
International Journal of Social, Political and Economic Research

IJOSPER

ISSN: 2667-8810 (Online)

ijosper.uk

OPEN ACCESS

Original Article

Article No: 15_V2_I1_A1

**INFORMAL ECONOMY AND ANTHROPOLOGICAL THOUGHT: A QUALITATIVE
STUDY IN CONTEXT OF KAMRANGIRCHAR IN DHAKA DISTRICT**

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Abstract:

Bangladesh is a developing country of the third world. Overpopulation, poverty and unemployment are three major obstacles of being developed. In absence of insufficient employment, proper skill and education, people have to select the way of self-employment for their survival. Thus, informal economy emerged in Bangladesh as a means of subsistence. Although informal economy is based on little enterprize with a low capital, it plays a great role in GDP(Gross Domestic Product) and GNP(Gross National Product).The informal sector accounted for more than the 40% of total gross value added of Bangladesh in2010.Sufficient documentation and opportunity can make it as the dictator of national development. Based on a labor force survey of ADB(Asian Development Bank),approximately 89% of the total number of jobs in the labor market are informal jobs.(Country report of Asian Development Bank,2010).But the significance of informal economy is not known to all and cannot extend in lack of study and authority's concern. Therefore, the key objective is to assess and explain the scope, significance and socio-economic context of informal sector through multidimensional analysis. Kamrangirchar has been selected as the study area.

Key Words:

*GDP, GNP, Black Market, Crime
Economy, Underground Economy,
Easy Entry, Dual Economy,
Economic Flow, Information Flow,
Enforcement Mechanisms.*

1. Introduction

The study of informal economy becomes one of the most important research issues for developing countries including Bangladesh. Kamrangirchar, located on the bank of the river-Buriganga, is an area of Dhaka city. It has been included into Dhaka south city corporation in recent time. Kamrangirchar is widely known as Dhaka city's 'waste Dumping' area (First news, article 67). This consists of three wards-55,56,57, including a police station. According to the census of 2011, the area of 3.5 square k.m. of kamrangirchar contains 93,000 people and population density is around 26500 people. This data contrasts with DAP-Detailed Area Plan which reported that 263000 people live in kamrangirchar during 2010 which will reach 368000 on 2015 (First News, article 67). Literacy rate is only 28.56% (Banglapaedia, 2007). According to the slum study and census of NIPORT-National Institute of Population Research (2006), Kamrangirchar has been announced as the largest slum of Dhaka Metropolitan city (NIPORT, 2006). Stinky rubbish, poisonous smoke and hideous sound of small factories have made this area ineligible for inhabitation. Additionally, emission of trash in the river has polluted it. Only a few years ago, perhaps after 88, people are increasingly growing up here. It is said that the whole area of kamrangirchar stands on the heap of trash. Here, majority of the people came from the southern part of Bangladesh. Average 6-7 people crowd in a single room where air and light are inadequate. Factories of different sizes and products are situated in it. Larger such as Iron and plastic factories are operated formally by paying revenue to the government. On the other side, smaller such as the factories of balloon, plastic reprocessing, bakery and cell renewing are informal and do not encompass the tax regulation of government. Besides, a lot of small-scale business, like tailoring business, beauty parlour, handicrafts might be found here. Most of the male adult and child members of the family work inside and outside of the area as rickshaw puller, day-labourer, factory worker and vehicle labourer. Most of the female members work as garments worker, factory worker and salesman in the market.

2. Study Tool

This study is outlined following anthropological methods and is very much Qualitative in manner. Then this is analytical rather than descriptive. One month extending fieldwork has been conducted to collect firsthand data from the study area. Both purposive and snowball sampling methods has been used to select informants. Key informants have been selected based on a longtime personal contact within this area. Two aged men and a middle-aged

woman are selected as key information. By selecting 10 informal sectors (4 of male majority, 4 of female majority and others 2 of child majority), about 50 semi-structured and unstructured interviews have been conducted. The first 4 male sectors include rickshaw puller, factory workers, Day laborer and small business entrepreneurs. The latter four female sector include garments worker, market salesman factory worker and small business entrepreneurs. Two child's majority sectors are vehicle laborer and factory workers. Considering the request of informants and moral ethics, nick name has been used and some information has been concealed which in case may be sensitive. Sometimes information associated with such kinds of work are hidden in fear of governmental interfere, in some cases I used verbal autopsy to get information. Besides these primary data, some secondary data sources are used from several essay, websites etc. This study is also based on massive field notes and audio records.

