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INFORMAL SECTOR IN OSOGBO: A SPATIAL ANALYSIS OF AUTO-VEIDCLE REPAIRS

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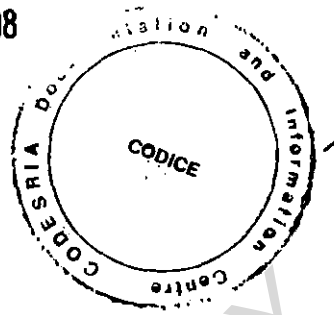

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A Dissertation submitted to the Department of Geography, Faculty of the Social Sciences in partial fulfilment of the requirements for the award of Master of Science (Geo) degree of the University of Ibadan, Ibadan, Nigeria

April, 1997

CERTIFICATION

I certify that this dissertation was carried out by Jimoh, Tajudeen Olaitan in the Department of Geography, Faculty of the Social Sciences, University of Ibadan, as part of the requirements for the award of an M.Sc. Degree in Geography.

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DEDICATION

To my dear uncles, Late Matthew Bamidele Adeniyi Ajibola and Elder Philip Aranloye Ajibola, for their avuncular love and for being the propelling forces and renewable fuels behind this feat.

Also to the loving memory of my affectionate Grandmother (1893-1996), Chief Elerinpo Ajoke Ajibola, who laid the foundation of it all. Despite the glaring fact that she may not gain anything from me due to age, she was still devotedly supplying me with foodstuff and tending my ambition of attaining the apex in life, even to her grave. Kudos to the mother of mothers, leader of leaders and the symbol of unity to her kinsmen. Adieu! Adieu!! Adieu!!!.

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This work would not have been possible without the patience, accommodation and understanding of my supervisor, Professor, S. I. Abumere, who painstakingly read through the manuscript and made necessary suggestions. I am deeply grateful for the kind gesture sir. Sincere thanks are due to Professor (Mrs.) Sowumi of Archaeology/Anthropology Department for her multi-various contributions to the 'not-too-smile' beginning and successful completion of this M.Sc programme. My thanks equally go to the council for the Development of Economic and Social Research in Africa (CODESRIA) that financed this project.

Newton, the great physicist, once said; "If I become anything at all, it is because I stand on the shoulders of the giants". This Newtonian words definitely apply to me. Hence, I am grateful to the families of Mr. Kayode Oshi, Mr. Ileri Oluwa Awe, Mr. Omoniyi Ashonibare, Mr. Adebayo Afolayan, Retired Sergeant Arowaye and ~~Messr~~ Mr. Oluwasegun Sanni; for their excellent parts at different stage of this programme.

Blood, they say, is thicker than water. I thank my beloved parents for their understanding and care before, during and after this study. I will ever remain thankful to my uncles, late M. B. A. Ajibola, Elder P. A. Ajibola; Mr. Joseph Bamidele (Baba John); my brother Elder John Jimoh (Rex) and my sisters, Mrs. 'Bola Awe and Mrs. 'Bola Ashonibare; for

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Friends in needs are friends indeed. To all the friends, colleagues and the children of God that have been a useful vessel at every point of my need; my thanks are due: Bro Bisi Adeyemi, Bro. 'Bode Osunsanya, Azeez Jimoh, all my room mates, my colleagues in the class, Gbola and Motun (Gbolamot Plc) Yinka (Pastor), Gbenga, Joshua (Bolex), 'Laitan (Laatoo) and the occupants of C2 and B8 in Awo Hall. Finally, to my fiancee, 'Toyin who stands by me at all time. My dear, whatever the weather may bear we shall rock the best together.

Above all I am sincerely grateful to God who made me and has sustained me thus far. All errors in this dissertation, however, remain my sole responsibility.

Jimoh T. Olaitan

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ABSTRACT

The rural-urban migration and the effects of the economic recession of 1980s in most of the developing countries has greatly reduced the capacity of urban-based modern sector to absorb the surplus labour. It is thus, the aim of this study to find out how the urban informal sector, sometimes referred to as "labour sponge", responds to this challenge. To achieve this, auto-vehicle repair activity in a fast growing medium-urban centre is chosen. A number of objectives were then set which include: an examination of the characteristics of the informal sector participants (mechanics), the structural characteristics, the size and the spatial distribution of the auto-vehicle repair enterprises. Their contributions to the development process of the urban economy was equally explored.

One hundred and fifty questionnaires were administered among six mechanic zones in Osogbo. Secondary information was collected from the two local governments in the town, the state ministry of works and housing, the Osun State Capital Territory Development Authority (OSCTDA) and the Nigerian Automobile Technicians Association (NATA) Osogbo Branch.

Two basic hypotheses were tested: the relationship between the size of employment and the size of auto-vehicle repair workshops; and the effects of socio-economic characteristics of the mechanics on the size of the informal establishment.

The study uncovered the spatial distribution and behaviours of the informal activity in Osogbo with the hope to aiding the urban planners and policy formulators to make a better and alternative decisions on the management of urban economy. At the end of the analysis, it was discovered that socio-economic characteristics of the mechanics contribute substantially to the explanation of the size of Urban Informal Sector (UIS). Likewise, the relationship between the level of employment and urban informal activity remains strongly significant.

Based on the above findings, it was recommended that government should encourage the growth of UIS along side the urban-modern economy. An institutional framework should be put in place to monitor and protect the operations of the sector. Benefits accrue to the formal economy, such as easy credit, favourable fiscal policy, social security and the like should also be extended to the UIS. The bureaucracy and rigid policies should be relaxed while a common front to arrive at a virile economy should be worked out. If the above could be carried out with good intentions and honesty of purpose, the ubiquitous urban surplus labour in the developing countries would be drastically conquered.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER ONE

INTRODUCTION, OBJECTIVES AND METHODOLOGY

1.1 THE STUDY BACKGROUND

The steady stream of rural migrants into the urban areas during the past few decades in developing countries has resulted in an unprecedented rate of urbanization with all its attendant problems (Ayeni, 1977; Salau and Onibokun, 1990). Between 1965 and 1988 urban population in the low-income countries rose from 17 percent to 35 percent (ILO, 1991). This makes it impossible for urban based formal activities to absorb more than a proportion of urban labour force. Those excluded from employment in the modern sector of urban economy constitute a large labour surplus. However, urban informal sector (UIS) has been described as a huge "labour sponge" with an infinite capacity to absorbing these labour force. Coupled with the above fact is the effect of the economic recession of 1980s and the adjustment policies that followed in many developing countries. The retrenched labour rose from this and the surplus labour from the rural-urban migration were all employed in the UIS (Lubell and Zarour, 1990; ILO, 1991; ILO Report, 1995).

1.2 STATEMENT OF PROBLEMS

As the influx of people into the city increases overtime, so do socio-economic activities, hence the daily use in urban transport demand. In order to forestall the concomitant disruptions in urban transport system, the affected components of the system must be timely put in place. Such components include, the right-of-way (motorable routes) operators (managing personnel and drivers); and equipment (motor vehicles). According to Filani (1991), of all these, motor vehicles are always in short supply. Filani (1991) asserted further, that in West Africa, Nigeria has the lowest level of motorization with as low as 4 vehicles per 1000 inhabitants and that the rate of vehicle growth is much lower than that of population growth. He as well, stated that the effect of Structural Adjustment Programme (SAP) of 1986 on the foreign exchange rate has greatly reduced the importation of more vehicles and their parts into the country. Since our technology is still at its infant stage, vehicle manufacturing is definitely out of the question, while the motor assembly plants in the country are operating at a decreasing capacity. We are then left with the option to maintain and adapt to what we have. This, we thought, can only be effective with the aid of the informal sector activity - Auto-vehicle repairs.

The structure of UIS has been variously studied by different scholars in many towns of the developing countries. Schaefer et al. (1976) studied the scale of operation of the Great Sao Paulo, Sethuraman (1976b) added the market and ownership structure in his study of Jarkata, and Joshi et al. (1976) explored the ownership structure in Abidjan. Lubell and Zarour, (1990) studied indeptly the structure of UIS in Dakar. In their different works in Nigeria, Mabogunje and Filani (1977), Fapounda, et al. (1975) and Onokerhoraye (1976) also did some good studies on UIS in Kano, Lagos and Ilorin respectively. However, such empirical studies have not been done in Osogbo.

Studies have equally shown that socio-economic characteristics of the informal sector participants affect the productivity and size of economic activities in any economy (Sethuraman, 1976; Lubell and Zarour, 1990; ILO, 1995). In the same veins there is no existing empirical fact exposing the extent of this in Osogbo.

Osogbo was divided into six zones by the Nigerian Automobile Technicians Association (NATA) showing the geographical distribution of Auto-vehicle repair works in the town. The historical background offered for this pattern together with the general observation had never been backed up

with any published study. The empirical study of the activity shall therefore goes along way to uncover the forces behind its spatial behaviour.

It is often asserted that economic base of any region must contribute to the development process of its economy (Ayeni, 1979; Wheeler and Muller, 1986; Onokarhoraye and Omuta, 1994). Since employment opportunities, income generation and skill development are parts of economic base of any economy, then the question could be raised about the extent of their contributions to the economic development in Osogbo.

From the foregoing, this study then attempts to address the problems concerning the characteristics of the vehicle maintenance personnel (the motor mechanics), the size and geographical spread of the mechanic establishments, as well as the general contributions of such establishments to the urban development.

1.3 AIM AND OBJECTIVES

The aim of this study is to find out and explain the structural and spatial characteristics of informal sector activities with particular focus on Auto-vehicle repairs in Osogbo.

Specifically the objectives are to:

1. examine the characteristics of the individual operators (mechanics) of the activity.
2. identify the structural characteristics of the activity.
3. account for the spatial pattern of the establishment.
4. identify the contributions of the Auto-vehicle repairs to the development of the urban economy.

1.4 HYPOTHESES

To meet the above set objectives, it is then hypothesised that:

1. the socio-economic characteristics of the mechanics determine the size of the establishment.
2. the level of employment tends to increase as the size of Auto-repair establishment increases.

1.5 METHODOLOGY

1.5.1 INTRODUCTION

Estimating and measuring the structure, composition and performance of informal sector activities in an economy has always been a serious problem to researchers (Faige 1990). This is not unconnected with the fact that most of them operate outside the institutional rules that guide and monitor

their operations: illegal, unobserved, unrecorded, unreported and unenumerated activities.

This makes it difficult for researchers to have access to a reliable and relevant information for empirical investigation.

Methods; such as, individual surveys, census reports, tax returns, unemployment records and similar records (Sethuraman, 1976; ILO, 1995); are used in micro technique. The above methods are much appropriate in developing countries where formal records are elusive and rarely kept. In the developed world on the other hand macro methods are common. The size of informal economy is arrived at through the different discrepancies in the national official statistics. National Accounts discrepancy shows unrecorded income; fiscal-National Income Product Account (NIPA) discrepancy shows unreported income; tax audit discrepancy also shows unreported income, while the payment transaction discrepancy shows the unrecorded transactions (Feige 1990).

In this study individual survey is used to obtain information from the heads of one hundred and fifty Auto-vehicle repair workshops identified for empirical investigation.

1.5.2 SOURCES OF DATA

The information for this study was collected from both primary and secondary sources. Information such as, location description, year of establishment, size of establishment, ownership structure, market structure, level of employment, number of apprentices undergoing training, aid requires from govenrment, biodata of the respondents and their job histories were collected through oral interviews, visual surveys and the administration of questionnaires.

Background information on the study area, such as the regional map of the town and the size of the establishment was collected from secondary sources. The regional map of Osogbo township was adapted from the maps collected from the Local Planning Authorities of the two Local Govenrment Areas in the town; the Osun State Capital Territory Development Authority (OSCTDA) and the department of urban and regional planning of the State Ministry of Works and Housing (see figure 1.2). The information on the estimated size of the establishment were collected from the membership registration records of the Nigerian Automobile Technicidus Association (NATA), Osogbo Branch. Further relevant information were sourced from the unpublished theses and dissertations, books, reports, journals and other archival materials.

1.5.3 LIMITATION OF THE STUDY

Collecting the above data was not as smooth as narrated above. The researcher encountered some initial uncooperative attitudes of some staff of the state ministries, local governments and similar agents, who usually demanded for some gratification before any information could be released. Coupled with this is the peculiar problem of the informal sector activities that have little or no official records.

1.5.4 DATA COLLECTION

Osogbo was divided into six geographical zones, by NATA for easy administration (see table 1.1 and figure 1.2). Data were then collected along this line. According to the most recent membership registration of this Association, 675 Auto-mobile repairs were identified in the town with zones A, B, C, D, E and F having 30, 36, 8, 400, 57 and 44 workshops respectively. Using simple percentage ratio method, 7, 8, 2, 88, 13 and 32 sample units were arrived at for the zones respectively (see Appendix I(a) for the computation). The general formula used is as shown below:

$$\Sigma X_i / \Sigma Y \times 150 = \Sigma Z_i$$

where

ΣX_i represents the total number of Auto-vehicle repairs in zone i

ΣY represents the total number of the activities in the town and

ΣZ_i represents the total number of sample size in zone i.

