

Informal Sector and Urban Policy



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CENTRE FOR PUBLIC POLICY
AND GOVERNANCE



FORMAN CHRISTIAN COLLEGE
(A CHARTERED UNIVERSITY)

Informal Sector and Urban Policy

A Study of Khai Mohalla: Towards a Social Protection Policy Framework for the Informal Sector

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*What is the city but the people?
True,
The people are the city.*

William Shakespeare

Foreword

The USAID financial and technical support helped the Centre for Public Policy (CPPG) in enhancing its Think Tank capability by establishing the Forman Christian College Public Policy Research and Resource Centre. This study on Informal Sector and Urban Policy was initiated through this program. The study raises two fundamental questions; first, who speaks for the marginalized? Second, does informal sector offer the marginalized an opportunity of a livelihood which results into a better quality of life? The forces of urbanization, modernity and globalization have center staged these two questions for the formulation of urban policy. This study draws our attention to the fact that the informal sector is growing and in the absence of government facilitation and weak social protection policies, the underprivileged and marginalized are quite adept in devising survival strategies. It explores linkages between marginality and informality and highlights how a combination of social inequality and technology (cell phones, internet, etc.) are pushing consumerism and changing the lifestyles and attitudes of the marginalized. The research also explores linkages between informal sector and urban policy by focusing on a small, down trodden locality, Khai Mohallah located adjacent to Model Town, an upscale locality of Lahore.

The study is empirical and preliminary. The primary objective of the study is to raise voice and concern about the condition of the marginalized. Simultaneously, it describes and analyzes how under conditions of adversity and in the absence of any urban policy framework, the poor and under privileged work around their survival strategies. The study is provocative, insightful and promising. It presents case studies of three families and based on their history of struggles and ambition to improve the socio-economic well-being of their families, throws light on how innovative, adaptive and vigorous these families are. It also throws light on matters related to gender and attitude towards women, disabled and the underprivileged in our society.

The common theme that emerges by examining these case studies is that despite poverty, deprivation, and lack of protection from society or government; the marginalized people do value and invest in educating their children to seek a change in their socio-economic status. The study also captures an increasing trend towards consumerism in our society: the marginalized acquire cellular phones, fridge or water motor etc. on loan/lease or through limited savings as these items are considered a necessity and not a luxury. The findings of the research further bring to focus the emergence of conflicting trends. On one hand, the extended family is acquiring new forms leading to 'satellite dependence' among households, where families within families seek survival and personal growth. While on the other hand, education has acquired new meaning as a ladder for upward social mobility, which is good news. But the quality of education and skills it imparts, is another study. The study further demonstrates that there are serious handicaps in our human capital. To ameliorate the conditions of the marginalized, the provincial government needs to focus on building the local government to improve governance and deliver services especially education and health urgently and effectively.

The authors Ms. Khalida Ahson, Lead Researcher and Mr. Mughees Bhalli, Research Assistant, have shown zeal and rigor in conducting this study. Besides our internal review team, I am indebted to two anonymous reviewers for their valuable comments and feedback, which has helped the authors improve the quality and content of this study. We do hope that besides scholars, policy analysts and civil society activists, the Punjab Government would find some of the recommendations of the study helpful in devising its urban and social protection policies.

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Professor and Director,
Centre for Public Policy and Governance

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Photo credits: The Authors.

Acronyms

QIE	Quaid-e-Azam Industrial Estate
UC	Union Council
LDA	Lahore Development Authority
PIEDMC	Punjab Industrial Estates Development and Management Company
DfID	Department of International Development
LFS	Labour Force Survey
ILO	International Labor Organization
SLF	Sustainable Livelihoods Framework
BISP	Benazir Income Support Program
NGO	Non-Government Organizations
PTI	Pakistan Tehreek-e-Insaf
LMC	Lahore Municipal Cooperation
UNDP	United Nations Development Program
UK	United Kingdom
TMA	Tehsil Municipal Administration
PKR	Pakistan Rupee

Executive Summary

1. This research study reveals that people enter into the informal sector because of two main reasons; rural-migration and internal displacement. Both underpin a poverty dimension i.e. loss of livelihood at the place of origin. They have resource and capacity constraints which necessitate entry into the informal sector. Additionally, they neither have the education, skills nor the opportunities to acquire the more secure formal sector jobs. Their work day is as long as their employers require and while they may be seen working in the context of a secure, organized workplace (factory), their employment is contractual and hence, informal.
2. Informal sector is not only absorbing migrants but also providing livelihoods to local populations, however, there is a difference between the social capital of both (see figure 2, 3, 4).
3. The category defined as unemployed, under LFS 2010-11, includes retired servants, high school and college students who are active in the informal sector. Female participation in this sector is at 100% as part of a household-level coping strategy and is concentrated at the lower rung of the sector due to cultural attitudes along with the reasons cited above.
4. The study points to another facet of urban life where the traditional joint family system is being utilized as a coping strategy i.e. satellite families of the nucleus family, within the boundaries of the space/land (house) available, with some defined economic boundaries. These satellite families do not pay rent but share utility expenses and manage their own food and other family expenses.
5. Some families have been poor for generations, and have never managed to establish the necessary relationships (formal) or acquire the resources for upward social mobility. Other families have seen their fortunes change as a result of sudden shocks such as loss of income earners or illness. Their challenge is to re-establish themselves as viable social units. However, this is not done through formal institutions but through kin-based informal strategies since kinship groups play an important role in Pakistan. These groups, labeled as 'zaat', 'biraderi' and 'quom' in different parts of the country, remain a key – perhaps the key – dimension of economic, social and political interaction¹. The nucleus and satellite family maintains close relations with kin and even territorial distance does not mean isolation from kin relationships.
6. Our study also brings out the paradoxes of kin relations i.e. the attitudes of people towards women, orphans, deprived and the disabled (see Chapter IV).
7. The study indicates that a single informal worker is unable to generate sufficient income for basic needs such as food, shelter and clothing thus increasing the occurrence of two to four people in a household engaged in this sector. Also, the lack of (basic) education limits their opportunities for mobility from low rung of the informal sector to the middle or upper rung or into the formal sector. The informal sector workers' practice of skill or trade does not give increasing returns as it does in formal sector.
8. In the poor households, there is a strong desire to educate children. Families often take loans to invest in children's education as it is seen as a means for upward social mobility.

¹ Haris Gazdar, "Class, Caste or Race: Veils over Social Oppression in Pakistan", *Economic and Political Weekly* (2007) pp: 86-88.

9. The use of electronics like cellular phones, television, refrigerators, irons and computers is present. Families pay for garbage disposal services, instead of throwing it themselves however its end point (responsibility of government) remains uncertain, creating environmental and health problems in the community.
10. Public services (water, gas, electricity) are available however potable water is unavailable. Families spend 2-3 hours each day to ensure availability of potable water for the household; women boil, cool and bottle water for family consumption or men get purified water from the nearest water filtration plant. Contaminated water is seen as one of the main reasons for the health problems existing in the area by the interviewees. The cost of time and labor of a productive member in fetching water needs to be explored.
11. Religious foundations (mosque and church leader) represent continuity for people and their influence is strong.
12. Youth in the area, mostly educated to intermediate level, have discontinued study. They avoid wage laboring and other low paying informal sector jobs but also do not possess any skills for income generation. A few exceptions include youth engaged in computer programming or those employed as salespersons in high-end shops in Model Town. Educated females usually give tuitions from home. Formal capacity building initiatives of the urban policy need to focus such youth and enhance their income generation capacity with appropriate skills.
13. Household architecture and ventilation is of poor standard. Kitchens are usually near the toilet/washroom facility. The household space is also not comparable to family size.
14. Tradition plays a role in selection of income generating activities for women as it is preferred that women work from home.
15. People are unaware of the formal channels of the government which could solve their problems related to public services. The Union Council Office is approached for birth and death registration, getting essentials for ID card, marriage registration and annulment purposes.
16. Senior officers at the Tehsil Municipal Authority and Secretary Union Council did not know much about the planning/financial decision making processes of the provincial government. Their role in planning is nil and, in financial management, is limited to the disbursement of resources e.g. during Dengue eradication campaign etc.
17. People do not depend on formal organizations or micro-finance institutes for loans. They take loans from neighbors or kin.
18. In Pakistan and in many developing countries, people working in the informal sector supplement coping strategies by forming associations and unions, but none exist here. However, the traditional and religious support systems are strong.

Our study shows that there is human capital which lacks education, skills and essential public services and consequently suffers from exclusion, inadequate health and thus cannot break out

of poverty or attain sustainable livelihoods. The study concludes that the marginalized individuals are engaged in the informal sector not by 'choice' but by 'necessity'. This highlights the need of the state (local government) to play a more active role in supporting the workers engaged in the informal sector in their efforts to earn and maintain a basic level of living standards. In the light of the 18th amendment to the Constitution of Pakistan, local governments ought to be a facilitator who creates the environment and impetus for the informal sector workers to gain sustainable livelihoods and well-being. Thus, the role of the level of government nearest to the people with sufficient authority and resources to respond effectively to local needs cannot be over emphasized.

I. Introduction

I. Introduction

This study seeks to locate the informal sector within the social policy debate for informal sector in an urban setting. Today, whether the informal sector can deliver a basic level of well-being under conditions of economic decline, and become a source for growth remains an open question. Much of the literature glosses over the complex ways resources and power are being redistributed within the informal sector and also how the relationships are changing between informal and formal groups in the society. To this end, an exploratory research tries to determine the livelihoods and coping strategies of the informal sector groups within their household and community through a household survey comprising interviews and observation.

The authors surveyed a small *Mohalla* (ward) in Lahore city mainly comprising informal sector workers who earn their livelihood from the formal sector residential and industrial areas of Model Town and Quaid-e-Azam Industrial Estate (QIE) formerly known as Kot Lakhpat Industrial Estate, respectively. QIE is the oldest planned industrial estate in Punjab. Model Town, a planned and posh residential area of Lahore established in 1921, is located in the same UC as *Khai Mohalla*. In Model Town the houses are spacious and inhabitants come mostly from the formal sector comprising the elite of Lahore such as judges, rich business persons, traders, upmarket store-owners, professors, doctors, engineers and officers of the civil service. *Khai Mohalla* also lies close to QIE which started developing in the 1960s. Earlier, the Estate was managed by Housing and Physical Planning Department, Government of the Punjab and later by the Lahore Development Authority (LDA). In April 2004, the ownership and management of the Estate was transferred to Punjab Industrial Estates Development and Management Company and it was renamed as Quaid-e-Azam Industrial Estate. QIE is led by a Board of Management consisting of fourteen members, nine belonging to industrial sector and the rest representing the Government. The types of industries set-up here include: Pharmaceutical, Textile, Dyeing and Printing, Food and Beverages, Garments, Plastics, Auto Parts, Chemical and Steel. Presently there is no industrial land available at QIE².

Due to its closeness to the areas above, the residents of *Khai Mohalla* are self-employed or engaged in casual or contract labor in nearby factories. The types of work include hawking, providing services to own ward (small shops; garbage collection), services to nearby Model Town area residents (as domestic helpers, gardeners or guards) and home-based piece-rate work for nearby factories. The livelihoods are characterized by low and irregular income, lack of social security, little regulation in work, and absence of legal protection.

1.1. *Khai Mohalla, UC 129, Liaqatabad*

The entire Union Council 129 is populated by Punjabis with a reported³ total population of fifty-one thousand of which most are Muslims, and around three thousand are Christians. *Khai Mohalla* (the area under survey) comprises 70 households with a total population of 450-500 approximately. There is one missionary school and a church in the ward⁴. The ward was found to be densely populated with an average of six people per household.

The ward is reportedly the oldest and poorest area of the Union Council 129. Primary sources also report that predominantly it has traditional values. Non-government and other community based organizations are not present except for the church and mosque services.

² <http://www.pie.com.pk/index.php/industrial-estates/kot-lakhpat-industrial-estate> (accessed 12-02-2013).

³ Union Council Secretary

⁴ Figures taken from Union Council Office - UC 129

The ward started populating around the 1960s when Pakistan was going through rapid industrialization⁵. Agriculture sector was also being mechanized which resulted in the loss of livelihood for informal agriculture workers who started migrating to this area in search of livelihoods. The Pakistan-India war of 1965 also forced people from villages bordering India to migrate here. In a few cases, people also reported migrating from Sindh due to consistent floods in the last fifteen years.

Informal employment such as (informal jobs) in nearby factories, wage laboring, hawking, small enterprises (that mostly employ males), home-based work (like industrial outsourcing mostly done by women, young girls and boys), housekeeping (that mostly employs women and girls), domestic and private workers (young and adult males employed as guards, gardeners, salespersons in nearby Model Town) is the main source of employment and income.

1.2. *The Urban Informal Sector in Pakistan*

In Pakistan, where a mix of modern economic policies and traditional economic activities hold sway, the dual model of Sir Arthur William Lewis⁶ has not taken roots and people continue to exist in the subsistence (informal) sector. Increasingly, the informal sector plays a substantial role in Pakistan's economy⁷. In urban employment, its share is estimated at 72% for males and 63% for females according to Labor Force Survey 2010-11. The focus of our study is the qualitative aspect of the informal sector as the current conflicting definitions for informal sector tend to reinforce the biases towards the sector to the detriment of policy planning for it, especially regarding a social policy for the sector.

According to Arif and Hamid (2009) more than 35% of Pakistan's population lives in urban areas compared to only 17% in 1951⁸. Pakistan's standard indicators such as GDP growth is 3.7% and its real per capita income grew at the rate of 2.3% during 2011-2012 as compared to 1.33% growth in the previous year⁹. Its Human Development Index (HDI) is 146th falling within Low HDI countries from a total of 186¹⁰. According to Economic Survey of Pakistan (2011-12), per capita consumption expenditure is rising, however, 49% of Pakistan's population lives in poverty.

