25.0	-	75.0	100.0	8.25 (4)
Shoe making	-	-	100.0	-	-	-	100.0	4.2 (3)
Metal works	-	-	60.0	40.0	-	-	100.0	4.2 (5)
Bedding	-	14.29	57.15	14.28	14.28	-	100.0	3.85 (7)
TRANSPORTS	80.0	8.0	12.0	-	-	-	100.0	1.36 (25)
Mini bus	-	-	100.0	-	-	-	100.0	3.33 (3)
Auto-tempo	60.0	40.0	-	-	-	-	100.0	1.36 (5)
Rickshaw/Van	100.0	-	-	-	-	-	100.0	1.0 (17)
SERVICE	56.0	16.0	12.0	12.0	4.0	-	100.0	22 (2.5)
Decorators	-	-	33.33	50.0	16.67	-	100.0	5.0 (6)
Photocopier	66.67	-	33.33	-	-	-	100.0	1.66 (3)
Repairs	75.0	25.0	-	-	-	-	100.0	1.25 (16)
Total	44.23 (115)	14.62 (38)	26.15 (68)	10.0 (26)	3.08 (8)	1.92 (5)	100.0 (-)	2.57 (260)

Figures in parentheses represent the frequency of Enterprises.
Source: Field survey, 1991.

4.3 Working Hours

It is reported by the respondents that there is no fixed working hours for the employees in the informal sector enterprises. It varies depending on activities of enterprises and nature of business. It is found from the Table 4.3 that 17.31 percent enterprises worked between 6 to 8 hours and about 68 percent enterprises worked between 9 to 12 hours. Rest, 15 percent worked more than 12 hours a day. Table 4.3 also reveals that 100 percent participants of transport activities work more than 8 hours and 96 percent in service, 81 percent in trade and 76 percent in manufacturing enterprises work more than 8 hours. It is clear that labourers of informal sector enterprises work more hours a day than formal sector labours. Though the labourers of informal sector work more hours than the International Labour Organization (ILO) resolution of 8 hours but they enjoy less wage, service benefits and they are also deprived of job satisfaction and security due to non availability of service rules and regulations that prevail in the formal sector.

Table - 4.3
Percentage Distribution of Enterprises by Activity Groups and Working Hours

Working hours	ACTIVITY GROUPS			Total
	Trade	Manufacturing	Transport	
6-8	19.01	23.60	-	17.31
9-10	15.70	43.82	84.0	34.61
11-12	42.15	23.60	16.0	33.08
13+	23.14	8.98	-	15.0
Total	100.0 (121)	100.0 (89)	100.0 (25)	100.0 (260)

Source: Field survey, 1991.

4.4 Wage Level of Labour Force

The participants in the informal sector can mainly be classified into three groups (i) proprietors (ii) skilled workers (iii) apprentices. Proprietors and family workers have no defined wage level. Fixed wages are reported in the case of skilled workers. The wage level normally increases with the year of experience. The apprentices are those who are receiving training at mostly teenage to be a skilled workers in future or sometimes they are journeymen, orderly etc. The informal sector thus provides training to a substantial number of youngsters. Since the apprentices are not paid full wages, the enterprises are able to overcome their working capital needs in the form of wages bill. The apprentices generally receive only a small amount of pocket money along with food and sometimes shelter. This group is mostly employed in manufacturing and trade activities. Table 4.4 shows that 6.59 percent workers of manufacturing activities within the wage level of 0-Tk. 200/-. It is also reported that sometimes at the beginning stage the apprentices have to bear their own expenses for food and lodging instead of receiving any payment from the masters.

Table 4.4 also shows that there is a sharp increase in percentage in the number of workers between the wage level of Tk. 201 - Tk. 500 to Tk. 501 - Tk. 1000. This indicates that 0 to Tk. 500 is the wage level of apprentices and unskilled workers. Table 4.4 reveals that 76.38 percent workers are paid within the wage level of Tk. 501 to Tk. 1500. Higher wage is usually paid in

transport activities. About 12 percent workers in transport activities are paid between wage level of Tk. 2001 to Tk. 3000. The reason can be attributed to the fact that some of these activities such as drivers of tempo and mini-buses require potentially skilled and technically sound workers.

Table - 4.4

Percentage Distribution of Labour Force of Informal Sector by Wage Level and Activity Groups.

Wage level	Activity GROUPS				Total
	Trade	Manufacturing	Transport	Service	
0-200	-	6.59	-	-	3.59
201-500	5.56	10.44	2.94	-	7.62
501-1000	44.44	38.46	47.06	36.36	40.66
1001-1500	38.43	33.24	23.53	49.10	35.72
1501-2000	11.57	11.27	14.70	12.73	11.66
2001-2500	-	-	2.94	-	.15
2501-3000	-	-	8.83	1.81	.60
Total	100.0 (216)	100.0 (364)	100.0 (34)	100.0 (55)	100.0 (669)

Figures in parentheses represent the absolute number of labour force.

Source: Field survey, 1991.