To cover an appreciable number of Auto-vehicle repair workshops in the zones, a total of 150 questionnaires were prepared and proportionately distributed among the zones as demonstrated earlier (see table 1.1). In selecting the particular workshop for the interview random sampling procedure was used with the table of random number strictly adhered to.

Table 1.1: Distribution of Sample Units among Zones

Zone	Description	Area	No. of Workshops	Sample Units
A	Gbongan road	Fakunle Coca-cola	17 13	4 3
Sub-total			30	7
B	Ilobu road	Nursing school Agunbelewo	8 6	2 1
	Iwo road	Okefia Technical school Dada Estate	5 9 8	1 2 2
Sub-total			36	8
C	Old garage	Ajegunle Old garage	5 3	1 1
Sub-total			8	2
D	Obalende	Obalende Okebaale Sabo Iwalesin Atelewo	310 25 28 21 16	68 6 7 4 3
Sub-total			400	88
E	Ilesha road	Ilesa garage Ilesa road	30 27	7 6
Sub-total			57	13
F	New Ikirun road	Ota-efun Powerline Ikirun garage Aiyetoro	55 30 20 39	12 7 4 9
Sub-Total			144	32
GRAND TOTAL			675	150

Source: Field Survey, 1997.

1.5.5 DATA ANALYSIS AND PRESENTATION

Inferential, descriptive and spatial statistics were used to analyse the collected data. Such techniques include multiple regression model, product moment correlation, frequency runs, locational bar charts, descriptive bar charts and maps.

The first hypothesis was subjected to multiple regression analysis for subsequent generalization. The variables involve are as shown in the equation below:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5Xb_5 + b_6X_6 + b_7X_7 + b_8X_8 + e$$

where

Y = Size of the establishment (dependent variable)

X_1 = Start-up capital

X_2 = Total income per annum

X_3 = Number of mechanics that attained primary education

X_4 = Number of mechanics that attained secondary education

X_5 = The experience of the mechanics in year

X_6 = Number of journeymen employed

X_7 = Number of apprentices undergoing training

X_8 = Total employment, excluding the entrepreneurs

a = intercept (constant)

b_1 to b_8 = Beta coefficients

e = error term

The second hypothesis is tested using the pearson's product moment correlation.

The locational bar charts are used to show the spatial behaviours of the sampled workshops, total employment, size of journeymen and the apprentices in each zone. Maps and frequency tables are used to further substantiate the interpretation and description of the analysed data.

1.6 THE STUDY AREA

Osogbo was chosen as the study area because of its tendency to yield to rapid growth and development as the capital of Osun State and of two local Govenrment Areas - Olorunda and Osogbo (see figures 1.1 and 1.2). This tendency may be adduced to several favourable factors such as the geographical setting of the town, Osogbo as a nodal town, migration trends; the share of informal sector in the population distribution of the town and the loophole of similar previous studies in some Nigeria cities.

Osogbo, occupying about 5.4 square km, is located between latitude 7° 46′ to 7° 48′ North of the equator and longitude

4° 31′ ~~and~~ to 4° 35′ East of the Greenwich Meridian (Agbola, 1992; Salimon, 1995). It falls within the jurisdictions of three local Govenrment Areas; Olorunda to the North, Osogbo to the South and Egbedore to the Western tip along Iwo Road (see figure 1.2). As a nodal town, network of roads of different qualities and a rail line link Osogbo to several settlements in every direction. This, thus, facilitates the inter and intra-movements of people in carrying out their socio-economic activities.

The population of Osogbo increased steadily from about 6000 in 1911 to 209,000 in 1963, but drastically dropped to 200,000 in 1991 (Agbola, 1992; Nigeria Population Commission, 1991). The reason for the decline is still not fully known, as the results of the 1991 census are still provisional. However, since the town has attained the status of capital city, it is expected to witness the unprecedented influx of able-bodied youths from the surrounding rural and smaller settlements. The educationally unqualified and frustrated youths may eventually find themselves in informal sector as either apprentices or new entrants because of the saturation of the modern sector (Ayeni, 1977). In 1988, as reported by Agbola (1992), 27 percent of the people in Osogbo engaged in farming, 35 in civil servant and 8 in trading. The remaining

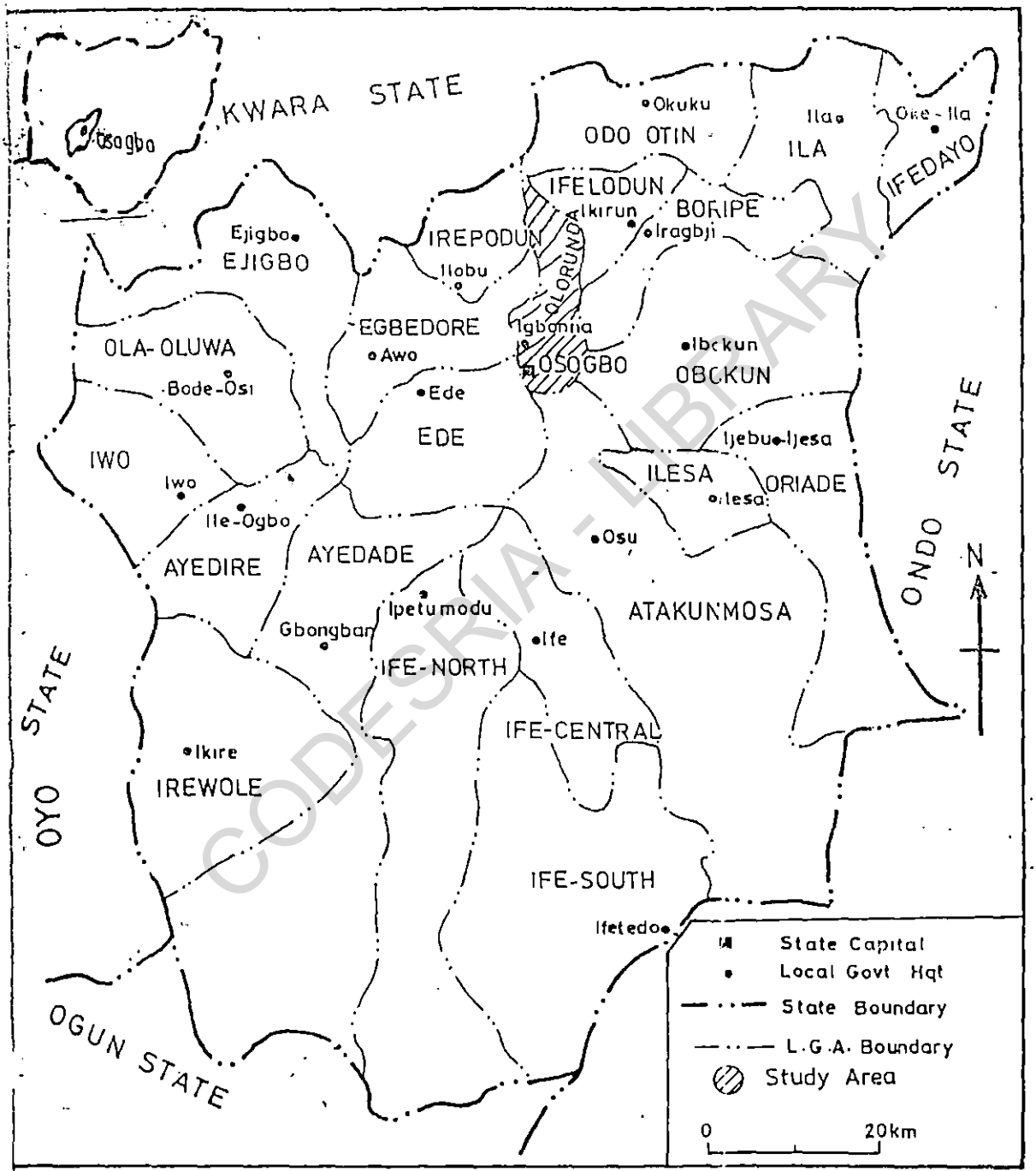


FIG1: Map of Osun State Showing Osogbo Township

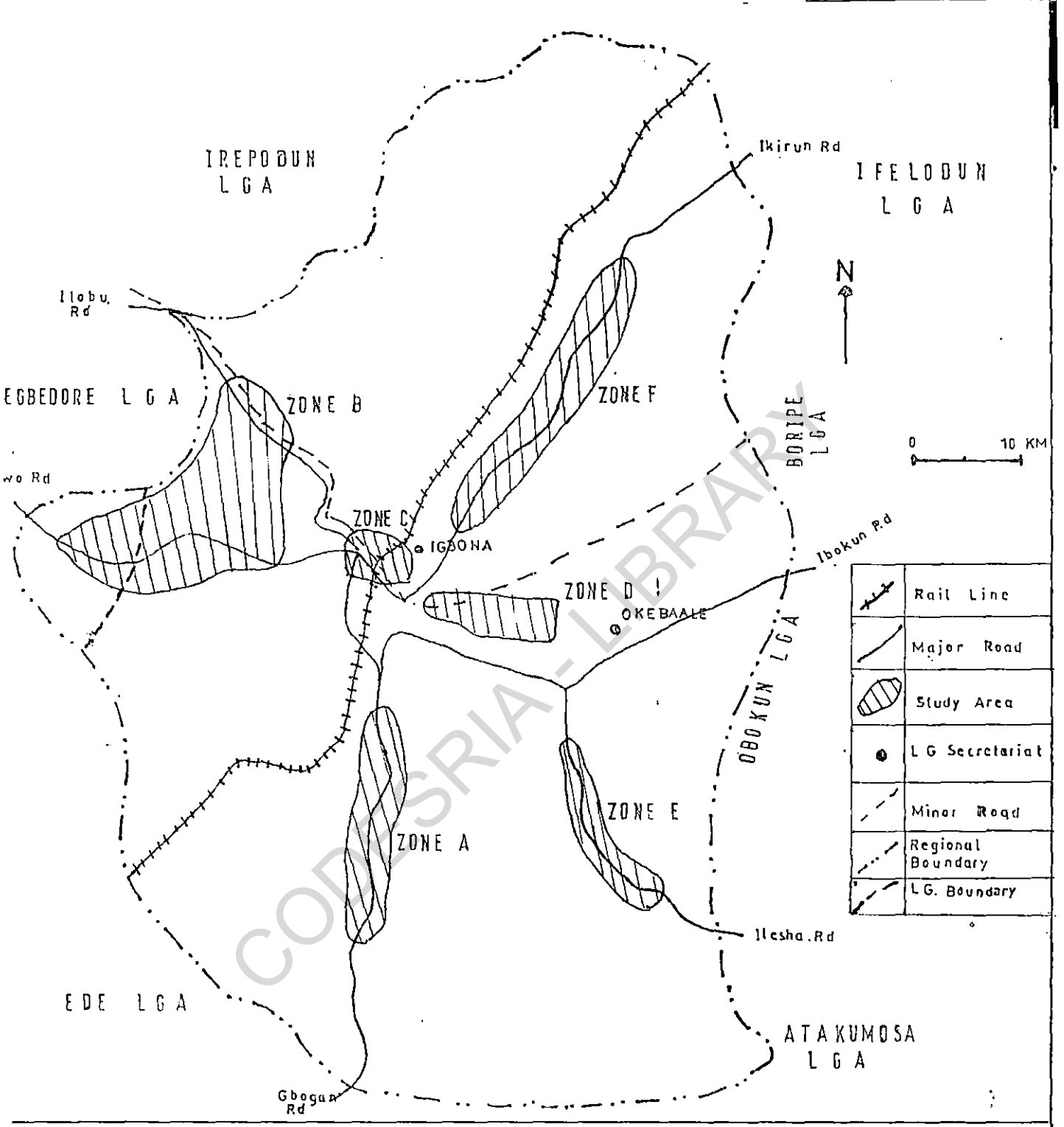


FIG 1·2 : MAP OF OSOGBO SHOWING THE STUDY AREA

SOURCE : FIELD SURVEY, 1997

40 percent could be assumed to belong to the informal sector, because it was not accounted for. Together with agricultural activity the informal sector accounts for more than sixty six of every hundred person in Osogbo.

The previous studies on informal sector carried out in Lagos (Fapounda, et al. 1975), Ilorin (Onokerhoraye, 1976) and Kano (Mabogunje and Filani 1977) are not sufficient for a meaningful generalization; moreso, when the studies were carried out in the capital cities of the first generation states as created in 1967. However, Osogbo as a new capital and a medium size urban centre becomes a beehive to various economic activities. In order to give these activities a close monitoring for any meaningful economic development, the study of the structures of urban economy such as this is inevitable.

1.7 AUTO-VEHICLE REPAIRS IN OSOGBO: HISTORICAL OVERVIEW

The spatio-temporal evolution of Auto-vehicle repairs in Osogbo was obtained through oral interviews with NATA executives during the field survey.

