Opportunities and Constraints in Ghana's Informal Sector (A Case Study of Ho Township)

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Authors' contributions

This work was carried out in collaboration between both authors. Author APS designed the study, performed the statistical analysis, wrote the protocol and wrote the first draft of the manuscript. Author MKD managed the analyses and literature searches for the study. Both authors read and approved the final manuscript.

Original Research Article

ABSTRACT

Aims: To determine the opportunities, and constraints in Ghana's informal sector by examining the structure of the informal sector, identifying the factors influencing people to work in the sector and to determine the salient factors constraining the growth of the informal sector.
Study Design: A descriptive research design
Place and Duration of Study: Ho Municipal, Volta Region Ghana, between September 2014 and June 2015.
Methodology: This study employed both probabilistic and non-probabilistic sampling techniques to select 310 informal sector workers in Ho township, a self-administered close-ended questionnaire was used as the instrument of data collection. Exploratory factor analysis (EFA) was the main statistical tool used in the study.
Results: The EFA showed that five salient factors accounted for about 70.2% of the total variation in the 12 original constraining indicators, when it comes to the structure, about 71% of businesses are practiced on a microscale sole proprietorship level.

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Conclusion: Evidence from the study suggests that; The desire to make more money and the freedom associated with being in the informal sector are the most alluring opportunities found to motivate people to work in the sector. Five main challenges are encountered by workers in Ghana's informal sector, and they are; lack of resources and business viability, constraining government regulations/policies, inadequate entrepreneurial skills, lack of start-up capital and lack of job security.

Keywords: Informal sector; structure; opportunities, constraints.

1. INTRODUCTION

The existence of a sizable informal sector in a country may affect the success of the developmental welfare state in at least two ways. Firstly, through the ability of the state to reach its own population with social policies. Secondly through the ability of the state to collect revenue from its own population. (Sophie Kristofferson 2011, Master's thesis). Moreover, the rising popularity of microfinance initiatives and of micro-pension schemes for informal workers cast informality as a force for inclusive economic development in poor countries, and Informal sector jobs according to Misati [1] can enhance the competitiveness and flexibility of production, allowing workers to find employment in the absence of government support.

Job creation according to Otoo, Osei-Boateng, & Asafu-Adjaye, [2] is the single most important challenge facing policymakers in Ghana. Unemployment and underemployment, particularly among the youth, is still very high despite impressive economic growth rates over the past two decades. An estimated 250,000 young men and women enter the Ghanaian labor market every year. Out of this, the formal sector employs only about 500, representing just about 2%, the remaining 98% are compelled to seek employment in the informal sector. More so the millennium development goals which were primarily aimed towards the reduction of poverty in all third world countries are functions of equipping the unemployed citizens with the basic skills of entrepreneurship; the practicality of these acquired skills are best suited for a booming informal sector.

In light of the perceived benefits associated with the informal sector in developing countries, it becomes an issue of national concern to pay attention to this neglected but invaluable sector of the economy if economic development is to be accelerated and sustained. This study was conducted with the aim of determining;

- The structure of Ghana's informal sector
- The opportunities and constraints in the informal sector.

2. LITERATURE REVIEW

Since the discovery of the concept, 'informal sector, in Hart's [3] seminar work on the urban informal sector in Ghana, it has not lent itself to a comprehensive and a universally accepted definition. A number of attempts made by different researchers and national authorities to define the concept have resulted in diverse definitions. Enste, Dominik & Schneider, Friedrich. [4] stated that 'attempts to measure the shadow economy (i.e. informal sector) first faced the problem of defining it. Several schools of thought have discussed this aspect of the economy, often in connection to developing countries. One perspective views the informal economy in positive terms, as a livelihood for the working poor with a "pool" of entrepreneurial talent.

The international labor organization (ILO) in the year 2000 referred to informal sector as that segment of the labor market in the developing countries that have absorbed significant numbers of job seekers, mostly in self-employment, and to workers in very small production units'.