4.5 Capital

4.5.1 Distribution of Capital

Capital is the pivotal factor to run a business enterprise. It is true that informal sector enterprises require very little capital per worker compared to the formal sector. Table 4.5 shows the distribution of capital (excluding buildings and lands) among enterprises of various activities does not follow any norm. But in general most of manufacturing and transport activities are capital intensive. About 44 percent enterprises of manufacturing activities invest capital more than Taka 5000/- and similarly 32 percent enterprises of transport group invest capital more than Tk. 5000/-. These capital intensive activities are mainly equipment, jewellery, machineries and transport. In the case of service activities only 20 percent enterprises invest capital more than Tk. 50,000/-. These are mainly photocopiers and decorators. But in the informal trade activities only 2.48 percent of enterprises invest capital more than Tk. 50,000/-. On the other hand some repairs in service activity group and 100 percent hawkers in trade activity group have been found to have investment less than Tk. 1000/-

It is also evident that investment of enterprises upto Tk. 5000/- involves 42 percent of service activity group, 33 percent of trade, 28 percent of transport and only 3.37 percent of manufacturing activities. Similarly investment of enterprises between Tk. 5000/- to Tk. 20000/- involves 36 percent of transport activity group, about 34 percent of trade, 22 percent of

manufacturing and only 16 percent of service activity group. Now it can be hypothesized from the above discussion that investment of Tk. 5000/- involves more enterprise of service activities than trade while investment of upto Tk. 20000/- involves more enterprises of transport activities like rickshaw, van etc. than trade. Hence, trade involves 33 percent enterprises of investment group of Tk. 5000/-, 34 percent of investment group of Tk. 5000/- to Tk. 20000/- and about 31 percent of investment group of Tk. 2000/- to Tk. 50000/-. This means that trade activities follow almost an uniform norm in respect of investment.

Table 4.5

Percentage Distribution of Capital by Informal Activity Groups

Activity	101- 1000	1001- 5000	5001- 20000	20001- 50000	50001+	Total
TRADE	16.53 (20)	16.53 (20)	33.88 (41)	30.58 (37)	2.48 (3)	100.0 (121)
Hotel & Res- taurants	-	9.09	63.64	27.27	-	100.0
Sweetmeat	-	-	77.78	22.22	-	100.0
Grocery	-	-	60.00	40.00	-	100.0
Rice selling	-	-	44.44	44.44	11.12	100.0
Stationery	-	10.00	30.00	60.00	-	100.0
Clothes	-	-	-	90.00	10.00	100.0
Fruits	-	50.00	50.00	-	-	100.0
Shoe & sandal	-	33.33	50.00	16.67	-	100.0
Hawkers	100.00	-	-	-	-	100.0
Metal utencil	-	-	20.00	60.00	20.00	100.0

Table 4.5 (Contd..)

Activity	101- 1000	1001- 5000	5001- 20000	20001- 50000	50001+	Total
Machinery parts	-	-	25.00	75.00	-	100.0
Pan-cigarettes	-	85.71	14.29	-	-	100.0
MANUFACTURING	-	3.37 (3)	22.47 (20)	30.34 (27)	43.82 (39)	100.0 (89)
Jewellery	-	-	-	22.22	77.78	100.0
Tailoring	-	-	71.42	28.58	-	100.0
Printing Press	-	-	-	20.00	80.00	100.0
Rice & Flour Mills	-	-	-	18.18	81.82	100.0
Wooden Furniture	-	-	57.14	42.86	-	100.0
Steel Furniture	-	-	-	22.22	77.78	100.0
Workshops	-	20.00	26.67	33.33	20.00	100.0
Shaw Mills	-	-	-	-	100.0	100.0
Bakery	-	-	-	75.00	25.00	100.0
Shoe making	-	-	33.33	66.67	-	100.0
Metal works	-	-	20.00	60.00	20.00	100.0
Bedding	-	-	71.42	28.58	-	100.0
TRANSPORTS	-	28.0 (7)	36.0 (9)	4.0 (1)	32.0 (8)	100.0 (25)
Mini bus	-	-	-	-	100.00	100.0
Auto-tempo	-	-	-	-	100.00	100.0

Table 4.5 (Contd..)

Activity	101- 1000	1001- 5000	5001- 20000	20001- 50000	50001+	Total
Rickshaw/Van	-	41.17	52.95	5.88	-	100.0
SERVICE	8.0 (2)	36.0 (9)	16.0 (4)	20.0 (5)	20.0 (5)	100.0 (25)
Decorators	-	-	-	66.67	33.33	100.0
Photocopier	-	-	-	-	100.0	100.0
Repairs	12.50	56.25	25.00	6.25	-	100.0
Total	8.46 (22)	15.0 (39)	28.46 (74)	26.92 (70)	21.16 (55)	100.0 (260)

Figures in parentheses represent the frequency of Enterprises.

Sources: Field survey, 1991.

4.5.2 Source of Initial Capital:

It is generally acknowledged that capital needs of the informal sector enterprises stand very small in comparison with formal sector enterprises. But it is difficult to realise that little capital needs encourage ease of entry to this sector, as because accumulation of even that small amount of capital is difficult on the part of many who are engaged in the informal sector. Table 4.6 shows that loans were the main source of initial capital invested for only 17.32 percent of enterprises. These loans came almost entirely from friends and relatives. Institutional

credit is almost nil. None of the total sample of 260 reported to have received initial credit from any of the formal sources like bank, investment corporations, BSCIC. The absence of access to credit facilities leaves informal sector operators dependent mostly on their own resources for capital needs. Most of respondents reported that they had to manage the credit by selling ornaments, lands and other valuable assets. Therefore, it is not surprising that about 83 percent identify capital as the major problems in setting up the enterprise.