Historically, the activity started with few mechanics at Latona near the present General Hospital in 1960. As a result of the physical and economic expansion of the town, it spread to Ajegunle and Old garage which eventually became the major

centres of auto-vehicle repair business between 1966 and 1969. However, a persistent "quit order" was served on the mechanics at these sites by the late King, His Royal Highness Oba Aderenle in the late 1969. This was because the Oba was in dire need of the land at these sites. The affected mechanics had no option than to organize an alternative. In early 1970 five of these mechanics started operation at their new site named "Obalende", literally means, "the King drove me here". Subsequently the number rose considerably until 1985 when the multi-dimensional spread of the auto-vehicle repair workshops started. This intra-migratory phenomenon was occasioned by the collapse of the Okookoro bridge that year (1985). This adversely affected their services which were not readily accessible to their clients, hence low income and productivity were on the increase. The bridge was left unrepaired until 1990 and was not usable until 1995. Between 1985 and 1995, the site witnessed a mass emigration of mechanics (see Table 1.2 and figure 1.3).

The local planning Authority of Osogbo local Government Area, under the new planning policy ordered the remaining auto-vehicle repair workshops at Ajegunle and Old garage to relocate at a new mechanic village along Iwo road in Egbedore Local Govenrment Territory. This was because they constituted

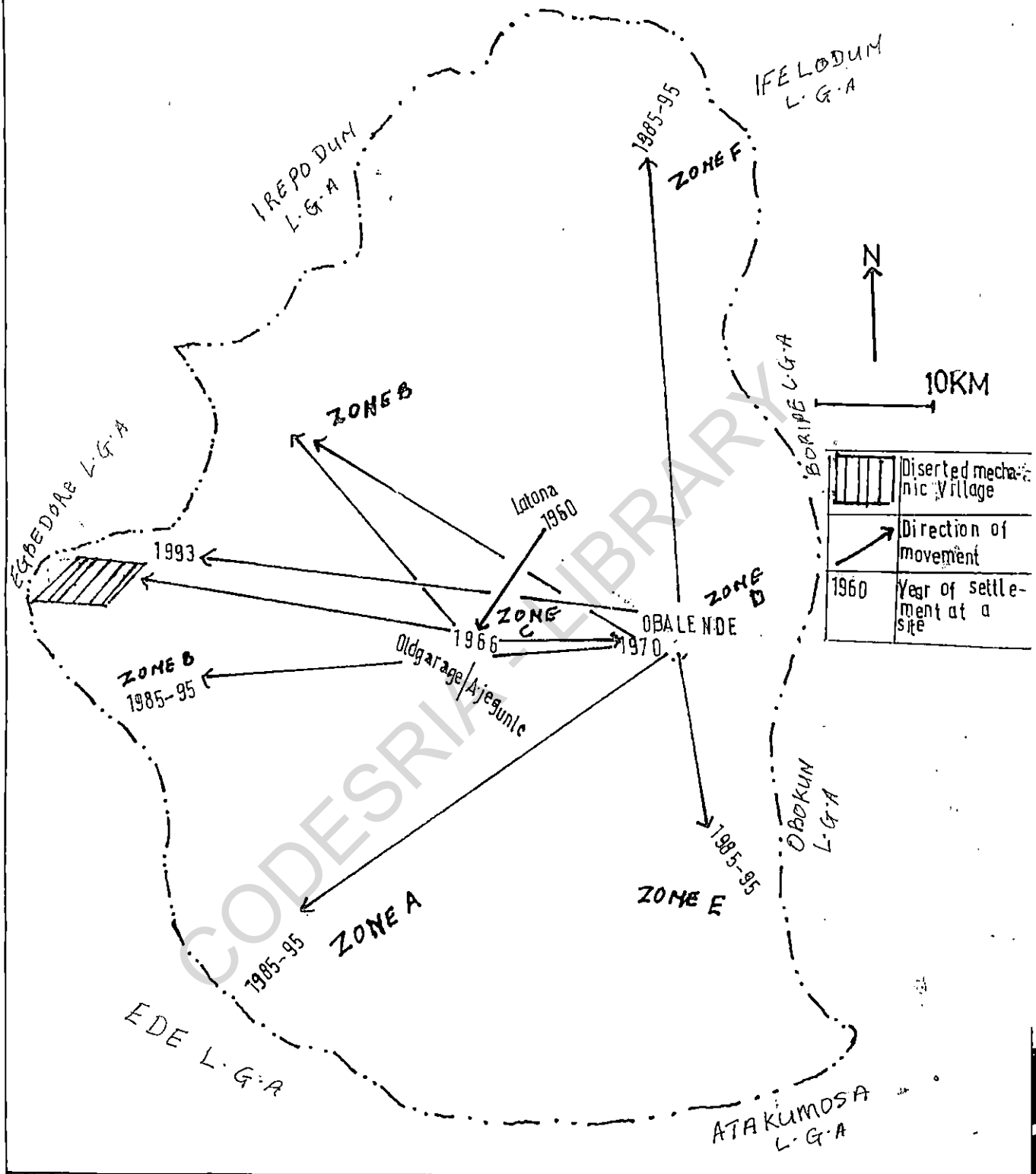


FIG 1-3: MAP OF OSOGBO SHOWING THE SPATIO-TEMPORAL BEHAVIOUR OF AUTO-VEHICLE REPAIRS

nuisance to the environment and an eyesore to the aesthetic value of the town. From the field trip made to the new site, some hundred workshops which were said to be there were no where to be seen except for useless scraps and a lone unused modern workshop. However, it was gathered that most of the mechanics had left the auto-vehicle repair profession for farming and trading. The general complaints were that the site was too far from the town, hence attracted poor patronage.

Table 1.2: **Spatio-temporal behaviour of auto-vehicle repairs in Osogbo**

Period	Location Description
1960	Latona near General Hospital
1966	Old garage Ajegunle
1970	Obalende
1985-1995	Multi-dimensional diffusion into the town
1993	Mechanic Village (New Ajegunle) along Iwo Road

Source: Field Survey, 1997.

CHAPTER TWO

THE CONCEPTUAL FRAMEWORK AND LITERATURE REVIEW

2.1 INTRODUCTION

This chapter attempts to present clearly the concepts, terms and theories behind the study of informal sector as related to this study. The previous studies on the subject matter are as well reviewed.

With regard to the conceptual bases, a number of terms are adopted to serve as foundation for issues raised in this study. These include, the dualist models, the new institutional economic approach and the concepts related to the classification of the informal activities.

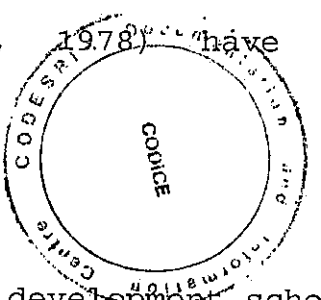
2.2 DUALIST MODELS

After Boeke (1953), a Dutch economist, had introduced the term "dual economy" in the form of the modern-traditional dichotomy into the development literature, several classical systems have been offered (Abumere, 1978, 1979 and 1995). According to McGee (1973:138) cities of the third world can be seen as, "consisting of two juxtaposed systems of production - one derived from capitalist, and the other from the peasant

system of production". Boeke dichotomy was based on the level of technology while that of McGee was on the mode of production (Sethuraman, 1976a). However, Hart (1973); in a paper presented to the conference of urban unemployment in Africa, held at the Institute of Development Studies, University of Sussex in September 1971 and its subsequent publication in the Journal of Modern African Studies in 1973 had pioneered the new dualists model of formal-informal dichotomy. Ever since, several terms had been employed to describe a dual economy. Such terms include, poor-rich, organised-unorganised, registered-unregistered and regular-irregular (Mazumdar, 1976; Santos, 1979; Bromley 1979; Sethuraman, 1987).

The modern sector is normally seen as market-oriented, capital intensive, innovative, and reported; while the traditional sector is viewed as indigenous, labour intensive and large labour surplus; producing for subsistence and mostly risk averting. Formal-informal dichotomy was popularised through a series of papers published by the international labour organisation (ILO) over the last two decades (see ILO, 1972; Week, 1975; Sethuraman, 1976a; 1976b; Joshi et al., 1976; Bromley, 1978; 1979). Although this term was preceded by the modern-traditional concept (Abumere, 1995), it is still

preferred due to some advantages it enjoys in exploring the reality of the structure, composition and development process of an economy (Week, 1975). The formal-informal concept has been criticized by some scholars for ignoring the functional dependence of the sectors and for assuming the mutual-exclusive existence of the sectors. It was therefore argued that the economy does not exist in binary form, but as a continuum from purely formal to purely informal (week, 1975; ILO, 1991; Abumere, 1995). In the alternative, such terms as "lower versus upper circuit of capital" (Santos, 1979) or "petty commodity production" (Gerry, 1978) have been suggested.



2.3 CONCEPTUALIZING INFORMAL SECTOR

Several attempts have been made by development scholars and social scientists to carve a consensus definition for the term "informal sector", but the more these attempts, the further the controversies that ensued. It has consequently assumed various names in the literature: Illegal, unreported, grey, subterranean, underground, unobserved, unrecorded, second, low, clandestine, unorganised, black, unenumerated, hidden, residual, backyard, parallel, bazaar, among others (Geertz, 1963; Weeks, 1975; Mobogunje, 1980; Feige, 1990;

Abumere, 1995). This plethora of appellations has further cast some darkness on this poorly understood area of economic activity. However, precise and operational definitions have been offered.

According to Abumere (1995), informal sector has been defined by legal status (de Soto, 1989), production technology (Carbo netto et al., 1986), non-normal profit rates (Gibson et al., 1994), organisation and control of production (Kelly, 1994) or size of enterprise (Liedholur et al., 1988; Feige, 1990). Perhaps the most widely and frequently adopted definition in existing works, comes from the Kenya mission (ILO, 1972; ILO, 1991). Seven criteria were used to characterize the informal sector; easy entry, reliance on local resources, family ownership of enterprise, small-scale of operation, labour intensive and adapted technology, skill acquired mainly outside the formal system of education and train and unregulated and competitive markets.

From the above, informal sector in this study can be defined as consisting of a very small scale unit of enterprises producing and distributing goods and services, made up of independent, self-employed individual, with some unpaid workers and apprentices operating at a very low level of productivity in urban areas of developing countries.

2.4 THE NEW INSTITUTIONAL ECONOMICS

In order to understand the process of economic development, that is, the forces that govern the generation and distribution of the production, income and wealth of a society, there should be a solid institutional rules, regulations, norms and penalties that guide the socio-economic behaviours of the people in such society (Feige 1990).

To facilitate the improvement of economic performance at both the micro and macro levels, deeper theoretical and empirical understanding of the relationships between institutions and the process of economic development is inevitable. The new institutional approach, therefore directs attention to the critical relationships between the rules of the game that constraint human activity and the process of economic development.

From the foregoing, the formal-informal concepts can now be defined according to the new institutional approach. A formal sector encompasses economic agents whose activities adhere to or are protected by the prevailing established institutional rules of the game. Conversely informal sector consists of the economic agents whose actions fail to comply with the prevailing institutional rules and policies that guide their operations and thus excluded from the social

security and benefits as spelt out in such institutional framework.

The new institutional approach has been used to separate formal from informal based on legal status (de Soto, 1989). This categorization has helped the social scientists and development agents to monitor the performance and the contributions of informal sector to the general economic behaviours of an economy.

2.5 THE CLASSIFICATION OF INFORMAL SECTOR ACTIVITIES

Since it is not the thrust of this study to investigate every aspect of informal sector, it is then pertinent to attempt its classification for easy identification of the place of auto-vehicle repairs. Moreover, each category may be fitted into the right method of measurement.

Many classification schemes exists in the literature, but almost all are either directly or indirectly based on the new institutional approach.

Hart (1973) categorised informal sector activities into two: legitimate and illegitimate. Legitimate activities include those activities that operate within the acceptable institutional rules and norms of the society. Conversely illegitimate activities consist of those activities that

operate outside the existing norms, moral and prevailing institutional rules (see table 2.1).

Table 2.1: Typology of Informal Sector Activities according to Hart (1973)

Class of Enterprises	Activities
I. LEGITIMATE	
(a) Primary and Secondary	Farming, marketgarding, shoe-making, tailoring, plumbing, local brewing, etc.
(b) Tertiary with relatively large capital inputs	Housing, transport, renter activities, utilities, commodity speculation, etc.
(c) Small scale distribution	Market operatives, petty trading, street hawking, catering services etc.
(d) Other services	Music laundry shoe-shining, barbering activities, photography, Vehicle repairing, maintenance works, magic etc.
(e) Private transfer payment	gifts and similar flows of money and goods between persons, borrowing, begging.
II. ILLEGITIMATE	
(a) Services	Receiving of stolen goods, drug pushing currency faking and trafficking, money laundering, bribery, smuggling, prostitution, pawnbroking etc.
(b) Transfers	Pilfering, larceny (burglary and armed robbery), embezzlement, confidence trickstering ('419'), gambling, betting etc.

Source: Modified from Abumere (1995).

Mobogunje and Filani (1977) arrived at a different typology based on generic classification in their study of the informal sector in Kano (see Table 2.2).