Since its inception, the economic policies of Pakistan have been focused on 'growth'¹¹. These policies mostly rely on capitalist mode of development; structural adjustments, globalization and free markets have impacted the informal sector in Pakistan. Thus, industrialization and mechanization of agricultural activities retrenched the poor from their traditional ways of income generation. Large-scale infrastructural development projects like highways and railways displaced poor while globalization and free markets disadvantaged the small entrepreneurs', especially poor men and women. The increase in urban poverty in Pakistan is partly due to internal migration that has seen rural agricultural workers relocating to urban areas to find jobs and improve their standard

⁵ *Ibid*

⁶ William Arthur Lewis, *Economic Development with Unlimited Supplies of Labor*, The Manchester School, May, 1954. His dual-sector model was instrumental in establishing the foundation of the field of Developmental Economics. It explains the growth of a developing economy in terms of labor transition between the capitalist sector and the subsistence sector.

⁷ Stephen Guisingers and Mohammad Irfan, "Pakistan's Informal Sector", *Journal of Development Studies* (1989): pp 412-426.

⁸ G. M Arif and Shahnaz Hamid, "Urbanization, City Growth and Quality of Life in Pakistan", *European Journal of Social Science*, (2009): pp. 196-215.

⁹ *Economic Survey of Pakistan*, (2011-12)

¹⁰ UNDP-HDR, "*The Rise of the South*", (2011-12): pp 143 <http://hdr.undp.org/en/mediacentre/humandevdevelopmentreportpresskits/2013report/> (accessed 15-06-2013)

¹¹ Akmal Hussain, "Economic Policy, Growth and Poverty in Historical Perspective", *The Encyclopedia of Pakistan*, (Oxford University Press, 2006).

of living¹².

The manufacturing sector has primarily been located in the urban centers or new cities have been built around industries¹³. The rapid growth of manufacturing and services sector has attracted workers from rural to urban areas. In most cases, these rural workers do not have the desired skill set needed to take up manufacturing and service sector jobs. Most of them either end up working in the informal sector or take up low-paid jobs making it difficult for them to make ends meet. Rapid urbanization also gives rise to serious concerns about urban poor who face challenges in finding affordable housing, meeting their daily food requirements, gaining access to social services and maintaining cash reserve to do market transactions¹⁴.

In Pakistan, workers engaged in the urban informal sector form a large part of the urban poor¹⁵. They get low wages or, if they are self-employed, their income is meager. Their living and working conditions may be low and, if employed, their wages are less than the stipulated minimum wages. There are hardly any policies focusing the above and social security for the informal sector is non-existent. A large proportion of their population consists of less educated, low-skilled rural migrants¹⁶.

In spite of the new ways that informal sector and social policy issues are being analyzed internationally, Pakistan's policy makers still favor market forces. There is a tendency to emphasize economic growth and hope for social problems to be solved automatically. To date, the growth-oriented strategy for development is popular i.e. the assumption is that the benefits of economic growth will trickle down to the poorer sections of the society. This tendency translates into shaping planning attitudes and policies towards the informal sector which remains largely neglected. It also demands a paradigm shift in the way we think about growth and development. Our study indicates that there is a need to think about inclusive growth strategies whereby persons and families working in the informal sector could be provided with the benefits of social security. This demands changing employer-employee relationships and re-designing contracts. It is painful to note that the employers in the formal sector avoid the regulatory and tax environment. They keep a small core staff formal and the rest of the work force informalised, thus avoiding employers' contribution to employees' injury, old age, annual leave and social security.

1.3. Definition of the Informal Sector

The informal sector is known by many different names according to different contexts and points of view in the total economy of a country. It is variously referred to as the informal economy, unregulated economy, grey economy, unobserved employment, unorganized sector, etc. However, it is debated with less conceptual/definitional ambiguity as most definitions agree that it includes economic units and workers involved in diverse commercial legal activities and occupations¹⁷.

Historically, based on varying interpretations, meanings and perspectives on informal sector, the following schools of thought emerged with each ascribing a different causal theory to the existence of the informal sector and its linkages to formal sector.

¹² *Ibid*

¹³ Haroon Jamal, "In Search Of Poverty Predictors: The Case of Urban And Rural Pakistan", *SPDC, Research Report No.59*, (December, 2004), <http://www.spdc.org.pk/Publications/Research%20Reports/RR59.pdf> (accessed 20-06-2013).

¹⁴ *Ibid*

¹⁵ Masood Sarwar Awan and Nasir Iqbal, "Determinants of Urban Poverty: The Case of Medium Sized City in Pakistan", *Pakistan Institute of Development Economics, Working Papers*, (2010): pp. 3-8.

¹⁶ *Ibid*

¹⁷ Martha Alter Chen, "Rethinking the Informal Economy: Linkages with the Formal Economy and the Formal Regulatory Environment", *DESA, Working Paper # 46* (2007) Table 1: pp 1.

Dualist¹⁸: They regard the informal sector as separate and not related to the formal economy. It is a source of income for the poor and provides a safety net during an economic crisis. They argue that imbalances between population/industrial growth and mismatch between people's skills and the requirements of modern industry give rise to the informal sector.

Structuralists¹⁹: They describe the informal economy as secondary economic units and workers which reduce labor and input costs and increase competitiveness in capitalist firms. Accordingly, the basic nature of capitalism or capitalist growth induces formal firms to react with cuts in labor costs to increase competitiveness, deal with labor unions, state regulatory environment and global competition.

Legalist²⁰: They aver that the informal sector operators are intelligent entrepreneurs who opt for informality to avoid the cost, time and effort of formal regulatory environment. They ascribe that a hostile legal system breeds informal activities and extra-legal practices.

Voluntarist²¹: They define the informal sector as comprising of micro-entrepreneurs who, in order to avoid the costs (taxation, regulations, utility charges) of the formal sector, opt to exist informally. They argue that informal operators weigh the cost-benefits of informality relative to formality and choose it as the best option.

Black Economy²²: Yet another approach to informal sector describes it as illegal, hidden or underground in transitional²³ countries, however largely as a survival strategy for people and their families²⁴.

The recent considerations which have entered into the informal debate are:

Gender²⁵: The gender equity perspective avers that women may be the larger workforce of the informal sector compared to men as they are more likely to undertake low paid economic work to supplement family income. Also, due to their gendered role of 'household carer', they are less likely than men to take up full-time employment in the formal sector.

Urban Informal Sector²⁶: In the urban environment, the informal sector may engage the cash economy and market transactions. It recognizes that it may be more varied than the rural sector as it comprises a variety of economic activities in the manufacturing and services sector for earning livelihoods.

Today, informal economy is pursued with renewed interest. The primary reason being that it has

¹⁸ ILO World Employment Mission, Kenya (1972).

¹⁹ Alejandro Portes, Manuel Castells, Lauren A. Benton, *The Informal Economy: Studies in Advanced and Less Developed Countries*. Johns Hopkins University Press (1989): pp 11-39.

²⁰ Hernando De Soto, *The Other Path: The Economic Answers to Terrorism*. Harper & Row Publications (1989): pp. 271.

²¹ William F. Maloney, "Informality Revisited". *World Development*. Elsevier (July 2004), Vol. 32(7): pp 1159-1178.

²² Alejandro Portes and Saskia Sassen-Koob, "Making it Underground: Comparative Material on the Informal Sector in Western Market Economies", *American Journal of Sociology*. The University of Chicago Press (1987): pp 30-61.

²³ Hal Hill and Mohamad Sadli, "RI and RP: Compelling Similarities", *The Jakarta Post* (May 5, 2003). Transitional countries are characterized by: radical power shifts, unpredictable legislature, an uncertain bureaucracy, generally an unorganized civil society. A fiscally incapacitated government and rising public debt. An uncertain relationship with foreign debtors and a weak central government. Populism in the labor market i.e. politicians supporting unsustainable increases in regulated wages. <http://www.scribd.com/doc/124117080/Indonesia-Today-Challenges-of-History>. (accessed 19-03-2013).

²⁴ Ralf Hussmanns, *Measuring the Informal Economy: From Employment in the Informal Sector to Informal Employment*, *International Labour Office* (2004). http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_079142.pdf (accessed 15-03-2013).

²⁵ Kate Young, *Planning Development with Women: Making a World of Difference*. New York: St. Martin's Press (1993).

²⁶ Mazmudar Dipak, *The Urban Informal Sector*, *World Development* (1976): pp 655-679.

not been subsumed by economic frameworks like capitalism or globalization both in the developed and developing economies. It appears in unexpected places in new ways. It formulates a considerable part of the formal economy and contributes to it. It is now recognized that supporting the workers in the informal sector is important to alleviate poverty and inequality²⁷, especially gender inequality²⁸.

Up till now, the definitional ambiguity of the informal sector remains, however, its heterogeneity points to the fact that the reality of informal work may be more complex than a standard theory may encompass. We try to find that reality through our research which will be explicated in the coming chapters.

1.4. Problem Statement

Until recently, the informal sector was expected to be absorbed by the formal sector under global capitalism. However, it turned out to be the primary source of livelihoods for millions of people who had been retrenched from their jobs, or whose incomes were no longer sufficient to support basic needs. During the 80s and 90s, the era of structural adjustments, it was distinguished for its ability to generate employment, income and skills outside of the regulatory framework of a state. However, today, whether the informal sector can deliver a basic level of well-being under conditions of economic decline and become a source for renewed growth remains an open question. Much of the literature glosses over the complex ways resources and power are being redistributed within the informal sector and also how the relationships are changing between informal and formal groups in society.

1.5. Review of Literature

Despite the fact that the informal sector provides livelihoods for huge numbers in Pakistan, this sector continues to have low productivity, poor working conditions, low incomes and few opportunities for advancement²⁹. Although some of the more structured groups of the informal sector tend to have an entrepreneurial character (own account holders/small enterprises) and sometimes high incomes, they are vulnerable with little capital, limited markets, inadequate economic returns, and low levels of living standards³⁰. Currently, an increasing rate of growth of urban population and the effects of slackening industrial activities are a hallmark of Pakistan's economy, especially in the Punjab province³¹.

The idea for 'right development' in the 1950s and 1960s was that given the right blend of economic policies and resources, poor and traditional economies will be transformed into rich and dynamic economies. The assertion being that the informal sector will be absorbed in the capitalist system i.e. the formal economy and hence disappear. However, by mid 1960s, the prospects of such economic growth began to disappear with widespread unemployment recorded in developing countries³².

²⁷ <http://www.worldwewant2015.org/node/351809> (accessed 25-02-2013)

²⁸ Zoe Elena Horn, *No Cushion to Fall Back On: The Global Economic Crisis and Informal Workers*, WIEGO and Inclusive Cities (2009). http://wiego.org/sites/wiego.org/files/publications/files/Horn_GEC_Study_2009.pdf (accessed on 15-03-2013).

²⁹ Khawar Mumtaz and Nadia Saleem, "Informal Economy Budget Analysis in Pakistan and Ravi Town, Lahore", *Wiego, Working Paper No 14* (March 2010): pp 1.

³⁰ Nadia Tahir And Pervez Tahir, "Is Informal Sector Employment Marginal to Formal Sector Growth?". <http://www.pide.org.pk/psde/25/pdf/AGM28/Nadia%20Tahir%20and%20Pervez%20Tahir.pdf>. (accessed 14-01-2013).

³¹ *Ibid*

³² William Arthur Lewis, *Economic Development with Unlimited Supplies of Labor*, The Manchester School (1954).

Cognizant of the situation, the International Labor Organization (ILO) initiated study missions in the developing countries. The first of this kind of mission was sent to Kenya in 1972. The mission acknowledged the resilience, creativity and efficiency of the informal sector but the study conclusions got a mixed reception both in economic³³ and development³⁴ circles. Some observers were of the view that industrial development might take a different turn in developing economies whereas others argued that the informal sector was peripheral or marginal to the formal economy.

During the 1980s, another trend was observed in the developed countries where production was being reorganized along the lines of small and flexible economic units. Work was outsourced to small informal enterprises or contracted to industrial outworkers. This allowed them to reduce their cost of production, but at the expense of reduced social security obligations. These changes also became a part of the debate on the informal sector³⁵. According to the same authors, by 1989, standard jobs were becoming non-standard, based on hourly wages, less benefits or piece-rate work with no benefits. These production units became to be known as 'sweat shops'³⁶. The shift was and is still associated with the informalization of employment, with informal economy becoming a permanent, although subsidiary and dependent aspect of the formal economy in the developing countries.

During the 1990s, employment in the informal sector was observed to grow during an economic crisis³⁷. Structural Adjustment Programs were linked with this increase. Also, globalization contributed to an increase in informal labor³⁸. As formal firms came into global competition, they hired workers under informal contracts or contracted production to informal enterprises³⁹. However, this trend created jobs and markets which were and still are unappealing or inaccessible to many disadvantaged informal workers (small entrepreneurs, women skilled workers and skilled children).

³³ Geeta Kingdon and John B. Knight, "Unemployment in South Africa, 1995-2003: Causes, Problems and Policies", *Journal of African Economics* (2007): pp 813-848.

³⁴ William F. Maloney, "Are Labor Markets in Developing Countries Dualistic?", *The World Bank: Policy Research Working Paper 1941* (1998).

³⁵ Michael Piore and Charles Sabel, *The Second Industrial Divide*. New York: Basic Books (1984): pp 206 <http://jpr.sagepub.com/content/24/2/206.2.extract> (accessed on 15-03-2012).

³⁶ Alejandro Portes, Manuel Castells, Lauren A. Benton, *The Informal Economy: Studies in Advanced and Less Developed Countries*. Johns Hopkins University Press (1989): pp 11-39.

³⁷ Lee Eddy, "The Asian Financial Crisis: The Challenge for Social Policy", *International Labour Organization* (1998).

³⁸ Standing Guy, *Global Labour Flexibility: Seeking Distributive Justice*. New York: St. Martin's Press (1999).

³⁹ Rodrik Dani, *Has Globalization Gone too Far?*. Washington D.C. Petersons Institute for International Economics (1997): pp 128. <http://bookstore.piie.com/book-store/57.html> (accessed on 15-03-2013).