Table 4.6

Percentage Distribution by Source of Initial Capital of Informal Sector Enterprises

Source of capital	ACTIVITY GROUPS				Total
	Trade	Manufac- turing	Transport	Service	
Self	78.51	87.64	80.0	88.0	82.69 (215)
Loan from relatives and others sources	19.01	12.36	2.0	12.0	15.0 (39)
Co-operative	2.48	-	12.0	-	2.31 (6)
Bank Loan	-	-	-	-	-
Total	100.0 (121)	100.0 (89)	100.0 (25)	100.0 (25)	100.0 (260)

Figures in parentheses represent number of Enterprises.
Source: Field survey, 1991.

Table 4.7

Percentage Distribution of Activity by Credit Requirement

Indicators	ACTIVITY GROUPS				Total
	Trade	Manufac- turing	Transport	Service	
Credit not wanted	14.05	3.37	12.0	20.0	10.7
Credit wanted	79.34	95.51	76.0	80.0	84.7
No response	6.61	1.12	12.0	-	4.6
Total:	100.0	100.0	100.0	100.0	100.0

Source: Field survey, 1991.

Out of total enterprises surveyed through questionnaire about 85 percent wanted credit facilities from the formal sources (Table 4.7). The reason for non-availability of credit can be attributed to the fact that inability of enterprises to produce adequate securities against credit or the reluctance of the formal credit institutions to accept the securities extended by these informal sector enterprises. Table 4.7 also shows that about 11 percent of enterprises did not want any credit and about 5 percent of enterprises remained silent during query. The reasons can be attributed to the fact that (a) ignorance about the procedure how to get credit (b) fear of getting lose in business and its consequences (c) reliance on personal savings only.

4.5.3 Capital and Labour (worker)

Table 4.8 shows the existing picture of capital and worker. It is evident that all capital intensive enterprises may not employ more workers. Requirement of worker depends mainly on nature of activities. Table 4.8 reveals that trade activity group requires least capital per worker than others i.e. Tk. 9575. On the other hand transport activity group requires highest capital per worker than others, i.e. Tk. 43853. But average number of worker per enterprise is 1.36 in transport and 1.78 in trade. It is remarkable that manufacturing activity group can employ 4.08 workers per enterprise on average and requires moderate amount of capital per worker i.e. Tk. 13519. The service activity group can employ on average 2.2 workers per enterprise and requires an average amount of investment of Tk. 11609 per worker. Hence it can be remarked that manufacturing activity group is the highest labour intensive with reasonable amount of capital investment followed by the service activity group. There are some activities which can employ only one worker and require minimum amount of investment, not more than Tk. 7000/-, are managed by poorer classes of people. These activities should be paid more emphasis to organise poorer class of people. These activities are rickshaw/van, pan cigarettes, hawkers etc.

Table 4.8

Distribution of Capital and Workers

Activity	Capital (Taka)	No. of Enterprises	No. of Workers	No. of worker per enterprises	Capital per worker
Trade	2068300	121	216	1.78	9575.46
Hotel & Res- taurants	163000	11	56	5.09	2910.71
Sweetmeat	105000	9	29	3.22	3620.68
Grocery	321000	15	24	1.6	13375.00
Rice selling	257000	9	12	1.33	21416.66
Stationery	242000	10	16	1.6	15125.00
Clothes	395000	10	15	1.5	26333.33
Fruits	53700	8	10	1.25	5370.00
Shoe & sandal	69000	6	8	1.33	8625.00
Hawkers	9700	20	20	1.00	485.00
Metal utencil	225000	5	7	1.4	32142.85
Machinery parts	160000	4	5	1.25	32000.00
Pan-cigarettes	67900	14	14	1.00	4850.00

Table 4.8 (Contd...)

Activity	Capital (Taka)	No. of Enterprises	No. of Workers	No. of worker per enterprise	Capital per worker
MANUFACTURING	4921000 (3)	89 (20)	364 (27)	4.08 (39)	13519.23 (89)
Jewellery	995000	9	24	2.66	41458.33
Tailoring	130500	7	20	2.85	6525.00
Printing Press	436000	5	20	4.00	21800.00
Rice & Flour Mills	820000	11	41	3.72	20000.00
Wooden Furniture	108500	7	25	3.57	4340.00
Steel Furniture	570000	9	37	4.11	15405.40
Workshops	542500	15	59	3.93	9194.91
Shaw Mills	768000	7	45	6.42	17066.66
Bakery	170000	4	33	8.25	5151.51
Shoe making	96000	3	12	4.2	8000.00
Metal works	140000	5	21	4.2	6666.66
Bedding	144500	7	27	3.85	5351.85

Table 4.8 (Contd...)

Activity	Capital (Taka)	No. of Enterprises	No. of Workers	No. of worker per enterprise	Capital per worker
TRANSPORTS	1491000	25	34	1.36	43852.94
Mini bus	875000	3	10	3.33	87500.00
Auto-tempo	490000	5	7	1.4	70000.00
Rickshaw/Van	126000	17	17	1.0	7411.76
SERVICE	638500	25	55	2.2	11609.09
Decorators	315000	6	30	5.0	10500.00
Photocopier	225000	3	5	1.66	45000.00
Repairs	98500	16	20	1.25	4925.00
Total	9118800	260	669	2.53	13630.49

Source: Field survey, 1991.

4.6 Source of Trade Goods and Raw Materials

Availability of sales goods and raw materials play a vital role in extending and mobilizing the trade and manufacturing activities in an urban area. Table 4.9 shows the existing picture of Faridpur town with regard to the source of trade goods and raw materials. It is found that 70 percent enterprises of trade and manufacturing activities used to purchase the trade goods and raw materials from Faridpur town. About 11 percent of enterprises

purchased trade goods and raw material from urban fringes and nearby rural areas. About 19 percent enterprises of these activity groups used to purchase their trade goods and raw materials from different districts.