Table 2.1: Typology of Informal Sector Activities according to Mabogunje and Filani (1977)

Class of Enterprises	Activities
I. PROCESSING	Grinding, milling, dyeing, leather works.
II. REPAIRS	Bicycle repairing, watch-repairing, shoe repairing.
III. PERSONAL SERVICES	Laundry, cloth washing, barbering, shoeshining, drycleaning, mail cutting, hair dressing.
IV. AGRICULTURAL SERVICES	Butchery, Animal feeding, fishing.
V. TRAINING AND OTHER SERVICES	Trading, Hotellery, driving, pottery, pool-managing, painting, transport, art and signs, planing insurance.
VI. TECHNICAL SERVICES	Mechanics, Battery charging, panel beating, vulcanizing, electrical works, welding, Technical works, engineering, photography, construction.
VII. FABRICATION	Carpentry, brickmaking, embroidery, sewing, blacksmithing, shoemaking, knitting, weaving, mirror-making, mattress making, printing, publishing, Goldsmithing, furniture making, Bakery, Tailoring.

Source: Mobogunje and Filani (1977).

In his efforts to develop a nomenclature to identify the informal economies and create operational and feasible methods for their estimations, Feige (1990) has categorised informal sector into four: Illegal economy, unreported economy, unrecorded economy and informal economy.

1. Illegal economy consists of the income generated by those economic activities operating outside the legal framework defining the scope of legitimate forms of trade. The participants of this economy engage in the production and distribution of prohibited goods and services. These activities include smuggling, drugpushing, prostitution etc. It is, however, the duties of the law enforcement agents and criminologists to monitor the performance of such activities with the view to reducing its socio-political and economic implications on the country concerned.
2. Unreported economy consists of the economic activities that circumvent or/and evade the institutionally established fiscal rules as codified int he tax code.
3. The unrecorded economy consists of those economic activities that circumvent the institutional rules that define the reporting requirements of government statistical agencies.

4. The informal economy comprises of those activities that circumvent the costs and are excluded from the benefits and rights incorporated in the laws and administrative rules covering property relationships, commercial licensing, labour contracts, social security and financial credit (Feige, 1990).

Onokerhoraye (1976) in the study on informal sector activities at Ilorin, also categorised the sector into primary, secondary and tertiary (see table 2.3).

Table 2.3: The Structure of Informal Sector Activities

Sector	Activities
Primary	Agriculture and livestock, forestry, fisheries
Secondary	Bakery, leather and footwear, wood and wood products, textiles and clothing, building materials, motor and Auto-vehicle repairs, Grain milling, watch repairing, blacksmitting, Brewing, Electricals, welding, pottery, constructions, miscellaneous, manufacturing.
Tertiary	Transport and communication, Trade and Commerce, Housing, other services, pools, betting and gambling

Source: Adapted from Onokerhoraye and Omuta (1994).

From these classifications it is clearly shown that mechanic enterprises belong to the informal sector. This is explicitly done in the studies carried out by Mobogunje and Filani (1977), Onokerhoraye (1976) and Hart (1973).

The operational names and terms used in this study; such as auto-vehicle repairs or simply vehicle repairs, mechanic enterprise, mechanic and the like, obtained their roots from the above classifications.

2.6 LITERATURE REVIEW

After Hart (1973) had succeeded in introducing the term, 'informal sector' into the literature, several studies have been carried out by different scholars, govenrment agents and research institutes in the urban areas of the developing countries. This sector gained such a wide acceptance and attention because of its potentials to generate more employment, absorb urban surplus labour and provide subsistence income to the low-income individuals (ILO, 1991; ILO Report, 1995).

Souza and Tokman (1976) admitted that, it is not easy to define and determine the size and structure of informal sector because the efforts of researchers are always thwarted by the insufficiency of official statistics. They, however, hastened

to add that the 'indirect indicators such as the total number of establishments by employment and by minimum wage can be used to estimate the size of urban informal sector (UIS) in any economy. Example of PREACLC Surveys of Asuncion and San Salvador were cited where it was found that the contributions of the informal sector in the total income of these countries were 33 and 25 percent respectively. In Lima it was estimated to be 30 percent. From the census survey carried out by the Sudan employment Mission (ILO, 1976) in Khartoum area, 30,500 micro-enterprises were identified out of which 5,300 in manufacturing sector employed some 8,900 labour force. ILO employment mission to Sudan in 1975 assessed the informal sector activities in Sudan, drawing on Khartoum areas for concrete illustration. The emerged posture was that of dynamic and productive sector which has been promoting some 50,000 to 60,000 jobs or about 25 to 30 percent of total employment in the urban areas growing from 5 to 7 percent in the last few years (ILO, 1976).

In Great Saopaulo Schaefor et al. (1976) have used sector and minimum wage criteria to estimate the size of urban informal sector. 43.3 percent of the city were in the informal sector out of which 53.8 percent were migrants and 37.7 percent non-migrants. Using the minimum wage criterium,

the size dropped significantly to 34.6 percent (this is based on the total wage earning population).

Sanyal (1991) studied the unionization of the UIS activities; he identified two different axes along which this is possible - axes of similarity or commonality and axes of discord. Activities that can bring the participants together in the first category include, the location and proximity, similar trade or business interest and common gender. On the other hand, competition for market share, ethnicity, race and religion identity and government policy of selective assistance are the activities that can bring the participants together. The Nigerian Automobile Technicians Association (NATA) unionized under the first category based on the similarity in business or enterprise. However, it was opined somewhere by the ILO annual report of 1991, that such organisation may not enjoy the recognition of the National Labour Union and government because they operate informally with crude organisation (ILO, 1991).

With regard to technological capability in informal sector, a publication of World Employment Programme gave excellent reports of the studies of seven cities in different developing countries. It was generally discovered that the technological capability of the informal sector can be

upgraded and integrated into the main stream of development process, if a well designed policy measure and guideline are properly implemented. This recommendation was arrived at after the structure of the technological capability of metal micro-enterprises in these countries have been carefully reviewed and studied (Maldonado and Sethuraman, 1992).

According to Ngwu (1993) informal sector provides between 50 and 70 percent of all economic activities in the third world in 1988 (Miller and Kirschstein, 1988). As a result of this absorptive capacity of the sector, he advocated for the training of the participants of the sector, in order to improve their skill, efficiency and level of productivity.

Lubell and Zarour (1990) reviewed the survey of informal sector activities carried out in Dakar in 1988. 47 vehicle repair enterprises were among the 558 micro-enterprises surveyed. The vehicle repairs employed some 100 workers with the average income of Franc CFA 23052. 97 percent of the repair activities had apprentices with an average of 7.2 and 87 percent work force other than the entrepreneurs. These handsome statistics show that the activity was considered to be profitable with potentials for expansion. The level of education of the apprentices was reported to be very low with only 21 percent having been to primary school and 3 percent to

the middle school. Their age distribution skewed towards the apprentices with over 21 years, that being the highest, with about 35 percent, while apprentices aged between seven and 14 years accounted for 11.2 percent. Concerning the duration if training, over half of the apprentices (50.4 percent) had stayed with their enterprises for three or less years, 62 percent, over three years and 32 percent over five years. According to the review, activities most in demand include, woodworks, metalworks, vehicle repairs, electrical repairs and hair dressing. The survey also generated some information on the subsequent job histories of former apprentices who had qualified as skilled workers. 32 percent of them remain in the business, 25 percent moved to another profession, 15 percent entered formal sector and 28 percent started up their own informal sector activity.

In this study private individuals were found to be the major clients (47%) of the surveyed micro-enterprises. These were followed by small merchants (20%); government officials, (18%); small artisans (9%); department stores and other large enterprises (3%) and intermediaries (3%). It is glaring from the above that the informal activities have weak linkages with the public and private formal sectors. From this survey lack of funds topped the list of problems encountered by the

enterprise, this was followed by lack of clients and orders and lastly difficult of choosing an ideal location for their business. Majority of the enterprises clamour for financial aid from the government, yet they do not want government interference in their business affairs (Lubell and Zarair 1990).

At the 83rd session of the international labour conference in 1996 (ILO, 1996), the Director-General reported that interdepartmental project was launched to focus on the ways to protect the rights of informal sector workers and producers, extend social protection to them and improve their working conditions. This project was implemented in three cities - Bogata, Dar es Salem and Manila. In collaboration with the ministry of labour, municipal authorities, local researchers, interested NGOs and employers' and workers' organisations of these cities studies were carried out to, increase the knowledge of the informal sector operators, pilot test new approaches to improving working conditions, organise activities to build consensus on the needs of this sector and to improve how informal operators could enter the formal sector more easily (ILO, 1996).

To achieved the above, it was reported that a project advisory committee was set up in each cities to work with the

local parties.

The data collection and analysis were based on the following seven related areas: the role of informal sector in the wider economy, its contribution to employment, national balance of payment and achievement of social and economic policy objectives; the policy and regulatory framework with which micro-enterprises operate; the access of informal sector operators to productive resources, such as financing, training, the transfer of technology, marketing and subcontracting; the social security coverage of informal sector; the prevalence and situation of child workers in the informal sector; and the various types of association of informal sector operators. Studies were subsequently carried out in these cities based on the above background information.

The surveys carried out showed that the informal sector played an important role in employment and income generation in the three cities. The surveys also confirmed that there was a need to increase productivity in the informal sector activities; provide basic social protection and improve working conditions of the informal sector operators through the gradual application of the relevant intentional labour standards.

Based on the above findings and the needs identified, a number of pilot projects were launched in each city to meet the affore set objectives (ILO 1996).

The literature on informal sector activities are inexhaustive, but reviewed works in this chapter are based on their relevance to the subject matter of this study.

CHAPTER THREE

THE SOCIO-ECONOMIC CHARACTERISTICS OF THE MECHANICS IN OSOGBO

3.1 INTRODUCTION

This chapter reviews the socio-economic background of the respondents. An attempt is also made to explain the effects of some of these variables on the size of auto-vehicle repairs in Osogbo. Socio-economic characteristics of the entrepreneurs, such as gender, age, level of education, years of experience in the profession, income, previous job, level of job satisfaction, training background and the like; will be considered.

3.2 CHARACTERISTICS OF THE RESPONDENTS

3.2.1 SEX

From the field survey, it was observed that all the entrepreneurs, the journeymen and the apprentices were male. The implication of this is that the auto-vehicle repair activity has deviated from the usual beliefs that women are more likely to be employed in the informal sector than men (Gonzalez de la Rocha, 1986, Beneria et al. 1987). However, the study of ten cities carried out in Mexico by Selby et al.

(1990) is in agreement with this observation. The reason for a gender domination of this activity may be attributed to the general beliefs among people, especially the female, that motor repair works requires some energy, hence suitable for men (see table 3.1).

Table 3.1: The Sex Distribution of the Respondents

Sex	Frequency	Percentage
Male	150	100.0
Female	0	0.0
Total	150	100.0

Source: Field Survey, 1997.

3.2.2 AGE

Almost one-third of the mechanics are between 31 and 35 years of age, which is relatively the highest. 29.3 percent of the total respondents fall between 20 and 25 years age cohort. Table 3.2 shows how the respondents are distributed by age. The oldest of the respondents is 50 years of age while the youngest mechanics are 20 years old. The range is 30 years and the modal age is between 31 and 35 age cohort. It is clear form table 3.1 that youths between 20 and 30 years

of age (56.6 percent) dominate the auto-vehicle repair profession in Osogbo. The 43.3 percent older mechanics shows that the importance of the old and experienced hands in the informal establishment.

Table 3.2: Age distribution of the sampled mechanics in Osogbo

Age Group	No. of Respondents	Percentage
20-25	44	29.3
26-30	41	27.3
31-35	49	32.7
36-40	12	8.0
41-45	2	1.3
46-50	2	1.3
Total	150	100.0

Source: Field Survey, 1997.

3.2.3 LEVEL OF EDUCATION

The break down of the educational status of the respondents as shown in table 3.3 reveals that just three mechanics have no formal education; 63 had their education to primary level while some 55.3 percent of the respondents had their secondary school certificates. No response from one mechanic. The high proportion of secondary school education may be attributed to the fact that young men who cannot proceed their education to higher level decided to opt for a

Table 3.4: Years of Experience

Year	No. of mechanics	Percentage
1-5	20	13.3
6-10	65	43.3
11-15	49	32.7
16-20	6	4.0
21-25	6	4.0
26-30	2	1.3
Above 33	2	1.3
Total	150	100.0

Source: Field Survey, 1997.

3.2.5 TRAINING BACKGROUND

Most of the mechanics (96.7 percent) received their training from the informal mechanic enterprise as apprentices, while just five respondents claimed to have their training from technical school. They were, however, hastened to add that subsequent training was received in the informal sector to upgrade their knowledge (see table 3.5).

Table 3.5: Source of Training

Source	No Respondents	Percentage
School	5	3.3
Apprenticeship	145	96.7
Total	150	100.0

Source: Field Survey, 1997.

Majority of the respondents spent more than 4 years to acquire the skill about this job. 36 percent chief mechanics spent 5 years with his master; 34.7 percent, spent 4 years. The modal year is five with 36 percent. The average time spent to obtain the required skill is approximately 5 years (see table 3.6).