2.1 Structure of the Informal Sector in Ghana

In a survey conducted by Ghana Trades Union Congress (GTUC) in 1995, the informal sector in Ghana was divided into two: (1) the rural informal sector and (2) the urban informal sector.

However, for the purpose of this study, only the urban informal sector would be examined.

The urban informal sector in Ghana, as elsewhere in Africa is remarkable for its heterogeneity and variety. Studies on the urban informal sector in Ghana revealed a wide range of operations that can be grouped under (i)

services; (ii) construction; and (iii) manufacturing. (ILO, 1997).

2.2 The Opportunities in the Informal Sector in Ghana

According to the 2010 Population and Housing Census conducted by GSS [5], the private sector is the largest employer in the country, accounting for 93 percent of the economically active persons (private informal, 86.1% and private formal, 7.0%). The public sector, which is the second largest employer, accounts for only 6.3 percent. The private informal sector remains the largest employer of the working population. The Ghanaian government believes in the economic development potential of the informal sector. The government 's position in relation to this sector becomes one of expectation that the country's unemployment problems can best be solved here. The government's policy that is supported by the IMF/World Bank driven economic policies is to expand the informal sector for the following purposes:

- Creating jobs for new entrants and shed labor from the public formal sector
- Unleashing the creative potential and innovative as well as entrepreneurial powers of artisans to stimulate growth
- Producing cheap goods and services for mass consumption (Hormeku, [6]).

Furthermore, the millennium development goals (MDGs) which are geared towards the eradication of poverty is a function of equipping the mass population of unemployed individuals with entrepreneurial skills, these skills are mostly adequate for a booming informal economy. Moreover, the freedom associated with working in the informal sector, the flexibility of working schedule, being able to combine an informal sector job with that of the formal sector are all alluring opportunities to many.

2.3 Challenges Facing the Informal Sector in Ghana

Ghana has a National Daily Minimum Wage (NDMW) which applies to all forms of employment and is determined annually by the National Tripartite Committee (NTC). The 2015 National Daily Minimum Wage (NDMW) is GH ₵ 7.00. Although quite low, the majority of informal sector operators earn below the NDMW. Indeed, more than half of workers in the informal economy earn below the legislated national minimum wage (Baah, [7]), the majority of informal sector workers are self-employed and are in control of their income. However, incomes in the informal sector are irregular and can be subjected to environmental (weather) and market factors (demand and supply).

Apart from wages, the informal sector in Ghana is characterized by poor environmental conditions. Majority of informal sector workers operate from their residential premises and others work from public places in temporary shed and structures; under trees or open spaces. Street hawkers do not have fixed vending sites; they move from one street to another in search of patronage of their wares. Poor public and environmental health, in both the residential and market areas where informal sector workers operate, is a major urban problem in Ghana and jeopardizes the health of many informal workers (Apt and Amankrah, [8]; King and Oppong, [9]). Sections 33 and 34 of Ghana's labor law, Act 651 (2003) provides minimum working hours of forty (40) per week. This translates into 8 hours of work per day. Any extra hours worked must be paid for as overtime. The law provides for every worker thirty minutes break in between continuous work. However, section 44 exempt task workers and domestic workers in private homes from provisions of sections 33 and 34. Osei-Boateng (2010) found in the case of domestic workers in Accra that where employers complied, they (employers) chose days that they [employers] would not need the services of the domestic worker. For some domestic workers, jobs left undone during their rest periods awaited their return, thus, increasing their workload during the next working day. In the case of own account workers or self-employed person who had control over their working hours, they worked longer hours. The average working hours in Ghana for informal sector workers is 12 hours (Baah, [7]), 50 percent more hours than the standard working hours (8 hours) stipulated by the Labour Act (Act 651).

Other peculiar challenges in the Ghanaian informal sector are; start-up capital, lack of social amenities, inadequate social protection etc.