In trade activities about 23 percent of enterprises used to purchase the trade goods from other districts. In manufacturing activities about 15 percent of enterprises used to purchase raw materials from other districts. It need to be mentioned that comparatively big enterprises purchase raw materials from other districts and small enterprises of similar kinds used to purchase raw materials from those big enterprises. In case of trade activity group also. Comparatively big enterprises (22.32 percent) used to supply trade goods to small enterprises of almost 67.77 percent small enterprises.

Table 4.9

Percentage Distribution by Source of Trade Goods and Raw Materials

	ACTIVITY GROUPS		Total
	Trade	Manufacturing	
Within Faridpur Town	67.77	73.03	70.0
Nearby village	8.26	10.11	9.05
Other Upazila	1.65	2.25	1.91
Other District	22.32	14.61	19.04
Total	100.0 (121)	100.0 (89)	100.0 (210)

Source: Field Survey, 1991.

4.7 Flow and Consumption Of Commodities of Informal Sector

Enterprises

Development of enterprises depends on market and marketing facilities where consumption of commodities is high and sale is maximum. Table 4.10 shows the existing picture of Faridpur town with regard to the market of trade goods and finished products. It is found that about 75 percent of enterprises of trade and manufacturing activities used to sell the trade goods and finished products within Faridpur Town. About 21 percent of enterprises sell trade goods and finished products outside of Faridpur town i.e. rural market of urban fringes areas and other upzila of Faridpur district.

In trade activities about 87 percent of enterprises used to sell trade goods within Faridpur town and manufacturing activities about 38 percent of enterprises used to sell finished products outside of Faridpur town and other district.

Table 4.10

Percentage Distribution by sales of Trade goods and

Finished products

Indicators	Trade	Manufacturing	Total
Within Faridpur Town	86.96	62.40	74.91
Outside Faridpur Town	13.04	28.58	20.66
Other district	-	9.02	4.43
Total	100.0	100.0	100.0

Source: Field Survey, 1991.

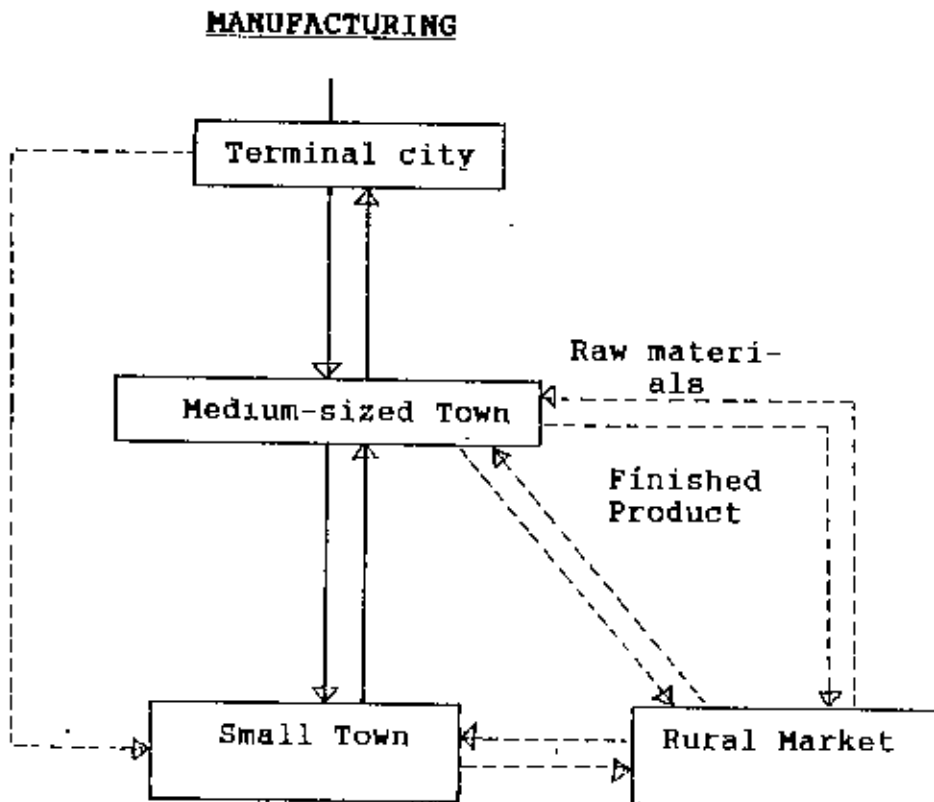
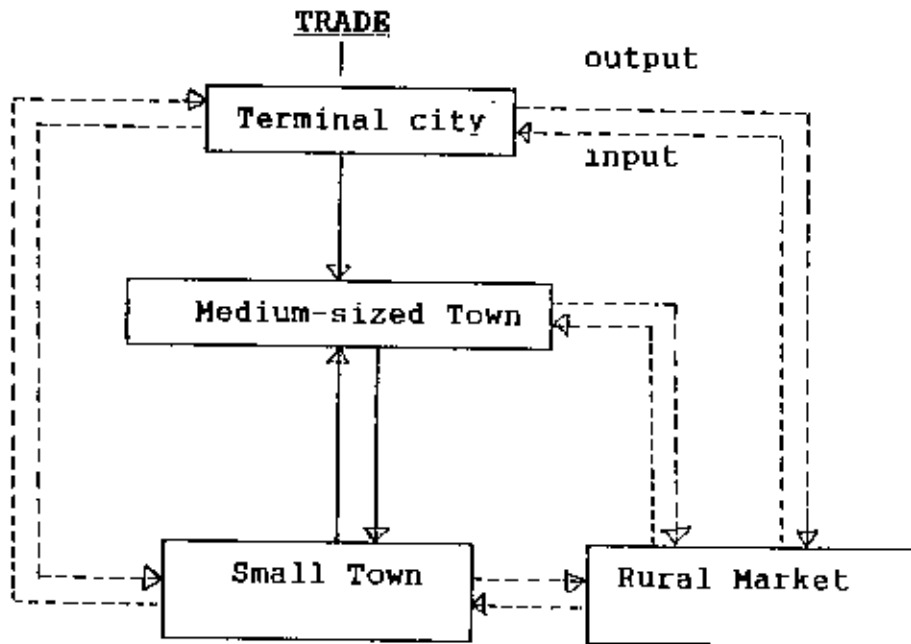
4.8 Linkage Forward and Backward

