



Dissertation By
Samira Sid Ahmed

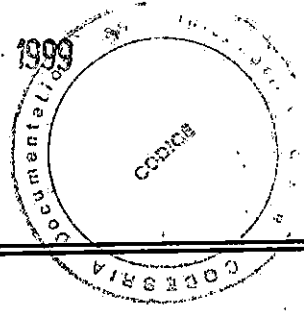
University of Khartoum
Faculty of Economic and
Social Studies

The Characteristics of Women Entrepreneurs
In The Informal Sector That Have Access to
Credit
The Case of Urban Kharoum

December 1998



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University of Khartoum
Faculty of Economic and Social Studies

**The Characteristics of Women Entrepreneurs
In The Informal Sector That Have Access to Credit
The Case of Urban Kharoum**

By
Samira Sid Ahmed
BSc. Honours (Pure Economics) U.Of.K.

**Thesis Submitted In Fullfilment of the Requirement
for The Degree of MSc In Economics**

December 1998.

Dedication

To My

Father,

Brothers, And Sisters.

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C O N T E N T S

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Abstract

The objective of the study is to examine women micro entrepreneurs in the informal sector in urban Khartoum that have access to credit-their characteristics, performance and the problems that face them with emphasis on credit as a constraining factor.

The study falls in five chapters; chapter one an introduction, hypothesis and research; methodology, chapter two is a literature review; chapter three discusses the features of the Sudanese economy and women contribution in different sectors of the economy and the factors that force women to enter the informal sector. Chapter four presents the findings of the study and analysis of these findings. Chapter five presents an over all summary of the study and give the various recommended measures to be adopted to promote the role of females in the informal sector activities.

To test the research hypothesis, data was collected by a survey for ninety four women that have access to credit from three credit institutions whom we use as stratified random sampling. The main findings of the study are:

- 1- Poverty plays a major role in women engagement in this sector, prime among factors is the lack of capital and lack of education which force women of all ages to generally resort to these occupations into which entry is easy
2. There is a continuous rise in the rate of growth of women who are entering this sector.
3. Entry of younger women is one important feature that characterize this study.
4. There is a considerable number of women who left the formal sector to the informal sector because of the high income available there.
5. The lowest income in the informal sector is higher than the minimum wage.
6. There is entry into this sector by both migrants and non migrants.

Concerning credit, most of those women's initial capital is either from their own sources, friends, relatives and merchants-that is informal sources of finance; hence, informal finance plays a major role in providing women with capital.

7. Informal sources of finance is the most preferable types of credit in terms of its repayment requirements and its availability.
8. In these activities, education has little affect on income.
9. The technical training for women is not available on a large scale
10. Women chances of sub contracting with the formal sector is weak.
11. The major problem facing women entrepreneurs is the rising costs of raw materials and marketing.
12. lack of support and protection from the government is another problem women micro-entrepreneurs cited.
13. The problem of availability of the working capital is another constraint that women micro entrepreneurs declared.

الخلاصة

موضوع هذه الدراسة هو استقصاء الاعمال النسوية الصغيرة فى القطاع غير المنظم فى الخرطوم الحضرية التى بمقدورها الاقتراض من حيث خصائصها اداءها والمشاكل التى تواجهها بالتركيز على الاقتراض كعامل معوق. تقع الدراسة فى خمسة فصول فى الفصل الاول المقدمة، الفروض ومنهجية البحث، فى الفصل الثانى الدراسات السابقة. يناقش الفصل الثالث ملامح الاقتصاد السودانى واسهام النساء فى قطاعات الاقتصاد المختلفة والعوامل التى تجبر النساء على الدخول فى القطاع غير المنظم. ويستعرض الفصل الرابع نتائج الدراسة وتحليلها. الفصل الخامس يقدم ملخصا عاما للدراسة وبعض التوصيات للنهوض بدور الاناث فى هذه الانشطة.

ولاختبار فروض البحث تم تجميع البيانات عن طريق مسح لأربعة و تسعين امرأة توفر لديهم الاقتراض من ثلاثة مؤسسات دائنة وقد استخدمت العينة الطبقية العشوائية.

وكانت اهم نتائج الدراسة:

- ١- يلعب الفقر دورا رئيسيا فى انخراط النساء فى هذا القطاع ومن بين اهم العوامل هو ان انعدام راس المال وقلة التعليم هما اللذان يجبران النساء من كافة الفئات العمرية على اللجوء بصفة عامة لهذه المهن التى يسهل الدخول اليها.
- ٢- هنالك ارتفاع مستمر فى معدل النمو للنساء اللاتى يدخلن هذا القطاع .
- ٣- دخول النساء صغيرات السن هو احد الملامح المهمة التى تميز هذه الدراسة.
- ٤- هنالك نسبة معتبرة من النساء اللاتى تركزن القطاع الحكومى للقطاع غير المنظم نسبة للاغراءات المتعددة فى هذا القطاع وارتفاع مستوى الدخل.
- ٥- ان اقل دخل فى القطاع غير المنظم هو اعلى من الحد الادنى للاجور.
- ٦- دخول هذا القطاع شمل كل من المهاجرين وغير المهاجرين.

فيما يتعلق بالقروض فان راس المال الابتدائى لمعظم هؤلاء النسوة اما من مواردهن الخاصة او الاصدقاء والاقارب او التجار، وهى مصادر تمويل غير رسمية ومن ثم فان التمويل غير الرسمى يلعب دورا رئيسيا فى تزويد النساء براس المال.

٧- مصادر التمويل غير الرسمى هى اكثر انواع الاقتراض تحبيبا فيما يختص بشروط سدادها وتوفرها.

- ٨- للتعليم تأثير غير واضح على الدخل.
- ٩- هنالك قدرا ضئيلا من التدريب الفنى.
- ١٠- فرص النساء فى التعاقد مع القطاع العام ضعيفة.
- ١١- المشكلة الرئيسية التى تواجه الصناعات النسوية هى ارتفاع تكاليف المواد الخام والتسويق.
- ١٢- انعدام الدعم والحماية من الحكومة هى مشكلة اخرى اوضحتها الاعمال النسوية الصغيرة.
- ١٣- مشكلة اتاحة راس المال العامل هى معوق اخر اوضحتها النساء فى الاعمال الصغيرة.

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List of Abbreviations

BRI	Bank Rikayat of Indonesia.
FINCA	Foundation for International Community Assistance.
GAD	Gender And Development.
GDP	Gross Domestic Product.
GTZ	Gesellschaft fur Technische Zusammenarbeit [F.R of Germany.
ILO	International Labour Organization.
IMF	International Monetary Fund.
JASPA	Jobs and Skills Programme For Africa
KRS	Catholic Relief Services.
KUPEDES	Kredit Um Pedesan or (General rural credit)
LDCS	Less Developed Countries.
NGO	Non Governmental Organization
RDF	Refugees Development Foundation.
ROSCAS	Rotating Saving And Credit Associations
SCF	Save the Children Fund.
SDA	Sudanese Development Association.
SEWA	Self Employed Women's Association.
UNICEF	United Nation Children Fund.
WAD	Women And Development.
WID	Women In Development.
WWP	Women World Banking.

Chapter One

Introduction

1.1 Research Problem

Any discussion of the informal sector must put into consideration the range of phenomena the term can be used to describe. A strict definition of the informal sector is elusive. In general, the informal sector refers to the sum of all productive units which employ none or less than a certain number of regular workers. For the purpose of this study, the informal sector refers to the sum of all micro enterprises, handicraft activities, small traders and all kinds of service activities that employ less than five employees. Another definition that is used interchangeably with the informal sector, is the term micro business or small scale enterprise. It has been observed that the concept of informal sector is commonly applied in many countries, but the definition of the term is still vague. In other words the informal sector may be defined as small scale enterprises engaged in the production and distribution of goods and services with the purpose of generating employment and income to the participants regardless of the constraints on capital, both physical and human⁽¹⁾.

This sector is growing, and since 1970s became of particular importance; it takes an important role in the economies of the developing countries as a last resort for the poor, because it is characterized by easy entry, labour intensive methods of production and distribution, traditional and easily acquired skills, and low capital intensity.

Today the informal sector is a source of employment and income for a large number of people. In Latin America about 30 million are working in the informal sector. In sub-Saharan Africa the informal sector was estimated, in 1985, to employ about 60 percent of urban labour force-about 20% of the total output; these ratios are expected to rise over time. In Asia that proportion ranged, during the 1980s, between 40 and 66 percent according to the economic situation in each country. At a very rough guess, it may be estimated that the total informal sector

employment in the developing countries could be 300 million ⁽²⁾.

According to the ILO JASPA, employment creation in the informal sector in African countries increased by 6.7 percent each year, ⁽³⁾ from 1980 to 1985, the informal sector employed twice as many people than did the formal sector and created six million new jobs against the formal sector's 0.5 million over the same period ⁽⁴⁾.

This sector represents particular importance to poor women. In developing countries, particularly in urban areas women are concentrated heavily in informal sector activities. In general, their representation in the informal sector activities is higher than their participation rate in the economy as a whole; and this rate is still increasing.

The entry of women in the informal sector is a consequence of an interplay of many socio-economic, demographic and political factors operating together and manifested in women's work in the activities of the informal sector.

This sector and women's conditions in it became a focus of international organizations and governments for the implementation of sustainable development projects. These organizations have begun to allocate funds to support programmes in this sector, and sought to assist women who have no access to credit and training. One important credit growth is the experience of Grameen Bank of Bangladesh. This bank extended small loans to productive women of low income; banks and governments are still far reaching a large amount of women. So lack of credit still remains one of the important problems that are faced by women in this sector.

During the 1950s and 1960s, the developing countries (including the Sudan), have adopted *Lewis* development vision. The aim of the strategy is to achieve a higher economic growth through industrialization and agriculture modernization. The scheme of industrialization in different countries for different reasons has failed to achieve growth and/or absorb the large amount of unskilled and illiterate workers and consequently, resulted in poverty and unemployment for a large number of urban population.

The only outlet for this large number of unemployed people in urban areas has to seek employment in the informal sector, since they must make a living somehow.

This sector is growing noticeably when compared with other sectors of the economy in the LDCs. This is mainly due to the failure of agriculture or other formal activities on the one hand, and modern industry on the other, to provide adequate incomes or employment opportunities to this rapidly growing labour force. Beside their failure in creating employment and income, large enterprises employ large amount of capital, while micro enterprises employ low capital and intensive labour.

Micro enterprises satisfy the needs of local markets, especially of the low income groups. Hence its appropriateness to meet the needs of indigenous population. It's activities are more geographically dispersed than larger enterprises. Micro enterprises utilize local raw materials and use negligible capital. This made its activities to be considered as marginal to such an extent that it is neglected and discriminated against by the governments in the LDCs; and it's role in the economy is not counted.

The attitude of the governments all over the LDCs has now shifted towards encouraging entry into the informal sector as the structural adjustment programmes and financial crises frustrated the hopes of accelerated growth and rapid employment in a modern sector that is mostly controlled by large enterprises.

The financial crisis ⁽⁵⁾ of the world is caused by different interrelated factors: partly by the rise in oil prices. Between 1981 and 1986 the world economy, and particularly the developing market economies, experienced the most severe recession since the 1930s.

Beside the rise in oil prices, the rising protectionism in the industrialized countries, third world countries had to pay higher prices for imports, while gaining lower prices for exports. The fall in their purchasing power is accompanied by their inability to borrow, because interest rates were rising up in the early 1980s.

The crisis has been intensified by adjustment policies,

since developing countries were forced to borrow from the only available lender, the IMF. These structural policies are imposed on them so that they can correct their balance of payments difficulties, by cuts in government expenditure and employment and credit creation; and as result the income of the poor were decreased, while prices go on rising. The adjustment policies affect households in different ways: changes income through changes in wages; product prices specially food prices and it change the level of social services expenditure (education, health...etc.)

Also there is a negative effect on the work conditions: hours of work, job security and fringe benefits; so the adjustment process resulted in considerably worsened social and economic conditions. The burden particularly rests on the poor people's shoulders.

When talking about the poorest of the poor, women are almost always meant, the recession and structural adjustment programmes have affected more poor women who earn less and control less. Some of these measures, such as those that decrease competition with foreign goods, or that increase the availability of foreign exchange and lift price control may benefit women. Certain other aspects of structural adjustments, however, affect women adversely. For example women as major purchasers of food, must absorb the cost of rising food prices. Moreover, economic reforms that reduce wage employment opportunities tend to increase job competition in the informal sector; and in certain sub-sectors probably result in a decline in real wages, While contraction of formal sector production will increase the demand for some informal sector goods and services, decline in real wages will decrease the demand for others. Exactly who wins and loses in the short run is not well known, but initial studies indicate that structural adjustment policies have had a negative impact on the poor, specially on women.

UNICEF ⁽⁶⁾ studies show that the crisis imposed by adjustment policies made heavier demand on women, both within and outside the home. Women in the cities of Africa, Asia and latin America are increasingly forced in to the so called informal sector as,

street traders casual or seasonal labourers.

There is an increasing attention that has been given to the traditional activities of the informal sector because they are capable of meeting the needs for the creation of jobs. one should be aware of the seriousness of the problem in countries where the urban population is growing at a rate of four percent or more, and the ability of the modern sector to create jobs is extremely limited. During the 1960s and 1970s, these countries considered the traditional activities to be marginal and transient and the modern sector is believed to create jobs by accelerating urbanization.

The adjustment policies and the applying of investment in the modern sector caused by the financial crisis, have changed the attitude of the governments,^[7] thus the informal sector suddenly became the only resolution, because it is more capable of developing and creating jobs than the modern sector. The latter, which is a large employer of labour in most developing countries, was obliged to reduce labour or wages drastically. The workers, affected by the lack of unemployment, insurance or other form of income maintenance, have had no alternative but to resort to the informal sector.

The governments, in dealing with structural adjustment programmes, is encouraging entrance to the informal sector particularly, to women. the Majority of women enter in this sector as a survival strategy. The informal sector is particularly important for women who need to earn income. It is more flexible and less restrictive in employment generation than the formal sector which may require education or training. The available data in a number of developing countries show that women generally account for a third or more of informal sector employment; and that half or more of the total women's employment is in the informal sector. Moreover, within the informal sector, they tend to be concentrated in low earning jobs, this is due to social and financial problems.

Concerning the social problems, the distinguishing feature of women in this sector is poverty. They have no access to credit because of the lack of collateral or securities. Even more

financial institutions such as banks are reluctant to provide credit for women in this sector.

Recognizing the unavailability of credit for women in the informal sector, donor agencies and NGOs and governments have seen the importance of providing credit for women in this sector, however, very few studies are available concerning women and their access to credit. Most of the studies available generally discuss the socio-economic characteristics of this sector.

This study is intended to direct attention to an area of study which has been greatly ignored in Sudan and which is progressively growing in importance.

The study is intended to highlight the growing aspects of the informal sector in Sudan; to consider the situation of women entrepreneurs in it; and to discuss their characteristics and the problem of financial resources as a constraining factor.

The main focus of the study is to examine the characteristics of women entrepreneurs in the informal sector who have access to credit, to evaluate the benefits they have gained and to consider the problems that face them.

1.2 Objective Of The Study:

The main motive for this study is the increasing importance of this sector in the developing countries in general and Sudan in particular. The importance of this sector stems from providing livelihood and incomes for women and credit as an important factor for improving their position.

Another objective is to contribute to the literature on the economics of Sudan and on women as small scale entrepreneurs; and to come out with recommendations which may help operating the sector and improve activities of women entrepreneurs within it.

1.3 Research Hypotheses:

1. What is the basic characteristics of women entrepreneurs in the informal sector?

2. How do women entrepreneurs are performing in the informal sector and what problems do they face.

3. To what extend do they benefit from the loans and what problems do they face in terms of financial funding ?

1.4 Research Methodology:

1.4.1 Research Design:

A research design is the programme that guides the investigator in the process of collecting, analyzing and interpreting observations. In this study, the focus will be on the women entrepreneurs in the informal sector that have access to credit. Their characteristics, problems with emphasis on credit as a major problem.

1.4.2 Research Sample:

A sample is a subset data that is used to characterize the whole.

A sample of 20% of women who have access to credit from the Sudanese Islamic bank Productive Families Projects of Urban Khartoum; Refugees Development Foundation and Sudanese Development Association two local NGOs. That it used stratified random sampling.

1.4.3 Types And Sources Of Data:

The study tends to utilize primary data from a questionnaire and interviews, secondary data from government statistics; local and international publications from ILO UN etc.

Direct observation is another technique which was adopted to bridge the gap in information; and to illuminate the issues raised.

1.5 Difficulties And Limitations:

A major difficulty that was faced at the beginning of the research, was the dearth of information about women's work in the informal sector activities. A serious limitations was also the lack of statistical data in this field. The lack of data and statistics has resulted from underrating and neglecting the economic role of women in these activities. Another difficulty that was faced during the period of the field work, was due to the lack of information concerning the addresses of those women. This is specially true for the beneficiaries of the Bank who scatter all over the national capital in both squatter and organized residential areas.

Foot Notes

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- 4.ILO [1991] " *The Dilemma Of The Informal Sector*".Report Of The Director General Part, 78th Session, Geneva page 5.
- 5.Vickers,Jeanne. [1994] "*Women And The World Economic Crisis*". Women & World Development Series, Zed Book Ltd London, page 4
6. Cornia, Giovanni. [1987] "*Adjustment With A Human Face:Promoting Growth And Protecting The Vulnerable*" Vol.1 New York :Oxford University Press.
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Chapter Two

Literature Review

2.1 The Development Vision

In the early fifties development was equated with economic growth through fast industrialization. The basic idea was that, this form of rapid modernization would provide employment in urban areas for the bulk of the population (whose income and consumption would increase, thereby liberating them from poor rural areas). There is an increase in effective demand as a result of the newly generated income, which will have multiplier effect on non industrial sectors and hence, more jobs will be generated and more effective demand will be encouraged.

In 1954 *Arthur Lewis* provided the conceptual framework of this developmental vision in his famous paper titled (*Economic development with unlimited supply of labour*). *Lewis* proposed that development would require industrialization to create more jobs by delivering the unproductive labour from the agricultural sector. This consequently leads to agricultural modernization, and capital accumulation and economic growth.

According to *Lewis* ⁽¹⁾

In the first place, an unlimited supply of labour may be said to exist in these countries where population is so large relative to capital and natural resources, that there are large sectors of the economy, where the marginal productivity of labour is negligible zero or even negative.

The explanation to the process is the use of capitalist surplus. As this surplus is reinvested in originating new capital, the capitalist sector developed, taking more people into capitalist employment out of the subsistence sector. The surplus is then larger still, capital formation is still greater; and so the process proceeds until the labour surplus disappears.

Lewis argued that investment should be directed towards

industry as a preference or priority sector; and that industry should be concentrated in large urban centres because it provides basic infrastructure and economies of scale. Moreover, the capitalist entrepreneurial class should be encouraged and strengthened to save and invest, so that the rest of the population can be employed.

Most of the developing countries have adopted this strategy, but it has not led to equal income distribution or provide employment for the unlimited supply of labour. On the contrary the industries established were relatively capital intensive (and relatively capital intensive techniques pursued have generated few employment opportunities); and as such, industrialization has failed to absorb the growing number of labour.

In fact, the process of industrialization was accompanied by urban unemployment. So this large amount of unemployed labour had no way except to go to the informal sector. Therefore, the informal sector has become a last resort for the unemployed.