Table 3.6: Time spent on skill acquisition

Time (yr)	No. of respondents	Percentage
3	10	6.7
4	52	34.7
5	54	36.0
6	21	14.0
7	13	8.7
Total	150	100.0

Source: Field Survey, 1997.

3.2.6 INCOME

Half of the sampled entrepreneurs earn between ten and fifty thousand naira per annum. Six of them earn more than one hundred thousand naira, while just one person said he earned less than ten thousand naira. Some of them revealed that, if not for the economic crisis in the country, there was no way they would not went home with at least one thousand naira after all the day expenses had been deducted. Table 3.6 shows how this is distributed clearly.

Table 3.7: Total Income Per annum

Income (₦)	No. of Respondents	Percentage
Less than 10,000	1	0.7
10,000 - 50,000	75	50.0
50,001 - 100,000	67	44.7
Over 100,000	6	4.0
No response	1	0.7
Total	150	100.0

Source: Field Survey, 1997.

3.2.7 Regional Background

Almost the whole workshops sampled were owned by Yoruba (98 percent). This is probably accounted for by the fact that Osogbo is located in Yoruba land and it performs both administrative and economic functions as a seat of local and state governments (see table 3.8).

Table 3.8: Ethnic Composition among the Mechanics

Major ethnics	No. of Respondents	Percentage
Yoruba	147	98.0
Ibo	-	-
Hausa	-	-
Other	2	1.3
No response	1	0.7
Total	150	100.0

Source: Field Survey, 1997.

Of the total number of respondents, 23.3 percent were from Osun State, 19.3 percent from Oyo State and 18 percent from Ogun State. The remaining proportion is shared among Kwara, Lagos, Ondo, Kogi and Ekiti States (see table 3.9). There was no evidence of ethnic discrimination among the entrepreneurs, since they are predominantly Yorubas. From the above facts it is clear that majority of the auto-vehicle repairs operators (mechanics) were not from Osun State. If just 23.3 percent are from Osun State, then the percentage of the respondents that are indigenes of Osogbo will be very negligible. This has then proved to us that migrants dominate the informal establishment in the town.

Table 3.9: The distribution of the mechanics by State

State	No. of Respondents	Percentage
Osun	35	23.3
Ogun	27	18.0
Oyo	29	19.3
Kwara	17	11.3
Lagos	16	10.7
Ondo	12	8.0
Kogi	7	4.7
Ekiti	7	4.7
Total	150	100.0

Source: Field Survey, 1997.

3.2.8 Job History

107 respondents (71.3 percent) had never worked anywhere before trained as a mechanics, while the remaining 28.7 percent had worked previously either in informal or in formal sector. About 47 percent of those with previous work engaged in trading, 37.2 percent worked as farmers and the rest worked in the ministries and in private formal sectors (see table 3.10).

Table 3.10: The distribution of the respondents according to the previous job

Previous Job	No. of Respondents	Percentage
Civil servant	5	11.6
Trading	20	46.5
Farming	16	37.2
Private sector	2	4.7
Total	43	100.0

Source: Field Survey, 1997.

3.2.9 Level of Satisfaction with the present job

Table 3.11 shows that 62 percent of the respondents were satisfied with the auto-vehicle repair works while 38 percent of them were dissatisfied and showed willingness to change to another job.

Table 3.11: Respondents level of satisfaction with their present job

Level of satisfaction	Frequency	Percentage
Dissatisfied	57	38
Satisfied	93	62
Total	150	100.0

Source: Field Survey, 1997.

Of the 57 entrepreneurs that were dissatisfied with the mechanic enterprise 42.1 percent wish to change to trading, about 46 percent to farming, 7 percent wanted to be employed in the formal sector while the rest had no response (see table 3.12 for clarity).

Table 3.12: Job preference of the dissatisfied mechanics

Job	No. of Respondents	Percentage
Trading	24	42.1
Farming	26	45.6
Formal Sector	4	7.0
No response	3	5.3
Total	57	100.0

Source: Field Survey, 1997.

3.3 THE EFFECTS OF SOCIO-ECONOMIC CHARACTERISTICS OF THE MECHANICS OF THE SIZE OF AUTO-VEHICLE REPAIRS IN OSOGBO

This section offers explanation to the first hypothesis.

$H_0 : b_1 = b_2 = b_3 = b_4 = b_5 = b_6 = b_7 = b_8 = 0$

$H_1 : b_1 \neq b_2 \neq b_3 \neq b_4 \neq b_5 \neq b_6 \neq b_7 \neq b_8 \neq 0$

3.3.1 Results

Appendix I(b) shows the socio-economic characteristic variables used for regression analysis using the SPSS package. All of them were subjected to the multiple regressions analysis, but only four were regressed. These include; X_8 (number of apprentices and journeymen combined), X_3 (number of the mechanics that attained primary education), X_4 (number of the mechanics that attained secondary school education) and X_5 (years of experience in the profession). In order to really know whether the rejected variables contributed to the explanation of Y, stepwise multiple regression was used to regress all the eight variables in appendix Ib where variables X_1 represents the initial capital outlay; X_2, the respondents total personal income per annum; X_t, number of journeymen; and X_7, number of apprentices.

The results of the first multiple regression summarized in table 3.13 show that variables X_8, X_3, X_4 and X_5 are significant at 0.05 level of probability. The coefficient of determination for all of them is perfect with 100 percent.

The standard error (0.01284) is very small and neglible. The implication of which is that the variables contributed substantially to the explanation of Y. In like manner, the result of the stepwise regression performed on all the variables were not deviated much from the first above. These are summarized in appendix II. All the variables with the exception of X_1 which had its f-value defined, were found to be significant at 0.05 alpha level. Nonetheless, the coefficient of variable X_1 is 100 percent which shows a perfect relationship with the size of informal sector.

Table 3.13: Summary of Regression Results

Dependent Variable	Independent Variable	Multiple R	R Square	Value of B	Standard error of B	Coefficient of dependents %	Computed F	Significant F
Y	X_8	0.99538*	0.99078*	-0.03863	7.151576-04	99.08	430.04*	0.0000*
	X_3	0.99247*	0.98504*	0.982827	0.002591	98.50	263.34*	0.0001*
	X_4	0.99647*	0.99296*	1.002347	0.002889	99.29	563.88*	0.0000*
	X_5	0.99134*	0.98275*	0.002621	1.58123E-04	98.27	227.90*	0.0001*

Source: From the data computed through SPPS package Field Survey, 1997.

Constant = -0.02460
Coefficient of determination for all variables = 100%
Computed F-value = 8047768.3
Significant F = 0.0003
The standard error = 0.01284

* Adapted from Appendix I(b)
All the variables are significant at 0.05 level of probability.

3.3.2 Discussion

From the results presented above, it is clear enough that socio-economic characteristics of the respondents significantly help to explain the size of auto-vehicle repair establishment in the study area.

The possible reasons one can adduce to this high proportion explanation include: start-up capital (however, magre) plays a vital role when any entrepreneur wish to establish his business. In fact without the initial capital outlay no business can start; the subsequent personal income serves as motivator that inspired the entrepreneurs to work hard in order to generate high income that will subsequently help him to expand in the long run. An educated proprietor has access to new information about the best way to improve upon his service and expand his business. His knowledge of simple arithmetic also helps him in keeping business account. He is in the best position to think deeply on; what combination of factors will yield him high productivity, how to upgrade his technology his approach to his clients and his organisational ability. The years spent in the profession improve the efficiency and dexterity of the entrepreneurs. And the more matured and experienced the entrepreneurs are, the more tendency to record more number of apprentices.

Subsequently, the young mechanics that had just left apprenticeship start up their own workshop immediately whenever the initial capital outlay is available. From table 3.13 above, variable X_8 represents the size of potential entrepreneurs in a few years to come.

This chapter had described and examined the socio-economic characteristics of the mechanics in Osogbo and explained their contributions to the size of mechanic enterprise in the town. It is, however, discovered that the socio-economic variables of the participants of this informal sector activity have a significant influence on its size.

CHAPTER FOUR

THE AUTO-VEHICLE REPAIRS IN OSOGBO: AN OVERVIEW

The need to understand the structure of urban informal sector is vital for effective policy formulation in any economy. Nonetheless, the spatial behaviours of the informal sector activities are equally important for the same reason.

As a result of this, this chapter attempts to look into the structure and spatial characteristics of auto-vehicle repairs in Osogbo.

4.1 THE STRUCTURE OF AUTO-VEHICLE REPAIRS

The main structural characteristics of the establishment considered include dates of establishment, scale of operation, ownership structural, market structure, initial capital outlays, sources of this capital, total annual income and technology.

4.1.1 DATES OF ESTABLISHMENT

Table 4.1 shows the distribution of the sampled workshops by age. The table refers to the beginning date of the entrepreneurs' present business rather than to an earlier one.

Table 4.1: Distribution of the Workshops by Age

Year of Establishment	No. of Workshops	Percentage
1950 - 1959	1	0.7
1960 - 1969	7	4.7
1970 - 1979	55	36.7
1980 - 1989	45	30.0
1990 to date	42	28.0
Total	150	100.0

Source: Field Survey, 1997.

From the table it is clear that only one workshop was in operation in the 1950s, seven were in operation in 1960s, while the profession received a colossal rush between 1970 and 1979 with 55 new mechanic workshops established. The new entrants into the profession reduced slightly in the 1980s and the reduction persists till this moment.

The possible reason for the large entrants in the 1970s could be attributed to the Udoji award of this period. Many civil servant received handsome wages and salaries, hence they can afford a motor ride. The youths saw this as an opportunity to venture into such profitable business of vehicle maintenance service. However, the smile did not last because in the early 1980s economic depression slipped quietly

into the nation's economic garment. By 1986 when the Structural Adjustment Programme was launched, the country was deep into serious economic recession. The last reason for the reduction in establishment of this business over time may have something to do with the collapse of okookoro bridge along Obalende road and the order to move to the new mechanic village.

4.1.2 SCALE OF OPERATION

Mostly informal sector activities operates on a very small scale employing less than ten workers most of which are family members and unpaid.

On average auto-vehicle repairs in Osogbo employed four persons per workshop. As earlier stated 675 workshops were identified while 150 were sampled. The sampled workshops altogether have 223 journeyman, 292 apprentices and 665 labour force, entrepreneurs inclusive. The highest paid labour received about ₦2,000.00 (2.7%). See table 4.2 for the wage distribution.

Table 4.2 Distribution of Wages (₦) by type of labour force

Monthly Wages (₦)	None	<600	600	900	1000	1,500	>1,500	Total
Journeymen	5	95	16	7	9	14	4	150
Percentage of respondents	3.3	63.3	10.7	4.7	6.0	9.3	2.7	100.0
Apprentices	11	85	29	20	4	1	0	150
Percentage of Respondents	7.3	56.7	19.3	13.3	2.7	0.7	0	100.0

The two major sources of labour to the mechanic establishment include the journeymen and the apprentices. Journeymen consist of those mechanics that have just exhausted their period of training as apprentices and are managing with either a colleague or their master to gather enough savings for the establishment of their own workshops. On the other hand apprentices are the young boys given to a master mechanic for training. Figures 4.1 and 4.2 show the size of auto-vehicle repairs in Osogbo. The first figure shows the absolute size while figure 4.2 shows the size by average workers per workshop.

4.1.3 OWNERSHIP STRUCTURE

Most of the workshops (80.7%) were self-owned while just 18% were jointly established. Figure 4.3 reveals that just one workshop belongs to family while a respondent did not respond.

Table 4.3: Ownership Structure of the Mechanic Establishment in Osogbo

Type of Ownership	No. of Respondents	Percentage
Sole Ownership	121	80.7
Joint Ownership	27	18.0
Family Ownership	1	0.7
No. Response	1	0.7
Total	150	100.0

Source: Field Survey, 1997.