3. Informal Economy

Informal economy is a major part of the total economy, especially for the developing countries. The economies where tax is not imposed by the government or is eliminated by the participants, and which are not estimated into GNP and GDP. Most often these are small scale and self-employed enter prizes that remain unrecorded. Two factors are important behind the growth of informal economy. The first is the lack of available employment within formal sectors. A self-employment and independent occupation which is beyond the control of government are often expected by the citizens. Informal economy is often called the economy of poor people. The central features of informal economy are following:

- Lack of formal law.
- Easy entry.
- Small capital.
- Unrecorded enterprises.
- Lower skilled workers.
- Far from public control.
- Out of tax regulation.
- Socially and economically insecure.
- Lack of Insurance.

4. Background

Anthropology, from its emergence, focus on those behaviors and institutions which are not recorded. In this sense, the growing informal economy of the developing countries after 2nd World War drew much attention of the discipline. But this does not mean, informal economy is a recent phenomenon. Economic anthropologists who study the unorganized economic activities, have done several researches on informal economy.

Stuart Plattner in his famous edited book 'Economic Anthropology' (1983) discuss the differences between formal and informal sectors. His work clearly define informal economy and its characteristics. Besides, he showed the informal sector as very much potential for the development of a country.

M. Estelle Smith made a review named 'The informal economy' based on several characteristics of informal economy provided by Uzzell, Matters and some other scholars. This review defines informal economic sector as consisting of those activities that capture resources by 1) Increasing private access to community resources beyond the normative allocation. 2) Partially or totally evading public monitoring or entry into the general accounts as well as any obligatory or reciprocal corporate assessment (that is, tax). In short, the primary participants in this sector are producers of good and services who provide some marketable commodity that for various reason escapes enumeration, regulation or other types of public monitoring or auditing. He also cited that this definition is framed in terms of the current world system of nation state. But its essential could easily be applied to non-state societies like hunting and gathering group, autonomous village units, chiefdom, and of course city state, if these are occurred outside the legitimacy of social unit (Stuart Plattner, 1989).

In 1971, Keith Hart, an anthropologist working on development project in Ghana, suggested that most third world countries had not one but 'Dual Economies (meaning formal and informal, rather than the more familiar traditional and modern economies; (see hart, 1073). Here, Hart argued that the majority, if not all, of such countries had dual economies-formal and informal, the distinction based essentially on that between wage-earning and self-employment (1973:68). Small scale, informal production of goods and services did not conflict with large scale modern production; the two parts of the economy complemented each other (Stuart Plattner, 1989).

The more comprehensive discussion emerged from R.T. Naylor, the professor of Economics Department in McGill university. He named informal economy as 'Underground' economy' in his essay 'The Rise and the Fall of Underground Economy'(2005). There is no underground economy in the sense of interrelated black markets with their own production system, distribution methods, information flow, financial institutions and enforcement mechanisms. In fact, what exists, is a set of disconnected activities of varying degree of illegality, typically the work of a person who conduct both legal and illegal transaction in different proportion at a different time. Firstly, he divided the economies of a country into three patterns:

- Economic activities done by religious and charitable organizations which is funded or aided by government. Here production are not included in GNP(Gross National Product) and GDP(Gross Domestic Product). Tax are not implied.
- The domestic or voluntary economies where goods and services are produced, wage is not paid, tax are not collected. But these economies has a great contribution in GNP and GDP.
- The third is Market economy which formed three sectors:

a) Formal economy: The economy in which legal goods and services are produced in legal way, is recognized by government and where taxes are implied. These economies are documented in public survey and estimated into GNP and GDP.

b) Informal economy: The economies in which legal goods and services are produced illegally, are unrecognized by government, where taxes are not implied and remain unrecorded in public survey. Although, these economies have a great contribution in GDP and GNP, but are not estimated. In Bangladesh, it cannot be said that goods and services are produced illegally in informal sector. Rather, most often government is not desirous to control them.

c) Crime economy: These economies are of two types based on their contribution on GNP and GDP. One includes those social crimes like stealing and robbing. Though, it results in personal profit, do not produce any new goods and service. Only the booty are transferred from one place to another. Therefore, it has no contribution on GDP and GNP. The other type includes those crimes through which goods and services are produced and distributed in black market, and are forbidden by the law of state such as: smuggling, the business of Coken, Afim and Heroine, human trafficking etc. These economies are opposed by the law, but have contribution in GNP and GDP.