Thus, the prime mover of the whole development process seems to be rural urban migration, which was supposed to affect a transfer of the unproductive surplus agricultural workers into a low wage urban industrial work force.

Todaro ⁽²⁾ 1969 has argued that the large number of the unemployed and underemployed in the urban sector must affect the chances of the migrants in finding a job in that sector. Consequently, when analyzing the determinants of urban labour supplies, he argues that what should be examined was not only rural-urban actual income differentials, but also the expected income differential, i.e the income differential adjusted for the probability of finding an urban job.

The fundamental assumption is that: migrants consider the various labour market opportunities available to them; and choose the one that maximizes their expected gains from migration (expected gains are measured by the difference in real incomes between rural and urban work and the probability of new migrant obtaining an urban job).

Migration take place in two stages. The unskilled worker migrates to the urban area; and initially spends some time in the

informal urban sector from which he moves in the second stage to a more permanent modern sector. An important aspect of this model is, therefore, the length of time used in looking for a formal sector job. The migrant must perceive the urban wages to be higher enough to offset for the loss of being unemployed.

The Todaro model encloses all elements of migrants: the land less labourer and small farmer; the displaced share cropper and educated youth, in terms of response to economic motivation.

It is worth noting that the Todaro model ignores the role of the informal sector. It is incorrect to assume that the person is unemployed simply because he is unable to find a wage job in the modern sector of urban economy. The migrant may prefer to work in the informal sector rather than the formal sector.

2.2 Definition Of Characteristics Of The Informal Sector:

The concept of the informal sector began with the work of Hart ^[3] in the early 1970s, in Ghana, while conducting an anthropological research among the urban poor. He observed that:

Price inflation, inadequate wages and an increasing surplus to the requirements of the urban labour market, have led to a high degree of informality in the income generating activities of the sub proletariat, consequently, income and expenditure pattern are more complex than is normally allowed for in the economic analysis of poor countries.

He introduced two new sectors terminology, that divides the economy into informal (an extension of the concept traditional) and formal (as similar to modern) sector. He states that, the distinction between formal and informal income opportunities is based essentially on the difference between wage earning and self employment. Thus Hart differential is basically between labour that has a permanent job and fixed reward, and labour that does not.

This distinction does not provide any criteria by which the self employed in the informal sector can be distinguished from similar persons in the formal sector, also it ignores the possibility of wage employment in informal activities.

Writers such as Yap ⁽⁴⁾ (1977) and fields 1975 look at the informal sector as a productive and an important source of

employment for both dwellers and migrants from rural areas. They defined the informal sector as a sector which includes self employment activities plus low wage-paying jobs . Yap states that the importance of the traditional or informal sector with its large share of casual, low paying jobs is well documented. The informal sector is an important source of employment for migrants.

Another approach considers the informal sector as an unproductive sector serving as a refuge for the urban unemployed, and a receiving station for the rural migrants. This approach suggests that the informal sector will wither away because the formal sector will eventually dominate them. However, it is noticeable for twenty years or more, the number of people working in this sector have probably increased in absolute terms as well as in percentage of total labour force.

The first to introduce the term operationally and integrate it into economic theory was the *International Labour Organization* in its report on Kenya. According to the ILO ^[5] 1972, the informal sector is characterized by:

- a) Facility of entry.
- b) Family ownership of enterprises.
- c) Dependence on indigenous resources.
- d) Small scale of transaction.
- e) It use profound labour and/or modifying technology.
- y) Skills acquired outside the formal school system.
- g) Unregulated and competitive markets.

Though specific, this definition suffers from the weakness that it does not differentiate between the different levels of informality of the activities in this sector.

Since then, the term has become popularized and extended beyond its original theoretical framework.

S.V Sethuraman ⁽⁶⁾ used an establishment or production unit definition of informality, he proposed that:

The multiplicity of criteria in the definition of informality proposed by the ILO Kenya report, is ambiguous because each criterion could be used to create a universe of its own.

He therefore suggests a general definition of the informal

sector as small scale units that produce and distribute goods and service; their primary objective was to generate employment for the participant rather than to maximize profit.

A number of recent studies, mostly concerned with Latin America but extending to the developing countries, implied an important interpretation ⁽⁷⁾ connecting the informal sector with the so called underground economy. The underground economy is an illegal economy which is generated for illegal purposes. Some observers argued that since the informal sector does not pay taxes, so the urban informal sector is the same as the underground economy. But it is well known that, specially in developing countries, formal firms also evade taxes, while many informal ones pay them.

One of the most common interpretation ⁽⁸⁾ of the informal sector, which emerged in the developed countries, is that the informal sector has resulted from distortions in the labour market due to mistaken government actions such as imposing minimum wages or to the actions of the trade unions in raising wages above their equilibrium level, thereby generating a surplus labour supply. This means that the phenomenon of the informal sector will disappear if the government abolishes minimum wages or destroys the power of the trade union. However, this has happened in several Latin American countries in the 1970s and 1980s, but it has not led to the reduction of the surplus labour supply; and the informal sector does not seem to disappear.

Dipak Mazimadur, in his work for the World Bank, looked at informality as a labour market phenomena that could explain difference in incomes at a lower end of income distribution.

He pointed out that the informals were those who work in activities which are unprotected by government regulations, company policy, or trade union actions.

According to *Mazimadur* ⁽⁹⁾

The basic distinction between the two sectors turns on the idea that: employment in the formal sector is in some senses protected so that the wage level and working conditions in the sector are not available in general to the job seekers in the market. This kind of protection may arise from the action of the trade unions, of governments or of both acting together.

The Latin American economists argued that the origins and persistence of the informal sector in Latin America is an expression of excess labour supply. Unequal capital endowments and imperfection in the capital and goods market are the main factors that give rise to disequilibrium in the labour market.

The modern formal sector, which is dominant, uses capital intensive technology. This results in unemployment because of the small amount of the labour employed due to capital intensive technology. This concentration of technology in the hands of small firms leads to the appearance of the informal sector as a last resort for workers. Those workers cannot find employment in the formal sector due to its use of capital intensive techniques.

Because people, specially heads of households, cannot remain unemployed for long, one of the options is to become self employed in the informal sector since they have no access to capital, i.e bank loans. This is the manifestation of excess labour supply. It is a set of economic units deprived of access to capital.

The informal sector is not easy to define, the most informative description of the process of identifying an informal sector enterprise was as Hans Singer say ⁽¹⁰⁾

An informal sector enterprise is like a giraffe. It is hard to describe but you know one when you see one.

However, there are many definitions that are used as substitutes for informal sector which are:

- (I) Small scale enterprises
- (ii) Micro enterprises
- (iii) Income generating activities
- (iv) Productive families.

2.3 Informal Sector Studies:

Research on the informal sector has increased since the ILO report to Kenya in all three continents of the developing world, but more prominently in Africa and Latin America than in Asia. Researches in the informal sector were of three types, ⁽¹¹⁾ The first dealt with the informal sector as a labour force phenomena,

it is a sector where the urban poor population of the developing countries is employed outside the formal sector jobs and therefore lacks access to social security and other fringe benefits. These studies were conducted to identify the working poor and to legitimize informal sector occupations in order to lessen hostile government regulations, and to set a framework for macro economic policies that would improve the productivity and incomes of informal sector participants.

The second deals with the micro enterprises which is the viable components of the informal sector and with how these micro enterprises can be improved by increasing financial and technical assistance.

The third is a more recent approach that looks at the growing linkages between formality and informality, particularly in Latin America.

2.3.1 Informal Sector Studies In The Sudan:

Studies about the informal sector in Sudan began with the work of the ILO in their report to Sudan ⁽¹²⁾. Their definition of the informal sector as informal activities will mean any economic activity outside the urban formal high wage sector and outside the rural traditional sector implying most but not necessarily all the seven characteristics of the Kenya mission.

They argued that these informal activities fall within one of four categories.

Category 1: An enterprise in this category has a permanent place of work and has a licence and constant capital.

Category II: The enterprise is not well established and could easily go out of business. It usually has a licence, but not always; and has small capital.

Category III: The establishment has no permanent place of work. It is usually unlicensed. Productivity and profit are low.

Category IV: These are mainly the petty hawkers and vendors and all other individuals doing all kinds of petty jobs characterized by long hours, low productivity and small income.

The ILO team managed a survey of informal sector employment in urban Khartoum; and they found that it was 25% of the labour force

The ILO report has given rise to a considerable number of researches in Sudan. Between May and July 1979 a survey of 200 establishments was conducted in Wad Medani ⁽¹³⁾. It focused in the socio-economic, demographic and institutional characteristics of the informal sector. The study divided the sector into four categories. Category one included transport activity which constitutes more than 60% of total establishment and 68% of employment. Category two included establishments engaged in commercial and services activities. The study also observed a high degree of homogeneity in establishments and employees. It indicated that the informal sector is dominantly a service oriented activity, at least in Wad Medani.

Another study has been done in Juba, ⁽¹⁴⁾ southern Sudan. This focused on the structure, types of activities and employment characteristics of informal activities. The main problem in conducting the survey was the lack of a general sample frame. However, a system of random sample of enterprise was defined as any unit engaged in the production of goods and services.

The study showed that family ownership and employment pattern were predominant. While only a few respondent employ female relatives, 15% of non relative employees are children.

The study demonstrated a high degree of underemployment due to the slow growth of businesses which is the result of various constraints, including finance, raw materials and energy.

The study also shows that the literacy rate of the labour force is low.

A recent study of the informal sector in Khartoum⁽¹⁵⁾ aimed at considering the role of the sector in development, its employment potential, whether the sector is developed into high productivity forms and how the government can best help the sector.

The study has shown that there are several factors impeding the expansion of informal activities, mainly: lack of raw materials and suitable working condition.

The authors recommended certain policy measures to promote the informal economic activities. The most effective assistance the government can provide is to remove the numerous

administrative constraints placed on it by local authorities. Moreover, the government should design and implement a comprehensive extension services for small scale entrepreneurs, provide training, licences, credit and marketing facilities.

2.4 Women's Work:

Women have three roles to play: ⁽¹⁶⁾ reproductive, productive and a community managing role.

Reproductive work includes child bearing, house keeping cleaning, cooking and domestic work.

Productive work is the work done by women at the community level, like provision of housing and basic services such as fetching water. This also includes, putting pressures on local authorities to guarantee basic services.

Despite this triple role played by women, their services are not recognized because the only productive work recognized is the one that is paid for. So women and their roles are always neglected in the development process. *Ester Boserup* ⁽¹⁷⁾ in her work in 1970 argued that.

In vast and ever growing literature on economic development, reflections on the particular problems of women are few and far between.

Writing on women's work has developed as one of the results of the emergence of the feminist movement in western Europe and the United states in the late 1960s and early 1970s. These writings have increased after the declaration of Women Decade (1975-1985) which played a crucial part in highlighting the important but often invisible role played by women in social and economic development of their countries.

The United Nation Decade for Women (1976-85) heralded the shift of researchers' preoccupation from the role of women within the family towards understanding of the difficulties of women's employment

A new approach emerged is the Women In Development approach (WID), the term WID means the integration of women into processes of economic, political and social growth and change. This term has come into use after the publication of *Ester Boserup's Women's Role In Economic Development* (1970), which analyzed the

several division of labour in agrarian economies. She emphasized gender as a basic factor in the division of labour across countries, She criticized the generalization that attributes the provision of food to men. Women have been food providers in many areas of the world.

Although her research has been criticized for its over simplification of the nature of women's work and roles, it has drawn people's attention to the sexual division of labour; and the differential impact of gender on development and modernization strategies.

The Women In Development approach, used by policy makers, aimed at correcting the imbalance of modernization theory by implementing international programmes to adjust the imbalance of development and better integrate women into economic systems. The primary emphasis was on egalitarianism and the development of strategies and action programme to minimize the disadvantages of women in the productive sector and end discrimination against them. This approach has been criticized in that it sets off from an acceptance of the existing social structures in that it focused on how women could be better integrated in the development process rather than questioning the origins of women's subordination and oppression. Moreover, the WID tended to focus on the productive role of women and ignored or minimized the reproductive side of women's lives.

A shift in approach turned to what is called Women And Development (WAD) or the Marxist Feminist Approach which emerged in the second half of the 1970s. This approach focused on the relationship between women and development processes rather than merely on integrating them into development. It confirmed that women have always been economic actors in their societies.

Its advantage lies in its attempt to articulate the relationships of women's oppression and other forms of exploitation; and its insistence on a historical approach that tries to analyze the links between female employment and particular modes of production. Although WAD approach offers a more critical view of women's position, it fails to offer a complete full scale analysis of the relationship between patriarchy, differing modes of production and women's

subordination and oppression.

A prominent weakness common to both WID and WAD is the concentration on the productive sector at the expense of the reproductive side of women's work and lives.

A Further shift in approach has recognized the limitation of studying women out of the social and cultural context and stresses the need for Gender And Development (GAD) studies.

The term *Gender* ⁽¹⁸⁾ refers to the complex process by which males and females become socially men and women. Gender as apposed to sex, therefore refers to the product of this social organization of the sexes in two distinct and different categories: men and women. Relations between men and women are thus not spontaneous, but socially defined and shaped.

GAD approach emerged in the 1980s as an alternative to WID approach. Its origins is in the Socialist Feminism. Linking the relations of production to the relations of reproduction and taking into account all aspects of women's lives, their primary focus is examining why women are assigned inferior or secondary roles. GAD focuses on the productive and reproductive aspects of women's and men's lives simultaneously. It analyses contribution both inside and outside the household, including non commodity production. Men and women play different roles in the society, their gender differences being shaped by ideological historical religious, ethnic, economic and cultural determinants. The approach emphasized the duty of the state to provide some social services, which women in many countries have provided on a private individual basis. GAD goes further than WID or WAD in questioning the existing assumptions of social, economic and political structures.

This approach is criticized on the ground that it is not practical. GAD can not easily be integrated into ongoing development strategies and programmes. It requires a degree of commitment to structural change and power shifts which is unlikely to be found in national or international agencies.

Therefore, a fully articulated GAD perspective is seldomly found in the projects and activities of international development agencies. Although partial examples can be identified. Hence, it

is not surprising that the majority of the projects for women, which have emerged during the past two decades, find their roots in the WID perspective.

Within this theoretical framework, there are different practical approaches of development that have been raised to integrate women into development.

i. The Welfare Approach:

This approach is concerned with women's basic needs, to respond to their welfare and to satisfy their primary reproductive roles. Hence, it is focused on health, education, training and shelter projects. This approach is also referred to as Basic or Practical Needs Approach.

This approach is criticized for ignoring women productive and potential roles; and leads to dependency of females on males and to marginalizing women engaged in production by not offering them supportive and promotion services.

ii. The Anti Poverty And Efficiency Approaches:

These approaches are considered a development from the first approach, they aim at breaking the poverty cycle and enabling women to achieve a higher income which may be used to provide for their needs. Basically, they aim at promoting women economic independence through training credit and extension service.. etc.

However, these approaches are criticized on the basis that women are exploited by being burdened, or by not owning the productive resources. Also they make protective measures that are predicated on providing continued assistance in forms that impede women's independence in the long run hence, another approach is developed.

iii. The Empowerment Approach:

This approach looks at women in their totality; and analyses not only their roles but their status. What resources women have, what constraints they face compared to males. This is related to what Moser termed as strategic needs of women versus their practical needs to which the first and the second approach satisfy. The ideology of this approach is that women's lack of power and equity is the basic reason behind the exploitation they face, the low status they have; and hence the underdevelopment

they encounter. Empowerment is a much more advanced approach to women development in the sense that the beneficiary is not helped to achieve a higher level of income, but is helped to gain her full independence for any project or other institutional support that is presented to her in preferential manner.

It is in the light of this last approach to women development that income generating activities for women are considered a valuable effective strategy.

2.4.1 Women In The Informal Sector:

Although gender specific studies on the participation of women in the informal sector are relatively few, general observations suggest that there are large numbers of women operating in the informal sector. The reasons for women dominance in this sector is the ease of entry and small capital employed.

A study of women in the informal sector conducted in Congo and Zambia revealed that in Congo 68.4%⁽¹⁹⁾ of all female employment in manufacturing was informal, in trade it was 94% and for service 50%. In Gambia the shares were 71% 99.9% and 36.2% respectively. Most female participation in the informal sector was in trade.

According to studies conducted by the programme of regional employment for Latin America and the Caribbean (PREALC) in the 1970s, women comprised between 51.8% and 62% of those employed in the informal sector in major Mexican cities, if domestic services are excluded women still accounted for 32 to 37% of those in the informal sector in these cities.

Marguerite Berger and Marya Buvinic⁽²⁰⁾ argued that the concept of informality largely fits women's work because of the five common characteristics that this work often portrays.

Firstly, its internal organization is flexible and informal. An extreme case of informality is that of self employed worker who combines the roles of worker, manager and owner in a single individual.

Secondly, the informal sector occupations tend to be informal with respect to their relations with the outside world e.g with clients, suppliers and the state.

The third character is that informal sector product cycle

is discontinuous, variable and flexible. This is due in part to the low level of technology used by informal sector business and the low level of capitalization; lack of working capital often obliged informal sector operators to stop production. The limited nature of technology not only hinders the ability to produce, but also limits the operators to plan for long run investment.

The fifth and final character of the informal sector that fits women is the lack of separation of consumption from production. Economic analysis distinguishes between production and consumption. However, it becomes difficult to apply this separation in the informal sector where household income and expenditure are linked to business expenditure assets and labour.

The authors argued that these five characteristics are as the same as those of women's work which are agreed upon by many authorities i.e informality largely fits women's work.

2.5 Financing Women In The Informal Sector:

The informal sector is a very important source for employment and income for poor people. This fact leads international organizations and governments to take interest in it; and seek to provide credit for those who work in it but has no access to credit.

Recognizing the importance of the informal sector for the livelihood of poor women, donor agencies have sought to assist women who operate informal micro businesses. This move is part of a broader trend in development: assistance towards providing direct support to the smallest economic activities. In the past ten years, such efforts have focused more and more on credit.⁽²¹⁾

According to Hug⁽²²⁾

Credit is very powerful. It is a social instrument,
political instrument and economic instrument
all rolled in one.

Women in the informal sector have access to either formal or informal finance. However, there are many constraints that prevent women from having access to formal credit.⁽²³⁾

Among these constraints are the following:

- Social customs that restrict women's ability to deal with credit institutions.

-The nature and kind of the credit programmes e.g the size of loans and repayment schedules.

- Lack of skill and the ability to negotiate for loans.

- Lack of collateral, the majority of women does not have title to land or other property.

- The characteristics of the formal banks are often not suitable with the needs of women. In some cases the banks require the husband to co-sign for a wife loan.

- Women's inability to identify and enter into successful projects which will encourage banks to enter their money.

However, these constraints do not face women when they seek credit from informal sources of finance.

2.5.1 Informal Finance:

Informal finance plays a major role in financing economic activities in most developing countries, in both rural and urban areas. The major source of credit for most micro enterprises is still the savings of entrepreneurs, their friends and relatives. Women have a high propensity to save and often use indigenous institutions such as rotating savings and credit associations. There are four types of informal finance.

2.5.1.1 Self Finance And Loans From Relatives And Friends:

It is the most significant source of informal finance in the developing countries. This source of finance saves for the initial investment of the projects, for the expansion of the enterprise and the working capital.

According to Seibel ⁽²⁴⁾

Self finance is the forgotten half in the development theory.