II. Research Methodology

II. Research Methodology

This research explores the extent to which government policies and programs facilitate or constrain livelihoods⁴⁰ in the informal sector. The main emphasis is on the current challenges of the informal sector in an urban setting e.g. some informal sector activities being done from homes are a physical and environmental hazard for the household members and community.

In our study, the types of livelihoods available in the urban informal sector are casual or contract labor and self-employment. Both are characterized by low and irregular income, lack of social security, little regulation in work, and absence of legal protection. Types of work include hawking, providing services to own ward (garbage collection) and services to nearby posh area residents (as domestic helpers, gardeners or guards) and home-based piece-rate work for nearby factories.

Our research also explores 'livelihoods' in the informal sector in an urban environment. For this purpose, we took into account the income-expenditure pattern, working conditions and relationship/reliance on public services. It was important to select an area that is as 'representative' as possible to understand the situation of the informal sector in an urban environment and to relate it to people's livelihood choices and ultimately relate these to social policy issues.

We conducted an exploratory research⁴¹ through household survey of Khai Mohalla, Union Council (UC) 129 (Annex II), Lahore during March-April 2013. The survey comprised both in-depth interviews and observations of informal workers living in an urban slum to understand how people get along in the setting under question and what issues are of concern to them. The flexibility of an exploratory research helped the team to design its data collection method and identify subjects based on initial field visits of the area and subjects.

We selected a small residential area (urban slum) Khai Mohalla (poor and old) in Union Council 129 adjacent to a posh, regularized and formal residential area of Lahore i.e. Model Town (rich and old) located in the same Union Council. The slum area also borders the Quaid-e-Azam Industrial Estate, formerly Kot Lakhpat Industrial Area (the largest and oldest formal industrial area of the Punjab province). The sample size of the survey is relatively small as compared to the total population/households however the objective was to identify the coping strategies of the poor in the informal sector living in an urban slum right next to a formal residential and industrial area.

2.1. Research Objective and Framework

The objective of our study was to assess the efficacy of current public policies 'from below' and to consult local population in order to understand their strategies and relationships with the formal city.

⁴⁰ William Solesbury, "Sustainable Livelihoods: A Case Study of the Evolution of DFID Policy", *DFID Working Paper 217* (June, 2003). A livelihood is generally considered to comprise a set of resources or assets, which are applied via productive activities to achieving outcomes in the form of food security, incomes, and improving overall living standards. High levels of risk inhibit outcomes and increase vulnerability within livelihood resources or assets. Also, factors in the institutional environment (power, governance, markets) can either inhibit or facilitate livelihoods. The dimensions are: assets, activities, outcomes, risk and institutions. These provide useful reference points for thinking through the livelihood outcome/result. They help provide answers to questions regarding living standards or illustrate people's achievements.

⁴¹ Russell Schutt, "Investigating the Social World, The Process and Practice of Research". Sage Publications (2012). This methodology is also referred to as grounded theory approach to qualitative research or interpretive research, and is an attempt to unearth a theory from the data rather than from a hypothesis. Exploratory research is used when problems are in a preliminary stage, flexible and can address research questions of all types (what, why, how).

For this purpose, we developed a questionnaire⁴² based on the Sustainable Livelihoods Framework (SLF), developed by donors and international organizations such as the UNDP and the UK Government's Department for International Development (DfID)⁴³. The framework provided a perspective to assess various forms of capital or assets that people in the informal sector have access to. These include financial, human, physical and social capital or assets. The household survey sought to enhance understanding on:

1. Non-tangible dimensions of poverty: e.g. processes underpinning poverty (migration, displacement, mechanization of economy, lack of education and skills) and coping strategies of the informal sector workers.
2. Public Service: access to, use of and demand for public services and quality of public services according to informal sector workers.
3. Relationships: formal, with government institutions (political/ administrative); informal, with family, kin community (cultural, social).

For the political/institutional dimensions we also conducted semi-structured interviews with key government departments including district/municipal government.

Households

We observed and interviewed inhabitants of the poorest housing structures (brick façade instead of tiles or marble, conventional/traditional wooden door with a cloth curtain at the entrance door instead of an iron grilled gate for security).

2.2. Field Challenges

There is always uncertainty as to the extent to which local populations respond and react to a survey. We needed positive cooperation from district authorities as well as community leaders to ensure necessary support for the study. However, the support was not at optimum level during March-April due to general elections scheduled on May 11, 2013 - becoming one of the reasons for the sample size remaining below the desired number.

Low presence of private or non-government entities in the area raised the community's expectations from the research team. The community perception was that this survey would lead to direct monetary benefit for them and the team really had to work hard to dispel this notion in the local facilitators and the community. However, this clarification led to a decline in the facilitators' and community cooperation.

There was a high level of insecurity in the area of survey populations due to recent crime incidents occurring in broad day light. Young women entered households as sales representatives and looted cash and jewelry from the household members at a time when mostly females were present at the household.

Time constraints of the community were also a challenge. We could mostly meet females who were at home and only a few wage laborers could be interviewed if they were at home due to non-availability of work. Females, sometimes having household chores to attend to, wanted the inter-

⁴² Annex II

⁴³ Paul Shaffer, Ravi Kanbur, Nguyen Thu Hang, Ellen Bortei-Doku Aryeetey, "Introduction to Q-Squared in Policy: the Use of Qualitative and Quantitative Methods of Poverty Analysis in Decision-Making", *Trent University, Canada* (2012) http://www.trentu.ca/ids/documents/Q2_WP60_Shaffer_et_al_000.pdf

view to be over quickly. The community did not welcome our visits to their houses in the evening.

Facilitators are taken as ‘mohalla wallas’ (neighbourers) by the people and the interviewees did not want to talk about their household income and expenditure in front of them. Related to this point is peoples’ tendency to over or under report their income. We have taken this as reported in our quantitative analysis however the qualitative aspect of our research is also based on our observations and probing.

Some questions invoked emotional reactions in the community; mostly in females belonging to the very poor category. The male members were reluctant to meet the team if they had a high sense of not being able to fulfil their gendered role of being a breadwinner for their household.

One of the main challenges of applied research is an increasing ‘fatigue’ among local populations who are asked to take part in long discussions; often not owning the results. Due to a lack of research culture in Pakistan, a sense of ownership to the research process could not be established with the people, local leaders and district government.

Even though we were well received and met with polite interest, reflecting the presence and impact of public policy in Pakistan, one interviewee exclaimed: “We are tired of the phrase that the government works for the public!” This hints at a certain level of ‘frustration’ in the government-public relationship.

III. Portraits of Livelihoods and Coping Strategies

III. Portraits of Livelihoods and Coping Strategies

Following are stories from the field which illustrate the outcomes people have achieved in the pursuit of livelihoods.

3.1. *Musharraf Ahmad: Family Patriarch and Struggles of Livelihood*

Musharraf Ahmad was born in 1945 in a village on the outskirts of Lahore near the India-Pakistan border. The 1965 Indo-Pakistan war disrupted his village life, forcing him to migrate to Lahore. However, despite adversity, the move proved fruitful. He got a job in a large factory at Kot Lakhpat and continues to work there to date. Ahmad was illiterate but his story reveals value for job and education along with a desire for a better future for his children. After securing a job, he made another wise move of acquiring a five marla (250 square yards) plot on which he started constructing his house in 1970. He built a modest structure with bare essentials; two rooms, a kitchen, a bathroom, a toilet and an outer room.

Ahmad's life reveals a struggle between aspiration of a person to provide education for his children and a reality to make a shelter and survive. He chose to pursue a survival strategy first. Ahmad took a loan and decided to send two of his elder sons to work rather than to school so that he could build a house for the family. Meanwhile, he tried to send his other children (four boys and three girls) to school but it proved to be expensive and difficult.

At the time of the study, the number of occupants of the house had risen to twenty-two persons (eleven adults, four youth and seven children). As Ahmad continued his house expansion, he kept pulling his sons out of school to seek jobs and raise money for paying off the house loan. Thus, he was compelled to sacrifice his children's education for securing a shelter for the family. However, Ahmad ensured that all his children learn to read the holy Quran.

House and Clan Formation First; Education Later

As Ahmad's family grew and his children matured, he began to expand construction on the same piece of land where he had built a small house. With his children getting married over the years, Ahmad gave them each a separate room in the house. As a result Ahmad's own kitchen moved outside in the pantry that also housed the common fridge of the family. The original kitchen was converted into a bedroom for one of his sons and his family, while the outer room was converted into a bedroom for another son's family. Ahmad also constructed three rooms and a bathroom upstairs for his two married and two un-married sons. Each family had a floor-based stove in their room on which they cooked their own food. Ahmad, his wife and three girls shared a room downstairs but during the summer season, when there was prolonged electricity load shedding, they slept on the roof.

As years went by, Ahmad acquired gas, electricity and water connections in his house. To share the burden of expenses, the utility bills were divided amongst his married sons and Ahmad. The electricity bill ranged between PKR 6000-8000 during summers, and PKR 4000-5000 or less in winters. The gas bill varied between PKR 1500-2000 throughout the year as there was no gas heater in the house. The Ahmad clan also used 'balan' (wood for cooking) for cooking purposes during spells of gas load shedding during the winters. The house had a water pump that was used to pump water for storage in large cans when water supply was low. The family paid a flat rate of PKR 250 for the water connection as there was no meter. The water was not potable and the family did not boil it or bring potable water from the pump due to their busy schedules. In addition

to this, the family was spending between PKR 15000-20000 on food. All four married sons had a bicycle each to commute to their respective workplaces while the unmarried boys were dropped by their elder brother to their respective areas of work.

Growth in Family, Income and Awareness about Education

With more hands to earn and access to television and mobile technology the lifestyle of Ahmad clan underwent a change. Ahmad was provided pick/drop facility from his factory and the family hired a garbage collector at PKR 200/- per month to pick garbage on a daily basis. Electrical equipment in the house like iron, refrigerator, television and washing machine are part of the dowry of the daughters-in-law. Except for the refrigerator and washing machine, the families have a separate item. Ahmad and his sons owned a mobile each while one mobile was kept at home for keeping in touch with the family.

It is ironic but also revealing how an accident and personal injury was converted into an opportunity by Ahmad. While working at the factory, Ahmad lost two fingers due to an accident. The factory compensated by depositing PKR 70,000/- into a bank account opened for him. However, instead of utilizing it on his treatment, Ahmad used the money to get one of his sons married. Ahmad's eldest son was working in a factory (salary: PKR 8000/- per month; five children), the second was a wage laborer (salary PKR 6000 – 8000/- per month; one child), the third was employed in a fiber glass factory (salary PKR 8000/- per month; no children) and the fourth was a sanitary worker with the Lahore Development Authority (salary PKR 7000/- per month; one child). His unmarried sons (both of whom were less than 25 years of age) worked in a hosiery factory (salary PKR 6000/- per month) and gave their incomes to Ahmad after keeping some pocket money. The eldest daughter (above 20 years of age) stitched suits for the women of the ward from her home. It took her 3-4 hours to finish a two-piece suit which fetched her PKR 350/- to 450/-. Ahmad collected and delivered the suits to the clients or they visited his home. Ahmad's two younger daughters (under 18) and his wife helped his daughter in the stitching. However, her work was irregular - she could stitch 3-4 suits in a week or there could be a whole week without any work. The eldest daughter-in-law was also a home-based worker and did bead work on rings for a local woman who made artificial jewelry. All material for her work was provided by the woman and she got PKR 3/- for each 100 rings. If she was able to make 500 rings in a day, she earned PKR 15/-.

Education, Skills and Aspiration for Social Mobility

Ahmad's story reveals how workers in the informal sector meet their livelihood aspirations through hard work in a bid to improve social status. Ahmad's dream was to get his two daughters and two sons married in some respectable families. With increase in income, he was more inclined to educate his seven grandchildren and wanted to see them in secure government jobs. It is pertinent to note that Ahmad was able to build the house in early 1970's through committee system⁴⁴. The extensions had been done by taking loans from a local person who gave loan at less mark-up than the banks or private non-government organizations. At the time of the survey, the Ahmad family had a loan of about PKR 50,000/- for which they were paying an installment of PKR 3000/- per month.

The struggle and success of this family conveys that if provided awareness and access to vocational education whereby they improve their skills, the younger generation of the Ahmad clan

⁴⁴ An informal way of saving money at local level whereby at least 10 people of a ward decide to pool money for at least one year. Every month, a name is selected through lottery to decide who gets the total amount pooled. It is also flexible as the contributors can exchange turns based on their need for cash.

could get out of loans, improve health, housing and make a better living than what they have been able to achieve despite all odds.

3.2. Sajjida: Family Matriarch and the Struggle for Livelihoods

Sajjida lived with her husband in a five marla, two-storied house. The family had shifted from Sindh to Lahore in search of livelihood after 1976-77 floods. Sajjida's husband was an Aarti (a person who buys fruits and vegetables from source and sells it in the same market at a profit) in the local formal vegetable market. He earned PKR 10,000 to 12,000/- per month. Sajjida had rented the lower portion of their house at PKR 8000/- per month. She herself was a home-based worker and earned a living by pasting beads on paper which were ironed on readymade ladies and girl-child dresses. The material was provided by a local woman who got it from a formal garment factory. She was paid PKR 6/- per paper and could usually make five papers per day which fetched her PKR 30/- per day. Her daughter offered tuition services to mohalla (neighborhood) children, charging PKR 100 to 150/- per child, thus making about PKR 2500/- per month.

Shelter and Education - Hand in Hand

A secure shelter for the family was the foremost priority for Sajjida and her husband and hence they purchased a plot and built their house on it with the help of loans from their extended family. The lower portion of the house, having three rooms, one toilet and a bath, was rented. Sajjida lived upstairs with her parents, three sons and three daughters. The upper portion had two bedrooms, a kitchen, a bath and a toilet. The girls and grandparents shared one room while the other room was occupied by Sajjida and her husband. The boys slept in the verandah both during the summers and winters. Sajjida was the key force behind her household decisions, including the education of their children.