Besides, Naylor believes that these economies are mutually interrelated and dependent. They make a complex network among themselves. Thus, they can resist the regulation from government. (R.T.Naylor, 2005)

5. Findings

From the study, several points have been discovered that encompass the multidimensional aspects of Informal economy in kamrangirchar. Ratio of sampling and case study are included for the clear explanation.

5.1 Emergence of Informal Sector in the Given Area

Increasing population and poverty impede our development process. On the other side, formal sectors cannot meet the demand of employment for the growing population. Furthermore, the majority of the formal jobs are associated with semi to high skilled workers while unskilled workers are associated with informal employments. Hence, people have to choose alternative-the way of self-employment. In the study area, most of the people that I interviewed, have come to live here in quest of subsistence and self-employment. Indeed, all of the reasons behind their shift from village are often sociologically called push factors such as extreme poverty, unemployment, natural disasters (e.g. river erosion, flood and cyclone, etc.) also by forceful displacement from their early residence. Sometimes, it may be assumed that they have come here for their attraction to maintain city lives. Their dresses, lifestyle can strengthen such kinds of assumption. But these factors might be considered as their adaptation rather than considering 'pull factors'.

In given area, 32 respondent out of 50, refer to their extreme poverty as the root behind their appearance in kamrangirchar. 11 of them indicate lack of employment opportunity as the main factor behind their arrival. Other 7 informants alluded that they came after being affected by flood and river erosion.

Abdul Khalek, a rickshaw puller of 45 years old, lives with his wife and two daughters in a slum of Ashrafabad. He is living here for only five years. Before, he lived in his ancestral village of Madaripur district. He was a sharecropper and couldn't maintain his family with his little earning. Aiming at a better earning, he came to this

area. He drives a rent rickshaw. He thinks that he is better than earlier. But sometimes, it is difficult to pass away. His anguish is that the rent of rickshaw is excessive.

Fifty years old widow woman named Shirin, lives with his two sons in Rasulpur. She lived in Shariatpur and did not go to school any time. Her husband died during 2002 from cancer. she came here with her husband in 1998 when their house and cultivable land was flooded.

Illiteracy and lower education rate often fueled poverty and unemployment. These factors directly and indirectly force people to get into informal sector. For hardship in family, death of the head earning member, high cost of education process and materials and lack of skills needed for formal sectors job, many of them have to choose informal activities. About 70% of the total did not pass primary education, 10% are completely illiterate and others 20% left education after reaching S.S.C and H.S.C.

MD. Sohel, a young boy of 20, came to this area 7 years ago from his birth village Gouronodi of Barisal. His father became disabled in a road accident in Kumillah when he was in class five. He has two younger brothers. Leaving school in his childhood, he came here to seek a job. He works as factory worker in Alinagar now. He says that he had no way to continue his study anymore.

5.2 Male and Female as Wage Labour

Formal Sector is in fact a male dominated sector in context of our Bangladesh. But what about the informal sectors? The study of the given area revealed that male and female equally participate into the informal activities. Moreover, in some cases, women are larger in number than that of men. The work patterns also overlap in informal sectors which is less common in formal sector. Male and female wage earner are doing the same work combinedly in factories mills and other workplaces. About 35 wage earners have been found out of 50 respondents which is consists of 16 women and 19 men. Most of the women work as garments worker, factory and mill worker, market salesman, day labor etc. Conversely, most of the men work as rickshaw puller, factory and mill worker, garments worker and day labour, etc.

In context of Kamrangirchar, there are several reasons behind women's much employment and participation into informal activities. These are following:

- Acquiring personal and economic freedom in decision making within the family.
- This is problematic to maintain the family with the single earnings of the male member of the family.
- As Informal enterprises are operated with little capital, a few wage is paid. Hence we know that the market price of women' labor is very cheap. So, Entrepreneurs often choose women as better for the little wage job.

- Women are much more interested to work for a little wage rather than men.
- The presence of women are more than men in workplaces.