However, the amount of money borrowed from friends and relatives generally differs according to the socio-economic status; and the poor normally resort to other people in an economic position similar to their own.

Of all financing methods this method is the cheapest because it is usually free of charge or at low rate of interest.

2.5.1.2 Rotating And Non Rotating Funds:

Rotating saving and credit associations are originated in

many areas. They have become specialized in finance while in others they continue providing different services to their members. Rotating saving and credit associations (Roscas) are found in most poor countries, in both urban and rural areas. They are particularly important in many parts of Africa and Asia. In some countries there are several ways (Roscas) can operate. One of the most common is that each member provides a fixed amount of money for a given period of time, which is allocated to one member of the group. This member is distinguished by chance, preestablished terms, age, consensus, negotiation or through bidding.

The advantages of Roscas are that firstly, they depend on the capacity of the individual to contribute. Secondly, the procedures are simple, inexpensive, flexible, informal and can be adopted by group consensus. Thirdly, membership can be shared and the individual may participate simultaneously in several Roscas. Another advantage is that, the administrative cost is low because it does not require an office or staff; and involves a minimum documentation.

This system of Rotating fund in the Sudan has been called (ElKhata or the Sandog). It has been known in the Sudan between women; it depends on the trust of the group on each other, Hence, this system is mostly between relatives, friends or neighbours^[25]

This type of lending, however, has limitations, Firstly, rarely is a permanent fund established, that could be used for further lending after the completion of each cycle, the fund is generally divided among members. To continue, therefore, the cycle must be reconstituted. Secondly, there is a risk involved in this type of scheme because of the fear that the group may be dismantled before completing the cycle and before all members have benefited. Finally, inflation may reduce the value of Rosca especially if interest is not changed^[26] as in the case of the Sudan.

2.5.1.3 Money Lenders and Pawn Brokers:

Money lenders and pawn brokers can be seen as specialists in financial intermediation. In some countries money lenders are a principal source of finance.

Pawn Brokers also provide a considerable amount of total credit in a number of Asian countries. e.g in Malaysia they provide 20% of total credit and 50% of credit required for rice production.

The Indonesian government in its programme for helping the poor, engaged in pawn broking for the whole nation. In Sri Lanka, banks often have a pawn broking window. In India, Malaysia and also in Ethiopia pawn broking shops are backed by commercial banks. Loans from pawn brokers are provided on a commercial basis; and they rarely carry social obligation other than those from money lenders, traders or shopkeepers.

It is evident from the literature on informal finance that the role of money lenders and pawnbrokers is considered highly controversial, commonly they are accused of forcing the poor into perpetual debts.

The availability of money lenders in the villages makes access to finance easier for women, because it provides speedy services, long opening hours, no requirement for documentation and a willingness to provide small loans. Pawn brokers and money lenders however, tend to charge high rates of interest almost above the market rates.

However, there are numbers of factors that increase the cost of informal loans, the high opportunity cost of capital, the small amounts and short term provision made for informal loans and the lack of insufficient collateral. While high interest reduces the profitability and income of the borrowers, it has to be recognized that paying higher than formal market rates may be accepted for the user in certain circumstances, because it meets particular emergency needs.

Generally, pawn brokers and money lenders may be more accessible to women than formal banks; and they possess a wealth of local knowledge. Thus, it may be an advantage to integrate them into the development process so that it would be possible to reach a large amount of beneficiaries.

2. 5.1.4 Whole Sale Traders and Shop Keepers:

Whole sale traders and shop keepers also function as financial brokers, but their credit is linked to trade

relationships. This credit is also available free of interest for a month or more. Initial purchases are conducted on a cash basis. However, once a longer term relationship is established, credit becomes available and purchases serves as their own collateral.

Many women are engaged in petty trade, and they supply their business from wholesale traders find the credit very favourable. This system involves no collateral and requires little other investment. It would be more expensive and complicated to execute the same operation with capital obtained from a money lender or a bank.

Suppliers of credit in this system is not always repaid in cash. A contract is made between the supplier and the client to sell the produce at a predetermined rate usually below the market rate. When opportunity costs of capital are high, supplier's credit is likely to be expensive. Credit arrangements, commonly introduced, are raw materials which are offered as a form of credit in kind.

2.5.1.5 Share Cropping Arrangement:

In many developing countries, informal finance for agriculture or animal husbandry is used through share cropping arrangements or joint livestock venture. It is difficult to specify the volume of agricultural financing through share cropping however, it is most likely considerable. A wide variety of such contracts exists, with labour land and capital included in different proportions. The difference in contracts in part reflects local scarcity of or access to the factors of production. In some areas, the proportions are defined by local custom or religious prescription (e.g in Islamic countries, Musharaka concept). In some places, they are individually negotiated.

Regardless of yield or quality, the harvest is shared according to the agreed proportions; and the farmer does not remain indebted, in case for crop failure, the collateral is not required. The transaction generally, involves working capital only.

Although share-cropping contracts are normally agreed by the head of the household, women may engage in share cropping

independently.

In the Sudan, in rural areas, the poor resort to the village merchant who represents a traditional credit institution that differs from formal credit institutions in that it is more flexible.

There is the Shail system, which is a sort of informal finance. It made between the village merchant or the money lender and the farmer. This system is manifested in different shapes, but the most common is to allocate a specific quantity from the crop before the harvest for the payment of the loan.

The general system which prevails in rural areas in Sudan is the share in the factors of production (capital, land, labour) which may be called "traditional partnership". This system is similar to Mudaraba concept. In the Mudaraba, if there is failure, the person, who owns the capital, loses his money and the person, who provides labour, loses his efforts

2.6 The Care of International World For Financing Women In The Informal Sector:

International organizations and governments started to formulate large number of programmes to provide operators, in the informal sector, with services, specially, access to credit. New forms of financial services, based on experience in both the traditional informal sector and the formal, has emerged in recent years. The deficiencies of existing traditional means, of delivering credit to the poor women, have resulted in the introduction of a wide range of new forms of provision.

2.6.1 Types Of Credit Programmes:

In the credit approach, there are different types of programmes aim to increasing income and create employment. The following are four types which can be categorized as follows:

(i) Special credit schemes within commercial banks that are created to provide services for the poor.

(ii) Intermediary programmes that assist the poor to borrow from formal institutions.

(iii) Parallel programmes that use non bank organizations and directly give loans to the poor.

(iv) Poverty-focused development bank which deal directly with the poor.

2.6.1.1 Commercial Bank Schemes:

Generally, commercial banks lending is concentrated on large enterprises in the formal sector, because it is more profitable and less costly, since they are profit-seeking institutions. However, some banks have established programmes, or some branches, to assist borrowers in the informal sector. Examples of commercial banks programmes operated by private bank are in the Ecuador and KUPEDES programme in Rikayat Bank Indonesia.

In Sudan there is Productive Families Programme run by the Sudanese Islamic Bank. In India, for example, national banks are obliged to lend 1% of their loans to the weak sector. In addition, many countries have laws that ordered private banks to lend to small business.

However, the programmes directed to small borrowers have failed to reach a large number of small borrowers; specially women.

2.6.1.2 Intermediary Programmes:

These are the programmes that connects small businesses and formal banking system. They are generally operated by non governmental organizations (NGOs) and government organizations that provide loans with other service such as training and the guarantee to lenders.

The intermediary institutions develop the relationship between poor women and the formal banking system. They can help women in their loans procedures and back them in their dealings with banks. An important example of this intermediary institution, is the Women World Banking which operates in fifty countries, and extends credit to women. In Sudan there is an example, the (R.D.F), which is a local NGO that provides services to women in the informal sector; and works as an intermediary between women and non governmental organizations.

2.6.1.3 Parallel Programmes:

These are programmes that provide credit directly to their beneficiaries through non bank institutions. Usually through NGOs that are either planned for giving credit or using it as one

component of their programmes. An example of this type of programme is the Working Women Forum in India. In Sudan there is the SDA.

2.6.1.4 Poverty Focused Banks:

These are the institutions that are registered as banks, but whose objectives are concentrated on development. Unlike commercial banks, they provide different services including credit. Example of these institutions is the Grameen Bank of Bangladesh which has over 500,000 borrowers.

The following are examples of the institutions that provide credit to poor people working in the informal sector.

2.7 Village Bank (FINCA International):

Village banks^[27] are community-directed credit and savings associations which are established to improve poor people access to credit with emphasis on poor women. The village banking system was started in Bolivia in 1984. It was originated by Dr. John K Hatch creator of the Foundation For International Community Assistance (FINCA). The foundation has headquarters in Alexandria and Virginia. Hatch believes that villagers will be more effective in managing their own banks than any one outside.

There are a number of donor agencies that help establish village banks in a number of countries, like Save The Children, Care, Catholic Relief Services (KRS) and many others.

African village banks have been established in Benin Burkina Faso, Ghana, Mali, Senegal and Uganda.

In the world there are many adaptations of the village bank, but there are basic principles that must be found in every village bank model. These are: providing individual and small loans in the beginning; 100% recovery of loans to the village bank in order to issue new loans; savings are required, commercial interest rates, the independence of the village in the selection of members and autonomy of the members in the selection of interest; the primary focus should be on women and on individual and group empowerment.

2.7.1 Institutional Structure:

In the case of FINCA, there are three organizational structures: the village banks, the Local FINCA Affiliates and the

FINCA International Affiliate Network. FINCA International trains local NGOs which only then carries out village banking activities.

A village bank consists of the general membership and a credit committee. Members are mostly self selected. The optimal size of a village bank is 30 members.

Historically, the model of a village bank is to provide minimum financial services, therefore, it calls for limited administrative cost and requires training for the organization of banks, but does not stress business training.

2.7.2 Types Of Loans:

The loans usually finance short-term working capital. The activities are chosen by the members themselves. The maturity of loans is over four months, and loans are repaid on a weekly basis. The average loan amounts to Us 100 in 1993.

Concerning interest rates, village banks charge commercial interest rates which take into account inflation and non repayment. The interest is used to cover administrative costs of the bank.

2.7.3 Savings:

Savings are an important part of the village banking approach. The methodology assumes that 20% of the loan must be saved per cycle.

2.7.4 Success Indicator:

2.7.4.1 Value of Loans:

In November 1993, FINCA international organized 1,986 village banks which had a total of 52,362 members. The cumulative number of loans, in 1993, was over 13 million. The repayment rate was 97% in 1994.

2.7.4.2 Impacts:

The village banking is a recent phenomenon, there is no in-depth assessment. Generally, village banking can be said to increase savings, women's individual empowerment, income, independence from money lenders, health and nutrition and improved household food security.

It is remarkable that the main reason of the success of this programme is its adaptability; its ability to satisfy the credit

needs of the villagers; its flexibility as well as its ability to cover administrative costs.

2.8 Grameen Bank of Bangladesh:

Grameen Bank of Bangladesh is a poverty-focused credit institution. Its aim is to provide loans to those who are landless and assetless; and to improve their quality of life. It is a non-traditional banking system for those who are not covered by the existing banking system.

The idea of Grameen Bank has originated in 1976 by professor *Muhammad Yunus*, a professor of economics at Chittiang University. It began as an action research in Jobra village, close to the university, in the wake of the 1974-75 famine.

The bank's philosophy is simple: credit is a fundamental human right, poverty should not be a reason for not lending, quite the opposite, lending should be encouraged among the poor.

2.8.1 Objectives Of Grameen Bank

The objectives of Grameen bank are: firstly, to extend banking facilities to poor men and women. Secondly, to eliminate the exploitation of money lenders. Thirdly, to create opportunities for self-employment for employed and under employed man power.

In 1978, the project became an experimental branch of Bangladesh Krishi Bank. In 1983, Grameen bank became an independent bank. Millions of dollars were provided by the Central Bank of Bangladesh and United Nations International Fund For Agricultural Development. There are other donors like UNICEF GTZ, and the Ford Foundation. However, Grameen Bank finances itself, to a great extent, through borrowers interest payments.

2.8.2 The Target Group:

The target group of the Bank are the bottom 25% of the population, they are the very poor and landless.

The criterion for lending is a group consisting of five unrelated villagers, six groups federate into a centre. The group must enter into training programmes and must learn the "Sixteenth Decision", a social development institution, the training also includes teaching the rules and regulations of the bank as well as learning to sign one's name.

Loans are given for a variety of purposes and divided into eight broad categories: processing manufacturing, agricultural forestry, livestock fisheries services, trading, peddling, shopkeeping and collective enterprises. Most loans are given for processing and livestock fisheries.

The group decides the amount of the loan. The loans usually range from 1000 Taka-5000 ceiling, the bank charge 16% interest rate for the whole year. There is 5% interest on house loans and 8.5% on members savings. Each group has obligatory savings and emergency fund schemes for use as insurance and disaster relief. This indicates that there is a comprehensive lending not only for work, but also for housing and other improvement conditions.

The repayment rate is 98.6%, and cumulative savings amounts to \$ 13 million US \$ in 1994. The percentage of women in the Grameen Bank is high, 88% of the borrowers are women. Three out of four new members are women and the ratio is encouraged.

Yunus^[28] argued that:

Women have a longer time horizon than men, they are looking to make future improvements that affect the whole family. Besides, since women suffer the greatest discrimination, it only makes sense that they will benefit the most.

However, the Grameen Bank is the most successful organization in retrieving poverty and providing services to the poor in terms of credit and other types of services. The Grameen Bank experience has become an ideal model and every country in the world is trying to initiate its experience.

In fact, this experience can be applied, in Sudan, and can work successfully, but such success requires honesty and devotion, also it entails the reduction in the administrative cost by lowering the cost of building and wages. Moreover, the system of group lending decreases the costs of monitoring and follow up, besides, sharing the burden of the loans decreases the probability of defaults. In addition to the loans for work, the Grameen Bank provides all other loans for housing and emergency which help in improving the conditions of poor people and therefore increase their Production.

2.9 SEWA of INDIA:

Self Employed Women's Association of India (SEWA)^[29] is a trade union which was established in 1972, in Ahmed Abad, when a group of women head loaders, garment dealers, junksmiths and vegetable vendors come together in Ahmed Abad to form a worker's association. By 1982, the SEWA trade union consisted of over 5,000 poor women workers. It struggles for higher wages, improved working conditions and protecting members against harassment by police and exploitation by middle men. It provides other services like training programmes, social security systems, production marketing cooperatives and other programmes for developing trade. Also it acts as a guarantee for members to borrow from the formal banking system.

The SEWA decided to start up a bank, when it realized that linking women with nationalized banks was not working well. In May 1974, the SEWA had a licence from the Reserve Bank of India. Four thousand women contributed share capital of ten rupees each to establish the bank.

From 1974 to 1977, the SEWA Bank has been striving to mobilize women to join it; it operated as an intermediary to permit its members to obtain loans from nationalized banks. The bank began advancing money, from its own fund to its clients, in 1976.

2.9.1 Objectives Of The SEWA Bank:

The aim of the bank is to provide a united set of banking services different from the general pattern of cooperative banks. This includes providing facilities for savings; credit for productive economics and income generating activities of the poor self employed women; technical and management assistance in production, storage, training and technical assistance.

2.9.2 The Target Group:

The beneficiaries of the SEWA Bank are all self employed women in India, 93% of the working women are in the informal sector. The characteristics of the SEWA Bank borrowers are low-income or very low savings level, no assets and no direct access to raw materials.

2.9.3 Institutional Structure:

The SEWA Bank is an organization based on membership, members of the bank who elect the board of directors. the latter act as a controlling body of the bank. All major decisions are made by the board including advancing of loans.

Some of this staff handle field work on a rotational basis. It is noticeable that the bank provides a package of services, which is the basic reason behind the bank's success.

The SEWA requires from its staff other characteristics above the normal qualifications such as honesty, devotion, patience affection for the women clients, enthusiasm and readiness to perform field work.

The SEWA Cooperative Bank has utilized simple procedures to its members. It works in an informal environment. Illiterate women are required only to provide a thumb impression and two copies of photographs instead of signature on bank documents. The bank assists in filling out application forms, which are clear and only one page in length. The loans can usually be processed in a week.

2.9.4 Sources And Types Of Loans:

The sources of loan capital for the SEWA Bank are deposits, share capital and profits that are pushed back into the institution. The SEWA tries to decrease its administrative costs. It also invests a small segment of its profits in fixed assets such as buildings.

The SEWA provides both secured and unsecured loans, but the majority of loans are not secured. The SEWA provides loans for working capital, for paying rent or equipment and loans to finance mortgage and other assets. The SEWA charges 16.5 percent annually as interest rate.

The ceiling of lending is 780 US \$. In order to ensure recovery, SEWA Bank has a continuous follow up and close monitoring with personal contact with borrowers.

Savings are important component in the SEWA credit approach. The members save small amounts each week to be used for old age, to establish independent bank accounts, for young daughters marriages, and for expanding business with new machinery. Much of the savings are used for emergencies such as illness.

The SEWA Bank, in 1992, also provides a variety of different social security services.

2.9.5 Repayment:

The repayment rate, according to the Ford Foundation assessment in 1992, was 77%.

2.9.6 Success Indicators:

Although no comprehensive impact study has been conducted on the SEWA Bank, there is information gathered from field workers that provides partial picture of the SEWA Bank. The Bank has enabled members to depart from the control of money lenders; and to develop their skills to deal with formal financial institutions.

Also it increases self confidence among clients. In terms of probability and financial feasibility, the Ford Foundation assessment found SEWA Bank a profitable enterprise.

SEWA Bank has policies very similar to Grameen bank, but it was always supposed to be a bank for women. The institution is operated by its own members who are on the board and the staff.

One of the main factors which made SEWA Bank successful is that it recognizes and understands the financial problems of the self employed poor women, because they are represented in this bank and hence they know the genuine problems that facing them. It recognizes that women have no assets; and can not provide collateral for equipment. Moreover, it provides not only access to loans, but also savings facilities so that women can have a place where they can keep their savings. It worth noting that enthusiasm, devotion and the believes in women's needs are the major reasons for the bank's success, in addition to the continuous monitoring and follow up.

2.10 Bank Rikayat Indonesia [KUPPEDES] Programme:

Bank Rikayat of Indonesia^[30] (BRI) has been one of state banks in Indonesia. It was established to provide rural banking services to a part of the population neglected by the rest of the banking system.

The development of this bank was done in two phases. In the first period from 1969 to 1983 it established the unit desa (village units) to provide credit for agricultural inputs and

other off-farm activities as a part of government extension programmes which are known as BIMAS.

The second phase was from 1984 to 1993. In 1984 a policy decision was made to change the three thousands unit desas into full banking units that would be financially self sufficient without government subsidies. The plan was to have saving to constitute the major sources of loan with the objective that these loans would have a positive interest rate to cover all costs.

This new demand credit programme (Kredit Um Pedesan or general rural credit) [KUPEDES], is the only credit programme run by the unit desas.

2.10.1 Institutional Structure:

The BRI has a centralized organizational structure. The top is Kantor Pusat (The central BRI) followed by the Kantor Wilayah (The regional BRI office); and the Cabang (Branch) and the Unit Desa (village units).

The Cabang has the responsibility of regulating ten Unit Desas. The Cabang states the maximum a unit desas can loan without approval.

The Unit Desas are the operating units. Activities carried out by the Unit Desa include: making decision on the loan amount, the loan period and collateral, mobilizing savings, promoting the bank and collecting repayment, generally, making the unit a profit centre.