3. RESEARCH METHODOLOGY

3.1 Research Design

This study adopted a descriptive research design. This design according to research guides from the University of Southern California, is a precursor to more quantitative designs, it yields

rich data by allowing the researcher to collect data without influencing the subjects and this leads to important recommendations in practice, it help provide answers to the questions of who, what, when, where and how associated with a research problem; thus it helps to obtain information concerning the current status of the phenomenon and to describe what exists with respect to variables or conditions in a situation.

3.2 Population and Sample Size

The informal sector in Ghana is unstructured hence there was no sampling frame for the study, however a sample size of 310 was chosen for the study. This size was settled upon based on the recommendation of Field [10] who reviewed many suggestions about sample size necessary for factor analysis and concluded that it depends on many things. In general, over 300 cases are probably adequate but communalities after extraction should probably be above 0.5.

3.3 Data Collection and Sampling Technique

The data collection was carried out by administering the questionnaires to respondents who demonstrated their ability to read and are willing to complete the questionnaires themselves; however, for respondents who do not have a good command of English language, the researchers conducted an interview using the questionnaire as an interview guide to obtain responses. To ensure a representative sample, the township was divided into five strata comprising Ho Polytechnic and surroundings, Ahoe/Heve area, Civic center, Market area and Dome. Using both probabilistic and non-probabilistic sampling technique, questionnaires were administered to operators of informal enterprises in shops sited on both sides of the roads and residential units used for informal

enterprises on both sides of the selected roads. In order to enhance the systematic distribution, the use of constant distance was adopted. (Distance between two electric poles 50m) along different categories of roads selected as the unit of measurement to capture the distribution pattern and variation of categories of informal enterprises within the selected areas. (This method was adapted from Adedibu and Jelili [11]). However, areas (especially the Ho market) where the above sampling procedure was not applicable, convenient sampling was carried out.

3.4 Data Analysis Techniques

The primary data collected was captured using Statistical Packages for Social Sciences (SPSS) for analysis. The analysis section consisted of summary statistics in the form of tables, charts and multiple response analysis, and inferential statistics in the form of exploratory factor Analysis was conducted.

4. RESULTS AND DISCUSSION

4.1 Demographic Characteristics of Respondents

The gender distribution showed that males and females accounted for about 58.4% and 41.6% respectively, and about 80% of informal sector workers are within the age range of 18-45 years. Thus, findings from this study regarding the opportunities and constraints in Ghana's informal sector might be attributed to the views of males about 58.4% of the times and to females about 41.6% of the times, and also, they represent the views of informal sectors who are between 18 to 45 years old about 80% of the times.
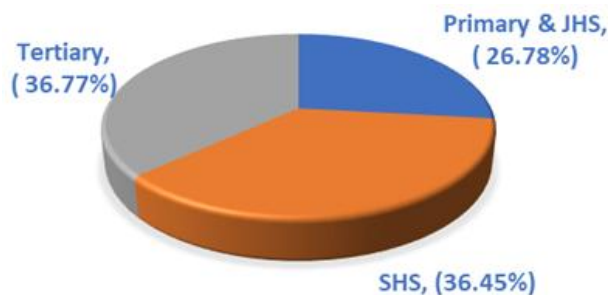

Fig. 1. Proportion of respondents by level of education
Source: Survey Data (2015)

Contrary to popular opinion that the informal sector is dominated by uneducated people, finding from this study revealed that about 36.77% of the informal sector workers have tertiary level education and 36.45% have a senior secondary education. These findings are in agreement with the works of Otoo, Osei-Boateng, & Asafu-Adjaye, [2], who concluded that the informal sector absorbs about 98% of Ghana's qualified youths annually.

4.2 Structure of the Informal Sector

Table 1. Distribution of respondents by form of business ownership

Ownership type	Frequency	Percent
Only you	220	71.0
you and family	21	6.8
you and partner	27	8.7
a group of people	36	11.6
Total	304	98.1
Missing	6	1.9
Total	310	100.0

Source: Field survey data (2015)

Informal sector businesses in Ho township are majorly sole proprietorship. This was reflected in the fact that a significant proportion (about 71%) of the respondents indicated that their business ventures are owned and managed by themselves. Thus, this could mean that about 71% of the times views related to the informal sector activities can be attributed to sole proprietors with about 64.5% business activities being service rendering. About 34.6% of the respondents use paid labor in their business, 26.3 % of the respondents claim to be the source of labor themselves, 26.3% uses support from family and lastly, apprenticeship accounts for about 14.7% of the sources of labor, and about 81% of the respondents work for 8 hours and above on daily basis.