Rajia Begum and his husband Kamal live in Khalifa ghat of Kamrangirchar. Both of them work outside. Rajia works in a plastic processing mill where maximum workers are women and her salary is only 4000 tk. per month. Her husband works as an automobile mechanics outside kamrangirchar. He earns a little more than her. Rajia has to work harder and longer than her husband. Besides, she takes care of her children and cooks for her family. Rajia informed that her decision is also important within her family in recent times. But, when she was unemployed, she was repressed.

5.3 Male and Female as Entrepreneurs

Following gender category, informal economy shows different natures in study area. In case of capital formation, business idea, females are more positive than male. Here, it is found more common that women make capital from their secret savings. Most often, the business ideas are their own. They keep accounting cost more accurately than that of male entrepreneurs and can extend their business more quickly. About 5 out of 7 entrepreneur women have made capital from their own savings, where only two women have took microcredit from local NGOs.

Hafiza khatun, a women of 28, living in Muslimbag of Kamrangirchar. she has a business of adornment conjugation like joining neckless, chain, crown and pendant, etc. she started her business without any capital. She took some adornment parts from a local businessman who sells those in local markets. She got some wage for her labour. One day, she made a capital to start her own business. Then, she took a rental room to run it and appointed some neighboring women as wage worker. Now, she is a business entrepreneur who produces adornment in her own factory and distribute these products in the local markets. Currently, about 15 women work in her little factory.

Lutfia Begum, a woman of 40, living in Borogram area of kamrangirchar, runs a business of child clothes and handicraft. She purchases the pieces of clothes from garments which she uses to make varieties of child dress and handmade products. Around 7 women and 2 men work in her small factory. She earns almost 10 to 15 thousands per month. She states that she does not start her work without advance from the party.

As opposed to, men form their capital by selling their ancestral land, taking microcredit, borrowing money in high interest and selling or gaging the adornment of their wives. They take more risk and their management skills are often lower in quality. Therefore, they often fail to extend their business. Around 5 out of 8 male entrepreneurs have made their capital by selling their land, 1 entrepreneurs by borrowing money and last 2 by mortgaging the adornment of their wives.

Shahalam sheikh who runs a shoe factory in Ashrafabad. He began it with the money which he borrowed from a lender at high interest. After that, he took microcredit from two of local NGOs. The situation is now pathetic. He has deplored that he has to pay about the half of his monthly income as repayment to the NGO and money lenders. That's why he neither extend his business nor leave it since he has to pay every month.

5.4 In Workplace

In recent times, men and women both work outside their home. This is also true for the study area. But, as, women have to maintain family too such as cooking, child caring; they often choose the area closer to or within their house. Almost all of the women entrepreneurs increasingly are establishing business firms within their house or closer to it. The workers they employ are their neighboring housewives or girls. Even, sometimes, the buyers of their products are also neighboring men and women. But the conditions of the workplace must vary in some respect. The workplaces are relatively better than men, if we consider the environment and recreation as inevitable factors to the work. Women workers get both things effectively. Hearing music and watching television are often common. Besides, they can look over their children from the workplaces. Around 9 out of 16 women workers satisfy with their workplace. Other 4 have complaint and the last 3 feel that it is o.k.

Rupali Khatun is an entrepreneurs of a beauty parlour. Few years ago, she worked in a beauty parlour of Hazaribag when she was unmarried. She left it after marriage. She has a child of two years now. But, the family do not run well by the single income of her husband. Consequently, she has arranged her own parlour in a rental shop nearer to the house in Alinagar. She has employed two of her neighbor girls to run the business.

Another women, Amena runs a tailoring business in Khalifabag. She employed almost 6 girls. She asserts that once her TV waste for a few days. Some of the girls were totally absent those particular days. She think it harder to keep them into work without television or music box

On the other side, Men's workplace are relatively poor environmentally or recreationally. It may be mentioned that men choose Giza, gambling as a means of entertainment. I have found it many times that most of the porn consumers of the kamrangirchar are young boys who work in these factories. After livelong work in mills and factories, they crowd in local mobile video shops. Approximately 70% of the male workers think that their workplaces are not well. They get no facilities of recreation. Sometimes, it is difficult to evacuate in workplace as it has not such necessary provision.