Recently, in 1990, the government has decided to privatize all banks and so the BRI has become a commercial bank.

2.10.2 The Borrowers:

The majority of KUPEDES borrowers are landless and near land-less families who live in rural areas.

2.10.3 Source Of Loan Capital:

The units lending capital consists of borrowers savings and loans from the central bank. Since 1987, the World Bank has loaned BRI a total of \$225 million for unit desas operations. These loans were not subsidized and they depend on the BRI's unit market rate. In addition, the BRI received 16 US \$ million for

construction technical assistance, and training from USAID.

The units have become profitable since 1986 by the mobilization of savings. The units share of total BRI profits was in excess of 30% in each of the last three years.

2.10.4 Savings Programme:

Savings programme are encouraged in rural areas to save more at a unit desa. Recently unit desas has 11 million savers.

2.10.5 Types And Size Of Loans:

The types of loans that have been made are mostly in non agricultural sector i.e petty trade, cottage industries and services occupation.

The size of loans, in January 1994, was equivalent to US \$ 11,837, the interest rate was 2% per month for working and investment capital.

The KUPEDES borrower must provide a collateral to cover the value of the loan. The collateral is usually land, building or motor cycle or other property.

2.10.6 Repayment:

Repayment for working capital is from 1 to 24 months without a grace period. Single payment for working capital ranges from 3 to 12 months. Repayment schedule for investment capital loans are up to 36 months.

2.10.7 Special Features:

One special feature that characterizes KUPEDES programme is the system of incentives. This system contributes to KUPEDES success. For example, 10% of each unit annual profits is distributed to its employees early in the following year. For customers, 0.5% of the original amount of loan per month is repaid to the customer if all payment in six months period is paid on time. This will encourage the employee and the customer to do best.

Another special feature of the BRI is its training programme, it has five regional training centres for employees. In order to keep them up to date on recent changes, they receive courses periodically.

2.10.8 Success Indicators:

There are many reasons for BRI success, this include BRI

market orientation and its response to market demand based on client's needs and priorities, the integration of local regional and national financial markets, good institutional performance including efficiency, adaptability, autonomy and having savings to raise loans and capital to serve as a marketing tools in attracting new savers.

In addition, *Pattern* and *Rosengard* argued that, the specific characteristics of the economic, political and social administrative environment in which BRI operates are the major reasons for the BRI's success, besides the Continuous government support without interference. There is also the low cost personnel of the bank due to the availability of educated and unemployed youth.

In terms of the economic environment, the careful investment of oil revenue, in economic infrastructure such as roads and communications, has inspired and encouraged economic activity. Indonesia's macro economic policy includes: control balance budget, inflation controls and heavy government investment in rural infrastructure. It is obvious that all the conditions for success were available in terms of micro and macro-level.

2.10.9 Impact on Borrowers:

In 1988 the BRI conducted an impact study. it depended on four criteria: employment, income, technology and standard of living.

KUPEDES has had a major impact in total household income for borrower families. Indonesian household income had increased after three years of the programme.

In terms of employment, in an average of three years employment participation increased on an average of 65.13% in terms of annual labour hours. The average number of workers per enterprise increased from 3.44 to 5.60.

Concerning the standard of living after 3 years of the programme, many of the borrowers said they were able to purchase consumer items such as new clothing, radios and television.

According to a survey of the BRI units in 1993, female borrowers received 21.9 of the loan funds; and 23% of the borrowers'. The reason for women's low participation is their

work in the family's rice fields.

2.11. Conclusion:

Looking critically at all these institutions, the most suitable institution that can be applied here in Sudan is Self Employed Women's Association (SEWA). Its prominent feature is that it consists of the self employed women themselves, and it is the only institution that would know the real needs and requirements of women. Moreover, it provides a comprehensive package of services, not only minimum financial services, but also training management, technical assistance, production storage and protects members against police harassment. It also struggles for higher wages and improved working conditions. Moreover, it works in informal atmosphere.

It is noticeable, in all these experiments, that saving constitutes the basic element which can lead to the sustainability of these projects, because it allows these institutions continuous financing. Moreover, some of them like Bank Rikayat of Indonesia work with the market rate which guarantee continuity of finance.

It is also remarkable that all these institutions allow the beneficiaries long term loans with longer grace periods.

Concerning KUPEDES Programmes, they provide new trends, i.e the system of incentives, which can be applied in the Sudan.

One of the basic reasons for the success and sustainability of these experiences is the continuous injection of money from sponsoring agencies (the Ford Foundation, GTZ..etc). Moreover, there is the external atmosphere in which these institution operates i.e the economic condition of the country. It is found that economic stability is important for the success of these institutions. Hence, macro economic indicators are as important as micro economic ones.

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Chapter (3)

Features Of The Sudanese Economy And Women Contribution In The Economy

3.1 The Features Of Sudanese Economy:

The Sudan is the largest country in Africa and the Arab World. It is distinguished, among LDCs, by its vast area and low population density. The population is approximately 30 million. It shares with LDCs most of their characteristics i.e low per capita income, low growth rate and dual economic structure.

Sudan economy, as most of the less developed economies, is basically dependent on the production of primary products and agricultural products in particular. Agriculture represents a source of living for more than 70% of the inhabitants, despite this fact, its contribution to G.D.P was continuously deteriorating.

The share of the agricultural sector in the G.D.P was reduced from 60% in the last two decades to 39% by the end of the 1989/90.

An overview of the major macro economic indicators for the last three decades, identifies the fluctuating performance of the economy and its deterioration in the last 10 years. This is mainly due in some cases to bad economic management and the unfavourable terms of trade between the LDCs and the industrialized developed countries.

It was manifested that the average rates of G.D.P is 0.2%, it was even negative in some years as the year 1989/90 when it dropped to -2.2%, one of the highest negative rates in the world.

Another significant feature of the Sudanese economy is the high rate of hyper-inflation. Since 1970s and through 1980s, inflation has become the major economic problem in the Sudan.

Having registered low rate of inflation in the years immediately after independence and during the 1960s, the Sudan has its first taste of double-digit inflation rates 24% in 1971; which further to 123% in 1991, with an annual average rate of growth of 16.2% in the 1970s; and 36% in the 1980s. A high rate of inflation has followed the implementation of the

International Monetary Fund (IMF) Package since 1979, following the ambitious development programmes launched in the early 1970s.

Table (3-1) indicates the change in inflation in the years 1970-1991. Another productive sector of the economy, which comprises manufacturing, mining and energy, was also deteriorating while the services sector was increasing.

Table No (3-1)
Inflation Rates [1970-1991]

Year	P
1970	4.22
1971	1.50
1972	9.9
1973	16.4
1974	26.4
1975	23.9
1976	1.6
1977	16.9
1978	19.2
1979	30.4
1980	25.6
1981	24.6
1982	26.0
1983	30.5
1984	34.0
1985	45.3
1986	29.5
1987	25.0
1988	49.2
1989	73.9
1990	64.1
1991	123.6

Source: Bank Of Sudan Annual Report And IMF Financial Statistics

A third feature of the Sudanese economy, during the last two decades, is the weak and low per capita income, during the period 1965-86, the per capita income registered an annual drop of

0.22%, the total decrease in these last two decades was about 5%.

The successive reduction, in the G.D.P; and per capita income, was accompanied by another important feature regarding the distribution of income.

A study adopted by the *International Labour Organization (ILO)*, clarifies that the share of 40% of the population (the poor and low income class) was 16% of the G.D.P in 1966/67. This percentage decreased to only 12% in 1978/79.

The share of the upper 10% of the population was 32% in the year 1967/68 and increased to 36% in 1978/79. Bearing in mind that 75% of the poor low class income was spent, there are large income differentials created by the inequitable distribution of G.D.P.

3.1.1 Sectoral Contribution To The G.D.P:

3.1.1.1 The Agricultural Sector:

Despite the fact that agriculture represents the basic economic activity in the sudanese economy, in terms of value added and employment, its share in the G.D.P was continuously deteriorating.

The deterioration in the agricultural sector is due to drought, desertification, floods, heavy rains and other factors.

Another productive sector of the economy, which comprises manufacturing, mining, and energy, was also deteriorating, while the services sector's share was increasing.

The basic productive sectors of the economy, namely manufacturing and agriculture, suffered from structural imbalances. The successive devaluation of the Sudanese currency and shortage of foreign reserves have made it impossible to import raw materials, spare parts, and hence, energy was often lacking and idle capacity has increased from 25% to 40% in 1990.

Structural imbalances have a negative impact on development efforts. As a result, economic growth has been impeded by both internal and external imbalance.

An internal imbalance is reflected in the saving investment gap. A government budget revenue is not sufficient to finance development; public entities underwent losses and became dependent on deficit financing. Moreover, the private sector was

consuming more than saving. Private savings have been mainly directed for trading and speculative activities in commodities and foreign currencies. Many producers, investors and financiers left productive agricultural and manufacturing activities to less risky activities that gained faster and higher profit margins, but have lower contribution to the G.D.P.

An external imbalance is manifested in the cumulatively worsening position of the balance of payments. Sudan's imports grew rapidly and its exports slowed down; the declining value of exports and the increasing gap between export and the unfavourable balance of trade- all this led to a widening of the export-import gap. The government policies, to eliminate this gap, were not successful: Successive devaluations of the pound led to an increase in imports and a reduction in exports.

The government, faced with these imbalances, resorted to internal and external borrowing. This increased the amount of public debt and debt servicing. In addition to this, the problems of desertification and drought and influx of refugees from the neighbouring countries, intensified the economic problems.

Sudan, like other developing countries, adopted the Lewis doctrine .i.e adopting the strategy of establishing large manufacturing projects with high capital intensity and agro-based integrated projects. However, this strategy has failed to achieve its objective in accelerating the rate of growth; and it is partly responsible for the deterioration in the economic conditions of the Sudan.

As for new strategies it is better to adopt the one that utilizes our natural resources and benefits from the availability of labour in order to achieve economic growth. This largely fits small scale enterprises or informal sector activities.

Moreover, from the population side, this deterioration in the economic condition forced every person to try to increase his sources of income. Since women have low education and low experience, the informal sector became the main possible way open to them to make a living.

The informal sector, in the Sudan, offers very important

income-generating opportunities for both sexes, specially women in urban areas. Women are generally engaged in activities which require less capital and skills such as food processing, trading and services.

In order to appraise the performance of women in the informal sector, the role women play in the formal sector and the labour force should be considered.

Before studying women participation in the labour force, it is better to show the legal framework in which women work.

3.2 Work Legislation:

The Sudan is one of the developing countries, which has undertaken legislative measures to integrate women in economic activities in the formal sector. According to the constitution and work legislations regulating the employment and conditions of work, equal treatment in regard to recruitment, promotion and conditions of work is provided for, regardless of sex, origin or religion. In addition, protective measures are guaranteed concerning the reproductive role of women, and their social situation in accordance with the ILO agreements.

However, despite such progress in legislative measures, the differentials concerning employment promotion and wages are obvious. Women employment is distinguished by hierarchial distribution based on sex, they dominate the bottom of the occupational hierarchy; and are limited to traditional and low level occupations, mostly in clerical and production works. Another aspect of discrimination that contributes to the low level of females occupation advancement in relation to application of merit system in promotions is due to gender considerations. In addition, among other factors the low status of females occupations hinders their participation in decision making either through legislative, administrative or organizational level, in spite of the level provisions of equality in this respect. Moreover, women are discriminated against in payment of salaries, especially in the allowances above the basic scale of payment, and training inside the Sudan and abroad, more men are allowed to go for training courses than women.

All these factors contribute to hinder the full participation of women in the labour force; and confine them to few marginal economic activities.

3.3 Women Participation In The Labour Force:

According to the 1983 census, women constitute 49.2% of the total population of the Sudan and 22.5% of the labour force in the formal sector. The illiteracy rate among them is 82%.

Table No (3-2)
Indicators of Female Participation in 3 Censuses

census	Female crude activity rate	Female in total labour force %
1955/56	14.4	22.4
1973	14.1	22.1
1983	14.1	22.5
1993	15.00	26.5

Source: Population Censuses

These figures have shown the low participation rates of women in the labour force. However, these statistics do not reflect the real image. One study ⁽¹⁾ by *Dr Ahmed Hamad* has revealed that a large amount of women who were classified by the population census as economically inactive were in fact engaged in a number of income earning activities. There are activities performed inside the home, which are invisible to the population census.

The distribution of women in the labour force, according to their employment status, reflects the role of women in the national economy as well as their education and income.

However, the small amount of women who were employers, indicates low control of women over economic resources. Moreover, the large share of women who are unpaid workers is noticeable compared with males. This shows the exploiting nature of treating women.

Table No (3-3)
Economically Active Population by Employment Status

Employment status	Male %	Female %	Total
Employer	6.52	3.09	5.58
Own account worker	48.09	32.67	43.84
Employee	32.65	17.55	28.49
Unpaid Family worker	11.03	44.60	20.28
Unpaid working for others	0.31	1.62	1.46
Not stated	1.40	1.62	1.46
Total	100	100	100

Source: 1993 Population Census.

It is useful to subdivide the labour force in the Sudan according to the formal, agricultural and informal sectors.

Statistics about the formal sector include, the public sector (civil service and public corporations) and the private sector. But this classification is not enough to give an accurate distribution of the labour force.

However, it is well known that this sector's contribution in providing employment is relatively poor. Formal sector employment represents about 10% of the total labour force; and this proportion is near the average for Africa as a whole. The formal sector contributes 600,000 jobs. According to the ILO estimation, government policy until recently, increased the employment in this sector. This overstaffing in the public sector blocked any further expansion.

Table No. [3-4] reveals that females represent only about 10% of the total employment in the public sector. This table also illustrates the size and occupational structure of female employment in the public sector.

Table No (3-4)
Distribution of public sector
employees by sex and occupation 1983.

Major group of occupation	male	Female	total	% of female
Professional technical and related workers	44127	10768	54895	24.4
Administrative and managerial workers	4294	4707	413	9.6
Clerical and related workers	24583	6917	31500	28.1
Sales workers	686	19	705	2.8
Services workers	34390	4399	38789	12.8
Agriculture and related workers	9787	175	9962	1.8
Textile and related workers	2096	740	2836	35.3
Productive and related workers	133535	1362	134897	1.0
Total	253498	24793	278291	9.8

Source: Ministry of Labour and Social Security.
Employment wages and Hours of work Establishment survey 1983.

However, the private sector generally provides lesser employment opportunities compared with the public sector which is considered the largest employer of females. The overall figures of females in this sector are low; However, in percentage terms it represents 8% of the total employment as indicated by the Employment, wages and Hours of work survey in 1986, which covered the establishments employing 10 persons and over in northern Sudan as shown in table No [3-5).

Table No (3-5)
Distribution of private sector employees
and workers by sex and occupation, 1986

major groups of occupation	males	%	female	%	total	%
Professional & Technical	5584	7.4	522	8.1	6136	8.11
Administrative and managerial workers	3418	4.6	89	1.3	4507	1.9
Clerical and related workers	61.02	8.1	1207	15.7	7309	16.5
Sales workers	1822	2.4	45	0.8	1976	2.87
Services workers	8602	11.5	236	3.07	8838	2.67
Agricultural workers	175	0.23	-	-	175	-
Productive workers	40401	65.8	4655	68.5	7990	0.88
Total	75104	6793			81897	9.29

Source: Ministry of Labour and Social Security: *Employment Wages and Hours Work 1986*.

The concentration of women in clerical and semi clerical jobs is remarkable.

Table No (3-6)
Distribution of Employees in the Civil Service

Categories of post	males	Females	total	% of females
High posts	5.170	170	5,344	3.3
Technical & administrative	27.094	3,582	30,676	43.8
Clerical and semi clerical	63.858	49,740	113,598	43.8
Judges	1.005	16,000	1.021	1.6
Total	97.120	53.512	150,639	35.5

Source: *Working Women in Sudan* "Ministry of Labour Dept. of Research 1983.

Table No (3-7)
The number of workers in the civil service

Grades	males	females	total	female %
group (1)	66.861	1.972	68.788	2.9
group (2)	50.432	2.854	53.286	5.0
group (3)	40.577	2.071	42.648	4.9
group (4)	20.292	1.274	22.203	5.7
group (5)	14.514	5.740	20.254	28.3
group (6)	4.618	1.956	8.574	22.8
group (7)	3.820	530	4.350	12.1
total	220.103	16.397	203.704	100

Source: Working Women in Sudan "Ministry of Labour Dept. of research 1983.

From the previous tables it is clear that women are far below men in the economic participation, the number of women tends to be less than that of men as we go up in the hierarchy of civil the service.

From the previous review, it is obvious that the characteristics of women employment in the formal sector is marked by low participation compared to males, and that females dominate the bottom occupations. Also it is obvious that there is over staffing in the formal sector which block any further expansion, specially for women who represent a small percentage of employees.

3.3.1 Women In The Agricultural Sector:

Women in all third world agrarian societies, play a major productive role in agriculture. Historically, the Sudanese women have played an important role in agricultural production. The essence of their work, however, seems invisible to many people. According to statistical information women represent 79.6% of the female labour force. However, their role in agriculture has been under estimated in national accounts.

The agricultural sector is the dominant sector in the Sudanese economy. This sector is characterized by a marked dualism between high income irrigated and mechanized rainfed

agriculture on the one hand, and low-income traditional farming. Women contribution in this sector is greater because traditional farming is based on primitive manual systems of farming rather than mechanical ones; with little or no inputs such as fertilizers. Another reason is the comparative availability of education and employment opportunities in the cities more than in the country side where agriculture is the only available chance of employment. Also the introduction of tractors and machines limits the role of women in agriculture although it has been argued that the introduction of modern techniques, such as flour mills and availability of drinking water, should be accompanied by an increasing participation of women in production. Other factors that influence women's work include: land availability and ownership. The mode of migration is also important, as large scale male migration increases the work load of women. Furthermore, cultural factors: education, marriage practices, traditions, beliefs and customs also affect women's role.

The traditional sector in the Sudan is generally based on a system of shifting cultivation and nomadism. Women in this sector contribute to a considerable extent to the local economy, in both agriculture and livestock. In the modern sector tenancy oriented irrigated schemes and mechanized rainfed schemes are largely given to males hence, limiting the role of women.

Mahasim Khider in her study "*Women's role in agriculture in rural Khartoum (1981)*", argues that the modernization of agriculture through colonial and neocolonial enterprises, has led to a decline in women's position. Access to modern productive inputs (seeds and fertilizers) tends to be dominated by men. In this situation, women have little or no control over cash economy. Subsequently, they attain subordinate positions⁽²⁾.

Ester Boserup,⁽³⁾ for example, relying primarily on research in Africa, has argued forcefully that agricultural modernization, market integration and mechanization commonly lead to a reduction in the economic participation of women.

With the small opportunity of women in the formal sector and the declining role of women in agriculture as indicated above,

the informal sector becomes the last resort for women.

3.3.2 Women In The Industrial Sector:

The industrial sector in the Sudan is based largely on import substitution and utilization of local resources. Development policies in the Sudan lead to the creation of an industrial sector dependent on foreign technology inputs, which, as a result of shortages of foreign resources, functions at a low level of capacity; and has neither succeeded in increasing production nor in creating jobs.

Two sub sectors within the industrial sector can be distinguished: capital intensive and small scale enterprises. The latter can be found in the informal as well as the formal sectors. Due to their low skills and little potential to training, women's work in the industrial sector is concentrated in the small scale enterprises where they are poorly paid and suffer from intensive work. Data from the Ministry of Labour shows the following percentages of women in the industrial sector in Khartoum Province (Public and Private) during different years.