Despite the fact that Sajjida and her husband were uneducated, all their children were studying. The eldest son was a student of Bachelor of Commerce, the second one was doing Chartered Accountancy while the youngest one was in eighth grade. Their eldest daughter was doing Bachelors in Computer Sciences while the younger daughters were in tenth and eighth grades, respectively. The elder children hired a van to reach their respective institutions, costing them PKR 50/- per round trip. The younger children went to school on foot. Sajjida's husband also hired a van to commute to the vegetable market at the same round trip rate.

Compromises for Long Term Gains

Sajjida and her family made many compromises in life to provide a secure future to their children. In spite of having space, they chose to live in a cramped space and built their house as soon as they shifted to Lahore which brought them under debt of their family. But the situation did not deter them from investing in their children's education, even their girls' education. Also, the children were not just studying for the sake of a degree but their area of study (mentioned above) revealed that the parents were investing in career-oriented education for their children. They did not have the luxuries of a television or UPS but had essential electronic items like a fridge, an iron and a washing machine in their house. They also installed a gas heater, for the grandparents, which was used for 10-15 days during extreme winter spell in Lahore.

Sajjida's eldest son got a laptop under the Chief Minister's Laptop Scheme for youth. The family

also obtained an internet connection through card system and the elder children were allowed to use the laptop and internet for study purposes only. The two eldest sons and Sajjida's husband had a cell phone but they called someone in the ward if they wanted to convey a message to their family when they were outside.

The house also had gas, electricity and water connections however the water was not potable. Sajjida boiled the water for drinking purposes or if her husband came home early during the week, he got water from the pump in two coolers. During summers their electricity bill ranged between PKR 4000-5000/- per month and the gas bill varied in between PKR 1500-1600/- per month. The family spent about PKR 12,000/- on food and they usually ate two full meals a day instead of three. The family members who went out of the house took lunch with them.

At the time of the interview, Sajjida was fully aware of the debt burden (approximately PKR 150,000/-) of her family but she hoped that her children will get secure and good government jobs after studying and facilitate them in paying off the loans.

3.3. Nadira: Gender Matters - Duplicity of Society towards Girls and Orphans

Nadira got married to a wage laborer at a young age of fifteen, soon after she completed grade eighth, because her father, a doctor by profession, was fearful of his death before the marriage of his five daughters. Nadira had two brothers, one of whom committed suicide after he was faced with a myriad of problems following his father's early death. He was very close to Nadira and frequently got depressed because of her situation after marriage as well, all of which led him to commit suicide. Her elder brother, who was married, lived with their mother in their father's house however he did not welcome his sisters to their home.

Nadira came from an educated family but unfortunately her in-laws were uneducated. Her in-laws hid many things about her husband from Nadira's family including the fact that he was uneducated, unemployed and was her father-in-law's nephew, and not his son. To make things worse, Nadira and her husband were asked to leave the house five years after their marriage.

At that time, they had two children. Her husband was engaged in irregular work with his uncle who had taken over his real father's meager assets and property. Nadira's mother helped her from time to time but this help was hidden from her elder brother and his wife. During this time, her sisters also got married while her father passed away.

Survival and Coping Strategies

After being kicked out of her in-laws house, Nadira and her husband switched many houses before settling in the ward. At the time of the interview, they had three children; an eleven year old daughter; a seven year old son and a two and a half year old daughter. The children had not been inoculated regularly. Her son had frequent bouts of cough and spitted blood occasionally but she did not get him treated properly by a specialist due to lack of money. When his condition worsened, Nadira took him to nearby emergency of the Children's Hospital where he was provided emergency care, free of cost. Their poor financial situation did not allow Nadira to enroll her children in any school however at the time of the interview she had approached 'Zindagi Trust' (an education trust started by Shehzad Roy, a well-known pop singer of Pakistan). The trust enrolled their eldest daughter and son in class one and provided books, stationary and uniform to the children to the delight of Nadira.



The rent of Nadira's house that had one room and a toilet was PKR 2700/-. Their electricity bill ranged between PKR 700-900/- per month in summers and PKR 400-500/- in winters. The gas bill varied between PKR 250-300/- per month while the water bill was PKR 300/- per month. Most bills and rent were paid by taking loans from affluent families in the ward because Nadira's husband, a drug addict (as reported by a local facilitator), worked irregularly. He bought commodities (mobiles/washing machine/fridge/TV) on easy installments and sold them on installments to others. The profit was kept by him. However, it was difficult work as he needed cash to invest. Nadira's husband argued and beat her up over money occasionally. The money he gave at home was used to pay off loans. Nadira did not ask her sisters for help as she did not want to disrupt their married lives. She broke into tears when the team inquired about her expenses on food items.

3.4. Additional Portraits: The Coping Continues

Home-based Worker

"The work is hard and tedious. My eyes and hands start aching but I get little return for my efforts. If I am able to make 500 pieces per day, I may get a remuneration which is in the double digits. However, I am not able to make more than PKR 2000-3000/- per month."

Daily Factory Worker

"Factory work is difficult. I do not have any security. If I fall ill and have to take a day off, my wage is not paid. Some factory work is seasonal like carpet washing, so during the rainy and foggy season I have to find other wage laboring work as my work is not required at the factory."

Private Job (Christian)

"I used to work in a local bakery shop which has outlets all over Lahore. The working hours of the

bakery were very long. If the teller machine of the bakery did not match up every night, the bakery workers were thoroughly checked and physically and verbally abused by the outlet manager. Soon my mother asked me to leave the job as, apart from the abuse, she was afraid of my late working hours due to which I had to commute back home in an unsafe environment.”

Women Middleperson

“I get papers from a garment factory on which beads have to be pasted that are later ironed on readymade garments. I go to the factory once or twice a week to get material and supplies. I go on foot to save money, but I cry all the way as I leave my infant child at home. There is no one I can leave him with so I leave him alone at home as I cannot carry him. On my return, I hire a Chingchi (motorcycle rickshaw) as I have heavy material with me. When I get home, my child is usually crying inconsolably. I feed him and put him to sleep. In the afternoon I go to every house where women are doing this work and supply them with the material. I get home by evening prayer i.e. Maghreb. I get one rupee extra on every finished bead paper from the factory i.e. PKR 5/- per paper. I repeat this cycle after every two-three days. I go around the ward to urge women to finish work so that I can go and get paid and get more work. However, I get very tired and emotionally distraught because I have to leave my baby at home. My husband is a wage labourer and if he does not find ‘dihari’ (daily work), it means food that day will be made from my earnings.”

Hawker

“I sell vegetables in the ward but I do not go outside the ward as it takes too much time. I have two invalid adult sons and I have to go home early to feed, clean and take care of them. I bought my cart through committee system and still save money through committees. Our house was built by my father on an eight marla plot. It is now divided into four parts between me and my three brothers. I make a reasonable living but the care of my sons has taken its toll on my health. When they were young, my wife could help, but now she cannot handle them as they are tall and heavy.”

Domestic Worker

“I have been working for fifteen years and maintain my employer’s kitchen. I leave home at seven o’ clock in the morning and come back at seven o’ clock at night. My salary is PKR 4000/- per month however it was PKR 1000/- per month when I started work. The lady of the house is very strict but her eldest daughter, who I took care of as a baby, shares her pocket money with me and helps me a lot. My husband is a daily wage laborer but we do not have our own house. My father lives with me and helps in the family expenses. He works with the local ‘nanbai’⁴⁵ where he helps with cutting of vegetables.”

The above stories and scenarios elucidate that initiatives like micro-finance and skill building of informal workers do not provide adequate answers to the livelihoods and coping strategies of the marginalized. We need to think of the everyday life revealed in the above stories.

How would the projects started under the skill building initiatives reach Ahmed’s sons or his daughter? How would they solve the debt issues of Sajjida’s family at this moment in time when she needs to concentrate on making ends meet while her children study? If Nadira’s husband takes a loan, would that deter him from using drugs? How can we respond to Nadira’s children’s health

⁴⁵ Traditional food makers who cook food in large amounts for marriage, funeral and other religious/community purposes.

and education needs? Would the female middleperson agree to attend a capacity building training with her infant child at home? How do we ensure that home-based workers and domestic workers are facilitated in their work and remunerated in a just manner? How do we provide rights and security to our minorities? How do we facilitate families taking care of the elderly and disabled?

The ultimate outcome of livelihoods ought to be achieved by informal workers through their own methods and not by the methods of economic and urban planners. We will discuss their coping methods in more detail in the next chapter.

IV. Method in the Madness

IV. Method in the Madness⁴⁶

In the stories above, we tried to show people's livelihoods, living and working conditions. The stories also bring out the method through which people try to make livelihoods and fulfil their requirements of food, shelter and clothing.

The path they take and the strategies they apply are not without a method. These may be different, but the aims are the same i.e. achieving the outcomes of food security and improving living standards.



Ahmad put all his effort (factory work and private loans at 3% interest rate) and his resources (children) to provide a secure home to the family. Sajjida's family also did the same; however, they also invested in their children's education. In our discussions, Ahmad revealed that he wanted to educate his children but as his sons grew older, he put them to work to pay-off the loan he took to build the house. Now that he felt he had achieved some stability in life, he was trying to educate his two youngest daughters. Sajjida's family had put all their efforts (took loan from family) to build a house and educate their children. The difference was in their social capital; Ahmad was alone in his struggle. When he was young, he could not depend on his family, whereas construction of Sajjida's house and children's education was achieved by taking loans from kin. They were under more debt than Ahmad but the pressure of returning the loan was not the same as that of paying off a loan taken on interest.

Ahmad felt that the productive work done by him and his children was more beneficial whereas according to Sajjida and her husband, their children's education was expected to be of more assistance to them in the long run. The uniqueness of their struggle included their insistence on not buying a television while their children were studying although they conceded to internet usage by their children. Ahmad, on the other hand, had not only made a house but also furnished it with modern appliances. Sajjida's family had decided to live in the smaller upper portion of their house (ten adults) and rent out the larger lower portion of their house as a strategy to utilize their resource (house) in economic returns. They had also not invested in television or cellular phone usage.

⁴⁶ Though this be *madness*, yet there is *method* in 't. William Shakespeare, Hamlet, Act II, Scene 2.

The stories of Nadira, women middleperson and hawker are unique in the sense that they bring out the paradoxes of social life in our society and the attitudes of people towards women, orphans, deprived and the disabled. Nadira's father, in spite of being an educated man and a successful doctor, gave into the pressure of society and concentrated on his daughters' marriage instead of their education. Her husband's family, in spite of taking advantage of their nephew's modest property under the pretense of taking care of him, married him off although he was not properly educated or working at the time. They also turned him out of their house after his marriage making his lack of productive work an excuse. We did not meet the husband but his drug abuse may be a result of his own abuse at the hands of kin. These stories reveal that the actors in it are caught in a vicious circle from which they are struggling to break out.

The above stories also point to another unique facet of the urban life where the traditional joint family system is being utilized in a strategic manner i.e. nucleus families are growing vertically. So the traditional joint family system is shaping in a different way. The nucleus family is creating satellite families within the boundaries of the space/land available with some defined economic boundaries. These satellite families are not paying rent but sharing utility expenses. Thus, the people who are at the low rung, who cannot afford to have independent houses, are maintaining independence of some sort. Their economic resources may be restricted, but they are creating ways to maximize the resources that they possess.

The marriage and care of daughters primarily and sons as well is considered a responsibility of the parents. This creates an economic and social burden. As savings remain low due to the struggles of daily life, loans are taken to settle the children.

Work by women and young girls is acceptable as long as it is home-based. Female mobility is restricted as females are considered to be a symbol of family 'honor'. The economics of care are also a consideration. Care of the elderly and the young is not at the optimum level. Their medicine and care is the source of cost-cutting so that other expenses, mostly food can be met.

4.1. Technology and Socio-Cultural Adaptations

People in Pakistan have traditionally been part of a society where the kinship groups play an important role in regulating their lives. These groups, labeled as 'zaat', 'biraderi' and 'quom' in different parts of the country remain a key – perhaps the key – dimension of economic, social and political interaction⁴⁷. Encounters with forces of modernity and technology are changing the nature of relationships among these kinship groups, religion and social conduct⁴⁸. This interplay of 'tradition' and 'modernity' and its adaptations reveal how resourceful and resilient these people are in pursuing their coping, survival and livelihood strategies.

The traditional nuclear family has not completely broken down. The nuclear family now has 'satellites' within its own nucleus. For example, grandparents, their male children and their grandchildren are now living in a house (250 square yards), which is more often than not the property of the male grandparent. The household space is expanding vertically. The sons are independent in 'choola' (food expenses) and some personal expenses like medicine and school fee of their children. They do not pay rent, however, share the utility expenses. Such nuclear families are common in the area under study. Several changes are observed in such nuclear families: (i) young

⁴⁷ Haris Gazdar, "Class, Caste or Race: Veils over Social Oppression in Pakistan", *Economic and Political Weekly* (2007): pp 86-88.

⁴⁸ Jane Georgas Mylonas, "Family: Variations and Changes Across Culture", (2003). <http://www.wvu.edu/culture/georgea.htm> (accessed 13-08-2013).

people are choosing their spouses rather than submitting to arranged marriages, (ii) women and young girls are a part of the work force and the patriarch no longer has absolute power in the family, (iii) with the increase in the number of working women, mothers and working children have gained an economic say-so.

The family maintains close relations with their kin back in their home towns and distances or territorial separation does not mean isolation from kin relationships. For the households surveyed, family still stood as the most important dimension in the life of a person. The kin shared the ultimate responsibility of the well-being of his/her extended family and provided both financial and emotional support. In fact, people continuously referred to help from their neighbors and kin when asked what they do in situations of difficulty and need.

In the same manner, religious foundations (mosque and church leaders) represent continuity for people and their influence is strong. A large number of people stated that their out of school children were studying the holy Quran or Bible (as per their religious belief).

