
2. THE STATUS OF YOUNG RURAL/URBAN MIGRANTS with special reference to the informal sector and the role of young people in that sector

The majority of young rural migrants in the towns of the less developed countries, especially those who have completed primary education or beyond, come looking for the prestigious and relatively well paid jobs in the modern sector. However, as discussed in another section of this report, these modern sector jobs are in short supply and tend to go to those with the greatest amount of formal education. This leaves great numbers of young people unemployed in the urban areas, unwilling to return to their homes in the rural areas, especially if they have relatives living in the towns with whom they can stay. In the future it is to be ardently hoped that an improvement in the economic and social infrastructure of the rural areas, increasing their attractiveness and enhancing the opportunities they offer youth for productive employment, together with a greater emphasis upon and increased facilities for, agricultural training and assistance, will do much to stem the rural-urban migration of young people. However, for those young rural migrants truly permanently settled in the town and also of course for the young urban-born unemployed, some kind of solution must be found actually within the towns. As pointed out by the Commonwealth Secretariat themselves, "Programmes for young people in the cities should aim at the hardcore of truly urbanised young people, as yet only a small proportion of the whole, who live their lives in the towns." (1) "Urban" has come to be identified with "modern" or "formal" jobs, ignoring the fact that a large number, if not the majority, of the urban workforce are not a part of this modern formal sector. Rather they constitute the urban informal sector. The extent to which this informal sector can absorb young people into productive employment is thus of great importance.

The Urban Informal Sector

The importance of the urban informal sector has often been ignored in the past because it was thought that it was composed only of 'petty' traders, etc. or other 'marginal' activities. However, there is evidence that the bulk of employment in the informal sector, "far from being only marginally productive, is economically efficient and profit-making, though small in scale and limited by simple technologies, little capital and lack of links with the other ('formal') sector." It includes "carpenters, masons, tailors and other tradesmen, as well as cooks and taxi drivers, offering virtually the full range of basic skills needed to provide goods and services for a large though often poor section of the population." (2) In all, the study continues, an estimated 20% of income earning opportunities in Nairobi in 1969 were provided by the informal sector. The authors suggest that the sector is distinctive not because of the marginality of its activities but because of six other characteristics, namely: ease of entry; reliance upon indigenous resources; family ownership of enterprises; small scale of operation; labour-intensive and adapted technology- skills acquired outside the formal school system and by unregulated and competitive markets. Although this source refers only to the informal sector in Kenya, the situation is the same in towns in other countries as well. For example, the businesses in Ibadan studied by Callaway are in fact all part of this informal sector. (3) The ILO Kenya Report (op.cit) maintains that a change of government attitude towards the informal sector could do much to increase its productivity and profitability, because it is felt this sector is at present largely ignored, rarely supported, often regulated and sometimes actively discouraged by government. Taking their recommendations of measures which would promote the informal sector, one can see how these could be adapted so as to particularly aid young people and how outside, non-governmental bodies can help to play a part in this process. One of the measures recommended is that the government should review trade and commercial licensing procedures, with a view to eliminating unnecessary licences and implementing instead health and safety inspections.

Measures to promote the informal sector

*'Popularization'
of the informal
sector*

*Local
Employment
Agencies*

This raises the whole question of entry to the informal sector. However easy entry to this sector may be, this is an irrelevant factor if young people simply do not wish to join this sector and would prefer to remain unemployed, waiting for the vague possibility of a job in the formal sector. More should therefore be done to 'popularise' the informal sector amongst urban youth. Perhaps successful informal sector proprietors could be encouraged to give talks to young people, possibly in youth clubs, about their work and the opportunities for others. Master craftsmen could be encouraged to pledge to take on apprentices under a national apprenticeship scheme, legal regulations about the number of skilled journeymen etc. which they must employ before they can take on recognised apprentices being waived if necessary, and it should be ensured that young people know about these opportunities. Again, these could be publicised amongst youth clubs etc. and could be put on the books of employment exchanges, which at present tend to deal only with formal sector employment. In fact, in view of the rather limited success of employment exchanges, there is perhaps a case for the foundation of some kind of agency within each town and city which could make a point of getting contacts within the informal sector and encouraging existing proprietors to take on young employees or apprentices and then offering a service to young people, giving them information about these vacancies and assisting them in any other way that they could, for example handing out information about other possibilities of training in this or other informal activities and the likelihood of obtaining work after any such training if this was not actually on the job. Young enquirers should be told which are the most likely up-and-coming skills needed - for example, vehicle and small machine repair and maintenance or in the expanding service sector. Furthermore, it should be pointed out to them that the average amount of capital needed to set up in business oneself varies considerably from activity to activity (4), thereby affecting the likelihood of being able to set up in business oneself soon after the completion of training.

*Involvement
of existing
businesses*

Removing the licence barrier would theoretically mean that young people could enter straight into self-employment, but this seems unlikely except upon a very small scale. Therefore it may be more beneficial to the young to offer grants and loans to existing businesses, but on the condition that they take on a certain number of young employees and give them proper training, and, possibly, that the proprietors or master craftsmen them-selves undertake to receive extension-type training to upgrade their own expertise and thus that which they can pass on to their trainees. Of course though, finding the training personnel to carry out such a programme would represent a considerably problem in the implementation of such a plan. In spite of this, however, it is true in general, as well as in this instance, that more attention should be paid to the training not only of the young people themselves but also of those who will in fact be their trainers as there is often a serious shortage of such people. Perhaps a training centre for those training staff who will be particularly concerned with unemployed youth could be established, including within its curriculum emphasis upon the special problems of youth and practical field work amongst youth people. Some kind of supervisory service might be necessary here to ensure that young employees are being trained and not just used as a source of cheap labour.