Table(3-8)
Percentage of females in the industrial sector Khartoum

Year	Public sector	Private sector
1983	56.6	-
1984	-	7
1988	-	10.6
1991	-	14.2

Source: Public & Private enterprises survey "M.OF Labour".1990.

The same survey showed percentages of 8.9% and 19.8% for females in the public sector in the whole country in the year 1990. These figures are not reliable since the survey was badly conducted. The low participation rates of women in the industrial sector are noticeable.

3.3.3 Women In The Informal Sector:

With the global economic changes, economic hardships, economic crises and rising cost of living, pressures of population growth and the rural urban migration has forced an increasingly large number of Sudanese women to depend on the

informal sector for their livelihood.

There is no available statistical information about the share of the informal sector in Sudan, or the number of women employed in. One⁽⁴⁾ study made a rough estimation about women contribution in the informal sector to the G.D.P as about 281 million pounds in 1993 that amounts to 2.9% of the G.D.P. Although there is no accurate estimation about the informal sector; its contribution and size, casual observations suggest that it is growing rapidly; and there is a continuous entry of women in it.

The absence of specific concern for women, in early debates about the informal sector, is due to the generality on which informal work was conducted; and that there is no special concern for women, due to the hidden nature of women's work. A large proportion of women's income generating activities is done inside the home; and it is often difficult to separate the household responsibilities from those directed to the market.

Efforts to explain the concentration of women in the informal sector is necessary; and must begin by placing women's work within the context of wider socio-economic changes. In Sudan the entry of women in the informal sector is due to many socio-economic factors, accumulated together and manifested in women's work in this sector.

3.3.3.1 Factors Behind Women Employment In The Informal Sector:

3.3.3.1.1 Rural Urban Migration:

Migration is an important issue which contributes effectively to the formation of the informal labour force and to the development of this sector in urban areas.

The migration from rural to urban areas originated from the characteristics that distinguish the Sudan from other developing countries. The basic factor behind migration is unequal distribution of investment in economic and social services within regions and the concentration of investment in urban areas at the cost of rural areas. Another type of migration is the one that results from political instability- civil war and the problems of drought and famine.

Ahmed Safi Eldin proposed ⁽⁵⁾ that: one of the main factors that led to immigration from rural to urban areas is inflation, because it decreases the real wages of workers in agriculture. This is due to the fact that wages in agricultural sector have less response to inflation pressures than wages in other sectors; due to the ability of workers in these sectors to increase their wages through their trade unions. While those who work in the agricultural sector has no way except to migrate to urban centres.

The country also absorbs a large amount of refugees from neighbouring countries the estimation of whom is 1.2 million.

Migration has a close relationship with income structure and means of subsistence. The less the income opportunities in rural areas, the more migrants there will be. In Sudan income opportunities in rural areas are declining in a rapid manner, as a result, there is an increasing number of rural migrants to urban areas.

Regarding the essence of the problem of migration to the three towns in the last twenty years, Galal El Din ⁽⁶⁾, in 1979 argued that as the number of jobs in manufacturing industry is less than the large number of unemployed people, chances of employment are limited and migrants to town become merely a reserve army. This reserve army has no way except to go to the informal sector.

In 1956, only 8.3% of the Sudan's population lived in urban areas. This proportion increased to 20.5% in 1983 and 25% in 1993.

According to the 1993 population census, there were 2.5 million who changed their place of residence from their place of birth.

Women represent a large number of migrants to urban centres. Studies showed that despite the lack of detailed data on the dynamics of female immigration, the growth of the female population in Greater Khartoum, as a result of immigration, is substantial according to the results of four population censuses.

The inability of urban centres to absorb all the migrants in earning jobs led to more poverty and difficult conditions to

women migrants and their families. Within these harsh economic conditions, women migrants involved themselves in different activities of informal sector occupations.

3.3.3.1.2 The Changing Role Of Women In Agriculture:

The change in patterns of women employment in rural areas is due to the introduction of new crops for the international market; the privatization and concentration of landownership in a few hands; technological innovations and changes in the methods of production. Thus, modernization of agriculture, and technically advanced systems of production and the introduction of cash crops farming have led to a decline in women's position in agriculture. The specific effect of these changes is that women are driven out of independent production directed to the market into casual and domestic labour.

In addition, modernization of agriculture has led to discrimination in work between men and women. Innovations and technology, such as the introduction of tractors, harvesting machines, are mainly directed to the modern agricultural sector, while the traditional sector is neglected. So women continue to perform traditional occupations that require no skills or training. The introduction of new cash crops has severe repercussions on the socio-economic structure of lower income groups; and technology has been directed to the modern agricultural sector, neglecting the traditional sector where female farmers are dominant.

Other factors which affect women's work patterns include: land availability and ownership. In Sudan and other developing countries, women seldomly own land as do men. Women are denied ownership except in very rare cases like the death of the husband. As a result, many women either work as unpaid family labourer or resort to wage employment.

Moreover, in the modern sector, work, in tenancy-based irrigated and mechanized rainfed schemes, is largely given to men; hence, the role of women is limited.

3.3.3.1.3 Education:

The involvement of women in the economic activity is greatly affected by the level of education. Studies in Sudan, show that educational and training facilities for women continued to be limited in scope and expansion.

The Sudanese social customs combined with the lack of interest of the colonizer were the main factors that limited the education of girls in Sudan. Even in the present day, female education is not much encouraged; and young girls are expected to get married early and devote themselves to house work.

Historically, the development of girls education progressed slowly and continued to fall behind that of boys at all level. The first school for girls in Khartoum was opened, by the missionary society, in 1902. It was intended for Coptic Christians, yet it accepted some Muslim girls. In 1902 another Branch of this school was opened in Omdurman. The branch at Atbara was opened in 1908. The Khartoum North School, which was opened in 1909, developed into an Intermediate School. In 1912, an elementary school was opened in Wad Medani.

Shiekh Babiker Bedri, who had the credit for the development of girls' education, opened the first Sudanese school for girls in 1907, in Rufaa. Presently, primary education continued to expand as more parents are convinced of the need to have their daughters educated, either for education's sake or for economic benefit of being able to have better jobs. Data from table (3-9) illustrate the number of girls in education, and its development in government schools, which decreases as we go up the scale of education.

Table No (3-9)
Development Of Female Education in Government Schools

Year	Number of students	Number of schools
Primary		
1979-80	585761	1431
80-81	591173	1474
81-82	608501	1577
Intermediate		
	No. of students	No. of schools
1979-80	93084	533
80-81	132896	591
81-82	137653	1583
Secondary		
Year	Number of students	Number of schools
1979-80	42085	50
80-81	42414	69
81-82	45711	73
82-83	51577	116

Source: Ministry of Education. Educational Statistics 1983/84

**Table [3-10]
Development Of Female Education
In Government Schools In 1990s**

Year	Number Of Students	Number Of Schools
Primary		
1992-93	1,045,147	8,793
1994-95	1,267,637	10,120
1995-96	1,337,276	10,713
Intermediate		
1992-93	223,796	2,586
1994-95	-	-
1995-96	-	-
Secondary		
1992-93	126,655	547
1994-95	105,878	735
1995-96	166,973	1206

Source: Ministry Of Education Educational Statistics 1995/96

It is obvious from the two tables that while the number of girls involvement increase every year, it decreases when we go up the scale of education, and that the increase in education opportunities in the 1990s is tremendous.

**Table No (3-11)
Development Of Female Education Compared To Males**

year	number of schools				number of students		
	boys	girls	co- edut.	total	boys	girls	total
1970-71	-	-	-	3658			749094
1980-81	2483	1474	2070	6027	8730554	591173	1464227
1981-82	2338	1797	3657	7792	1234064	871110	2105174

Source: Ministry of Education/Educational Statistics 1980/91 and 1989/90.

However, it is obvious in general, the number of schools for girls has been far lower than for boys.

Drop-outs:

In addition to the limited ability of involvement, the discontinuity in the education enrollment seems to be a serious problem. In poor regions with poor educational facilities, many girls may not be able to continue even at the primary level.

As table (3-12) shows, among those not attending school, a substantial number have not completed the primary level.

Table No (3-12)
Female Population Not Attending school with Educational Attainment in rural and urban areas.

educational Attainment	rural 6-9 years	10-14 years	15-19 years	6-9 years	10-14 years	15-14 years
Elementary Primary not completed	6.800 (1.2%)	46.680 (11%)	110.510 (22.7%)	4.110 (2.5%)	16.160 *2.5%	52.18 (34.5%)
Elementary	-	20 (005%)	40 (.008%)	10 (.006%)	-	10 10.0
Primary completed	-	1.29 030%	24-140 5.0%			15.350 10.0%

Source: Compiled from 1993 Fourth Population Census Volume 3-Table 38.161.

When comparing the number of students in the schools in different grades for the period (1988/89-1991/92), The data shows high rates of repeating the academic years and drop-outs. Being less educated, those girls chances of work are only limited to informal employment.

3.3.3.2 Women Entrepreneurs In The Informal Sector:

An entrepreneur is the one who provide the society with a product or service, bearing all risks of success or failure, the owner being the manager and the proprietor.

The history of women entrepreneurs in Sudan began in the last century; and it has been limited to old women with limited resources. But in the last twenty years, this activity has increased and witnessed a radical change in the quantity of women

and quality of work that is done.

The change in patterns in terms of age is significant as younger women has now entered the market, which had formerly been associated with old women⁽⁷⁾. The marital status showed both married and unmarried women. On the education side, it was noticed that old females are illiterate, while younger females are early school leavers.

There is a lack of statistical data on the number of women engaged in this sector, inspite of the growing entrance of younger women; and the increase in the number of activities.

In order to earn extra income for the family, women become entrepreneurs. They involve themselves in small scale income earning activities which can be done at home or in the market at reasonable time.

These women enterprises have general characteristics that justify their categorization as a branch of small scale enterprises, as they are owned and administrated by women entrepreneurs who can be easily organized in groups.

Small scale enterprises accounted for 60% of the G.D.P; and also employed roughly 90% of the labour force in Sudan⁽⁸⁾.

These women projects can be divided into two parts of the self employed entrepreneurs and those which use workers.

Women entrepreneurs contribution in small business are more in the informal sector than in the formal sector. Accordingly, terms about women on small scale business or industry in the informal sector and entrepreneurship are basically faces of one coin but with some variation in the definition taken in each study.

Another relevant term that appears in the literature, which is connected with the previous term, is income generating activities. Income generating activities are those activities that are done on a small scale, either formally or informally, so that women can increase their household income. Again, it is a small business established to assist women to increase their income; and secure better living conditions for their family. Women who are engaged in such income generating activities can be called women entrepreneurs.

Women entrepreneurs in Sudan are engaged in a number of small scale activities, namely in urban areas, in trade, services, poultry, farming and small cottage industries. In rural areas, they are mostly self employed in agriculture and trade.

The government in its National Comprehensive Strategy ⁽⁹⁾ 1992-2002, committed a significant role for women economic and social development including participation in small enterprises by:

- a) Promotion of traditional industries in the rural areas, e.g poultry, traditional weaving, rugs, wool and food industries.
- b) Establishment of cooperative societies to market these products locally and internationally.
- c) Introduction and promotion of new industries; and training women to enable them to acquire the needed skills needed.

In terms of policies, the National Comprehensive Strategy for women is the consolidation of laws protecting the working women and the enacting of several legislations necessary in all areas of work, specially in the unorganized sector.

Despite these encouraging policies, women entrepreneurs still face many problems that hinder their work. The basic and most common problem is the small size of capital which face both male and female entrepreneurs. This, however, is more acute among female entrepreneurs who guarded to face discrimination from all the lending institutions, including those where national government had control over the lending policies. Financial institutions are reluctant to extend financial and technical assistance to small business in general and to women in particular.

The neglect of financial assistance to small scale enterprises, by the traditional banks, has been detrimental to these firms and the country, in the light of the priorities for economic development. This was, however, expected because the traditional banks in Sudan drew heavily upon the experience and policies of the British banking system which is inclined towards large commercial firms; and indifferent to small businesses which

lack securities and modern business organization⁽¹⁰⁾. These traditional banks often disqualify small enterprises, specially women's enterprises because of the lack of collateral.

Sayed Abbas⁽¹¹⁾ conducted a study that provided empirical evidence on the existence of a financial gap for small business in Sudan. The study attributed the finance gap to banking policy and banker's attitude towards small business finance. 93% of small business declared that bankers were not helpful to small business for institutional reasons. The respondent entrepreneurs attributed the financial difficulties of small businesses to an institutional gap, in the sense that there was no institution in charge of providing finance to small business in the Sudan.

The empirical investigation has identified that a vicious circle operating in the country's financial institutions. On the one hand banks are reluctant to provide credit to small business in the absence of satisfactory collateral, whereas on the other hand small business lack information on financial facilities available and are incapable of providing a good financial case to lenders.

The neglect of this sector by the traditional banks has led governments and non governmental organization to initiate various projects. These projects devote their resources to assist women in this sector, by providing credit and other services.

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Chapter .4

The Characteristics Of Women Micro Entrepreneurs In Urban Khartoum That Have Access To Credit

The previous chapter was devoted to a discussion of the aspects of the labour market in the Sudan, and the various factors that have led to women engagement in the informal sector.

The characteristics of female micro-entrepreneurs who have access to credit in the informal sector should now be elaborated with how women are performing as entrepreneurs in this sector, the factors that influence their performance, and the problems and constraints facing them.

However, before discussing the socio-economic and demographic characteristics of the study, it is better to give a historical background of the institutions which provide women with credit, using two non-governmental organizations [NGOs] and a bank, as examples: the Sudanese Islamic Bank's productive families project, the Refugees Development Foundation, and the Sudanese Development Association.

4.1 Refugees Development Foundation

4.1.1 Historical Background:

Sudan has been experiencing a large influx of refugees over the last three decades. The presence of these refugees has a negative effect on the social and economic structures as well as on the levels of the living conditions of labour. In addition, the continued civil war in the South, drought and famine have placed a heavy burden on the infrastructure of the country.

To develop a long term solution beyond relief work, the government of Sudan, the ILO and UNHCR approached the implementation of 10 packages of an income generating project under a memorandum signed in 1983, to enable refugees and poor Sudanese to start various income generating schemes to achieve self-reliance there by. The Federal Republic of Germany provided funds for the implementation of the project. The Revolving Fund

will provide finance for refugees and Sudanese to operate small scale ventures in various fields of agriculture, animal husbandry, small scale industries, services and other activities which prove to be technically and financially viable. The project was conducted by the ILO in two phases of income generating activities in central and eastern Sudan.

4.1.2 Objectives:

The main objective of the two phases of the income generating activities project for refugees and Sudanese was the establishment of a revolving fund for refugees and poor Sudanese in the refugees affected areas. The fund was used to set up small scale enterprises.

Another objective was to make members of the target groups self-reliant and free from dependency on relief assistance; and to provide technology, marketing and services to assist the enterprises financed by the revolving fund to perform efficiently. Finally, to provide supply, on a long term basis, of loans for small enterprises.

The second phase of the project was evaluated by a mission consisting of the representatives of the donors in Sudan. The mission admitted that the project has achieved good working results in terms of high rate of the recorded loan repayments. The mission also urged enlarging financial assistance to increase capital and to meet the over-head costs of the lending operation unit. At the present time, the national institution is to meet these costs out of its revenue. Unfortunately, this last recommendation was not implemented; and the financial support from donors has actually stopped.

Legal opinion has been sought by the evaluation mission and the fund committee about the future legal set-up of the organization and the ILO Revolving Fund Project. The matter was discussed in a joint session of the mission, the fund committee and a consultant. Consequently, the consultant was requested to prepare the best available alternative project within the sudanese laws which may offer practical options for the projects organization as to its operation after the handing over has taken place.

Regarding the form of organization under Sudanese laws, the institution was looking for the arrangements which are most suitable for the attainment of the objectives of the project when operated without the ILO, taking into consideration the size of the project, its management and its purpose. This led to the establishment of a national institution called the Refugees Development Foundation.

In 1991 the Refugees Development Foundation was registered as a self supporting institution to maintain the sustainability of Revolving Fund Project; and to achieve the same objectives. The foundation have the following powers:

1. To receive donations from local or international institutions donations, aids and gifts of any sort or personal property and use them for the implementation of the project's objectives.
2. To advance short, medium and long term loans without collateral security.
3. To import machineries, equipments, and provide raw materials required for the projects financed by the foundation.
4. To organize marketing outlets for the products of the enterprises financed by the foundation.
5. To help loan recipients in the transport of raw materials and equipments to the enterprise area and the finished products to the markets.
6. To borrow or to raise money for the foundation on such terms and on such security as may be thought suitable.
7. To pay all costs, charges and expenses of the promotion and establishment of the foundation.

For the projects to achieve its main objectives, the foundation approached a number of embassies, local and foreign organizations. It received loans from Ford the Foundation and Ox Fam UK. The loan is ordered to be granted only to women since, as the donors think, women are the most vulnerable groups. So the unit begins to implement projects for women.

4.1.3 Capital

The share capital of the foundation is divided into six shares, the shareholders are the Commissioner For Refugees Borrowers Association, the Sudanese Islamic Bank, Workers

National Bank, Aid and African Islamic Relief Agency.

4.1.4 Target Group:

When the ILO was managing the project, refugees and the local population in the refugees affected area were the beneficiaries. Now, with the Ford Foundation and OX Fam Project, the target groups is the poor women, both sudanese and Refugees, in urban Khartoum.

4.1.5 Criteria for Giving Loans:

Economic viability and growth potential of the project for which loans are applied are the main factors for the approval of loans applications.

4.1.6 Types of Loans:

Both types of loans, short term and medium term, will be advanced from the Revolving Fund, but recently, all the loans are short term loans.

4.1.7 Size of Loans:

The size of loans varies according to the type of activity, and the scale of operations of the enterprises. The maximum amount of loans is three hundred thousand pounds (about 150\$).

4.1.8 Finance of The Fund:

The income and finance of the fund shall be derived from the following resources:

- a) The personal and real property of the Revolving Fund Project established by the International Labour Organization and the government of the Republic Of The Sudan.
- 2) The capital share of the foundation.
- 3) Donations and gifts
- 4) Any other lawful source

4.1.9 Management:

The business of the foundation will be administered by a management committee.

4.1.10 Repayment:

The repayment rate is about 92%. However, it is noticeable that the number of beneficiaries decreased because of the lack of support from foreign donors.

4.2 The Sudanese Development Association (SDA):

The SDA is a non profit local NGO working in the field of

sustainable development and environmental conservation, with a broad task to serve as representative for empowering the poor people, facilitating their participation in the development process and enhancing their standard of living.

4.2.1 Objectives:

1. To contribute in development of Sudan by conducting research and feasibility studies determining implementation in rural and urban areas.
2. To select development projects; and raise funds locally and internationally.
3. To conduct researches and implement development projects
4. To contribute to training local staff leaders and target groups for development projects through workshops, seminars and conferences; and to exchange experiences in coordination with other local and international agencies and organizations.

4.2.3 Administrative Structure Of SDA:

The SDA is composed of a general assembly which includes all members of Sudan development association. This general assembly is an executive committee which deals with day to day activities of the association. The executive committee has established specialized units to determine their functions.