The permeation of mobile phones usage (93%) and television (77%) may have contributed to the ward becoming a more 'commoditized' community. 53% of the households had a fridge, 93% an iron, while 10% had a computer. The respondents offered soft drinks/juices to us instead of the traditional 'tea' and did not like us to sit on charpoys (cot-beds) but rather on chairs. Also, 77% of the people paid for garbage disposal while the rest disposed it off themselves at the Lahore Municipal Cooperation facility. However, the facility was found filthy and un-hygienic through our survey period.

4.2. Socio-Economic Adaptations

During our survey we did not meet anyone who was formally employed, thus for 100 percent of the households, informal sector was the main source of subsistence and income. The male household head was considered as the main wage earner however his earnings were not enough to support the entire household. Thus, there were a number of other informal economic activities which are taken up by family members to contribute towards the household income. These included home-based piece-rate work (females and young girls); students giving tuitions (young girls); apprenticeship in tailoring and auto workshops (young boys); employment as guards in nearby Model Town; and employment as helpers with nanbais (males above 50 years of age). Young boys who had studied till intermediate were also working at nearby uptown market area of Model Town as salespersons and boutique supervisors. In sum, all who had the potential to earn were doing so to supplement the family income.



For many, the main coping strategy was to establish or maintain relations with others who they believed were in a position to support them both in their daily lives and in times of particular needs. Extended family members fell in this category as they were seen to have a moral responsibility to help their poor relatives. However, a few households also reported that there was little help to be expected from their immediate family, often with the reasoning that they were as poor as the household in question itself. Such households relied on a more distant relative from whom they had either received help or expected help if their situation became precarious. The type of support varied, and included direct assistance in the form of food items like flour or money to go to the hospital or pay for medicines, and long-term help in the form of education fee of children or living with a relative without paying rent.

Negative feedback was received with regard to formal social support networks. We hardly met any households who counted on the government to improve their situation. Social protection measures [Zakat and Benazir Income Support Program (BISP)] were usually talked about as being for the people with the right connections (sometimes with a direct reference to 'the ruling party'). According to the respondents, people did not have any explicit expectations from NGOs or other civil society organizations; probably because their experience with such institutions was limited. However, they look to the government for improvements in education, health, water, gas, electricity etc., which was linked to the community rather than their own well-being.

People did not depend on formal organizations or micro-finance institutes for loans. The reason stated was simple 'banks aur qarza daynay walay dervazay par aa kar zaleel kartay hain' (Banks and loan giving organizations come to our door and degrade us). They preferred taking loans from their neighbors or kin, 37% of the people had taken loans from kin or friends. In 18% cases it was less than PKR 20,000/-, while it was more than PKR 20,000/- in 82% of the cases.

Running loans taken from local 'karyana' (grocery) shop were also reported. Groceries were bought on loan so that recurrent school fee of the household children could be paid on time. Whatever money was left from the total household income, was given to the shop owner at the

end of the month. This grocery loan was usually not settled on a monthly basis.

None of the households interviewed had a formal bank account or savings kept in a bank⁴⁹. Fifteen percent (15%) were saving through committee system and none were receiving remittances from abroad.

4.3. Environment

Adults or children with physical signs of extreme poverty (lifeless eyes, burnt hair, and swollen legs⁵⁰) were not observed. Poverty was less apparent in terms of clothes and general appearance however, household architecture and ventilation was of poor standard. Kitchens were mostly near the washroom facility and 80% of kitchens with utensils were in the verandah. Most houses had rooms without any windows, with the door being the only source of ventilation. An average of six people use one toilet and room in the household. The bathrooms did not have a modern flush system and water was thrown with a bucket to get rid of feces.



Some of the people seemed to be influential and well-off⁵¹. Such households were not interviewed directly however information gleaned from facilitators pointed out that in such households one person was sent abroad by hook or by crook; “in ka jack lag jata hai” (car tool informally known as Jack both in English and Urdu is referred to falling into place at the required moment).

4.4. Gender

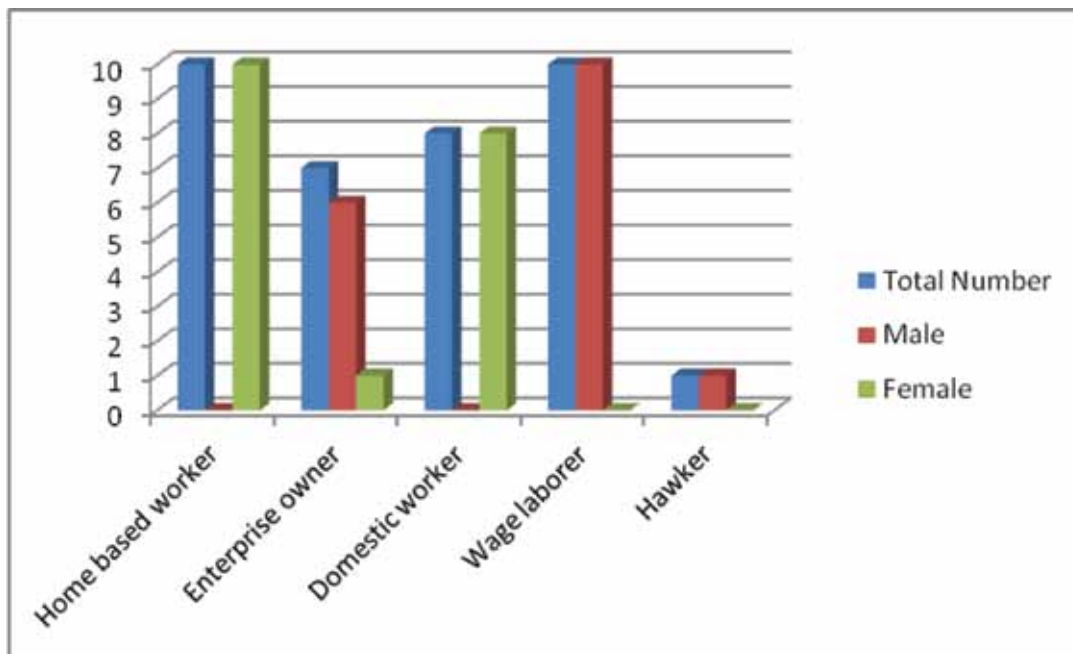
In organization of livelihood methods, there was ‘gender division of labor’. Small scale enterprise and wage laboring was the domain of men while piece-rate work and domestic services were the domain of women. Most women were involved in home-based, piece-rate work which was tedious and low paying. It also involved health hazards such as near-sightedness or getting injured by tools being used to do the piece-rate work.

⁴⁹ Ahmad’s account, opened by his formal employer (factory) to transfer his health insurance to him, being an exception.

⁵⁰ Who are Hungry? WWF <http://www.wfp.org/hunger/who-are>

⁵¹ This was observed during the study with regards to household architecture (tiled façade and floors) and asset possession; primarily a UPS which was not observed in any of the households interviewed. Whereas, the households interviewed had poor household architecture i.e. brick façade and floors etc.

Figure 1 - Gender Division of Categories



Preliminary impressions were that for women, to be involved in income generation came at a cost; the foremost being the implications of not being able to provide adequate time for care of children because of being involved in household income generation. Another cost of the traditional system was the constraint set on their mobility. Piece-rate work which could be done from home was preferred despite being low paying and labor intensive.

However, there was some variation within this broad gendered division of labor as far as ‘voice’ was concerned. During our visits, we were often met by women as men were on their jobs. Women usually participated actively in discussions and voiced their concerns about rising inflation, lack of income and government inertia towards the poor. One woman boldly said “Pakistan ki hakoomat ko Amreeka kay haath bik jana chaheyay. Hamaray liyay ab kiya hai jou tab badal jaye ga. Na khana, na bijli na pani”. (Pakistan’s Government should sell itself to America. What is there for us now that will change for us later? No food, no electricity, and no water?).

4.5. Community Dreams

When asked about their dreams for the future, the poorest of the households consistently responded “We have no dreams” – in some cases followed by statements implying “it is of no use”. The rather fatalist perceptions of the options for improving their lives observed to be the outcome of two processes: on the one hand, such households had to focus all their efforts and attention on the daily struggle of getting enough to eat and get money for necessary expenses, and hence simply had no time or strength to think about and invest in a better future; and on the other hand, many of the poor simply did not know how to improve their situation. Their ultimate dream was to have a ‘paki naukari’ (permanent job) with the government in spite of their lack of education and skill. There were people who seemed to emphasize education to ‘make it’ despite all the odds. In such households, getting a government job was a dream of both parents and children alike.

V. Research Findings

V. Research Findings

5.1. Composition of Informal workers

In our survey the following workers and their coping strategies were surveyed:

Home-based Workers

These were females involved in stitching, jewelry, bead work and factory work (motor cycle rubber parts). Jewelry and bead work fetched PKR 5-6/- per 100 units; factory work, PKR 7-8/- per 100 units while stitching fetched PKR 300/- per unit if work was commissioned. Home-based work was labor intensive with low returns. Most women had started this work due to the recent 'mehangai' (inflation) in the prices of food items. Average years of work were 6 years.

Wage Laborers

These were mostly males working as masons or sweepers. Their average working hours were eight and the average years of work, thirteen. They earned an average of PKR 375/- per day.

Domestic workers

The domestic workers were females working in nearby Model Town providing services in household chores. Their average income was PKR 3000/- mostly for four kinds of household chores i.e. cooking, dusting, washing (clothes or utensils) and sweeping. The average working hours were six. All reported to be doing more work for their employers than what had been initially discussed at the time of hiring. However, they reported that there was no problem in taking a day off. A few reported that there was no help to be found in times of need from their employers, while, others reported otherwise. Their average years of work were thirteen. Half of these worked in one house only, while half were employed by two houses.

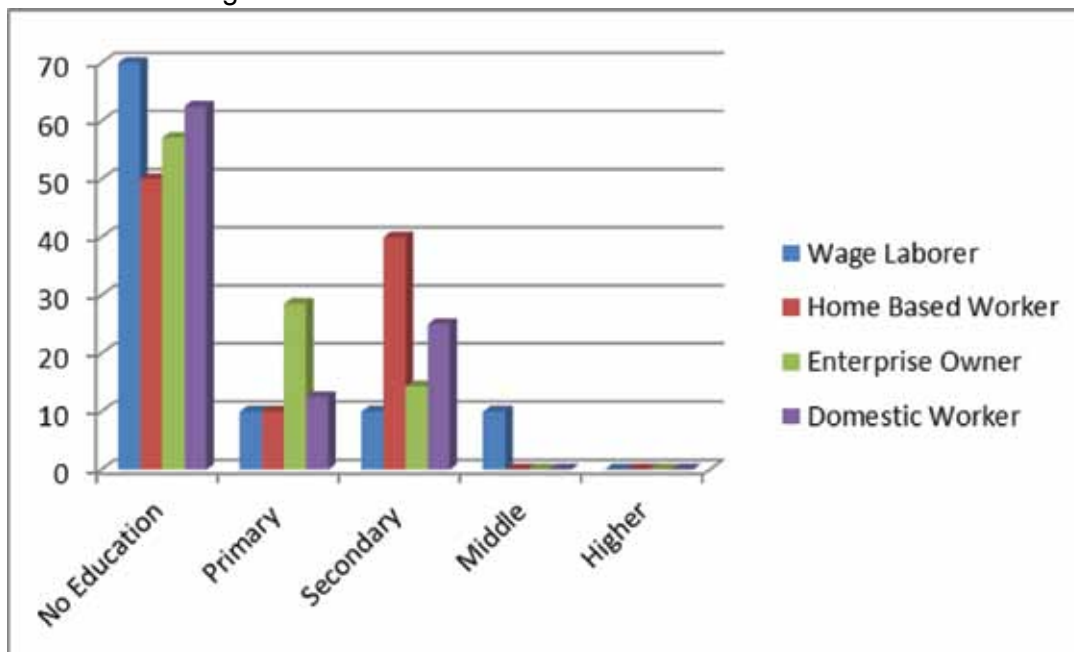
Enterprise Owners

These were males involved in informal work as rickshaw drivers, tea shop owners and vegetable sellers. Their average per day earning was PKR 400-500/- while their average years of work was twelve.

5.2. Education

The informal workers interviewed were either illiterate or had studied till secondary school level on an average.

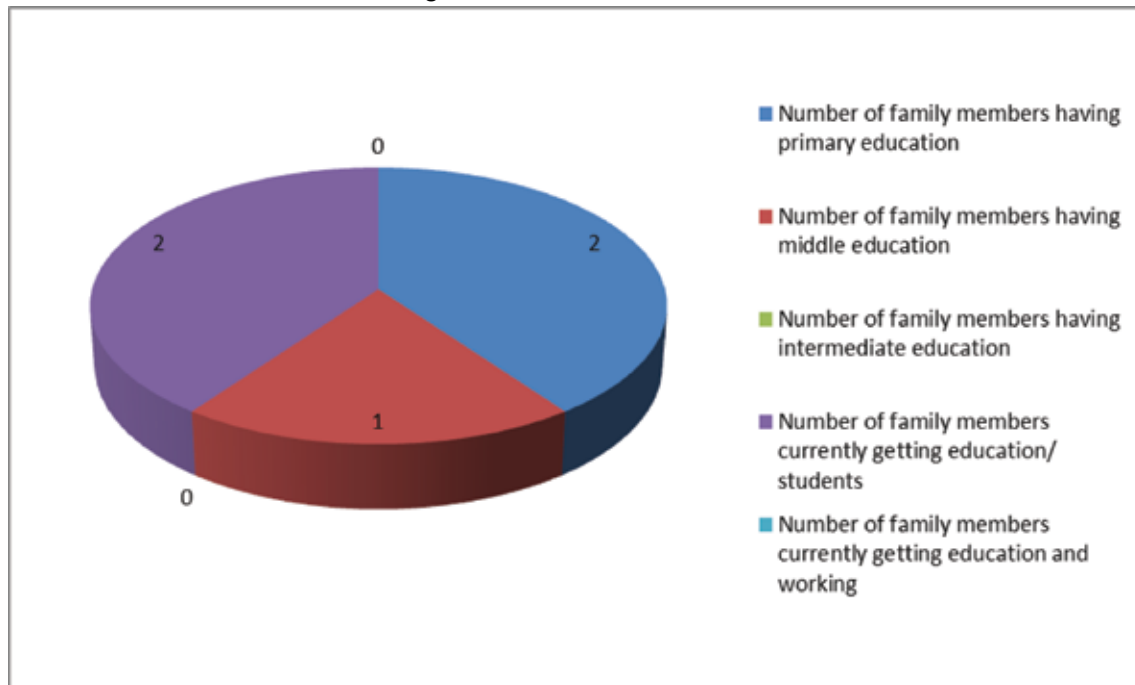
Figure 2: Education Status of Informal Sector Workers



Education is one of the key development indicators along with health and life expectancy. The average education of informal workers surveyed did not rise above secondary level. Low levels of education meant that working in the informal sector may be a 'necessity' for the people instead of a 'choice'.