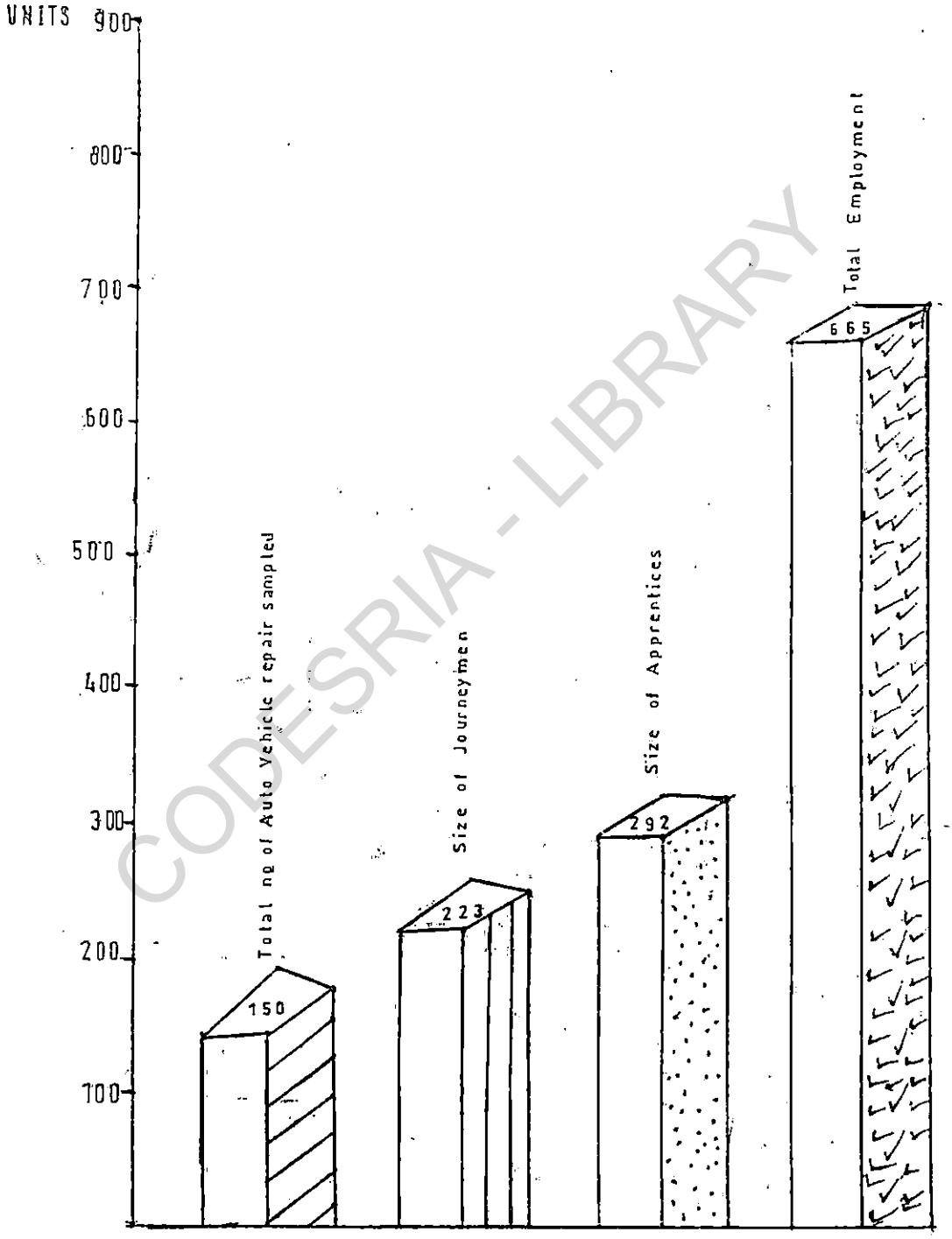


FIG:4-1 : BAR CHART SHOWING THE SIZE OF AUTO REPAIRS IN OSOGBO

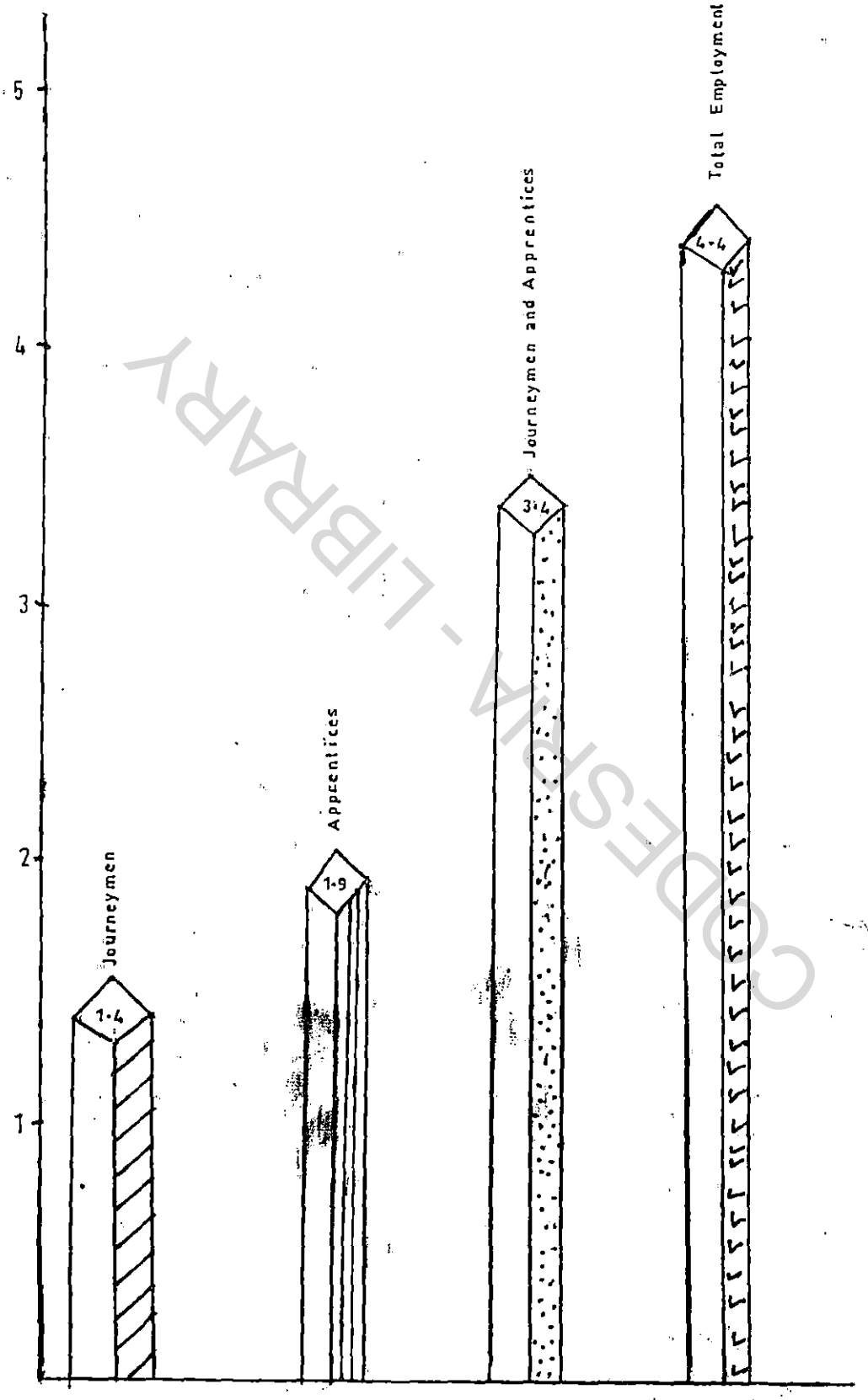


FIG 42 BAR CHART SHOWING THE AVERAGE PERSONS EMPLOYED BY TYPE OF LABOUR FORCE

4.1.4 MARKET STRUCTURE

The market is unregulated, unorganised and highly competitive. The mechanics render such services as motor repairing and servicing. The major clients are therefore mostly commercial transporters (45.3%) and individuals (30%). Occasionally government agents, ministries, private companies do patronise them, see table 4.3 for details.

Table 4.4: Major Clients of the Mechanic Establishment

Clients	No. of Respondents	Percentage
Self and family	4	2.7
Individuals	45	30
Commercial Transporters	68	45.3
Public Sector	15	10
Private Sector	20	13.3
Total	150	100.0

Source: Field Survey, 1997.

The table shows that the establishment have a very weak linkages with the formal sector.

4.1.5 INITIAL CAPITAL OUTLAYS

From the survey, all the mechanic business were established with less than ₦10,000. Between ₦2,000 and ₦4,999 was invested by 68.7% of the workshops sampled. 47 enterprises

were established with over ₦5,000. Table 4.4 shows that there was no workshop established with capital above ₦10,000.

Table 4.5: Distribution of initial capital outlays

Capital (₦)	No. of Respondents	Percentage
0 - 1999	0	0.0
2000 - 4999	103	68.7
5000 - 10,000	47	31.3
Over 10,000	0	0.0
Total	150	100.0

Source: Field Survey, 1997.

The above capital outlays were sourced from different origin. Savings from personal efforts, such as working as a journeyman, constituted the highest proportion (73.3%). Capital acquired from gifts received from relatives, friends and masters was another good source with 16.7% of the respondent stated this. However, loans from friends and family; home association, cooperatives and the combinations of these have considerable shares in the sources of initial capital invested on the establishment of informal sector activity (see table 4.5).

Table 4.6: Sources of Initial Capital Outlays

Sources	No. of Respondents	Percentage
(a) Personal savings	50	33.3
(b) Cooperatives	9	6.0
(c) Home associations	20	13.3
(d) Bank and other informal financial institutions	4	2.7
(e) Loans from informal sources	15	10.0
(f) Gifts	25	16.7
(g) a and c	5	3.3
(h) a, b and c	12	8.0
(i) c and e	10	6.7
Total	150	100.0

Source: Field Survey, 1997.

It is however, clear from this table that informal sector operators have little access to the loan facilities from the bank and other informal financial institutions.

4.1.6 TECHNOLOGY AND AREA OF SPECIALIZATION

The major tools used by the mechanics include set of spanners, set of screwdrivers, motor jack, pliers and pincers, Hammer and sledge harmer, metal saw and metal cutters, benches for the clients to sit and others. 73.3% of the interviewed

mechanics had all these tools, 16.7% had the first two with hammer, while just 10 percent had the first two with pliers and pincers. Besides, the mechanics were ready to borrow any of the others from their colleagues (see table 4.6).

Table 4.7: Major Tools Use by the Mechanics

Tools	No. of Respondents	Percentage
(a) Set of spanners	-	-
(b) Set of screw drivers	-	-
(c) Motor jack	-	-
(d) Pliers and pincers	-	-
(e) Hammer/Sledge hammer	-	-
(f) Metal cutter	-	-
(g) All tools	110	73.3
(h) a, b and c	25	16.7
(i) a, b and d	15	10.0
Total	150	100.0

Source: Field Survey, 1997.

There exist a maximum specialization among the mechanics in Osogbo. Table 4.7 shows that 28 percent of the respondent can repair any brand of vehicle irrespective of the size. 31.3 percent can repair all brands of bus and car, 13.3%

peugeot and Toyota, while volvo and volkswagen received the lowest specialists with just five mechanics (3.3%).

Table 4.8: Area of Specialization of Workshops

Vehicle	No. of Respondents	%
Peugeot and Toyota	20	13.3
Volvo and Volkswagen	5	3.3
Trailers and heavy vehicles	17	11.3
All brands, bus and car	47	31.3
All brands, any size	42	28.0
Mercedezbenz and Toyota	19	12.7
Total	150	100.0

Source: Field Survey, 1997.

4.2 INTRA-URBAN VARIATION OF AUTO-VEHICLE REPAIRS IN OSOGBO: A SPATIAL PERSPECTIVE

As it was shown in table 1.1, the town was divided into six mechanic zones with different sizes of mechanic workshop (see table 4.9).

21.3%. Zone C reordered the lowest size of mechanic workshops in the town (see fig. 1.2).

Figure 4.3 shows the contribution of each zone to the level of employment and skill development. From this figure, Zone D stands out as the biggest area of mechanic concentration (58.7%%) with Journeyman (58.8%), apprentices (53.7%), and the total level of employment (56.4%); Zone F trailed for behind with 21.3% workshops, 20.6% employment level and less than 21% apprentices and journeyman. The percentage of apprentices in Zone A (9.9%) is higher than those of Zone B (8.6%), C (2.7%) and E (4.5%). However, with the exception of Zone C, Zone A recorded the lowest percentage of workshops (4.7%).

Does the fact that Zone D recorded the biggest size means it has the greatest contribution to the level of employment and skill development?