4.2.4 Women Empowerment:

In the area of women empowerment, Sudan development association (SDA) addresses the issue through two major lines of action. First, It is argued that the economic crisis in the Sudan exerts more pressure on women who struggle for survival, and face more responsibilities towards family sustenance .The most vulnerable among these groups are heads of households. Particular disadvantages were faced in generating income for reason of gender based division of labour a facts which renders women empowerment inevitable.

Certain objectives targeted for these programmes were formulated: firstly, assist as a step towards empowerment of market vendors i,e food and tea sellers, workers conditions. Secondly, assist market vendors women to gain legal status. Thirdly, improving women organization and communication skills, to link women with the existing infrastructure and

institutions. Fourthly, establishment and empowerment of women organization like cooperative societies. Finally, setting up a credit model appropriate for the condition and circumstances of the female entrepreneurs with regards to their literacy background and their limited resources.

Therefore, the SDA established healthy places for women in Elshabi to work in. this can be regarded as an indirect form of finance on the basis of providing constants places for women. Also the SDA helps these women to acquire licenses from the local authorities and health certificate, the SDA registered 40 women 18 were food seller and 22 were tea sellers and provide them with ready kitchens to conduct their work.

In conclusion, the SDA provides a package of services which is needed by women traders: places, licenses and health certificates. Moreover, it provides courses and training on bookkeeping. However, the SDA does not fulfil all the proposed objectives. This may be due to their limited financial capabilities. Moreover, the number of women under the SDA's umbrella is small, compared with women traders in the market.

4.3 The Sudanese Islamic Bank (SIB):

The Sudanese Islamic Bank was established in 1982. The SIB undertakes all banking activities including commercial, financial and investment activities, and undertakes all these activities on the islamic basis of lending: Murabaha, Mudarababa and Mushraka.

In 1992 the SIB widened its activities and opened a specialized branch in Elthowra for productive families or small scale entrepreneurs; it was a pioneer experience among the banks in Sudan to provide loans to informal micro enterprises.

4.3.1 Objectives of SIB Productive Family Branch:

The implementation and employment of the means of social equality and solidarity between the individuals of the society is derived from the main objectives of the Sharia law.

Another objective is the creation of productive and active families that contribute to supporting national and local economy, as well as developing the sense of solidarity between the individuals of the society, specially heads of households,

by collecting or gathering their savings and using it for developing local society.

Besides, allocating large segments of money for investment in constant income generating projects for individuals and/or groups and women heads of households.

The final objective is to increase banking awareness, and encourage individuals to spontaneous dealing with banks.

4.3.2 The Target Group:

The target groups are the productive families or women and men who live near the location area. This experience began by one branch in Elthowra and was extended to other branches in Wad Medani and Elmulazmin Omdurman.

The bank enters in different activities including, sewing, soap factories, poultry, pastry, shoes, crafts, oil factories and others.

4.3.3 Repayment:

Repayment rate is 98%, the experiences of this bank is like that of the Bank Rikayat of Indonesia (BRI) a private bank which opens special programmes (KUPEDES) for micro business.

4.4 Women Entrepreneurs In The Informal Sector In Urban Khartoum That Have Access To Credit:

The first section of the study is devoted to presenting a historical background of the three institutions that provide women with credit in order to highlight their work objectives. Now, the demographic characteristics of the population of the study shall be analyzed on a socio economic basis and try to highlight the problems and their relations with the credit institutions.

4.4.1 Main Characteristics Of The Population Of The Study:

4.4.1.1 Age Of The Respondents:

The women entrepreneurs in the sample are concentrated in the age group 21-40, which represent 61.9%, 11.7% of the sample is above 50. [see table(4-1) & figure (1)].

Table (4-1)
Age Of 94 Women Micro Entrepreneurs In
The Informal Sector In Urban Khartoum

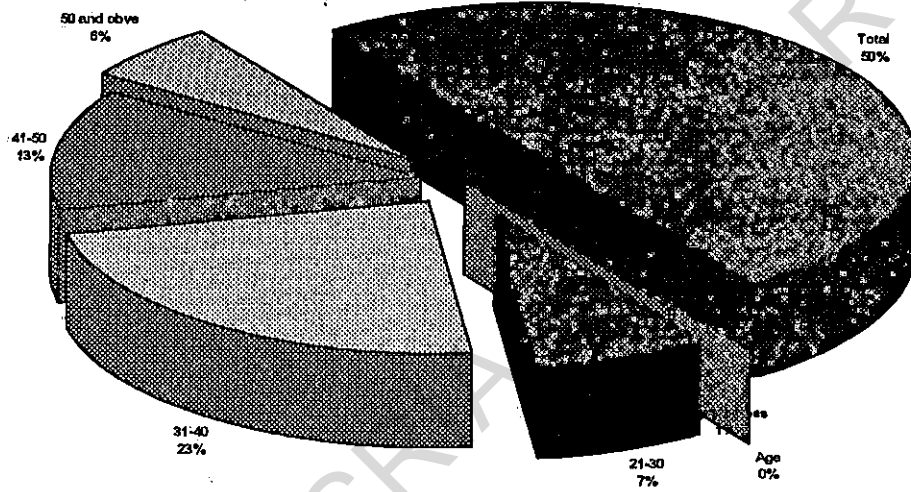
Age	Frequency	%
20 years or less	1	1.1
21-30	14	15.1
31-40	44	46.8
41-50	24	25.5
50 and above	11	11.7
Total	94	100.0

The concentration of middle age group contradicts the previous literature which indicated that old women go to work after finishing their reproductive role. This also agrees with what *Samia El Nagar*⁽¹⁾ & *Alawiya Osman*⁽²⁾ argued that: there is a large entry of young and middle age groups in this sector. The high participation rate of young women in the informal sector can be explained either by the rising cost of living, especially in recent years or by the large number of dependent people in the family who need feeding, education etc, this does not apply to old women whose children have grown up and become independent.

In spite of the traditional negative view in the Sudanese society about young females working in public places such as streets and markets, economic needs have changed this view.

Fig (1) Age of 94 women entrepreneurs in urban khartoum

Fig 1 Age



4.4.1.2 Marital Status:

Table (4-2)
Marital Status

Marital status	Frequency	%
Married	54	57.4
Single	14	14.9
Widowed	19	20.2
Divorced	4	4.3
Separated	3	3.2
total	94	100.0

As the table above and the figures below indicate, the data on marital status show that, most respondents were married (57.4%) followed by the category of widowed representing 20.2% of the sample of the population, while 14.1% were single, 4.3% were divorced and 3.2% were separated.

One striking finding derived from the data above is the considerable number of single women, which indicates that those women take the responsibility of their families at an earlier age before marriage.

The summation of the married women, separated and divorced is 64.4%, which supports our first assumption: the need to work because of the large number of dependents, since widowed are supposed to be of old ages and their children have grown up. This view is supported by the number of children, it worth noting that 81.9% have children. It is also noticeable that most of the sample is with high number of children that 60.6% above 4 children as table [4-3] and figure (3) indicate.

Fig(2) Marital status

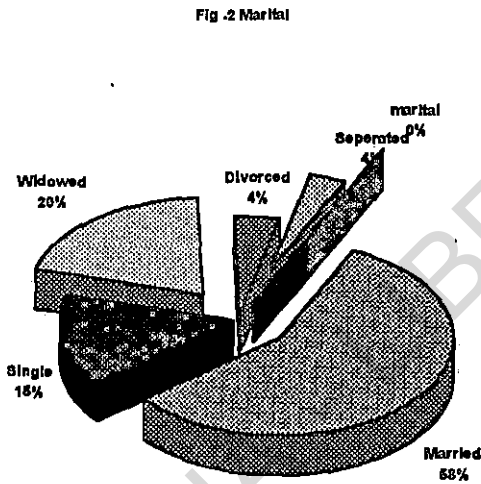
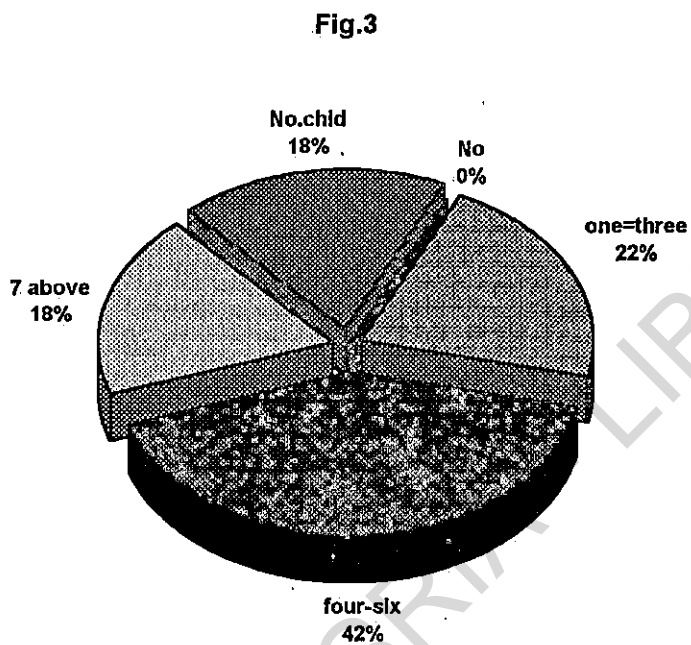


Fig (3) Number of children



**Table [4-3]
Number Of Children**

Number of children	Frequency	%
1-3	20	21.3
4-6	38	40.4
7 & above	19	20.2
No children	17	18.1
Total	94	100.0

4.4.1.3 Educational Level:

As table [4-4] and figure (4) indicate, most of the sample have low education , 66% were intermediate & below, 14.9% were illiterate, 4.3% have attended Khalwas, 24.5% primary education and 22.4% were intermediate, which agrees with the previous literature, on this issue, which proposes that low education is an important factor behind women employment in this sector.

**Table (4-4)
Educational Level**

Educational level	Frequency	%
Illiterate	14	14.9
Khalwa	4	4.3
Primary	23	24.5
Intermediate	21	22.4
Higher secondary	18	19.1
University	11	11.7
Above university	3	3.2
Total	94	100.0

However, what is odd here is the entry of graduates and post graduates in this sector, which may be attributed to many factors. First, the high income available in this sector which makes it more attractive than the formal sector. secondly, the lack of employment opportunities in the formal sector. finally, the lack of importance of education; and the lack of interest of white collar jobs i.e the social status and prestige associated

with formal jobs, recently has been underestimated if it is not combined with high income.

The percentage of graduates is 14.9%, which is a significant proportion; and this is a new trend in the informal sector represented by the entry of educated women.

When asking those graduate women about the reason for taking such jobs, most of them answered that high income is available in this work. Others answered that they were discharged for public good; and so they found this work the only one available besides the high income it generates. It is noticeable from the survey, when age is cross tabulated with education, that the highest rates of illiteracy are found in older age groups; and that younger women receives relatively more education than older ones. A possible reason for the relative educational level attainment by the young women is the expansion in education in the last fifteen years, in particular the encouragement of girls education. It is clear from the table that the number of drop outs is in the younger age groups.

fig (4) Educational level

Fig.4

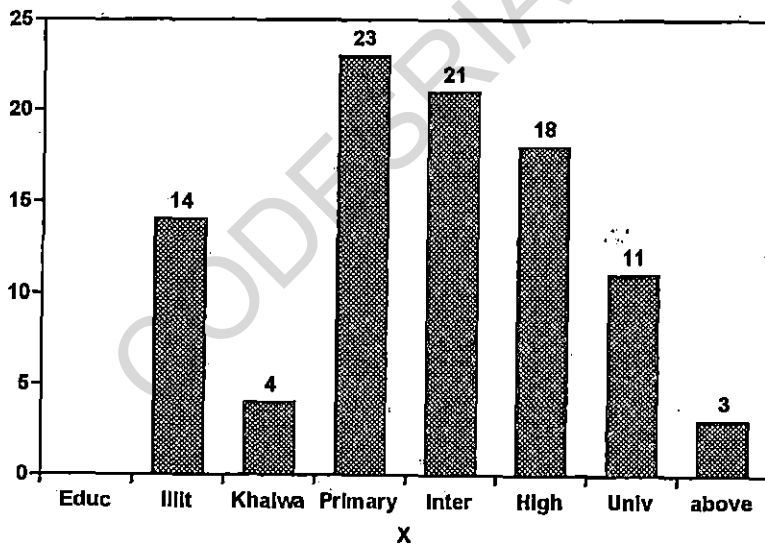


Table (4-5)
Cross Tabulation Of The Educational
Level Of Women By Age Group

Count	Less than 20	21-30	31-40	41-50	50+
Illiterate			3	5	6
Khalwa				1	3
Primary		3	9	10	1
Intermediate		3	14	3	1
Higher secondary	1	5	8	4	
University		3	9	1	
Above University			1		
Total					

4.4.1.4 Place of Birth And Migration

Table (4-6)
Place Of Birth

Place of birth	Frequency	%
Khartoum State	37	39.4
Central State	19	20.2
Eastern State	5	5.3
Western State	4	4.3
Northern State	10	10.6
Southern State	16	17
Refugees	3	3.2
Total	94	100.0

Table [4-6] and figure (5) indicate that 59.6% are from Khartoum and the central state. However, this contradicts the previous literature in Sudan⁽³⁾ and the Third World Countries that most of those working in the informal sector were immigrants; and that migration is the main factor of women employment in the informal sector. This has been true in the last twenty years, but now, rising costs of living and economic needs are probably the major factors behind employment in this sector, or it may be due

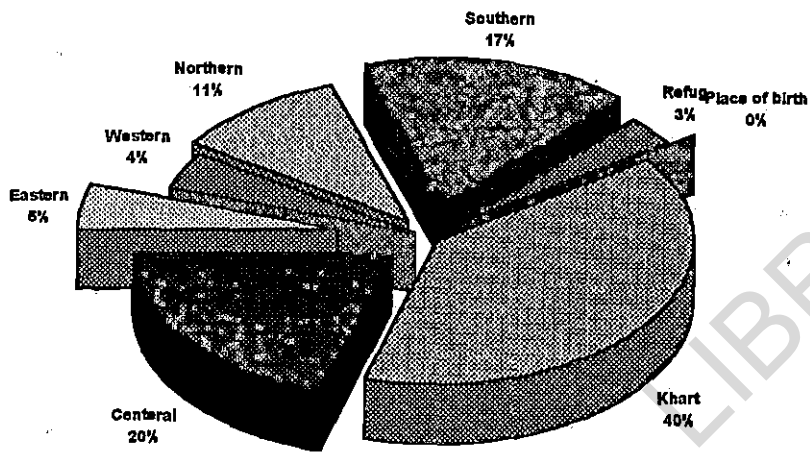
to the need to gain additional income. That is, it is not necessary to be an immigrant in order to work in the informal sector. It is obvious from the table the entry of refugees.

The cross tabulation of education with the place of birth in table (4-7) revealed that most of the educated women are from the Central State and Khartoum, which may be due to the expansion in education in Khartoum and the Central State; and the rising-awareness of people in these places to make their girls educated. It may be also due to widening opportunities of universities and higher secondary schools education in Khartoum and the Central State.

It is observable that, there are large numbers of southern women who are educated, because of the availability of education and training provided to them by the church.

Fig (5) Place of birth

fig 6



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Table (4-7)
Cross Tabulation Of The Educational
Level Of Women By Place Of Birth

	Khart.	Cent.	East	West.	Nor.	Sou.	Refg.
Illiterate	3	3	1	3		3	1
Khalwa	2	1	1				
Primary	8	3	2	1		2	2
Intermediate	9	3	1		1	5	
High secondary	3	6					
University	9	2					
Above university	2	1					

Asking the women with who had accompanied them to Khartoum as the table below indicates, 18.1% replied that they came with their families and 42.6% with their husbands, while only 4.3% came alone. This may probably be due to the social traditions and customs that prohibit women to migrate alone and only with their husband or a member of their families. This may also indicates that, migrants are groups and not individuals.

Table (4-8)
Responses Of Women To The Question
With Whom Did You Come To Khartoum?

With whom the coming to Khartoum	Frequency	%
With my family	17	18.1
With my husband	40	42.6
Alone	4	4.3
Not applicable	33	35.1
Total	94	100.0

As for the reason of their coming to Khartoum as the table below indicates, 8.5% of the respondents replied that they were searching for work; and 11.7% because of war others 42.6%, are those who came as a result of husband's employment in Khartoum, which in a way, indicates women's subordination to men. Others replied that the availability of education opportunities for their children in Khartoum was the reason.

Table (4-9)
Reasons For Migration to Khartoum

Reason of Migrating	Frequency	%
Employment	8	8.5
War	11	11.7
Others	40	43.0
Not applicable	34	26.6
Employment and war	1	1.1
Total	94	100.0

4.4.1.5 Specialization:-

It is clear from table [4-10] below, that the basis for women's small businesses is the traditional skills gained during their daily household activities. Sewing and food procession represent 59.6%. Food selling, sewing and handicrafts are the main activities for women in the informal sector in Latin and African countries, which indicates the division of labour between the males and females. Sexual division of labour is clearly noticed among all women's work in the informal sector, women should only work in jobs that are traditionally women's jobs; and that are compatible with their housewives and mothers roles. It is noticeable that the sector is largely services oriented, as *Ian Livingstone*⁽⁴⁾ confirms that the sector is largely made up of traders and supplies of services; and it is a general phenomenon and not only a Kenyan phenomenon referring to *Welbbs* study in Peru (1973), *Merricks* works in Brazil (1976) and *Bilal* in Sudan Wad Medani [1984].

It is clear from the table that the employment of women entrepreneurs in more than one job 1.1% do sewing and food processing simultaneously 1.1% do trading sewing and trading and 1.1% do sewing and animal production. This may indicate the lack of specialization, but this segment represents a small portion which is 4.4%. Another activities consist of donkey carts, soap, oil, milk kindergarten and a medical laboratory and plastic.

Table (4-10)
Specialization

Type of activity	Frequency	%
Sewing	33	35.1
Food	23	24.5
Trading	8	8.5
Shoes and leather products	2	2.1
Handicrafts	6	6.4
Animal products	7	7.4
Employee	1	1.1
Others	6	6.4
Teacher	4	4.3
Sewing and food	1	1.1
Sewing and trading	1	1.1
Sewing and animal products	1	1.1
Sewing and handicraft	1	1.1
Total	94	100.0

In terms of previous activity, 55.3% replied that they had none as the table below indicates. This may probably be due to their responsibilities inside the home i.e their reproduction role and other roles forcing women to engage in these activities. The fact that 55.3% have no previous work and 14.9% were employees i.e 70.2% which is new to this sector, could lead to the fact that this field could easily be entered as well as left. It is obvious from the table that 22.2% left their work in the formal sector, 14.9% were employees in the formal sector, 6.4 were workers and 4.3% were teachers. All those had left their work in the formal sector and entered the informal sector. This result criticizes the previous literature that people went to the informal sector because they didn't find employment in the formal sector. According to *Todaro's* ⁽⁵⁾ Model, people work in the informal sector because after migration they stay in this sector since they don't find employment in the formal sector. Most of women in the informal sector have been interviewed and who have

formal jobs, argued that they find no difficulty to adopt the formal work, but they prefer to work in the informal sector to have more flexibility and independence, high income and free time to combine their jobs with their home responsibilities.

However, the movement from the formal to the informal and vice versa certifies the mobility between the sectors; and proves one of the characteristics specified by the ILO-that is ease of entry.