Our study found that residents of the area emphasized on the education of their children. Seventy-six percent of the children were getting primary education, 60% secondary education and 8% higher education. The reason for the rest of the children not being in school was reported to be poverty as their parents did not have enough money for their education. Another reason cited for taking children out of school after secondary education was the parents' perception that acquiring a skill was economically beneficial for their livelihood earning potential rather than studying for a higher degree. They were of the view that an apprentice at least was able to get a meal and earn PKR 10/- per day while learning a skill, whereas degree holders in the area were seen 'wailey' (idle). This perception raises questions about the government interventions to create employment opportunities for the educated citizens. Most of the interviewees showed lack of awareness about the vocational training programs by the government.

Figure 3 - Education Status



The informal workers did not have job security. None of them had any training from a formal or informal institute providing vocational training.

5.3. Migration

Rural-urban migration for the purpose of seeking livelihoods is an indicator of lack of same opportunities in the area of origin. Sixty-four percent of the surveyed households had migrated to this area during the 'green revolution' i.e. rapid mechanization of agricultural activities in the rural areas during the 1960s. Of these, 18% reported migration from Sindh to this area during floods over the past fifteen years.

5.4. Household ownership

Forty percent of the surveyed population had household ownership while 60% lived in rented houses. Average rent per month came out to be PKR 3600/-. Sixty percent of the population were living on rent and, of these, 33% could not pay rent for the past three months from the time of the survey. Forty five percent of the people belonging to Lahore owned a house and had mostly built it around 1960-1970. In a comparison between migrants versus house owners, we found that 70% of the migrants did not own a house. Further probing revealed that this was not due to stronger roots at place of origin but because these families, caught in the pressures of everyday life, were not able to focus their attention to work towards owning a house.

Housing conditions

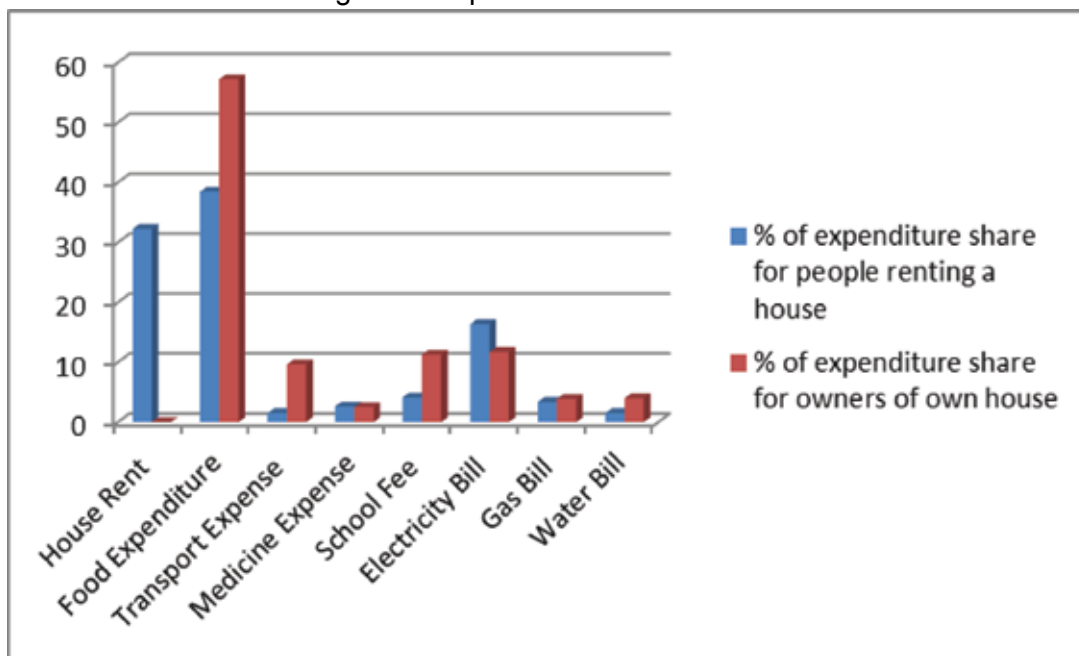
On average, six people shared one room and one bathroom per household. There was no flush system in any of the household surveyed. All the houses had access to piped water except for

13% who fetched water from neighbors for everyday use. However, piped water was reported to be not potable by 97% of the population. All the households had access to electricity, while 6% could not pay their electricity bill for the last six months and hence their connection was terminated. Gas connection was also available in all households while 6% had their connection terminated due to non-payment of dues during the last six months. Three percent of the households had a PTCL telephone line, while 93% were using cellular phone service.

5.5. Monthly Expenditure and Asset Base

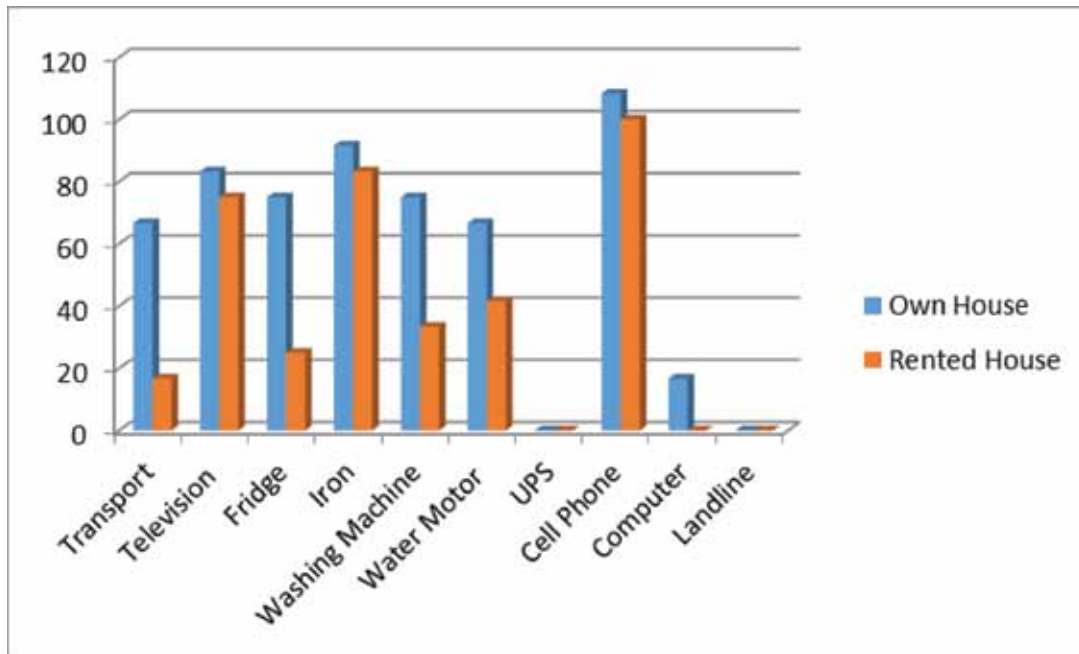
It was observed that the highest expenditure was on food and then on rent. People who owned a house spent more on food, transport and the education of their children and less on medicine.

Figure 4: Expenditure of Households



The following figure shows the percentage comparison of asset possession for people who own a house and those who rent a house.

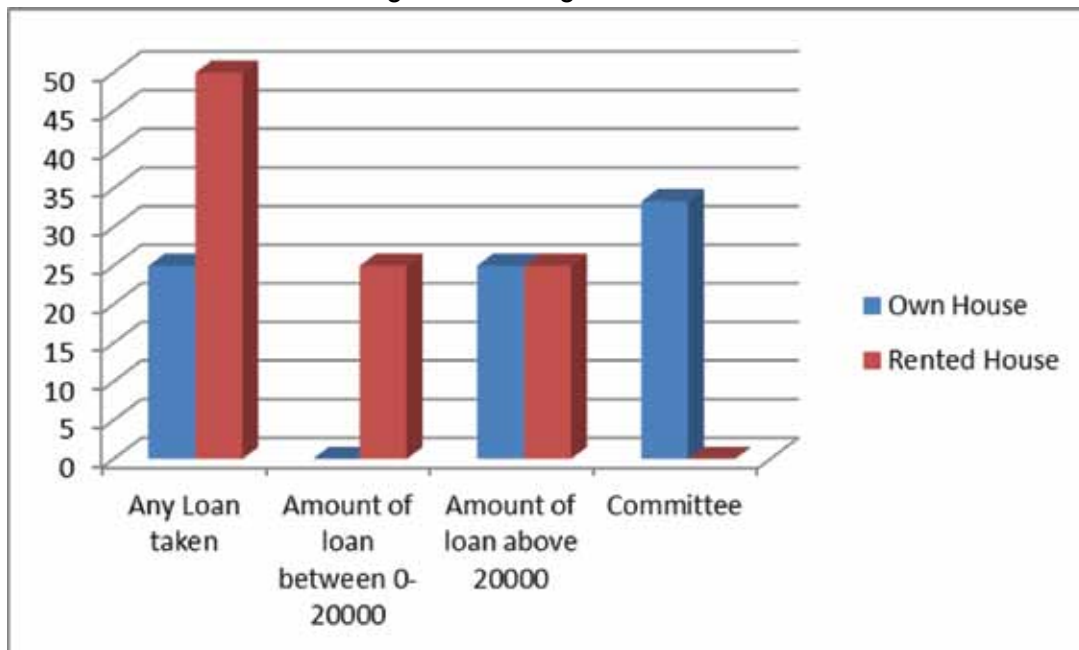
Figure 5: Possession of Assets



5.6. Saving Mechanism and Loan

It is important to note that the saving mechanisms of people who owned a house were also different from people who did not own a house. Their loan taking pattern was also different.

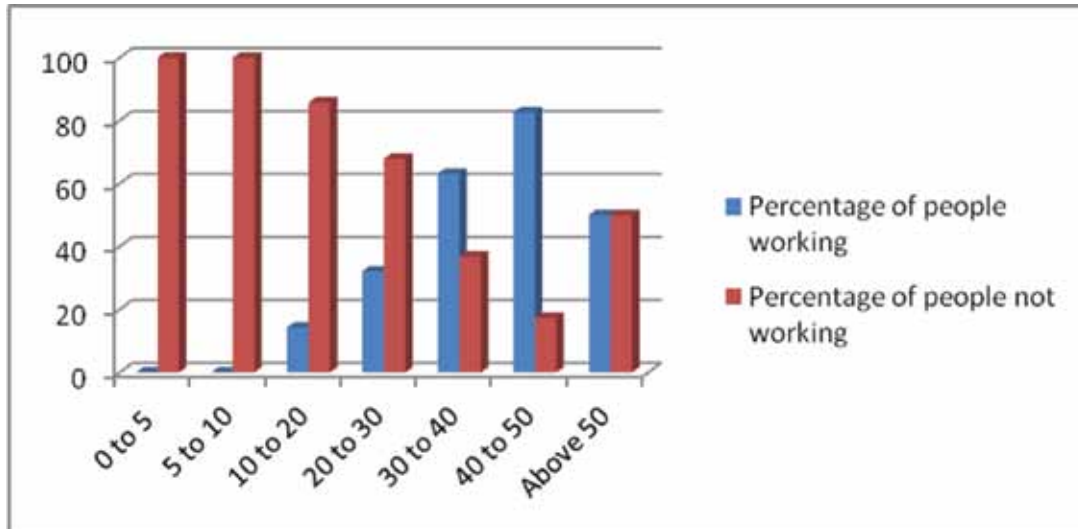
Figure 6: Savings and Loans



5.7. Family Size

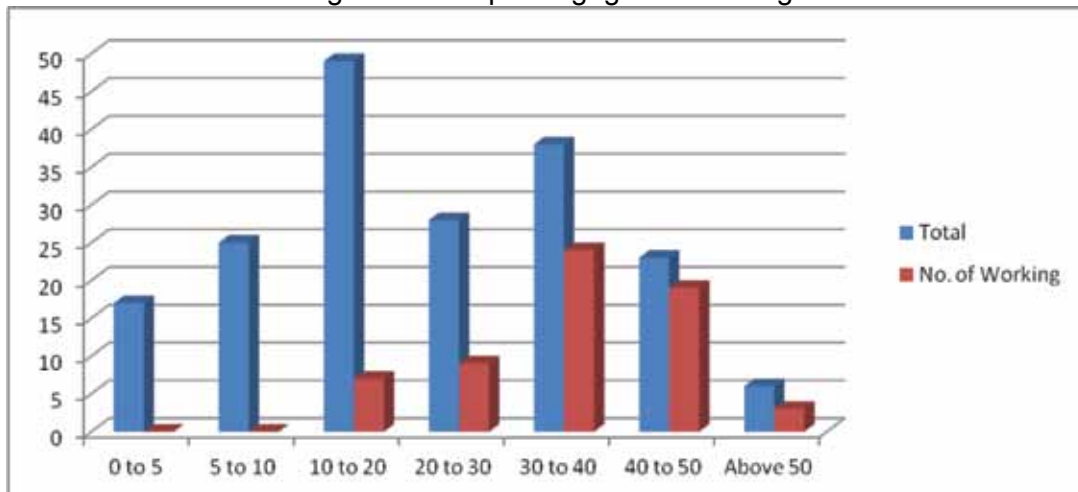
We looked at family size to determine whether average income of a household was compatible with the family size.