Using the average person employed per Zone figure 4.4 shows that Zone C has the highest contribution to employment level with seven workforce per workshop. The next to this is Zone A, followed by Zone B, then Zone D and Zones F and E trailed behind with 4 and 3 persons per workshop respectively. Zone C employed the highest number of journeymen by average (2 persons per workshop). The lowest number is one person per

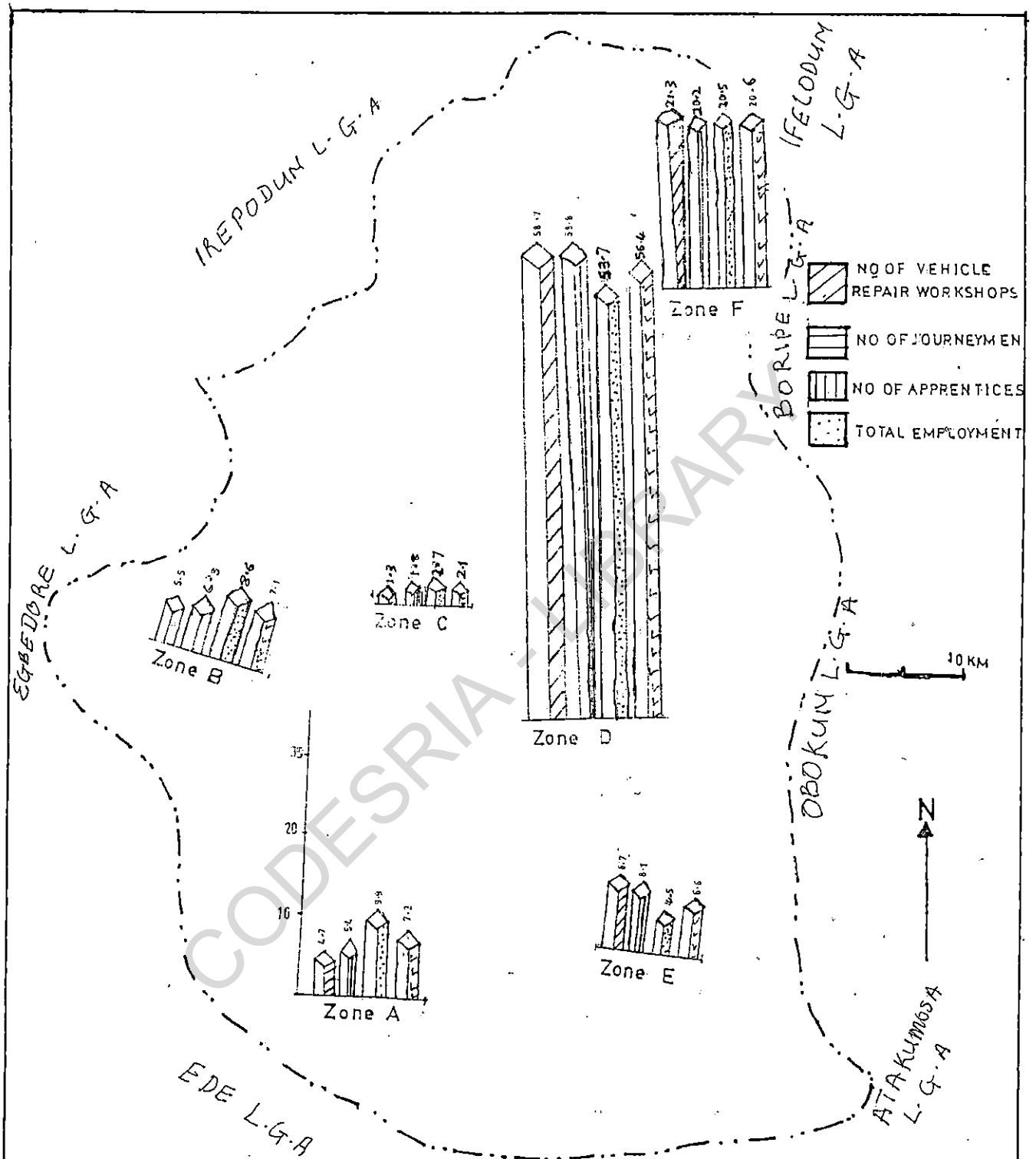


FIG 4.3 : LOCATIONAL BAR CHARTS SHOWING THE SPATIAL STRUCTURE OF AUTO-VEHICLE REPAIRS IN OSOGBO (%)

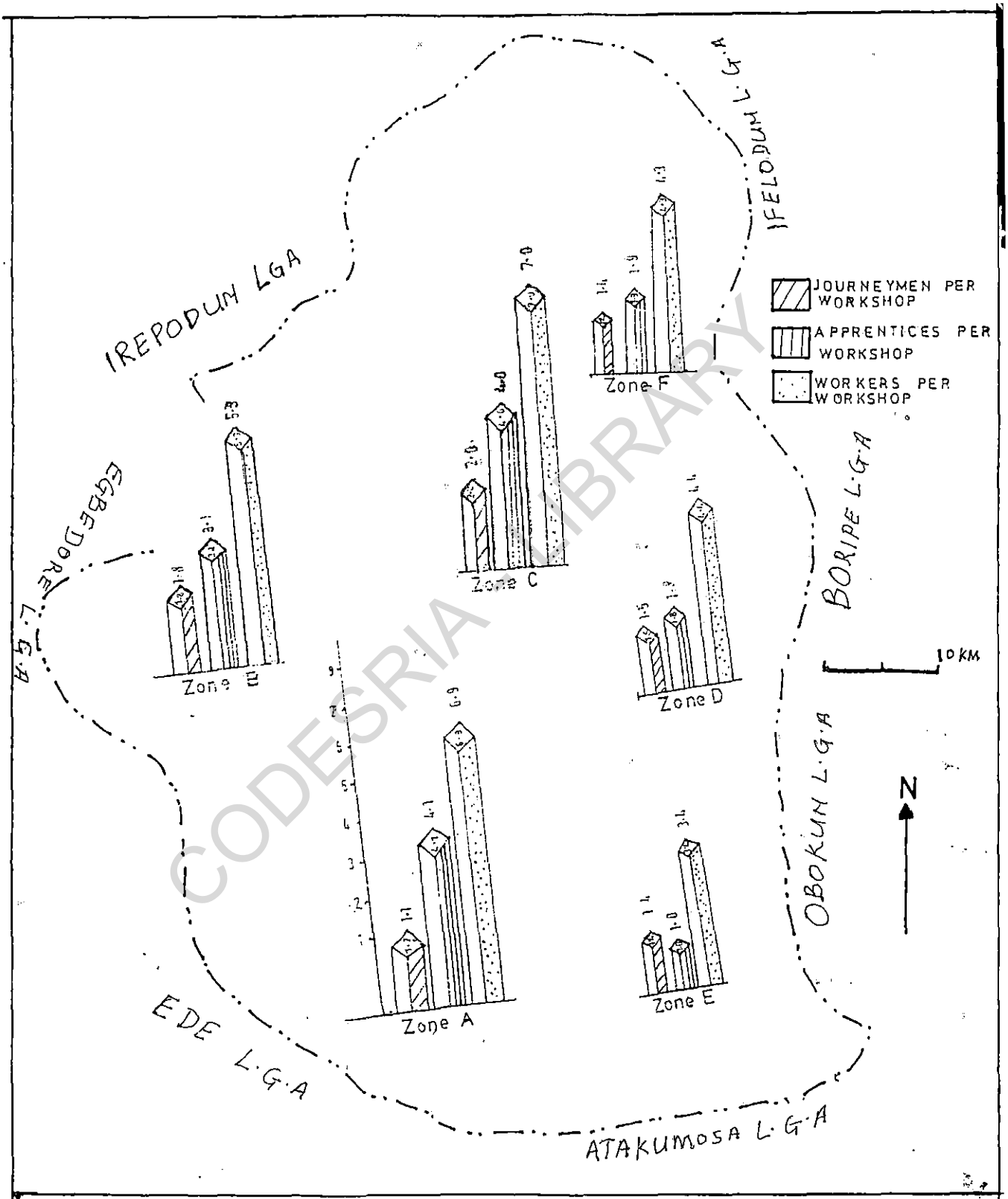


FIG 4.4; LOCATIONAL BAR CHARTS SHOWING THE AVERAGE PERSONS EMPLOYED PER ZONE

workshop as recorded in Zones E and F. However, Zone D takes the lead in skill development, because every workshop in this zone trains at least four apprentices.

From this analysis and description it is clearly shown that there exist a spatial variation in the distribution of the employment opportunities, the size of mechanic activities and the levèl of contribution to the skill development by the mechanic activities in Osogbo.

4.3 FACTORS RESPONSIBLE FOR THE GEOGRAPHICAL DISTRIBUTION OF AUTO-VEHICLE REPAIRS IN OSOGBO

Besides the historical reasons the interviewed entrepreneurs were asked why they located their workshops at their present sites. Five reasons were elicited from them. These include, accessible road (AR), cheapland (CL), closeness to C.B.D (CC), proximity to related activities (PR) and Force (FC). Table 4.10 shows how these are distributed among the Zones.

Table 4.10: Factors responsible for the location of mechanic workshops in Osogbo

	Zones						
Factors	A	B	C	D	E	F	Total
AR	7	8	2	56	12	31	116
%	100	100	100	63.6	92.3	96.8	77.3
CL	4	5	2	32	10	17	70
%	57.1	62.5	100	36.3	76.9	53.1	46.7
CC	2	3	2	10	3	11	31
%	28.5	37.5	100	11.2	23.0	34.3	20.7
PR	5	6	2	85	11	28	137
%	71.4	75.0	100.0	96.3	84.6	87.5	91.3
FC	4	6	0	82	5	13	110
%	57.1	75.0	0.0	93.1	38.4	40.6	73.3

Source: Field Survey, 1997.

AR (Accessible road)
CL (Cheap land)
CC (Closeness to C.B.D.)
PR (Proximity to related activities)
FC (Force)

From this table almost the whole entrepreneurs (77.3%) interviewed in all the zones gave accessible road to be the reason why they sited their workshops at their present sites; with the exception of Zone D where 56 out of the 88 mechanics sampled responded in favour of good road. The reason for the lowest percentage of respondents compared to other zones could be connected to the defection of Okookoro bridge that severed them from their clients since 1985.

Just 46.7% gave cheapland as their reason. The land was given to the mechanics at Ajegunle and Old garage free of charge. The lowest percentage recorded in Zone D shows that the rent paid on land at this Zone was exorbitant (₦2,400 per annum). Cost of acquiring space in Zones F and A were as well relatively high and this scared away some prospective investors from establishing their workshops there (see table 4.11).

Table 4.11 Rent paid on space by Zones

Rent (₦)	Zones						
	A	B	C	D	E	F	Total
1,500	-	-	-	7	2	5	14
1,600	-	2	-	-	-	4	6
1,800	4	3	-	8	6	8	29
2,400	-	-	-	63	-	8	71
None	3	3	2	10	5	7	30
Total	7	8	2	88	13	32	150

Source: Field Survey, 1997.

Closeness to C.B.D could only be a factor to the mechanics located their workshops at Oke-fia, Ajegunle and Oldgarage, but elsewhere the closeness is not strongly perceptible.

Proximity to related activities, such as spare parts shops, motor garage, petrol station other mechanical activities; like panel beating, vulcanizing, vehicle spraying and painting, battery-charging and rewiring and vehicle uphostry works. Obalende mechanic site is a conglomeration of other mechanical activities which gives their clients easy access to services required. Almost the whole zone (91.3%) enjoy this advantage. Some of the mechanic sites are located

close to motorgarage, for instance Ikirun garage, Oldgarage, Ibadan garage and Ilesa garage. Mechanic sites in Zone C were located close to petrol stations and spare parts shops. The sites at Okefia enjoys similar advantages as well. Some mechanics, however, responded that they were forced to their present sites. Example include majority of the mechanics (93.1%) at Obalende and those that left Obalende as a result of collapse of Okookoro bridge.

4.4 THE RELATIONSHIP BETWEEN THE AUTO-VEHICLE REPAIRS AND LEVEL OF EMPLOYMENT

It has earlier been hypothesised that as the mechanic enterprise increases, there exists every tendency for the employment level to also increase.

H_0 There is no significant relationship between the auto-vehicle repair establishment and the level of employment.

H_1 There is a significant relationship.

Using SPSS package, pearson moment correlation was used to test the extent of relationship between these variables: Y the size of the establishment and X, the size of employment (see table 4.12).

Table 4.12: **The distribution of Workshops and the Level of Employment**

Zone	No. of Workshops (Y)	Total Employment (X)
A	7	41
B	8	39
C	2	12
D	88	287
E	13	31
F	32	105
Total	150	515

Source: Field Survey, 1997.

The results show the correlation coefficient to be 0.9954 which shows that there exists a strong relationship between the size of auto-vehicle repairs and level of employment. However, correlation may not mean causality, student-t test was thus used to test the significant level. At 0.05 alpha level there is a significant relationship between them. The calculated t-test is 20.75 and the table value is 2.78. Since the table value is smaller than the calculated value, then H_0 is rejected, hence we accepted H_1 (see Appendix IV for calculation).

From the results of the correlation analysis, it was discovered that there is a significant relationship between the size of auto-vehicle repairs in Osogbo and the level of employment. Figures 4.1 and 4.2 show that as the size of workshop increases so the level of employment. It can be asserted, therefore, that without any establishment there would be no employment. Employment opportunities had been created by the existence of this activity (however, meagre) and apprentices together with journeymen were rendering labour service for skill-acquisition and stipends respectively.

From the foregoing, it can be inferred that the informal sector activity contributes to the reduction in the urban unemployment, helps the participants to generate income that save them from begging and at the same time contributes to the skill development of urban youths, hence reduces urban crime rate.

However, there are some problems hindering the performances of this activity from achieving these contributions effectively. The sampled workshops responded to lack of finance as their major obstacle which they would like government to address with little or no interference with their business (see table 4.13).

Table 4.13: Problems encountered by the Mechanics

Problems	No. of Respondents	%
Declining clients	25	16.7
Decline income	15	10.0
Lack of finance	80	53.3
Lack of government supports	30	20.0
Total	150	100.0

Source: Field Survey, 1997.

The mechanics were also asked to rate the performances of some economic variables over time, so the policy makers would know the right approach to solving their problems. These variables include rent, total income, total wages to labour, number of apprentices, total annual profit, volume of services, number of mechanic workshops and cost of tools (see table 4.14 for the ratings).