Rakib Hossain, a factory worker, lives in Ashrafabad. Age 21. He feels quite angry with his owner who do not give him a single moment free in workplace. He think he has no recreation. He has to do machinery work in loud sound and polluted air often strangle him inside it.

Shayla Khatun, a garment worker, lives in Khalifa ghat. Her husband is a rickshaw puller. Her neighbor informed me that her addicted husband beat her every night. Sometimes, he stays outside of home and passes his time with sex workers.

5.5 Child Labor

Informal Economy is the largest source of child labor. In kamrangirchar, every informal activity includes children as workers. The key reasons for employing them are as: their labors are cheap and they are also easy to control. A large share of these children work in boat and tempo as helper. About 4 out of 6 children that I interviewed, work as helper of vehicles, 1 as trash collectors and final 1 as worker of balloon factory. All of them are of ill-health. Their conditions are miserable. There are a number of child welfare organizations and some NGOs run some educational course for them and provide different facilities. Inspire of so so, you will not find a sign of any progress. Another mentionable point is that having work for day long in a miserable and polluted environment, they have no longer any desire to begin schooling or to learn anything.

Alim, a boy of only 8, live in Ashrafabad slum and works as tempo helper. His father has died. His mother works as a house maid. He earns 200tk per day. But I think this work is very much risky and harder, for him. His elder brother Selim of 12 years old, works in balloon factory. His entire body is colored with the chemicals of balloon.

5.6 Transformation into Formal Economy

All the income come from informal activities may not be lumped under taxation rule such as rickshaw pulling, trash collection and also hundred of such activities. However, there are a lots of informal business like run a factory, mill and shop, etc which fall into taxation rule. But two questions arise in this respect that why government do not record it or collect tax from these? And why people do not transform their activities into formal? Answer to the first one is that these informal economic activities keep a continuous economic flow or transaction within the country. Without this transaction banking sectors will be totally valueless. That's why, though government is being concerned of these sectors, do not interfere. In contrast, the person, engaged in informal activities, thinks it as unprofitable to pay tax. Additionally, they believe it will face much of restriction from the law of government. Around 3 entrepreneurs out of 5 who have enough income which is under taxation, are unwilling to transform their business as formal. Others 2 replied that they have not enough income to give tax. They have trade license, so nothing is necessary else.

Ali Hussain, owner of a chemical factory in Ashrafabad area. He confess his business fall under taxation. He do not give so. But he has to pay policeman every week. He believes that his business is recorded, government will mark it as illegal and will case against it.

5.7 Informal Economic Network

Here, I want to mention a significant point of R.T. Naylor who stated that informal economy forms a complex network where informal economic activities are interrelated or mutually dependent. Therefore, these activities can escape the eye of government. I only desire to emphasize in this point when the business is out of state law. Here, unlawful informal activities are interrelated. In research area, I found that business activities those are unrecognized by government, have a good relationship with police and local leaders who help them to run illegal business with taking monthly amount. Often, their raw material comes from black market and products are also distributed in the black market.

6. Recommendation

Informal economy may be potential for our development. Lack of identification, official statistics and records, the significance often remains invisible. While there have been a few previous attempt to measure informal employment using residual-based approach, no survey is designed in Bangladesh only prior to the initiatives of ADB (Asian Development Bank) measuring the contribution of informal sector in our economy. Therefore, sufficient attempts must be made to study this sector deeply and to reveal its out weight.

Our government and national organizations should give more concern on it, especially on counting these activities into GNP. If GNP is consistently underestimated, the data on unemployment is likely overstated.

Informal economies need a better working condition and security arrangement for the participants.

Besides, authority has to monitor child labour as soon as possible for they lead a difficult life in Dhaka city.

7. Conclusion

The informal economy plays a significant role in the labour market, contributing a large share to the total employment in Bangladesh. It has been evident that majority of the working poor of the study area subsist depending on these employments. However, informal employments

may not be sufficient for a standard way of living. Because, these activities often come with lower income, hazardous working condition and without any kind of social security. In contrast, some people are likely shifting to informal sector where the income and other opportunities are more than the formal employment. In this sense, it can call in question the logic of welfare state and of taxation system. Also, informal employment is a central place of women employment and empowerment. So, it may provide a significant contribution to women right movement. Finally, I hope that this essay constructed from the anthropological view, will assist the future policy and programs on poverty reduction and on welfare of the informal participants.

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