Figure 7-Age-wise Working/Not-Working Population



Our average family size was six members per household of which two people were employed in the informal sector with an average of PKR 10,300/- remuneration per month. Thus, two people earning an average of PKR 20,600/- per month fulfilled the development and well-being needs of four people. The people in the age bracket of 10-20 and 20-30 were in an apprentice relationship or were students giving tuitions or doing part-time jobs.

Figure 8 - People Engaged in Earning



The figure shows that people start earning at an early age and continue working above 50 years of age. However, their monthly income did not rise above PKR 10,300/- per month even after age 50. Thus, an average of 8-hour work-day did not produce enough earning for people to claim well-being.

5.8. Institutional Landscape

The main representative of the Government was the Office of the Union Council Secretary. According to the Secretary, his main responsibility was representation of the government and ensuring that government policies and directives were carried out properly.

The office of the Tehsil Municipal Administration (TMA) was responsible for planning (physical and environmental) in cooperation with the concerned provincial department.

The officer at the highest level of TMA and Secretary UC did not know much about the planning/ financial decision making processes of the provincial government. Their role in financial management was limited to the level of disbursement of funds only e.g. during Dengue Prevention Campaign etc.

5.9. Public Services

According to the people the main problems faced by them were: (i) poverty in relation to 'me-hangai' (inflation), (ii) inadequate access to potable water and, (iii) long and inconsistent power load shedding.

Water

The water was reportedly not potable. According to the survey, 37% of the households used nearby tube well to bring potable water. This was mostly done by the males of the family who brought 2-3 cans of water in the morning before going to work. We found that 20% of the households boiled the piped water available. This task was mostly performed by the women, who boiled, cooled and then bottled this water for family consumption. According to the interviewees, contaminated water was seen as one of the main reasons for the health problems existing in the area. It was reported that this was due to the open drainage structure in the area. The cost of time and labor of a productive member in fetching water needs to be explored.



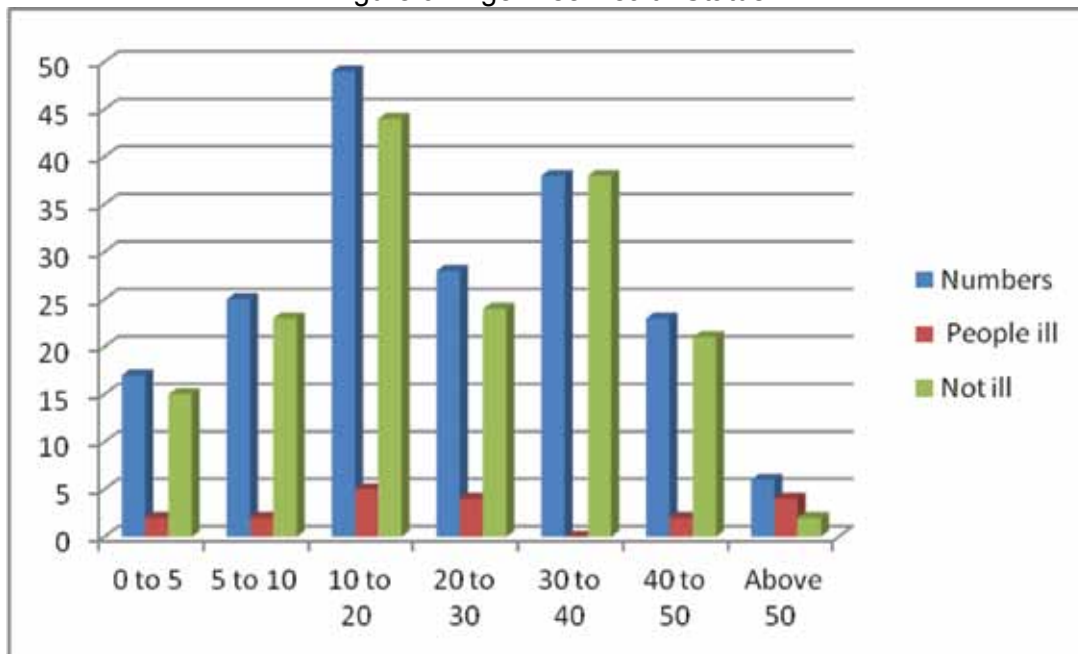
Electricity

Load shedding was for 18-20 hours per day at the time of the survey. The main complaint in the community was that without electricity made it is difficult for children to study and for home-based workers to do the piece-rate work.



Health

Figure 9 - Age-wise Health Status



Sixty-five percent of the children between the ages of 0-5 were inoculated having completed the vaccination course. In the rest of the cases, mothers were ignorant about the importance of these vaccinations. This revealed that urban advocacy programs for children’s essential inoculation had

yet to penetrate urban slums. Out of 17 people between the ages of 0-5, 25 people between the ages of 5-10, and 49 people between the ages of 10-20, two, two and five individuals respectively were reported to be persistently ill. Thus, on an average, one person from each household was reported to be ill. There was one free clinic which was reportedly in a poor condition. Medicines were available but sometimes people had to buy their own medicines which put a dent in the monthly income of the family.

The above two chapters paint a fairly broad picture of the socio-cultural conditions in Khai Mohalla. They also indicate some key areas regarding policy implications which will be elucidated in the next chapter.

VI. Policy Implications

VI. Policy Implications

The specific areas of policy which impact the informal sector are: macroeconomic policies, urban regulations and policies, labor policies, and social protection policies. However, we discuss the social sector policy for the informal sector workers and enterprises in urban areas.

Rural-Urban Migration of people in search of livelihoods is causing cities to grow at a fast pace. Added to this is migration due to emergencies such as floods, internal conflict, and insecurity. However, cities in developing or transitional countries are not absorbing this influx of people in a planned way. In fact, populations seeking livelihoods and shelter in cities, mostly in the informal sector and informal settlements, are at risk and are vulnerable⁵². Lack or loss of livelihoods at place of origin contributes to rural–urban migration and people rely on informal ways to overcome these once they enter the city. Formal mechanisms to record and thus mitigate impacts of migration and internal displacement are not yet a consideration in urban policy or planning. Thus, internal migration should be a significant concern of urban policy planners.

Parallel to this shift in demography is the increase in informal sector activities in cities due to lack of formal sector work. The growth of home-based work is less visible as compared to hawking and street-based work; however both are providing essential services to formal urban residential, commercial and industrial areas. This presents challenges for the regulators of the urban space.

The family in the urban environment is a merger of the traditional interdependence between generations and individualistic model of the Western society based on material independence but traditional interdependence between family members. Modernization, a theory developed by sociology and political science, predicts that the change of traditional families to the nuclear family is just a matter of time. However, our study indicates that there is support for the argument that there may be diverse paths leading to different forms of family structure and function, influenced by economic growth and cultural traditions⁵³.

For the poor, access to public institutions is limited and they tend to relate to traditional values and their extended family to establish social relationships and receive support in times of crisis. Urban planners need to study these methods to strengthen and create formal channels to respond to people's realities.

In spite of the presence of televisions/mobile phones and being adjacent to a posh residential and regularized industrial area, the people are a relatively unaware community. They do not know and/or do not trust formal channels for loans and savings. Encounter with government technical training programs is non-existent. People do not know where to complain about the weak or non-functioning public services i.e. education, health, water, gas and electricity. Social protection measures like zakat and Benazir Income Support Program (BISP) were mentioned as being for the people with the right connections. This raises a question whether policy is demand driven or just a whim of political and social policy makers.

The local government is not equipped to respond to challenges such as occupational health, public health, and environmental health. On the other hand, the provincial government Health,

⁵² Amelia B. Kyazze, Paula Baizan and Samuel Carpenter, "Learning From The City British Red Cross Urban Learning", *Project Scoping Study* (2012).

⁵³ Jane Georgas Mylonas, et al, "Functional Relationships in the Nuclear and Extended Family: A 16 Culture Study", *International Journal of Psychology* (2001): pp 289-300.
<http://www.tandfonline.com/doi/abs/10.1080/00207590143000045#.Upb7n8T7Akw> (accessed on 15-08-2013)

Environment and Solid Waste Management Department has not kept pace with the changing patterns of income organization in urban areas. They also lack coordination between themselves which makes the task of maintaining environmental and cleanliness standards more complicated.

Another area of concern is registration and regulation of business. The popular perception is that the informal sector workers want to escape such measures however, we found people to be ready for the same. The reason for informal sector workers' hesitation for regulation lies in the urban policy's inability to provide clear guidance on entitlements and returns for an illiterate or at best semi-literate workforce; avenues of appeal in case a service is not available; high costs of registration; navigating a maze of departments to get registration; and filling different forms written in legalistic and bureaucratic languages, mostly urbane i.e. Urdu and English.

Other perspectives relate to electricity, (potable) water, toilets, and garbage removal in markets. For example, some of the daily wage laborers involved in the 'sabzi mandi' (vegetable market) of Lahore complained about the non-availability of above facilities in the Lahore vegetable market. This has recently been upgraded and shifted from its previous locality but still complaints about its conditions raise questions regarding the up-gradation and shift.

VII. Conclusions and Recommendations

VII. Conclusions and Recommendations

The case for social protection of informal sector workers has to be made on the grounds of their basic human rights and the premise that a healthier and secure work force increases productivity. The modern concept of insurance is based on the contributions of the employer, state and employee. However, the challenge for informal sector workers is that, in some cases, a direct employer is not identifiable. Despite this challenge, the concept for the protection of informal sector workers has been used by informal worker organizations to influence indirect employers and the state. For example, in India, insurance for beedi (hand rolled cigarette) workers is constituted from the tax collected by the tobacco industry⁵⁴. Some other examples include SEWA's⁵⁵ Integrated Social Security Scheme and South Africa's Old Age Pension scheme⁵⁶.

It has been researched, implemented and proven that even the poor workers are willing, can and are able to save. However they do not do so with the formal banking sector due to the high costs associated with it. Thus, easy to follow and accessible saving schemes for low/medium and irregular informal sector workers will play a role in reducing their risk and vulnerabilities.

Globalization and free markets are often equated with deregulation and the withdrawal of the state from the economic realm. However, the importance of regulation needs to be re-introduced and should not be underestimated. There is growing evidence that regulation of economic activities, including an active role by governments, is needed to deal with the impacts of globalization on labor, their working conditions and on the environment. Clear rules and appropriate legislation to regulate the relationship between governments, private investors, local enterprises, and the workforce need to be established.

The definition, size and persistence of the informal economy is a point of debate, however it is recognized by both scholars and the government. The official policy stance towards the informal economy in Pakistan needs to shift from one of benign neglect to recognition with an attempt to bring the workers under some form of protection.

There is need to improve the effectiveness of measures which relate to job security; occupational health and safety, minimum wages, particularly the safeguards and facilities required for women, young children and elderly persons in employment.

Local government and municipalities remain under the legal and political influence of the government. There is an urgent need to fill the vacuum at the local level to encourage participation and accountability. In order to play their role effectively, local governments need to boost their technical, administrative and financial capacity along with an increased support from the provincial government. This is necessary to enhance the influence of the policy's beneficiary on public policies and service provision.

Furthermore, it may be necessary to explore national policies to slow down the rate of rural-urban migration as a result of loss of livelihoods in the agriculture sector. Policy measures could include improving livelihood opportunities in villages and small towns; mitigating the negative impacts of floods and conflict. At the urban level, population demographics can be improved through pro-

⁵⁴ S.K. Sasikumar and Zakir Hussain, "Beedi Sector in India: A Note", *International Labor Organization*. http://www.ilo.org/wcms-sp5/groups/public/---asia/---ro-bangkok/---sro-new_delhi/documents/projectdocumentation/wcms_125466.pdf (accessed 10-08-2013).

⁵⁵ Caroline Skinner, "Case Study: The Self Employed Women's Association SEWA in India". http://www.inclusivcities.org/wp-content/uploads/2012/07/InformalEconomyToolkit_SEWA_case.pdf

⁵⁶ <http://www.services.gov.za/services/content/Home/ServicesForPeople/Socialbenefits/oldagegrant/>

grams for reproductive health and family planning to ease pressures on urban services. Development strategies also need to be reviewed and shifted from mega road/transport projects to improved public and social services.

In short, the policy makers, planners and implementers need to thoroughly study the social and cultural patterns and methods employed by the informal workers to deal with life events to build policy initiatives around what they consider important. These could include low-cost housing, health insurance, job and life insurance, easy loans for children's marriage and care of very young children, disabled and the elderly in a systematic manner. Such policy measures will go a long way in easing their economic burden and improving their living standards.

Urban policy ought to bring local governments at the front line with authority, discretion, and enhanced capacity to mobilize support and resources, taking local needs and views into account in formulating and implementing policies and programs. The Policy should also continuously review and update existing legislation with respect to urban planning, building standards, infrastructure, and environmental regulations in order to make them more realistic and compatible with local conditions. It should become flexible and seek to mediate conflicting interests and values rather than be preoccupied with zoning, regulations, and controls for urban slums.

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ANNEX I

Map of Union Council 129-Lahore



Study Questionnaire

Introduction:

Good Day/Morning/Afternoon! My name is _____. I/We come on behalf of the Forman Christian College University Lahore. We are carrying out a base line survey on the informal sector in the UC with the objective to assess the living and employment level along with the living quality of people. The emphasis of this survey is to assess the wellbeing and livelihood aspects of the people belonging to the Informal sector. The findings of this survey will help us to the nexus between the Informality and poverty.

You, being a resident of the UC are chosen for this survey.