Forward linkage exists with the formal sector or large enterprises of greater city (terminal city) in four ways such as (i) trade goods (ii) raw material (iii) tools and equipment (4 skill and knowledge.

The enterprises of trade activities which have both wholesale and retail functions their trade goods are normally being purchased from large enterprise of greater city and operate their wholesale business with the enterprises of small towns and rural markets. Thus forward and backward linkages are predominant in trade activities. The small enterprises maintain a linkage with the comparatively large enterprises and households. Tools and equipments of manufacturing activities are being purchased from the formal sector as well as large enterprises of greater cities. Raw materials are being procured locally. The output are being exported to greater cities as well as small towns/rural markets.

Equipment and transport machineries are purchased from formal sector as well as enterprises of large and terminal cities. One directional forward linkage is predominant in this activity group. Some slowmoving vehicles like rickshaw, van are exported to small urban areas like upazila towns. Both equipments and raw materials of service activities are normally procured from the enterprises of greater city and goods and services are mostly consumed locally.

Flow diagram for backward and forward linkages of trade and manufacturing activities are given below:



4.9 Management of Enterprises

Table 4.10 shows that about 93 percent enterprises of informal sector are being operated by owner himself as head of enterprise. Specially 100 percent of trade and service activities are managed by owners. It is notable that only 40 percent transport vehicles are operated by the owner. The reason can be attributed to the fact that the operation of the vehicle is rather hard and risky. The owners of vehicles are normally well off and to avoid risk they used to rent the vehicle to skilled driver. On the other hand, some owners have a number of vehicles so they have to rent out vehicles. Hence 60 percent vehicles are found operated by drivers.

Some large enterprises of manufacturing group are managed by managers i.e. 3.37 percent. Hence largeness of enterprises requires often skilled managers to operate.

Table 4.11

Percentage Distribution of Enterprises in Terms of Management

	ACTIVITY GROUPS				Total
	Trade	Manufac- turing	Transport	Service	
Owner	100.0	96.63	40.0	100.0	92.69
Manager	-	3.37	60.0	-	7.31
Total	100.0 (121)	100.0 (89)	100.0 (25)	100.0 (25)	100.0 (260)

Source: Field survey, 1991.

4.10 Requirements of Developmental Facilities:

Normally informal sector enterprises can not afford the expenses of establishment of enterprises of good location. It appears from table 4.11 that about 74 percent respondents desire municipal/government allocation of possession of shops and also shops in good location. Informal sector enterprises face problem regarding their access in trade license, tax, toll collection, bribe etc. For rehabilitating this sector enterprises aforementioned problems must be eliminated.

This sector is also a major employment generating source in the context of Bangladesh where the country is overburdened with huge unemployed people. Table 4.12 shows that about 51 percent of owners desire establishment of more enterprises. But 45 percent desire the expansion of existing one. It is desirable that increase in number of enterprises will consequently generate more employment than the expansion of existing enterprises.

Table 4.12

Percentage Distribution of Enterprises by Facility Requirements

Indicator	Trade	Manufac- turing	Transport	Service	Total
Allocation of Shops (Possession sale) by Govt./ Municipality	49.48	37.0	-	47.06	41.80
Establishment of Enterprise in Good location	34.54	32.37	-	35.29	32.07
Easy access to trade license and trade permit	2.06	2.31	10.0	-	2.38
Others	13.92	28.32	90.0	17.65	23.75
Total:	100.0	100.0	100.0	100.0	100.0

Source: Field Survey, 1991.

Table 4.13

Percentage Distribution of Owner Choice Regarding Upliftment of their Business

Indicator	Trade	Manufac- turing	Transport	Service	Total
Further expansion of present enterprise	50.93	47.92	-	54.17	45.24
Establishment of another Enterprise	41.66	51.04	95.83	45.83	50.79
No. response	7.41	1.04	4.17	-	3.97
Total:	100.0	100.0	100.0	100.0	100.0

Source: Field Survey, 1991.

4.11 Assessment of Training Requirement for Informal Sector

Table 4.13 shows that 57 percent of respondents are interested to participate in the training to understand the modern procedure of business activities. But in the case where participants have to depend on daily income they are reluctant in participating into the training programme. It appears from Table 4.13 that about 39 percent of respondents are reluctant in participation of training.

Table 4.14

Percentage Distribution of respondent in Training Offer.