Table (4-11)
Previous Activity

Previous Activity	Frequency	%
Not founded	52	55.3
Employee	14	14.9
Worker	8	2.1
Sewing	2	2.1
Trading	5	3.5
Handicraft	2	2.1
Food services	6	6.4
Teaching	5	5.3
Total	94	100.0

When asking them why they had left their previous work, 14.9% replied that the income is small, 25.5% replied that they left their jobs because of their responsibilities inside the house, some argued that their husbands or relatives forbid them to work and others were discharged for public interest. Hence, the sector becomes a refuge for different types of groups. However, this proves what Marguerite Berger and Marya Buvnic⁽⁶⁾ propose, that the informal sector is the best to fit women's work, because of the five characteristics of the informal sector i.e the informality of internal organization, informality in their relation with the outside world, discontinuity of the process of production and the lack of separation between consumption and production.

4.4.1.6 Date Of Entry To The Informal Sector:

The knowledge of the date of entry of the sample to this sector, may allow us to know the growth of the sector. As the table and the figure above indicate, there is an increasing number of women who entered this sector.

Table [4-12]
Date of entry To The Informal Sector

Date of entry	Frequency	Percentage	Rate of growth
More than 15 years	5	5.3	
11-15 years	8	8.5	37.5
6-10 years	21	22.3	61.9
5 years or less	60	63.8	65
Total	94	100.0	

Comparing the date of entry of women in this sector with the national economic policies in order to justify the continued growth in the sector. It is clear that during 1970s the Sudan has been experiencing what may be called an economic crisis. This crisis is manifested in slow growth and worsening balance of payments, excessive monetary expansion, worsening budget balance and mounting debit. The Sudan resorted to the IMF in order to be able to come out of this crisis, the IMF,^[7] in 1978, forced the country to adopt its package, which advocates liberalization of foreign exchange and import controls, devaluation of the exchange rate and dismantling of price controls, domestic anti-inflationary programmes including control of bank credit, control of government deficit with an increase in taxation and abolition of consumer subsidies and control of wages.

However, these policies intensified the economic crisis and did not succeed in achieving its objective, rather they affected those who have limited income; and forced women to enter this sector.

During the era of democracy 85-89, the economic crisis remained; and it was intensified more and more. The average rate of growth domestic product did not exceed-.2% and the average rate of growth was negative in 1989/90. Moreover, the economy

manifested a high rate of hyper-inflation of good's prices and services.

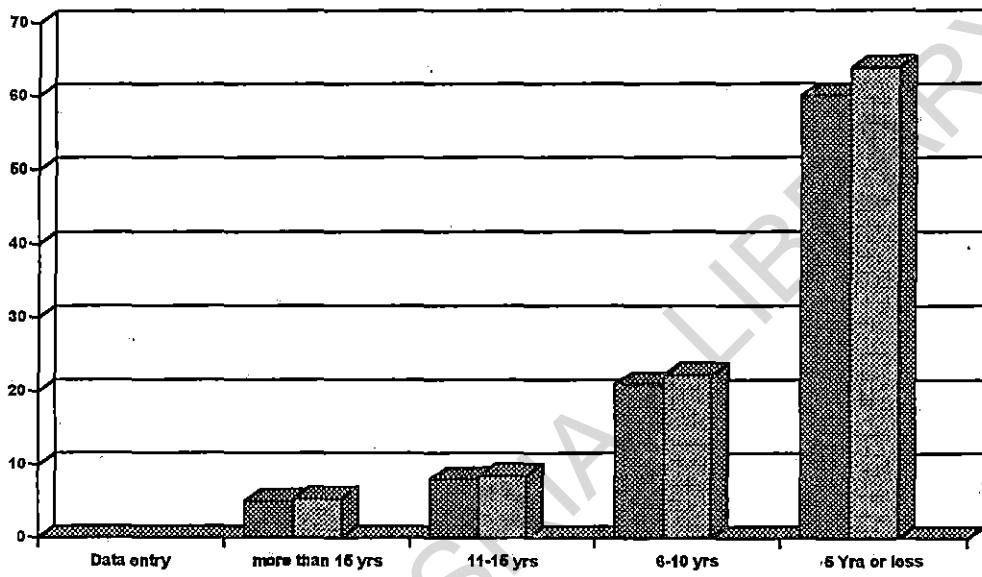
All these problems had affected the per capita income; and so there was more poor people that resort to the informal sector.

The period 1990-1996 was the period of the National Salvations Government, which and adopted the IMF package syndrome. This accounts for the growth of the sector with the economic crisis and may also prove that, economic need is an important factor behind women engagement in this sector.

However, this result is compatible with results of studies⁽⁸⁾ available in the all Third World Countries that, economic depression and the structural adjustment programmes the basic factors behind increasing women employment in this sector.

FIG(6) Date of entry to the informal sector

Fig



4.4.1.7 Place Of Work:

Table (4-13)
Place Of Work

Place of work	Frequency	%
Shop	18	19.2
House	64	68.8
Shelter	6	6.5
Others	6	6.5
Total	94	100.0

Table No. (4-13) shows that, 68.8% work in the house, 19.2% in shops, 6.5% in the shelter and 6.5% in others. It is observed that the majority of the sample work in the house. This could be attributed to other roles that are played by women inside the houses.

This agreed with the literature available in the Third World Countries that women choose the informal sector because it allows them to share other responsibilities inside the home. Moreover, interviewing those women, most of them replied that this work is preferable to them because it allow them to continue their jobs with their home responsibilities.

4.4.1.8 Income:

As table(4-14) indicates, 65% say that their income is between 41000 and to more than 12000 which is a high income. Looking at the minimum wage legislation, the minimum wage is 16.500⁽⁹⁾ during the time of the survey and the maximum wage is 25.000 and comparing this with the income there, is reached the result that the majority of women incomes there is above the maximum wages in the formal sector. However, this contradicts the idea that the formal sector provides higher income; and that people work in the informal sector for a short time before going to the formal sector, because of the high income available there.

Table (4-14)
Income

Monthly Income	Frequency	%
40000 Or less	32	34
41000-80000	25	26.6
81000-120000	26	27.7
More than 120000	11	11.7
Total	94	100.0

These results criticize what Mazimadur⁽¹⁰⁾ argued that informality is a labour market phenomena that could explain the difference in incomes at the lower end of income distribution; and that formal sector employees are better because they are protected by trade union and they gain high but it is noticeable that in our study although informal sector employees have no protection by trade union yet their income is higher.

The cross tabulation of education with income shows the effect of education on income as table (4-15) indicates.

Table (4-15)
Cross Tabulation Of The Educational Level By Income Group

Count	40000 Or less	41000-80000	81-120000	>120000
Illiterate	3	1	8	2
Khalwa	3		1	
Primary	6	6	6	2
Intermediate	3	19	7	
High secondary	9	4	3	2
University	3	4	1	5

It is obvious from the table above that, education has little effect on income. There are certain activities like food selling which do not require education and still provide high income. Generally, informal sector activities are characterized by low education i.e education does not hinder entry to this sector. However, it is observed that educated women project's is more prosperous, systematic and

cost-effective.

4.5 Financing Women Entrepreneurs In The Informal Sector:

4.5.1 Sources Of Capital

The sources of initial capital are shown in table [4-16] and figure [7].

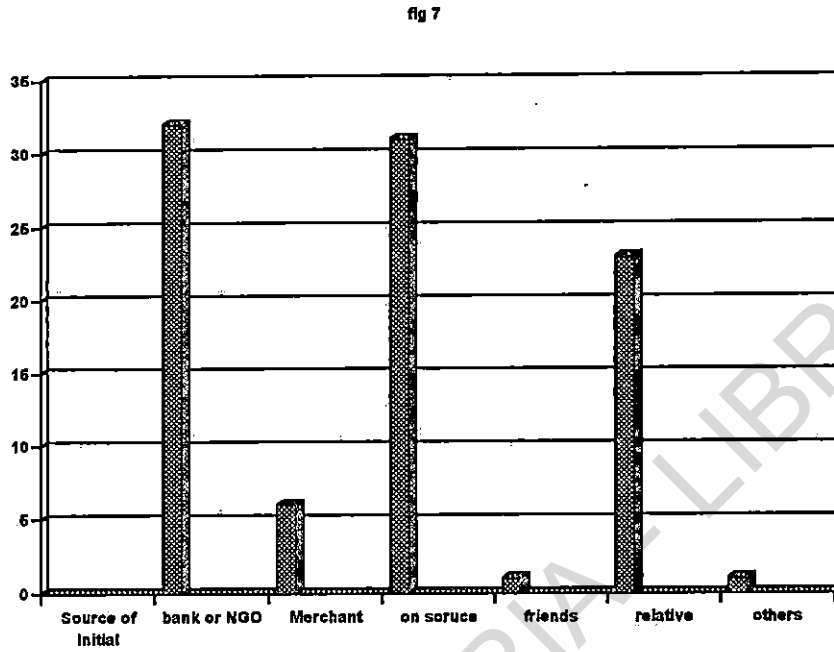
Table (4-16)
Sources Of Initial Capital

Sources of Initial Capital	Frequency	%
Loan from a bank or NGO	32	34.0
Loan from a merchant	6	6.4
Their own sources	31	32.9
Friends	1	1.1
Relatives	23	24.5
Others	1	1.1
Total	94	100.0

It is clear from the table that 32.9% have their own sources, 24.5% acquire them from either friends or relatives and 6.4% from a merchant, the sum of these sources is 64.9%, which constitute the informal sources of finance. However, this indicates the importance of informal finance for the provision of initial capital for those women working in this sector; and this is common in all Third World Countries where, informal finance represents the backbone for people working in this sector.

The percentage of those who have initial capital from banks or NGOs is 34% and from banks alone is only 14% for financing initial capital, which indicates probably that banks are not inclined to finance initial capital; or it may be due to the fact that the notion of the banking system to finance small business is still a newly emerged phenomenon.

Fig (7) Sources of initial capital



In interviewing those beneficiaries who deal with the Sudanese islamic bank, they argued that the bank refused to give them initial capital when they come and presented their feasibility studies, but when their relatives or other sources provided them with starting capital, the bank finance them with the working capital, this shows the bank risk averting and profit-seeking character, in providing short term and more secured loans.

Women's self finance constitutes 32,9% which indicates a saving trend despite the limited income of women.

Table (4-17)
Responses Of Women Whether
The Initial Capital Is Enough For The Continuity Of Work?

Is the initial capital enough	Frequency	Percentage
Yes	32	34
No	62	66
Total	94	100

In asking the women whether this initial capital is enough for the continuity of work, 66% of them replied in the negative and 34% replied in the affirmative which indicates the importance of the working capital for the continuity of work as the table above indicates

Table (4-18)
Problems Of Initial Sources Of Finance

Problem	Frequency	%
There is no problem	84	89.4
Problem of repayment	2	2.1
The retail. prices are high	5	5.4
Others	3	3.2
Total	94	100.0

With regard to the problems facing them with relation to initial sources of finance as the table above indicates, 89.4% replied that they have no problem with these sources, while 2.1% have problem of repayment. Given that most of these sources are informal, i.e only 14% is from bank, while 66% is either from

friends, relatives, selling of assets or merchants, therefore, the informal sources have the least problem; and thus have become more preferable to women.

Table (4-19)
Problems Facing Women in Relation to the Credit Institutions

Problems with bank or NGO	Frequency	%
There is no problem	57	60.6
The margin of Murabaha	17	18.1
Terms of repayment are difficult	17	18.1
Long procedures	3	3.2
Total		

It is noticeable from the interview that most of those who have no problem are either from informal sources of finance or from NGOs, while those who have got their loans from banks have problems in one way or the other which indicate that NGOs requirements are more easier than banks and also more preferable.

4.5.2 Previous Experience With Banks:

Table (4-20)
Previous Experience With Credit Institutions

Previous Experience	Frequency	Percentage
Yes	9	9.5
No	85	90.5
Total	94	100.0

As the table above indicates, only 9.6% have got experience with banks or any other credit institution, while 90.5% have no previous experience, this may be either due to the lack of information about these institutions, or it may be due to the new interest of these institutions in providing finance to this segment; and finally, it may be due to the fact that those people are reluctant to go to the banks because of the securities required by those institutions; and their inability to fulfil these requirements. In asking them about the reason for not

having previous dealings with banks, 74.2% replied that there has been a difficulty in guarantee, while 6.3% replied that they didn't hear about these arrangements, and 3.2% replied that they are difficult to reach. This proves that lack of securities is a basic factor behind women reluctance to go to the credit institutions specially banks.

Table (4-21)
Responses To The Question:
Why Didn't You Have Any Experience With Banks?

Reason	Frequency	%
I didn't hear about	2	2.1
For the difficulty in reaching it	3	3.1
Difficulty in guarantee	77	81.9
Others	2	2.1
Not applicable	10	10.6
Total	94	100.0

Those people mentioned that the securities required are made for rich people and that banks deal originally with rich people and are not made for the poor.

4.6. Production Relation:

Table (4-22)
Sources Of Raw Materials

Origins Of Raw Material	Frequency	%
Wholesaler	59	62.7
Retailer	21	22.3
Loans in advance	12	12.76
Others	2	2.12
Total	94	100.0

As the table above indicates, in terms of the raw material, 62.7% buy their raw material from the wholesaler, which implies, a complementary relation to the formal sector; and also the cost effectiveness of production. There is 22.3% who buy their raw materials from the retailers and 13.7% from loans in advance, while others are those who have no raw materials. It is

remarkable that those who buy from the retailer will have not large amount of money that enables them to buy from the wholesaler with big amounts.

Table (4-23)
Channels Of Marketing

Channels of marketing	Frequency	Percentage
Men and women of neighbours and relatives	65	69.2
Government officials	6	6.4
Private sector merchants	7	7.4
Others	15	16.0
Not found	1	1.1
Total	94	100.0

As the table above indicates, 69.2% sell their products to women and men who are neighbours or relatives inside the place, which indicates the lack of marketing channels outside their limited boundaries. More over, there is 6.4% that is sold to government officials and 7.4% to private sector, which indicates, the lack of strong relationships of those women to the formal sector. This agrees with the characteristics of the informal sector of the African countries as the studies⁽¹¹⁾ indicate, it has a weak forward and backward linkages.

Table (4-24)
Responses Of Women To Whether They Have contracts

Do you have contracts?	Frequency	Percentage
Yes	22	23.5
No	72	77.5
total	94	100.0

Concerning contracts, 23.5% replied that they have contracts with companies, while 77.5% replied that they have no contracts, which confirms the weak forward linkages with the formal sector. The most remarkable thing is that most of the women who have contracts are the educated women, which indicates the importance of education for the development and prosperity of their work.

The lack of subcontracting is one feature that characterizes African countries' informal sector. However, this is not the case for Asian and Latin American countries. In these Sub-contracting by formal sector enterprises to informal sector enterprises is a major source of demand for informal sector outputs. For many years, the Japanese experience has been proposed as a model for developing countries. However, this kind of subcontracting requires a certain level of development, e.g development of infrastructure and communication and certain levels of technical improvement.

4.7. Management Of The Work:

Table (4-25)
Management Of The Work

Management Of The Work	Frequency	Percentage
Manage it my self	92	97.8
Sons	1	1.1
Have got workers	1	1.1
Total	94	100.0

In this study it has been noticed that the majority of the sample manage their projects alone; and the only two that do not manage them, have donkey carts, one employs a worker; and the other is helped by her son because it is unacceptable that women can drive a donkey.

As the table below shows, 13.8% acquired assistance by their sons and daughters. This indicates that in those poor families, children are expected to share the economic burden. This result is confirmed by the findings of various studies done in Africa and Sudan: that children share the work of their mothers. 21.3% employ one worker, while 59.6% has neither a worker nor sons or daughters. This agree with informal sector characteristics that they are either owned and managed by women or they employ one worker. 2.1% employ two workers and 1.1% three workers. Those who employ two or three are doing so on a temporary basis only during the time of excessive production.

Table (4-26)
Responses Of Women To The Question
Who Help You In This Work?

Source of Help	Frequency	Percentage
Sons and daughters	13	13.8
One worker	20	21.3
Two workers	2	2.1
Three workers	2	2.1
Not founded	56	59.9
Total	94	100.0

Concerning the frequency of repayment to the worker, 68% Do not pay, 6.4% are paying workers per day, 16% by piece while only 9.6% pay per month. Thus, segment of 22.4% that pay either by piece or per day imply the temporary nature of the working labour in these projects, that even the ones who employ labour is seasonally. This also indicate, the discontinuous nature of work of those women as table (4-27) indicates.

Table (4-27)
Frequency Of Repayment To The Worker

Frequency Of Repayment	Frequency	Percentage
Per day	6	6.4
By piece	15	16.0
Per month	9	9.6
Not founded	64	68.2
Total	94	100.0

4.8 Problem's Facing Women Entrepreneurs:

As table (4-29) indicates, the major problem that faces women entrepreneurs is the continuous increase in prices i.e inflation; they complains that there is a continuous rise in the prices of the raw materials; and so they rise their prices accordingly. Consequently, the problem of marketing emerges. 49% replied that they have a problem of marketing. Some beneficiaries argued that there is a lack of marketing and cash, that most of them stated that even if they sell their products, they receive no cash payment and this indicates the importance of

macroeconomic policies for the development of this sector. Hence, micro policies alone are not enough for the development of women's work. Also, there is a shortage of working capital, where 20% replied that they still have the problem of working capital, which indicates the importance of it for the continuity of work. However, despite their access to credit, the problem of working capital is still there, which may indicate the incontinuity of loans for the provision of the working capital.¹

Other problems represent 15% of the sample, which are exemplified by: electricity, availability of raw materials and the lack of modern technique of production; another beneficiary complaint of the death of the chicken, but most of them complaint from the lack of cash payment for the sales and the continuous rise in prices.

Table (4-28)
Problems In Work

Problems	Frequency	%
Higher prices of input	17	18
Marketing	29	30.8
Problems of working capital	11	11.7
Others	11	11.7
Not applicable	4	4.2
Marketing and others	2	2.1
Marketing and working capital	4	4.2
Higher prices and others	2	2.1
Higher prices marketing and the problems of working capital	3	3.1
Higher prices and the problem of working capital	2	2.1
Higher prices and marketing	9	9.5
Total	94	100.0

Some of the beneficiaries alluded to the absence of support and protection from the government, they argued that the

¹ This also agrees with what Dr Sayed Abbas (12) argued that there is a finance gap in Sudan concerning capital for SSE.

government gives concessions to certain organizations and exempts them from customs and duties, so when they enter their products which are clothes compete their domestic products in the market because everybody is going to buy the imported products which is cheap. Also they complain that the government give concessions to certain factories e.g Fatah Elrahaman El Bashir Factory for the production of school clothes. Concerning contracts, most of them are confined to big factories. Finally, on conclusion the major problems is those of marketing and continuous rises in prices.

However, it is noticeable that each activity has peculiar problems e.g poultry projects complaints of lack of fodder, a continuous rise in its prices, which makes prices of eggs and chicken very high, this change the taste of people and change their habits towards other substitute goods of low prices e.g meat. And this leads to a decrease in the demand for those products; and therefore in marketing them. The particular problems of each activity, in line of what Dr Badr El Din⁽¹³⁾ has argued, it is better to make a sectoral study for each activity in order to be able to know its problems and the best way to solve them.