All the answers are confidential. Your participation and the information you share with us will not affect your relationship with your community and whatever you are saying as a person will not be shared with others. Your name will not be quoted in the report. All answers are not correct and not right or wrong.

This interview will take about sixty minutes. At this time, do you want to ask me anything about the survey?

We are very grateful for your sincere answers.

Would you like to participate in this survey?

Respondent agrees to be interviewed-----01

Respondent does not agree to be interviewed-----02

If permission is given, begin the interview. If the respondent does not agree to continue, thank him/her and go to the next person. Discuss this result with your supervisor for a future revisit.

Result of Interview: (to be completed at the end)	Completed 1 Refused to answer 2 Partly completed 3 Other (specify)_____
---	---

General information for household		
1	Name of the respondent	
2	House No.	
3	Name of the interviewee	
4	Start time	
5	End time	
6	Date	
7	Form No	

Information about the HH composition and welfare

8. Are you originally from Lahore?

- 8.1. How long has your family lived in this locality?
 8.2. If not, where did you migrate from?
 8.3. Why did your family migrate?
 8.4. Education?

Yes	No	Level

Family Detail

- 8.5. How many families live in this house? Do they have separate kitchen?

1.1. Head of household					

8.5.A. Relation with the member	8.5. B. Age	8.5. C. Ed. level and insti.	8.5. D. In- volved in in- come gener- ation If stu- dent then men- tion his fee	8.5. E. Kind of work / Month- ly or daily earning	8.5. F. Do they con- tribute in fam- ily ex- penses? How	8.5. G. If ill; kind of dis- ease	8.5. H. If ill or child, who takes care of them?	8.5. I. How much is spent on their med- icine?	8.5. J. If 0-5 child is s/he Inocu- lated? From where?	8.5. K. Where was the child born? Dai/ BHU/ Hospi- tal	8.5. L. Reg- istra- & ID Card
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9. Is this house owned by the family?

- 9.1. Who owns it? Father; mother; joint ownership? Do you have the stamp paper for this?
 9.2. If not owned, what is the rent per month? (Girvi?)
 9.3. How many rooms does it have?
 9.3. A. Room#.....9.3. B. Bathroom.....9.3. C. Shared or Not.....
 9.4. How is the house space shared within family members?
 9.5. What happens in extreme weather (cold/heat?)
 9.6. Do extreme weathers affect your family's health (especially old and 0-5)
 9.7. How many household members got sick this winter (last 0-6 months)?

Children	Old age
----------	---------

10. Does the house have?

10.A. piped water facility		10.B. motor pump	
10.1. Is this water potable?	10.1. A. Yes	10.1. B. No	

10.2. What are the mechanisms to cope with this problem? Do you boil water for drinking?
 10.3. What kind of washing, bathroom facilities do you have? (Flush and other)

11. Does the house have gas supply?

11.1. If not, what do you use as fuel?

Wood	Gas Cylinder	
------	--------------	--

12. Do you have own transport?

Sub family	Transport
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13. Garbage/Sewerage details?

13.1. Where do you throw your garbage?

14. Do you have a television/fridge/iron/washing machine/water motor/UPS other electric appliances?

Item	15.A. Television	15.B. Fridge	15.C. Iron	15.D. Washing machine	15.E. Water motor	15.F. UPS	15.G. Cell phone	15.H. Computer	15.I. Land-line
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15. What is the collective income of your family?

Total family income

15.1. Other sources? Any member of the family working outside of Lahore? Outside the country? Does this person send money home? Do you get remittances from family abroad?

16. What are the expenditures?

Items	1.1									Total
17.A. Food										
17.B. Rent										
17.C. Fuel										
17.D. Transport										
17.E. Medicine										

17.F. School fee									
------------------	--	--	--	--	--	--	--	--	--

17. Contribution

Monthly lump sum	
Rent	
Utilities	

18. What happens when there is a sudden expense? Death; damage to home due to rain etc? Has anyone in the family died or got married in the last 1 year? How do you/did you cope?

(Approximate Expense)

19. What happens when?

19.2. The price of petrol is increases	
19.3. Food prices go up	

20. How do such changes change your work, family routine? Do these changes make you spend less on food? Which food item is compromised?

20.1. Spend less on education. Who was stopped from going to school in the last six months/year/2 years?

20.2. Spend less on old family members/children's health? Whose medical supplies got slashed?

20.3. Does anyone in the house have a bank account?

20.4. What do you do to cope with such changes? Do you save money through committee system, bond or bank?

20.5. Do you save money through committee system or bank?

20.6. Seek loans from kin, employer, any private money lender, banks (Do you have any loans on you at the moment?) Why did you take the loan and from who? Do you have a need for loan?

20.7. Do you approach any private financial institution or NGOs?

21. Would you like your children to continue the work that you are doing or study? OR Start own business; do government job; go abroad?

Questionnaire for small enterprise owners/workers

A.1. what is the nature of your work?

- A.1.1. How long have you worked in this capacity?
- A.1.2. Have you always been doing this work? If not, what did you do before? Did you try to change your work?
- A.1.3. What prompted you to start the work that you are doing? Did this have to do with: maintaining own independence? Supplementing family income?
- A.1.4. What are your key skills, products/services?
- A.1.5. How much money do you make in a day?

A.2. How long has your business been active (years/months)?

- A.2.1. What is the business and what is the product?
- A.2.2. How did you get the initial investment to start the business: Old Family Business/Loan/ Own savings:

A.3. Transport

A.3.1. Means of Transport	A.3.2. Time	A.3.2. Cost /day
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A.4. Please estimate the percentage of your products that are sold:

A.4.a. In your town	A.4.b. In Model town	A.4.c. In Lahore	A.4.d. Outside Lahore	A.e.a. Which other cities?
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- A.4.1. Why do you think you can't sell your product outside of your area/Model Town?

A.5. Do your family members help you with your work?

A.5.a. Financial	A.5.b. In Kind:
------------------	-----------------

A.6. Do you employ people from outside in your business?

Yes	No	If yes, how many?
-----	----	-------------------

A.7. Approximately how much time or days per month do you spend dealing with town officials on regulatory requirements? Time days

- A.7.1. Is the business registered? What interaction, if any, do you have with officials?

A.8. Does the town committee help your business?

- A.8.1. If not, how does it hinder it?

A.9. What do you think is needed for you to grow in your business?

A.9.a. Technical skills	A.9.b. Space	A.9.c. Easy loans	A.9.d. Electricity	A.9.e. Water	
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A.10. Can you name one town government official/department that deals with local economic development? If yes, please provide the name of the department?

A.11. Which town official/department most positively affects the development of your business and why?

A.12. Which town official/department most negatively affects the development of your

business and why?

A.13. Please list, in order of importance, the three most important factors that hinder you from expanding your work/skills/remuneration/others. (do not prompt)

A.14. Please list, in order of importance, the three most important measures that the town/government could introduce/undertake to make it easier for your business to grow. (do not prompt)

A.15. Do you think (Anjuman) uniting/associating with others will help change any of the above difficulties/problems you have discussed with us during this interview?

A.15.1. Who would you like to associate with?

A.15.2. Would you like your child to follow in your foot steps and take over your product/business?

A.16. Do you take food from home or eat outside?

A.17. What you think about your future?

A.18. Do you want your child to do the same business?

A.19. Do you have any leisure activity?

Questionnaire for domestic workers

B.1. What is the nature of your work?

B.1. How long have you worked in this capacity?

B.1.2. Have you always been doing this work? If not, what did you do before? Did you try to change your work?

B.1.3. What prompted you to start the work that you are doing? Did this have to do with: maintaining own independence? Supplementing family income?

B.1.4. What are your key skills, products/services?

B.2. How much money do you make in a day?

B.3. Transport

B.3.1. Means of Transport	B.3.2. Time	B.3.3. Cost/day
---------------------------	-------------	-----------------

B.4. How many houses do you work in?

Detail	B.4.1.1. House 1	B.4.1.2. House 2	B.4.1.3. House 3	B.4.1.4. House 4	B.4.1.5. House 5	B.4.1.6. House 6
B.4.1. What does your employer do?						
B.4.1. # of HH members:						
B.4.1. # of rooms:						

B.4.1. How did you find the job? own/contact/ family/ agency/						
B.4.1. Did you submit ID card to the employer? Y/N						
B.4.1. What do you do? B.4.1.a. Cook B.4.1.b. Sweep B.4.1.c. Dust B.4.1.d. Wash clothes B.4.1.e. Iron B.4.1.f. Baby sit B.4.1.g. Driver B.4.1.h. Gardner B.4.1.i. Chowkidar B.4.1.j. Live-in servant						
Work Since: ___ months						
Work: ___ days/week Total Time: ___ hr(s)/ day						

What are the time-off arrangements?						
Do you spend time working on Eid? Other holidays?						
What happens if you are late to work?						
9. Salary Rs: _____/ month						
10. Last salary increment was _____ months ago						
11. Amount of increment in salary Rs. _____						

B.5. If you are sick or need a holiday do you make stand-in arrangements for your employer?

B.5.a. Yes	B.5.b. No	B.5.c. If yes, who?

B.5.1. Did you have to take more than one week's holiday during the past six months? If yes, for what reasons?

B.6. Does your employer help you when you have an emergency, medical problem, give you clothes, loan, other alms, food etc?

B.7. Are you treated with respect by your employer?

B.8. What are the enabling factors in the kind of work you do?

B.9. What are the hindering factors in the kind of work you do?

B.10. Would you like your child to follow in your foot steps and do this kind of work?

B.11. Do you take food from employers home or other arrangements?

B.12. What you think about your future?

B.13. Do you have any leisure activity?

Questionnaire for wage laborers and workers in informal sector enterprises

C.1. What is the nature of your work?

- C.1.1. How long have you worked in this capacity?
- C.1.1.2. Have you always been doing this work? If not, what did you do before? Did you try to change your work?
- C.1.1.3. What prompted you to start the work that you are doing? Did this have to do with: Maintaining own independence? Supplementing family income?
- C.1.1.4. What are your key skills, products/services?

C.2. How much money do you make in a day?

C.3. Employment Dynamics

- C.3.1. Where do you go to find work?
- C.3.2. How do you get to know that there is work available?
- C.3.3. Transport

C.3.3.a. Means of Transport	C.3.3.b. Time	C.3.3.c. Cost /day
-----------------------------	---------------	--------------------

C.4. What types of work do you do/get/find? In a factory, house, shop, field? A specific industry or any other.

C.5. Are you employed on a: Daily/Weekly/Monthly basis

C.6. How many hours do you work in the day?

C.7. Are you available throughout the week for work?

C.8. Do you work on Sundays/National/Local Holidays?

C.9. What remuneration packages do you get in this type of work?

/day /week /Month

C.10. What happens if you do not find work?

C.11. What hinders you from finding work?

C.12. What enables you to find work?

C.13. How many days of the week do you find work? Ask specifically about last week. How many deharries do you usually get in a month?

C.14. Would you like your child to follow in your foot steps and do this kind of work?

C.15. Do you take food from home or eat outside?

C.16. What you think about your future?

C.17. Do you have any leisure activity?

Questionnaire for Hawkers

D.1. What is the nature of your work?

- D.1.1. How long have you worked in this capacity?
- D.1.2. Have you always been doing this work? If not, what did you do before? Did you try to change your work?
- D.1.3. What prompted you to start the work that you are doing? Did this have to do with: maintaining own independence? Supplementing family income?
- D.1.4. What are your key skills, products/services?
- D.1.5. How much money do you make in a day?

D.2. Product name

D.3. Why did you choose this product for sale? (the product could be different depending on the season)

D.4. Where do you get the product for sale?

- D.4.1. Where do you get the raw material if it is made at home for sale?
- D.5. Where did you initially get the money to buy raw material or the product for sale? Loan/Family Savings etc?**
- D.6. Where do you conduct your business? Fixed location, on 4-5 streets, roam about the town? How much time does it take to get to your business location(s)?**
- D.7. Do your family members help you with your work?**
- D.7.1. How do they contribute?
- D.7.2. Who does what?
- D.8. Per unit cost of product**
- D.8.1. Return per unit
- D.9. How many hours do you work in a day?**
- D.9.1. Do you work throughout the week?
- D.10. How much product do you sell on a usual day?**
- D.11. If food/vegetable/fruit items are left unsold are they consumed at home?**
- D.11.1. After how many days?
- D.12. What are the enabling factors in the kind of work you do?**
- D.13. What are the hindering factors in the kind of work you do?**
- D.14. Do you work on official holidays? 14th August/Iqbal Day/Eid or when the government declares a day as holiday?**
- D.15. Relationship with town authorities? Do you pay anything to officials/police to conduct your business?**
- D.16. Do you take food from home or eat outside.**
- D.17. Would you like your child to follow in your foot steps and do this kind of work?**
- D.18. What you think about your future?**
- D.19. Do you have any leisure activity?**

Questionnaire for Home-Based Workers

- E.1. What is the nature of your work?**
- E.1.1. How long have you worked in this capacity?
- E.1.2. Have you always been doing this work? If not, what did you do before? Did you try to change your work?
- E.1.3. What prompted you to start the work that you are doing? Did this have to do with: Maintaining own independence? Supplementing family income?
- E.1.4. What are your key skills, products/services?
- E.1.5. How much money do you make in a day?
- E.2. Product name**
- E.3. Who supplies work and the resources for it?**
- E.4. How much you earn?**

Per Unit

- E.5. Why did you choose this product?**
- E.6. How many hours does it take to make a complete piece?**
- E.6.1. How many pieces can you make in a day?
- E.6.2. Are you aware of the prices of the finished product in the market?
- E.7. Do other family members help you? Who does what?**
- E.8. What are the enabling factors in the kind of work you do?**

E.9. What are the hindering factors in the kind of work you do?

E.10. Would you like your child to follow in your foot steps and do this kind of work?

E.10.1. What you think about your future?

E.11. Do you have any leisure activity?

Disclaimer:

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