	Trade	Manufac- turing	Transport	Service	Total
Yes	49.59	62.92	56.0	76.0	57.31
No	19.83	8.99	12.0	8.0	14.23
No Scope	26.45	23.60	32.0	12.0	24.61
No response	4.13	4.49	-	4.0	3.85
Total:	100.0	100.0	100.0	100.0	100.0

Source: Field Survey, 1991.

Summary

This chapter describes operational characteristics of informal sector enterprises of Faridpur town which includes ownership and size of enterprises, working hours of labour force, wage levels, source of initial capital, source of trade goods and raw materials and requirement of development facilities etc. It appears from survey that none of the owner of total enterprises have received initial credit from any of the formal source like bank, investment corporation and BSCIC. It is also evident that about 85 percent sample enterprises wanted credit facilities. A notable number of owners have no fixed location of enterprise and it also appears that about 74 per cent respondents desire municipal/government allocation of possession of shops and also shops in good location. On the other hand it is observed that though the labourers of informal sector work more hours than the International labour organization (ILO) resulation of 8 hours but they enjoy less wage benefits. Hence the enterprises of this sector need access to better credit facilities and allocation of permanent low cost shops.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 CONCLUSION

Bangladesh is one of the most densely populated countries of the world. Its present population is about 108 million (Preliminary Census Report, 1991) Spreading on an area of about 144000 Km². Agriculture is the mainly of her economy. This sector contributes nearly 50 percent of the country's GDP and around 85 percent of the population either directly or indirectly is engaged in the agriculture sector. The already over manpowered agriculture sector has little scope for producing surplus produces to cater to the everincreasing requirements of the people as well as for creating further opportunity for viable employment.

In such a situation industrialization has become the cornerstone. But the industrialization process in Bangladesh is still in its nascent stage and can not provide job opportunities to its unemployed labourforce.

As a result migration from rural areas in search of jobs in huge number to the urban areas has been observed during the last two decades. This situation took a critical shape particularly during the post-liberation period i.e. from 1971 and onward. It has been observed that the share of influx of net immigrants is about 84 percent of total urban population growth (NPPP-11, 1984:6). Employment opportunities with higher wages usually attract migrants to move into the urban areas. The rates of rural urban migration

continue to exceed rates of jobs creation and to overflow greatly the absorption capacity of urban formal sector. As a result the vast majority of the surplus labour force happened to have engaged in various types of informal activities such as trade, manufacturing, transport, services, repairs etc.

Without much support and encouragement, the urban informal sector remains the fastest growing segment of the economy. Regardless of policies followed, small enterprises continue to multiply, spurred by continued migration of people from rural to urban areas in search of jobs and in anticipation of better life. Faridpur, being a medium sized town and separated by the Padma river from Dhaka, has lagged behind in respect of formal industrial establishment. But it is evident from Table 2.1 (Chapter - Two) that after independence population of Faridpur town has been almost double between two consecutive population censuses (1961, 1974) and rate of increase afterward was high. On the other hand, establishment of formal enterprises has been almost nil so this implied that informal sector activities are the main economic activities of the town and most of the urban labour force are engaged in this sector. It is found from survey (Chapter - Three) that about 48 percent participants of informal sector activities are migrated temporarily or permanently (Table 3.12) and about 87 percent informal sector enterprises have been established after 1971 and onward i.e. after independence (Table 3.6). It is also found from sample survey that about 93 percent enterprises are being managed by owners themselves and average participants are 2.5

per enterprise (Chapter - Four, Table 4.2 and 4.10).

Though informal sector contributes remarkable influence on urban economy, and employment it suffers from manifold problems. The sample survey reveals that out of 260 sample enterprises none could get any initial loan from formal institutions or banks (Table 4.6). Only 70 percent enterprises have license from pourashava authority (Table 3.7). About 28 percent of trade activities and 24 percent of service activities have no fixed location (Table 3.3). About 83 percent of labourers have to work more than 8 hours, even though about 52 percent of them get wage less than Tk. 1001/- (Table 4.4). This situation compels them to live in low cost and in unhygienic houses. Though the labourers of informal sector work more hours but they enjoy less wage, service benefits and they are also deprived of job satisfaction and security due to non availability of service rules and regulations.

5.2 Recommendations

In the light of research findings made in Chapters three and four the following proposals may be suggested as the policy guidelines for the improvement of the informal sector of urban areas.

- (1) Informal sector enterprises suffer from capital shortage. Table 4.7 indicates that 85 percent of participants (Owners) of this sector enterprises want credit from formal credit sources. It is observed that people engaged in this sector

used to migrate in greater cities (like Dhaka) for higher income and better employment opportunities. This causes serious slum, squatter and congestion problems in greater cities. This type of influx in greater cities can be minimized through providing credit to informal sector in small and medium-sized towns as because this will lead to higher income and will generate employment for huge unemployed and underemployed labour forces.

- (2) Permanent shops and shops in good locations are the major demands of informal sector enterprises. Table 4.11 shows that about 74 percent participants (owners) want allocation of possession of shops by the Government/Municipal authority. Hence low cost permanent shops like hawker market can be planned and allocated with small fair for those informal sector enterprises who are suffering from permanent shop-crises.
- (3) The low income enterprises like hawkers, petty traders, vendors, rickshaw pullers should be organized in co-operatives and credit can be provided forming the groups among member entrepreneurs for security and proper use of loan.
- (4) Informal sector plays crucial role in human resource development by providing appropriate training and thus develop skills in a relatively inexpensive way through apprenticeship

training and on the job training in the sector. With this ends in view the government should adopt a comprehensive programme for various types of skills development through providing institutional as well as on the job training facilities to informal sector participants for rapid development of the economy.