*Financial
aid to
trainees*

The time to give financial aid to the young people themselves is when they have completed their training and are ready and competent to set up in their own shop. Again it is Callaway who points to the fact that many of the more mature urban unemployed school leavers have held apprenticeships with indigenous masters, but, after completion of training could not start work on their own or get jobs which gave them enough money to pay their own food costs. (5)

Another recommendation of the ILO Kenya Report is that there should be moves to intensify technical research on products suitable for production or for use in the informal sector, giving special priority to capital and intermediate goods, repairs and construction. This is one aspect of

*Increasing
productivity
of informal
sector*

a very important point. Not only are young people to be encouraged to enter into employment in the informal sector rather than to remain unemployed, but every effort must be made to try and raise their productivity within that sector. As with modernising agriculture, this demands that research should be carried out to find ways of raising productivity: that all effort should be made to ensure that all new information is embodied in the training that the young people receive and that they are given every assistance in later putting what they have learned into practice.

Basic technical research and development is obviously the first step in this process. The need for small-industry research bodies has been mentioned elsewhere in this report in relation to the rural areas, but the need is equally great for the urban areas as well. This body could be responsible for finding ways of producing goods which would mean that they could be manufactured in the informal sector. This would probably entail a concentration upon labour-intensive, intermediate technology methods of production, ensuring that capital input costs were kept to a minimum. Co-operation and contact between such bodies in different countries would be advantageous and lead to an interchange of ideas.

*Development
of informal
sector*

Co-operation and co-ordination would also be required to communicate the results of any such research to the informal sector workers. This would be with another body which would inform those working in the informal sector of the findings of the research and development body.

Incentives

Aid could be given to the producers to help them change to new goods or to use new methods, either directly through loans, credit facilities, etc. or indirectly through training, which would have to be by means of an extension-type service taken to the producers at their place of work. Preferential treatment could perhaps also be given, again in terms of loans or credit facilities, to young people setting up in certain lines of production - for example, say, making capital goods or going in for repair work if these were thought to be particularly important. Particular

encouragement could be given to young trained people to set themselves up in self-help groups or co-operatives which could then be given special preference through loans etc. in the production of newly researched products or production of familiar products by means of new techniques. The ILO Kenya Report (op. cit) also recommends that large firms, in the formal sector, should be induced to develop a network of small sub-contractors. The inducements offered for this purpose could be graduated and increased if special preference was given to using young sub-contractors or if the large firm instituted some kind of training scheme to train its own sub-contractors and took on young, previously unemployed, trainees. The government itself should also be sure to offer more of its own construction contracts, etc. to informal sector workers, especially, where possible, young workers who have only just set themselves up in business.

*Gaps in
knowledge:
a case for
delaying
action*

However, there is a case of delaying any such specific actions until much more is known in general about the informal sector. As pointed out before, this sector has by and large been ignored up to now and therefore little is known of its own internal characteristics and dynamics as well as the relationship it stands in with other sectors - for example the urban formal, agricultural or non-agricultural rural sectors. Far more knowledge is needed here before one can be relatively certain of the outcomes of any prescribed measures in the informal sector. Such features as the demand constraints upon the growth of the sector should be looked at far more closely. If the informal sector is supplying the majority of goods and services to the poor urban population what would be the effects of, say, a more equitable distribution of income? It could be presumed that this would lead to increased demand for the informal sector's goods and services, but might the tastes and needs of the poor consumers change if wealth were to be more evenly distributed? If the productive capacity of the informal sector were to be improved and new goods and ways of production introduced, with more reliable demand requests through sub-contracting, government contracting etc., would the sector undergo changes so fundamental that it really could not be regarded as

the informal sector any longer? For example such things as apprenticeship schemes; access to outside loan capital; sub-contractor relationships with large firms; new improved technology; training schemes, and possible government guarantees of a certain percentage of construction contracts, etc. would mean that the informal sector could no longer be characterised by ease of entry, reliance upon indigenous resources etc. as it is at present. (6) Thus, we might not be improving the sector so much as changing its fundamental nature altogether, which may mean that the features which we wished to encourage in fact no longer exist.

This is not to say that this definitely will happen, only that so little is at present known about the workings of the informal sector that there is nothing to say that it will not happen. Thus possibly to start taking certain measures vis-a-vis the informal sector is tantamount to tampering with elements in a system the material workings of which are not at present known. It could be that the informal sector is relatively flourishing at the moment because of the low returns which it offers to those who work within it. To increase those returns for the individual informal sector workers could mean that their products no longer appealed as either cheap consumer goods or cheap inputs for the formal sector. Its present separation from state intervention may well be the key to its present relative economic success.

*Research
needs*

As said before, to suggest these factors is not to maintain that they are necessarily true, it is to point out that we do not at the moment know enough about the workings of the informal sector to know what is true and what is not. More information and research is necessary. In particular, the role of the government and the formal sector should be more closely scrutinised. How far are their present attitudes towards the informal sector the result of ignorance and oversight and how far the result of deliberate policy, founded upon entrenched vested self-interest? To the extent that it is the latter rather than the former the question of the development of the informal sector becomes political rather than purely economic and recommendations for government action become less and less likely to be implemented.

References in Section 2

1. "Youth and Development in Africa", op. cit.,p.43.
2. The ILO Kenya Report, op. cit., p.5.
3. A. Callaway, op. cit.
4. A. Callaway, op. cit.
5. A. Callaway, in P.C. Lloyd, A.L. Mabongunje and B. Awe: "The City of Ibadan". C.U.P., 1967.
6. The ILO Kenya Report, op. cit.