Table 4.14: Performances of some economic variables as related to mechanic establishment

Variables	Increasing	Decreasing	No Responses	Total
Rent	106	14	30	150
%	70.6	9.3	20.0	100.0
Total Income	64	81	5	150
%	42.7	54.0	3.3	100.0
Total Wages to Labour	46	81	23	150
%	30.7	54.0	15.3	100.0
Number of apprentices	46	72	32	150
%	30.7	48.0	21.3	100.0
Total annual profit	59	83	8	150
%	39.3	55.3	5.3	100.0
Volume of service	59	86	5	150
%	39.3	57.3	3.3	100.0
Number of mechanic workshops	78	70	2	150
%	52.0	46.7	1.3	100.0
Cost of tools	142	6	2	150
%	94.2	4.0	1.3	100.0

Source: Field Survey, 1997.

From the above rent, cost of tools and the size of mechanic workshops were increasing overtime while the total annual income, wages paid to the employees, number of apprentices, profit per annum and volume of service were reducing considerably.

The structures and spatial characteristics of the mechanic establishment were explored in this chapter. It was discovered that there exists a significant relationship between the size of informal sector activity and the level of employment.

CHAPTER FIVE

SUMMARY, RECOMMENDATION AND CONCLUSION

5.1 SUMMARY

This study has attempted to address the spatio-structural characteristics of urban informal sector activities with special focus on auto-vehicle repairs in Osogbo. As a result of rural-urban migration and economic crisis in many cities of the developing countries, it is becoming more difficult on daily basis for the urban-based, formal sector to absorb the surplus labour so generated.

Since Osogbo is an emergent urban centre with potentials to yield positively to growth and development, it is then pertinent to use it as an experimental site for the performances of urban informal sector activities. This kind of study has not been carried out in the town, thus it is inevitable, if the urban development is to be well addressed. In an attempt to finding answers to these problems, several theoretical background such as: dualist models, the new institutional economic approach, the taxonomy of urban informal activities and methods of measurement, were discussed. Some related literature were as well reviewed to give substance to the subject matter.

The study reveals the socio-economic characteristics of mechanics and how they contributed significantly to the size of urban informal activity (auto-vehicle repairs) in Osogbo. It was also found that there exists a significant relationship between the size of auto-vehicle repair establishment and the level of employment. This shows that some of the urban surplus labour were absorbed by the establishment in the town. The geographical distribution of the mechanic activities was also accounted for. There were six mechanic zones in the town with the highest concentration in Obalende Zone i.e. Zone D. Zone C at Ajegunle and Old garage recorded the lowest number of mechanic workshops. Altogether 675 workshops were in the town out of which 150 were sampled for this study. The study also showed that majority of the mechanics located their workshops at their present sites because of the availability of other relevant activities, good accessible roads and cheapland. Some were forced to their sites while those closed to the C.B.D enjoy market economies.

By helping to train the young apprentices, generate income to the mechanics and create employment opportunities for the urban youths and adults, auto-vehicle repairs in any urban centre should be encouraged to take its rightful place in urban economy.

5.2 RECOMMENDATION

All the tiers of govenrment have policies on the informal sector. Many of these were designed for the small scale industries and since informal sector activities occupy the lower limb of the small scale industries' continuum, these policies equally apply to them (Abumere, 1995).

Policy makers have shown ambivalent attitude to the informal sector activities due to the beliefs that it will fade out with time. Attempts were made to suppress it, so that majority of the working population could be stopped from operating outside the prevailing established institutional rules. The sector has, thus, been subjected to various form of harassment, such as attempts to clear the streets of unlicensed vendors by using bulldozers (this is a common phenomenon in most of the Nigerian urban centres), forcibly relocating them to a place far removed from the city centers (e.g. the case of mechanic village at Osogbo) because of their unaesthetic nature and potentials to breed crime and/or socio-political unrest. However, informal sector cannot be made to disappear by coercive measures, hence the need to have a positive attitudes towards it, because it will continue to exist at an unforeseeable future.

A befitting policy response that will enhance the productive potentials and capacity that could modernize the sector should be designed. Such policies should include; access to cheap land for easy location of the activities, provision of infrastructural facilities, promotion of access to easy credit, provision of sound welfare package and above all establishment of appropriate regulatory framework that will enhance the social security and guide the operations of this sector.

The informal sector operators should also be organised into producers' and workers' union, so that they can have access to several benefits as a body. For instance access to loans and credit in formal financial institutions can be enhanced through group guarantees that will serve as alternative to collateral. The informal sectors' technology should be upgraded and information about efficient and appropriate technology should flow freely to the participants.

From the above, it is therefore recommended that Osun State Government and the local government authorities in Osogbo should provide necessary incentives and welfare package to the mechanics in the town, so that their service can be effectively discharged. Their union (NATA) should be given a recognition and they should be encouraged to secure loan and

credit from formal financial institutions through a group guarantee method. Procurement of tools at a reasonable cost, upgrading of their technology and joint training scheme should be encouraged by govenrment. The channel of information dissemination should be broadened and extended by using such means as mass media, NGOs and informal organisations. A consensus should be reached by the parties on the best site of mechanic villages that will be profitable to both sides.

For the above to be effective institutional framework such as edict, Law, policy guidelines and the like, that will regulate the operations of these activities and at the sametime protecting their laudable interest; should be put in place.

5.3 CONCLUSION

This study reveals that informal sector activities are ubiquitous in the economic system of any city (especially in the developing world). Auto-vehicle repairs as one of the urban informal sector activities is found to be important in the economic life of Osogbo. It contributes to the development of skill by offering professional training to the young apprentices, provision of employment to some of the urban populace and generates income for their survival.

However, it is not possible for a researcher to exhaust studies on urban informal sector activities. This work has concerned itself with just minutes aspect of the sector from structural and spatial perspectives. It is therefore suggested that any subsequent studies on the urban informal sector in Osogbo may focus attention on any of these activities: hawking and petty trading, traditional craft, transport, other mechanic activities, building and construction, woodwork, metal works, shoe repairing, and the like. In other words most of the activities classified in chapter two are still much unexplored and little is known about them. The understanding of these activities will allow the use of holistic approach to policy formulation and decision making concerning the modernization of the urban informal sector.

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Appendix I(a): Computation of the Sample units from the general formula

$\Sigma X_i / \Sigma Y_i \times 150 = \Sigma Z_i$

Zone(i)	A	B	C	D	E	F	Σ Y(i)	ΣΣZi
ΣX_i	30	36	8	400	57	144	675	
ΣZ_i	7	8	2	88	13	32		150

ΣZ(A)	=	30/675 x 150	=	7
ΣZ(B)	=	36/675 x 150	=	8
ΣZ(C)	=	8/675 x 150	=	2
ΣZ(D)	=	400/675 x 150	=	88
ΣZ(E)	=	57/675 x 150	=	13
ΣZ(D)	=	144/675 x 150	=	32
Total				150

Appendix I(b): Showing the Dependent and Independent Variables

Zone	Y	X_1(₦)	X_2(₦)	X_3	X_4	X_5	X_6	X_7	X_8
A	7	35,000	255,000	1	6	71	12	29	41
B	8	40,000	490,000	5	3	94	14	25	39
C	2	10,000	130,000	1	1	36	4	8	12
D	88	440,000	7360,000	36	51	931	130	157	287
E	13	65,000	665,000	5	8	79	18	13	31
F	32	160,000	1955,000	16	16	156	45	60	105

Source: Field Survey, 1997.

Appendix II: **Results of the Stepwise Multiple Regression**

Dependent Variable	Independent Variable	Multiple R	R Square	Adjusted R Square	Value of Beta	Constant Value
Y	X_1	1.000	1.000	1.000	2.000000 E-04	2.189221 E-15
	X_2	0.99556	0.99114	0.98892	1.159216 E-05	4.026917
	X_3	0.99249	0.98504	0.98130	2.381331	-0.400868
	X_4	0.99647	0.99296	0.99120	1.728467	0.513378
	X_5	0.99134	0.98275	0.97844	0.086311	2.846751
	X_6	0.9941	0.99883	0.99853	0.684202	-0.429508
	X_7	0.98772	0.97558	0.96948	0.573414	-2.906126
	X_8	0.99538	0.99078	0.98848	0.313420	-1.901919

Appendix II: Contd.

Dependent Variable	Independent Variable	Standard Error of Beta	Standard Error	Computed f-value	Critical f-value	Coefficient of Determination
Y	X_1	0.0000	0.0000	Undefined	7.71	100.00
	X_2	1.715286	3.42824	447.29555	7.71	99.11
	X_3	2.399308	4.45418	263.34241	7.71	98.50
	X_4	0.072789	3.05613	563.88399	7.71	99.29
	X_5	0.005717	4.78237	227.90830	7.71	98.27
	X_6	0.011726	1.24639	3404.78734	7.71	99.88
	X_7	0.045359	5.69026	159.80959	7.71	97.55
	X_8	0.015114	3.49570	430.04425	7.71	99.07

Source: Summarised from the results of SPSS Computation Y and X_1 to X_8 are as defined in chapter three.

The independent variables are significant at 0.05 level of the critical values.

Appendix III

GEOGRAPHY DEPARTMENT
FACULTY OF THE SOCIAL SCIENCES
UNIVERSITY OF IBADAN

PROJECT TOPIC: INFORMAL SECTOR IN OSOGBO: A SPATIAL ANALYSIS OF AUTO-VEHICLE REPAIRS

Introduction: This questionnaire is designed to obtain information ont he above topic for M.Sc. (Geography) project. Please kindly answer accordingly as all the information will be treated strictly as confidential. Thanks for your cooperation.

Tick or fill in the gap where appropriate.

SECTION A: Information on the mechanic workshops

1. Locational Address .....
2. Mechanic Zone in town .....
3. Year Founded .....
4. Ownership: (a) Sole Ownership (b) family ownership (c) Joint ownership (d) Other (Specify) .....
5. Initial capital outlay .....
6. Total Income from enterprise per annum ₦ .....
7. Number of Journeymen employed .....
8. Number of Apprentices .....
9. Total monthly wages paid to Journeymen ₦ .....
10. Total monthly wages paid to Apprentices ₦ .....
11. Area of Specialization .....
12. Your major clients .....
13. Major Tools (a) ..... (b) .....
    (c) ..... (d) ..... (e) .....

14. Sources of finance .....

15. Have you any agreement (formal or informal) to supply services to any Govenrment or private company?

16. If yes, with whom was the agreement made?

(a) Govenrment (b) Private companies (c) other (specify).....

17. Do you pay rent on the workshop premises?

18. If yes, how much per annum? ₦ .....

19. Since you've started operation in your workshop have these been increasing or decreasing?

	(a) Increasing	(b) Decreasing
(a) Rent on workshop premise		
(b) Total annual income		
(c) Total Wages paid to workers		
(d) Number of apprentices		
(e) Total annual profit		
(f) Volume of service		
(g) Number of mechanic workshops		
(h) Cost of tools		

20. What problems do you have with your business?

(a) ..... (b) .....
(c) ..... (d) .....
(e) .....

21. What helps do you need from government?

(a) ..... (b) .....
(c) .....

22. Why did you locate your workshop at this site?

(a) ..... (b) .....
(c) ..... (d) .....
(e) ..... (f) .....

SECTION B: Information on the Mechanics

23. Age .....

24. Level of Education (a) None (b) Primary (c) Secondary (d) Others (Specify) .....

25. Ethnicity, (a) Yoruba (b) Ibo (c) Hausa and (d) Others (specify) .....

26. State of Origin .....

27. How long have you engaged in this profession

.....

28. Where did you acquire the skill for this occupation? (a) School (b) Apprenticeship (c) Other .....

29. Did you do any job before coming into this profession?
.....

30. Where did you work before?
(a) ..... (b) .....
(c) ..... (d) .....

31. Are you engaged full-time or part-time in this occupation? .....

32. Do you have another job apart from this?
.....

33. If yes which job?

(a) ..... (b) .....
(c) ..... (d) .....

34. Are you satisfy with your present job? .....

35. Would you like to change your present job? .....

36. If yes to which job?
(a) ..... (b) .....
(c) ..... (d) Others.....

37. How many years did it take you to acquire this skill?
.....

38. What is your annual income from this work? ₦.....

APPENDIX IV

Testing for the Significance of r Coefficient

H_0: There is no significant relationship between the auto-vehicle repair establishment and the level of employment

H_1: There is a significant relationship

Degree of freedom: n-2 where n = 6

r coefficient: 0.9954

Alpha level: 0.05

Table value: 2.78

Calculated value of t-test $\frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$

$$= \frac{0.9954\sqrt{6-2}}{\sqrt{1-(0.9954)^2}} = \frac{0.9954 \times 2}{\sqrt{1-0.9908}}$$

$$= \frac{1.9908}{} = \frac{1.9908}{} \simeq 20.75$$

$\therefore t = 20.75$. Since the table value (2.78) is less than the calculated value (20.75) H_0 is rejected while H_1 is accepted. There is therefore a significant relationship between the size of mechanic establishment in Osogbo and the level of employment.