- (5) Paurashava i.e. urban authority should adopt some policies such as compulsory licensing for enterprises, for legal right and service rule and facilities for labourers. These will lead to business satisfaction for entrepreneurs and job satisfaction for labourers.
- (6) Informal sector enterprises have been found in two forms, either clustered in some locations or scattered. Some of the enterprises are found mobile. Normally they occupy government land or footpath of roads, often occupy road lane which causes congestion. The low income participants create slum settlements. Thus informal sector enterprises create lot of urban environmental problems. For this reason this sector should be considered in landuse plan and master plan of urban centres.

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APPENDIX - AINFORMAL SECTOR ACTIVITY CATALOGUETrade Activities

Banana selling
Biscuit selling
Biryani (cooked rice) selling
Bag, flower wreaths selling
Buttons, zipp[ers]
Balloons
Fodder
Cooked rice
Comb selling
Chair, table selling
Clothes ('cut pieces')
Cement bag seller
Clothes ('thane Kapar')
Cosmetic store
Cosmetic seller
Cigarettes shop
Cement selling
Bicycle parts selling
Chatpati seller
Chemical items
Chocolate seller
Dried fish seller
Egg seller
Electric goods seller
Finger ring seller
Fish selling
Electric goods
Fruit seller
Green coconut ('dub') selling
Glass seller
Grocery
Ganjee, socks, lungi
Hardware seller
Hawking fruits
Hawker (food items)
Hosiery items
House building materials
Handkerchief, cap
Ice cream hawker
Iron sheet seller
Jute bag selling
Jute seller
'Kabiraj sharbat' (drinks)
Kerosene seller

Local fruits
 Laces, cosmetics
 Meat seller
 Medicine shop
 Mobil and wires selling
 'Moa and Muri'
 Motor parts
 Metal goods seller
 Mat, 'shitol pathi'
 Mora, belt
 'Muri and chanachur'
 Newspaper, magazines, books
 Onion and ginger
 Ointment seller
 Old leather suitcase seller
 Old drum seller
 Old motor parts selling
 Oil selling
 Old iron piece selling
 Old nickel good polishing
 'Orna' (scarfs)
 Pan-cigarettes
 Pharmacy
 Peanuts seller
 Photographer (footpath)
 Paratha, sweets
 Plants seller
 Processed food seller
 Restaurants
 Rotis
 Rice selling
 Ring, 'atar', stone
 Scraps (iron pieces)
 Scraps (old rubbers)
 Scraps (old bottles)
 Scraps (all kinds)
 Stationery shops
 Shoe-lace
 Sweets
 Pickles ('chatney')
 Threads, buttons
 Scent, 'surma'
 Shon papri
 Soaps
 Steel items
 Studio
 Saree, lungi
 Sun glass
 Shoes and sponge sandals
 Suitcases, 'jhurees', etc.
 Shoe and sandal selling store
 Soap store

'Tabiz, tosbees'
 Tea stalls
 Tea
 Toys
 Warm clothes
 Wholesalers ('aratdar') of vegetables
 Woods (for fuel)
 Vegetables

Service Activities

Airconditioning works
 Art on 'baby' Taxi and Rickshaw
 Barber
 Book, mirror binding
 Casual labour
 Renting carom board
 Day labourer
 Dowakhana (medicine men)
 Dyeing cloth
 'Dentist' (footpath teeth healer)
 Flour mill
 Haircutting
 Homeopath
 'Hakimi' tooth powder
 Laundry
 Lock and key repairer
 Old rickshaw repairing
 Pumping air to tyres
 Repairing (baby taxis)
 Repairing (automobiles)
 Repairing (motor cycles)
 Repairing (electric)
 Repairing (tin, and aluminum items)
 Repairing (tube and tires)
 Repairing (radio, T.V.)
 Repairing (motor spring)
 Repairing (fridge)
 Repairing (old tyres) battery charging
 Repairing (cycle, rickshaw)
 Repairing (shoes)
 Repairing watch, pen and selling spectacles
 Sharpening of knife
 Tailors (repairer)

Manufacturing Activities

Bag making
 Blacksmithing
 Block printing
 Bread and biscuit making (bakery)
 Bed sheet maker

Cloth printing
Bakery
Cake making
Carom board accessory maker
Engineering works
Electric plate making
Furniture-making (wood)
Furniture-making (steel)
Goldsmiths
Gate and door maker
Handicrafts
Weavers (handlooms)
Ice cream box making
Kites maker
Metal workshop
Mini truck-making (from rejected vehicles)
Necklace making
Paper packets and paperboard makers
Printing press
Potters
Rickshaw painting and body making
Rubber stamps (seal) making
Shoemakers
Sanitary fittings
Steel alimirah making
Tailors
Tooth powder maker
Weaving
Welding
Window grill making
Wood box making

Transport Activities

Sullock carts
Hard carts
Rickshaws/van
Tempos
Mini-Bus.