There is a large segment that face more than one problem. Some women complaint from the high tax burden that lie on them; and it is noticeable that there is a considerable number of women who pay taxes; and this in turn contradicts the idea⁽¹⁴⁾ that the informal sector is an underground economy since it evade taxes but it is noticeable that most of informal sector participants have got a licence and pay taxes.

4.9 Benefits From The Loan

As the table below indicates, 53% replied that there is an increase in their production; 1.1% said that there is an increase in the marketing of their product, while 10.6% replied that the NGO provide permanent places in the market. Before that, they were always subjected to the police harassment and the confiscation of their products and equipments. A significant number, 9.5%, represent the awareness of people towards the banking system; some beneficiaries argued that these institutions

publicize their work and gave them the chance to talk in workshops, seminars and conferences.

13% answered that they didn't benefit from the loans because the bank didn't give them sufficient time to benefit from their loans besides, the margin of Murabaha is very high.

Table (4-29)
Benefits From The Loan

Benefits from the Loan	Frequency	%
Increase in production	53	56.3
Increase in marketing	1	1.1
Finding constant place	10	10.6
Others	9	9.57
Benefit is not much	13	13.82
Increase in production and others	8	8.5
Total	94	100.0

4.9 Continuity Of Loans:

As the table below indicates, the responses to the question of the number of their dealings with the Bank or NGO, 72.4% replied, they entered only once, 17%, twice; 8.5%, three times; while only 2.1% enter more than three. However, this indicates the incontinuous nature of these loans, which is a hinderance to the success of these credit programmes.

Table (4-30)
Number Of Dealings With The Credit Institutions

No.	Frequency	%
Once	68	72.3
Twice	16	17
Three times	8	8.5
More than three	2	2.1
Total	94	100.0

4.11 Head of Household:

As table (4-31) indicates, the majority of the sample, 62.5%, are breadwinners. This goes in line with the literature

available that one of the factors of women engagement in the informal sector is the increase in female heads of household ⁽¹⁵⁾. However, even the aforementioned number is not real. Because a considerable number replied that the breadwinner of the family is their husband since social prestige demands that he should be.

Table [4-31]
The Bread Winner Of The Family

Bread winner of the family	Frequency	Percentage
The woman	61	62.5
The husband	3	3.2
Both	25	26.5
Brothers and sisters	1	1.1
Sons and daughters	2	2.1
Respondent + brothers +sisters	2	2.2
Total	94	100.0

This is supported with what *Ester Boserup* ⁽¹⁶⁾ proposes- stereotype sex roles consider a man as always the breadwinner, but, in many communities, a woman is the actual provider of food for the family.

It is noticeable that 3.2% depend on brothers and sisters-an indication of the strong social cohesion between relatives.

Table [4-32]
Cross Tabulation Of Marital status
by the breadwinner of the family

Count	Women's household	The household	Both	Brother and sister	Sons and daughters	Myself brother and sister
Married	25	3	22		1	
Single	12			1		1
Widowed	17					1
Divorced	4					
Separated	3					

As table [4-32] indicates, all the divorced and the

separated women of the sample are the breadwinners since they are the most needy.

It is noticeable that 26.6% of the sample are married and they still feed the household despite the existence of the husband. This may be either because the husband is unemployed or that he is employed in an inferior job and gains low income. This leads to the conclusion that women, beside their reproductive role, are increasingly becoming heads of households despite the existence of the husband.

4.12 Expenditure:

Table (4-33)
Income Uses Of Women Entrepreneurs In Urban Khartoum

Income uses	Frequency	Percentage
Daily expenditure	68	72.3
Increasing the capital	14	14.9
Daily exp. & increasing cap.	12	12.7
Total	94	100

As the table above indicates, 72.3% replied that they use the income in their daily expenditure which implies that most of the income is directed towards expenditure; and this proves that the economic factor is the basic factor behind women employment in this sector. Moreover, 14.9% use income in increasing the capital.²

4.13 Training:

It is obvious from the table that 52.1% have got training while 47.9%, almost half the sample, have no training. This testify to the fact that informal activities does not require training; and it is noticeable that most of them, like food processing, handcrafts and sewing are household skills whose acquisition can be attained through daily life.

² However, it is remarkable that most of them put a certain amount of money for unexpected contingencies which certify the saving nature of women despite their low income.

Table (4-34)
Responses Of Women To Whether They
Acquire Training

Do you acquire training?	Frequency	%
Yes	49	52.1
No	45	47.9
Total	94	100.0

In asking them whether this training is provided by the Bank and NGOs, 59.2% replied Yes and 40.8% replied No. This 59.5% is the segment of those who have finance from the SDA and some of the beneficiaries of SIB that provide training for trico machine; and the SDA training is in bookkeeping and courses in Health.

Table (4-35)
Provision of training.

If training provide by credit institution	Frequency	%
Yes	29	59.2
No	20	40.8
Total	49	100.0

This indicate that some of these institutions provide training beside credit.

The most noticeable thing is the lack of training apparatus for those women. Moreover, there is no training centre for women in Khartoum. Even the one that available train women in household activities like sewing, handcrafts..etc.

4.14 Number Of Hours Worked

As table (4-36) indicates, 50% of the sample have taken one to three hours, 30.9% four to six hours, 8.5% seven to ten hours and 10.6% more than ten hours. It is remarkable that half the sample spent one to three hours which indicates that this activities is not a time consuming activities. The activities that needing more than ten hours is food selling; because those women contact directly with people in the market so they take long time.

Table (4-36)

Working Hours Of Women Micro Entrepreneurs In Urban Khartoum

Hours in the day	Frequency	%
1-3 hours	47	50
4-6 hours	29	30.9
7-10 hours	8	8.5
More than 10 hours	10	10.6
Total	94	100.0

4.15. Problems That Face The Credit Institutions:

The main and major problem that face these credit institutions is inflation, they argued that the value of the loan decrease when the clients repay back the money because of inflation; and this become a reason for its failure as Roger E.soles⁽¹⁷⁾ argued, that for a credit programme to be successful it should have interrelated and necessary conditions: firstly, the availability of loan for those who have no access to credit, secondly, the programme charges sufficient and flexible interest rates that cover inflationary pressures and economically sustainable and thirdly, they obtain repayment of outstanding loans. He argued that inflationary pressures and the erosion of credit programmes capital, have been all too frequent in the Latin American experience. However, this is exactly the case of the R.D.F and SIB, the R.D.F receives from the donors in dollars; and when the money is returned back from the beneficiaries the R.D,F find that the money has decreased diagrammatically and so the revolving fund would be difficult to continue on the long run, since inflationary pressures and lending cost, would lead to the erosion of the capital of these credit programmes. Hence, there is a problem of sustainability in the long run.

Another problem they propose is the high administrative cost of these projects; and they argued that these projects need continuous monitoring and follow up.

The Bank also proposes the problem of Marketing, it argued that some of these women's product is of low quality. However, this is not always the case and the shops that the bank opened

is not in a crowded market area.

The R.D.F proposes the problem of inflation as a basic problem; and that it affects the sustainability of the project. Also it proposes the problem of marketing for the products of those women. Another problem is that most of these projects are scattered all over the capital, which may affect its management and administration; and the problem of the instability of people in squatter areas.

4.16 Comparison Between The Three Institutions:

We can make a general comparison between the experience of the beneficiaries of the three institutions the SDA, R.D.F and SIB.

The experience of the SDA is very successful and interesting one, it provides places for tea and food making and provide them with raw material through cooperation. However, the SDA do succeed in providing places, but it fails to finance them with loans from banks and other credit institutions, also the cooperation does not work well in bringing cheap raw material, this may not be because of the SDA but of the government policy through the liberalization policy which united all prices; and there is no difference between the price of the market and the price of the cooperation.

In addition, it provide to them courses in bookkeeping and health. Moreover, it send representative from them to India or outside world in order to show their experience to the out side world and to know other people experiences.

It worth noting that this experience is the most successful experience although it is on a limited scale. It is noticeable that women entrepreneurs work long hours in the market because they deal with people in the market directly. Probably the reason of their success is the availability of marketing channels and may also be due to the seriousness of those women entrepreneurs and their need to work.

However, although the idea of providing informal sector operators, control clean organized places of work, is attractive, it could deprive large numbers of them of their sources of livelihood. Petty trade work emerged in a particular place

because demand exists for their products and services.

It is observable that, those women were already working in the market before the SDA came; those women mention that, they have been spent a lot of money for the transportation of their equipments and they are always subjected to police harassments but now they find suitable and constant places, they got a licence and health card through the help of the NGO.³

The experience of the SDA is new, it differs from the other two experiences in that, it provides loans indirectly in a form of places for work. It is observed that, there is no complains from the women entrepreneurs towards the SDA. This exactly the reverse to what R.D.F and SIB, concerning SIB requirements that needs a licence, tax exemption, to open an account in the bank and to pay security cheques. All these requirements made women reluctant to return back again to the bank. Moreover, if the project failed by reason out of their control or the money lost, the bank compel the client to pay back the money. Concerning the R.D.F, there is also no complains with the exception of one woman.

With regard to the activities of women entrepreneurs in each institution, the SDA beneficiaries are food sellers and tea sellers, while the R.D.F is different kind of activities beside food, there is donkey carts, plastic making, there is one who owns a laboratory and another who has a baby garden beside sewing and others. Concerning the Bank, most of its loans are for sewing, trico machine, soap factory and others.

It worth noting that, the beneficiaries of the SDA work in groups of five women, each five unite together like Grameen Bank of bangladesh, while the R.D.F and SIB that each women work individually.

Concerning income, all the beneficiaries of SDA gain high income specially food sellers, while for the R.D.F and SIB ranged

³ In asking them about their sources of raw material they replied that they had brought it from the merchant by loans until the end of the day and they argued that they gave it to them in the same price of cash without increase in prices. In asking the merchants themselves they replied that they arrive them these loans because they trust them and they think that this would also benefit them because it provides to them continuous daily buying of their products. So there is mutual benefits between the two.

from low income to high income.

The SIB is not inclined to finance initial capital; and this is proved by a number of beneficiaries the bank refused to finance them with initial capital; and give them only working capital, while the R.D.F provides initial capital.

The R.D.F provides a strong system of monitoring and follows up which is easy for SDA because they are founded in one place, this is not the case for the SIB which has weak system of monitoring and follow up.

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Chapter (5)

Summary And Conclusion

The purpose of this study has been to shed light on women's labour in the informal sector in Khartoum; and direct attention to an area of study which has been greatly ignored. Women in Sudan, like in many other developing countries, are heavily concentrated in the informal sector. The entry of women into the informal sector has resulted from different socio-economic, demographic and political factors, operating together and manifested in women's work in different activities of the informal sector. In this study, the main aim has been to investigate the major characteristics of women entrepreneurs in the informal sector; and assess the effect of financing them with loans from different credit institutions and to see to what extent do they benefit from these loans and the problems and difficulties that face them.

The findings of the study have generally indicated that the situational factors of women within the family, have been found to force women to become involved in the informal sector.

These factors are directly or indirectly linked to poverty; and that poverty is the cause of women's work in different activities of the informal sector.

Prime among these factors are the lack of capital, education and training which force women of all ages to generally resort to this occupation, which has an easy access.

However, this is not always the case because, in our sample, there are 14.9% are graduates and post graduates who approach this sector because of the ease of entry and the high income available there.

The deterioration in the economic condition; and the inability of the husband to support his wife and children, forced those wives to find work to support their families. Most of the sample (57.4%) is married which indicates, the need to work even in the existence of the husband.

High rate of fertility among those women is the determinant

factor that forces women to work for extra income for the family; and provide the needs of their children such as food health education and clothing.

The study has proved that there is a continuous rise in the rate of growth of women who entering this sector.

Entry of younger ages is one of the main features reached by the study, most of the sample is concentrated in the age group 21-40.

The study outlines that 59.6% is from central state who are non migrants women, which indicates a new trend that migration is not always the basic factor for women engagement in the informal sector. Economic needs forced non migrants to enter this sector.

The study has indicated that most of the women who migrate are either with their husbands or their fathers which implies the social Barriers that prevent women to migrate alone.

A striking feature of those women entrepreneurs is the engagement in traditional activities that gained skills during their daily house-hold activities.

There are also other activities that gained experience in the formal sector; and they prefer to transfer them into cash money in the informal sector.

Women involvement in the informal sector has also affected the income, expenditure and the financial organization of the family. Results have shown that women bear the greater financial responsibility in their families, over 64% of women were the primary income earners of their families and head of the household.

Moreover, they involve in more than one job which indicate the lack of specialization or may be due to the eagerness of those women to gain extra income.

House work activities have also been affected by women's involvement in the informal sector. The ability of women to participate in the informal sector depends on their ability to manage multiple roles. Informal sector activities allow women to combine their livelihood with their child raising functions and home services. This is proved by the result that 68% of the

sample work in their houses.

The study has revealed the entry of educated women who are either discharged for public good or those seeking higher income.

The study has shown a considerable number of women who left the formal sector to the informal sector, simply because of the high income available in the latter; and the free time available in order to do other roles.

Comparing the minimum wage legislation with the income in this sector, reached the result that the lower income in the informal sector is higher than the minimum wage.

The study has proved that education has little effect on income. However, it is noticeable that projects of educated women is more organized and prosperous.

A remarkable feature of the population of the study is the lack of technical training. It is noticeable that half of the sample has got training in either house hold activities or book-keeping.

Furthermore, of those who have got training are from the southern state who got their training in the church. This indicates the role of the church in the education and training of their fellows.

Concerning credit, the most noticeable thing is that, most of those women's initial capital is either from their own sources, friends or relatives which are informal sources of finance. However, this indicates that these credit institutions are reluctant to provide initial capital. This is specially true for banks which were inclined to provide credit for working capital rather than initial capital. This may be due to the bank risk averting nature i.e provide short term loans.

A remarkable result of the study is that, informal sources of finance are the most preferable types of credit in term of its repayment requirements and its availability. Moreover, NGOs requirements are more easier than banks which are simply profit seeking institutions.

The study has exposed new trend of those women in dealing with these credit institutions (specially banks), the majority of the sample has no previous experience with a bank or any other

credit institution. This imply the increase in the ability of those women in dealing with these credit institutions.

The study has revealed that, contrary to what is practised in many developing countries, there is a weak subcontracting with the formal sector i.e those women have weak forward and backward linkages to the formal sector.

The rising cost of raw materials and marketing are the major problems that encounter women micro entrepreneurs in the informal sector.

Lack of support and protection from the government is another problem women micro entrepreneurs cited.

The problem of the availability of the working capital is another constraint that women micro entrepreneurs declared.

To conclude, the informal sector in spite of its critical supportive role in facilitating the unemployment problem and maintaining livelihood for thousands of people in Sudan, has never been given official recognition. Perhaps due to such attitudes towards the informal sector, it was until 1975 that the first study that examined the role of this sector as a source of income generation and creation of employment was conducted.

Since then a number of studies focusing on specific activities in this sector have emerged. But the fact remain we do not know much about this sector, particularly what percentage of women are operating in it, in which activity and the economic prospects of working in this sector.

Furthermore, since women who form at least half of the informal sector operators tend to be the ones that engage in the most despised activities of this sector, there is a need for a fundamental change of attitude on the part of the government and the society generally towards women in this sector. Research can play a major role in demonstrating empirically the vital contribution of such activities in terms of the benefits derived by both the society and the women involved, the following areas are therefore suggested to remedy women's disadvantage economic position in informal sector activities.

First, to implement national surveys to identify various types of informal sector activities by women engage in by each

branch of activity, the benefits to themselves and the society; and suggest the ways that women operating could be assisted either in making their operation more productive or securing alternative employment for themselves. In both cases, relevant educational and training programmes for those women who have no skills in order to acquire the basic training necessary for gainful employment should be established.

Gender remains a fundamental principle for organizing the division of labour inside the house hold and the wider economy, research should therefore investigate the effect of Gender on women's place in the informal sector.

Because informal sector activities have restricted access to productive resources (capital, skills, etc.) and to more dynamic markets, a priority should be to set up mechanisms that will eliminate discrimination against producers in this activity and ease their access to such resources.

An attempt should also be made to help women to widen their enterprises and enter high priced products and markets. Government could play a major role for analyzing and solving women micro entrepreneurs problems. policies to stimulate demand for goods and services produced by those women through construction of market places, organization of promotional firms for small firms prospecting for export markets; policies can also be set to enforce tax laws to provide more security and stability to the activity and eliminating discriminatory practices through legal change. i.e policies for the benefits of large enterprises at the expense of small enterprises. Moreover, the government could encourage those women through policies at the macro level. e.g decrease the rate of inflation. Providing infrastructure, encouraging subcontracting with government companies.

In addition, assisting women to diversify economic activities by entering non traditional areas of production. i. policies to raise their technological level by the provision of loans for purchasing capital goods that incorporate more modern technologies.

Furthermore, the establishment of an organization of women

micro entrepreneurs to be responsible for providing a package of services to help women micro entrepreneurs in the informal sector (provide credit, training technical assistance and management advice marketing..etc) and work as a negotiable body with the government in order to issue policies serve as a guarantor to provide loans from formal sources and informal sources of credit.

Researchers must be directed to develop the existing sources of informal finance; and to see the best ways of absorbing and incorporating them in the formal credit system. Moreover, issuing legislation for the integration of the existing sources of informal finance in the modern financial system.i.e a kind of hybrid mechanism that combines the best of the two institutions.

Finally, it should be stated the importance of research in its potential contribution to political visibility a fact which is necessary if any favourable state policies are to be directed towards women in the informal sector.

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- 15- (1) Loan from a bank or NGOs (2) Loan from a merchant
 (3) Their own sources (4) Friends (5) Relatives (6) Others.
- 16- Is the initial capital enough for the continuity of work?
 (1) Yes (2) No
- 17- What are the problems facing you with respects initial sources of finance?
 (1) There is no problem (2) Problem of repayment (3) The retail prices are high (5) Others.
- 18- What are the problems facing you when dealing with the bank or the NGOs?
 (1) There is no problem (2) The margin of Murabaha (3) Terms of repayment are difficult (4) Long procedures (5) Others.
- 19- Have you got a previous experience in dealing with a bank or any other credit institution?
 (1) Yes (2) No.
- 20- If the answer is No, Why?
 (1) I did not hear about it (2) For the difficulty in reaching it (3) Difficulty in guarantee (4) Others (5) Not applicable.
- 21- What are the benefits you got from the loan?
- 22- To whom did you sell your products?
 (1) Men & women of neighbours & relatives
 (2) Government officials (3) Private sector merchants
 (4) Others (5) Not found.
- 23- Do you have contracts?
 (1) Yes (2) No
- 24- Who manages the work?
 (1) Manage it my self (2) Sons (3) Have got workers
- 25- Who help you in the work?
 (1) Sons & daughters (2) One worker (3) Two workers
 (4) Three workers (5) More than three 6) Not found.
- 26- What is your frequency of repayment to the worker?
 (1) Per day (2) By piece (3) Per month (4) Not founded
- 27- What is the main problems facing you at work?
- 28- How do you use the income from this work?
 (1) Daily expenditure (2) Increasing the capital (3) Others.
- 29- Who is the Breadwinner of the family
 (1) Myself (2) My husband (3) Both (4) Brothers & sisters (5)

Sons & daughters.

30- Do you acquire training?

. (1) Yes (2) No

31- Is this training provided by the bank or the credit institution?

(1) Yes (2) No

32- How many times do you have financial operation with the credit institutions ?

(1) One (2) Two (3) Three (4) More than three

33- How many hours in the day do you work?

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