- | | | | |
|-----------------------|-----------|--|------------------|
| 2. Manager/
labour | 2. Female | 2. Secondary
3. Higher
Secondary
and above
4. No schooling | 2. Wage Employee |
|-----------------------|-----------|--|------------------|

- | <u>Migrational status</u> | <u>Present residence</u> | <u>Distance</u> |
|---|------------------------------------|---|
| 1. Faridpur Town | 1. Ward No. 1 | Distance from
residence to
working place
(miles) |
| 2. Village within
Faridpur Sadar Upazila | 2. Ward No. 2 | |
| 3. Other Upazilas of greater
Faridpur District | 3. Ward No. 3 | |
| 4. Other district &
outside Bangladesh | 4. Village nearby
Faridpur Town | |
| 9. No response | 5. Working place
9. No response | |

4. Ownership of Enterprises

1. Self
2. Partnership with other person
3. Partnership with relatives
4. No response

5. Has the owner any other occupation than this main occupation?

1. Yes
2. No.
9. No response

6. Have you engaged any occupation before joining the present occupation (Job)?
 1. Yes
 2. No
 9. No response

7. If yes, then for how many years?

8. How have you (owner) been engaged with the present occupation?
 1. Unable to manage a Govt. job
 2. Lack of higher education
 3. Paternal source
 4. Shortage of capital
 5. Independent Business
 6. Other (Specify)
 9. No. response.

9. Information of the Enterprise
 - a. Locational characteristics of Enterprise
 1. Fixed
 2. Mobile
 3. Other (Specify)

 - b. Building structure
 1. Pucca
 2. Semi-Pucca

9. No. response.

c. Year of Establishment of the Enterprise

d. Legal status

1. License holder

2. Without License

9. No. response.

E. Ownership of structure

1. Owned

2. Owned by the Municipality

3. Owakf

4. Owned by other persons

9. No. response.

Structure of enterprise

F. If it is not owned, what type of possession do you have?

1. rented

2. Other (specify)

9. No. response

G. If it is rented, please specify the monthly rent in Tk.

H. Daily Business hour

I. Total area of the Enterprise

Length (ft)

Width (ft)

- J. What type of facilities is existing in the enterprise?
1. Electricity only
 2. Water only
 3. Both water and electricity
 4. Neither water nor electricity
- K. Are the facilities sufficient?
1. Yes
 2. No
 3. No response
- L. If the facilities are not sufficient, what are the problems?
1. Disturbed Electricity supply
 2. Disturbed water supply
 3. Disturbed both Electricity and water
 4. No response
- M. Use of Enterprise
1. Commercial only
 2. Commercial and Residential Together
 9. No. response
10. Sector Specific Questions
- Transport Sub-Sector:
- a. Type of Vehicles
1. Mini-Bus

2. Auto Rickshaw
3. Auto Tempo
4. Ricksha/Van
5. Push Cart.

b. Ownership of Vehicle

1. Self
2. Rented
3. Other (Specify)

c. Do you drive the vehicle, if you are owner!

1. Yes
2. No
9. No response

(If no, go to question no. 11).

d. Have you (owner) got a driving license?

1. yes
2. No
9. No response

e. For how many shifts, do you drive the vehicle?

1. One shift
2. Both shift
3. No shift system

f. If the vehicle ply then what is daily income? Tk.

11. Information about Production

a. Types production

1. Manufacturing

2. Trade/Hotel and Restaurant

3. Transport

4. Service

5. Repairs

6. Other (specify)

b. Daily Production/Sales Tk.----

c. From where do you purchase raw materials/trade goods?

1. Within Faridpur Town

2. Village near to Faridpur town

3. Other Upazila

4. Other district

d. Have you faced any problem to get raw material/sales goods?

1. yes

2. No

9. No response

E. Where goods are sold?

1. Within Faridpur Town

2. Outside of the town

3. Other district

4. Other (specify)

F. Are you facing any problem for selling?

1. Yes

2. No

3. No response

12. Capital (Tk.)
 1. Machinery (Tk)
 2. Structure cost (if it is owned)
 3. Investment for goods (Tk.)
 4. Utility cost (Tk.)
 5. Labour cost (Monthly)
 6. Transportation cost (monthly)
 7. Other (specify)

13. Source of initial capital
 1. Owned
 2. Bank loan
 3. Co-operative
 4. Loan from other persons
 5. Other (specify)

14. Net Income (monthly) Tk.

15. Development aspects
 - a. Has there been any improvement of the enterprise in terms of the following since it was established?
 1. Sale
 2. Production
 3. Production and sales
 4. Employment (Increase of no. of labour)
 5. Production methods

6. None

7. Other (specify)

b. Do you want to expand your firm?

1. Yes

2. No

3. No response

c. If yes, then how do you want?

1. By personal savings

2. By loan

3. Other (specify)

9. No. response

D. If you want to develop by loan, please specify the source from where do you want?

1. Bank loan

2. Co-operative loan

3. Non-Government Organization (NGO)

4. Loan from other persons

5. Other (specify)

E. Other than loan which factors do you feel necessary to develop the enterprise?

1. Allotment of shops (Possession sale) by government/Municipality

2. Establishment of enterprise in good location

3. Easy access to the trade license and trade permit

4. Other (specify)

F. Which factors stated below do you like for development your business?

1. Further expansion of present enterprise.

2. Establishment of another enterprise

3. No response

G. What is the condition of law and order in your Business premises?

1. Yes

2. No

9. No response

H. Do you feel any disturbance from local taut or police to run your business

1. Yes

2. No

3. No response.

I. Do they demand any fees/donation?

1. Yes

2. No

9. No response

J. If yes, than what amount do you pay per month? Tk.

K. Nowadays many Government and non-government organization (NGO) are offering training for low income peoples in order to promote self-employment and income. Will you participate in the training if are offered ?

1. Yes
2. No
3. No scope
4. No response

L. You are free to state any kind of proposition/plan to develop your enterprise

16. Comments on respondent:

Name & Signature of the field Investigator