In addition, business activities are prominently carried out in rented premises with about 54.9% of the population renting their places of business. The use of the family property and purchased premises for business appears to be evenly distributed at around 18% respectively; over 71% of informal business practitioners in the town admitted to the payment of levies for the operation of their businesses.

4.3 Opportunities in the Informal Sector

Table 2 shows the analysis of the alluring opportunities in the sector, and it revealed that about 25% of the respondents said the motivation to earn a living (only way to make money" and "the only way to support my family" have about 12.1% and 12.8%) are the major motivating factors for choosing the informal sector. Other factors like the flexibility of working (11.6%), want to be my own boss (10%), it gives me more time, to complement income from the formal sector and more money can be made in the informal sector have significantly high responses.

4.4 Constraints in the Informal Sector

The reliability test showed that there was internal consistency of the psychometric test score with an alpha value of 0.63 though questionable, this value shows a quite good level of consistency in

Table 2. Multiple response analysis of factors influencing people to work in the informal sector

Factors influencing people to work in the informal sector	Responses		% of cases
	N	**Percent**	
The only way to make money	219	12.1%	71.3%
The only way to support the family	232	12.8%	75.6%
while waiting for a job	130	7.2%	42.3%
Out of job need to earn money	113	6.2%	36.8%
Don't want to work for someone	130	7.2%	42.3%
To complement income	142	7.9%	46.3%
More money in informal sector	139	7.7%	45.3%
Flexibility of working	210	11.6%	68.4%
Lack of formal education	86	4.8%	28.0%
want to be my own boss	180	10.0%	58.6%
It's a family business	74	4.1%	24.1%
It gives me more time	153	8.5%	49.8%
Total	1808	100.0%	588.9%

Table 3. Correlation among the twelve indicator variables

	v1	v2	v3	v4	v5	v6	v7	v8	v9	v10	v11	v12
v1	1.0											
v2	-0.1	1.0										
v3	0.0	0.0	1.0									
v4	-0.2	-0.1	0.0	1.0								
v5	0.3	0.0	0.0	0.2	1.0							
v6	0.2	-0.1	-0.2	-0.2	0.3	1.0						
v7	-0.2	0.1	0.4	0.0	0.1	0.1	1.0					
v8	0.0	-0.1	0.2	0.2	0.4	0.3	0.3	1.0				
v9	0.4	0.0	-0.1	0.0	0.4	0.4	0.0	0.3	1.0			
v10	0.2	0.1	-0.3	0.2	0.1	0.3	-0.1	0.1	0.2	1.0		
v11	0.3	0.1	-0.1	0.1	0.4	0.3	0.0	0.2	0.2	0.6	1.0	
v12	0.4	-0.1	0.2	0.2	0.3	0.1	-0.1	0.1	0.2	0.2	0.2	1.0

Source: Researchers' construct (2015)

the data generated for factor analysis. This further indicates that the scale used is uni-dimensional. Hence responses to similar or homogenous indicators are about 63% of the time consistent with each other. (Table 3) revealed that there exist inter-correlations among the variables, implying that the indicator variables correlate quite highly with one another. The correlation coefficient must be 0.3 or greater since anything lower would suggest a really weak relationship between the variables [12].

The KMO and Bartlett's test showed a KMO value of 0.6, the test is adequate for factoring and the analysis would provide a somehow good result. The Bartlett's test of sphericity is also highly significant with a *P* < 0.00 at a relatively large chi-square value of 848.2. Thus, the reliability test, correlation analysis, the KMO and Bartlett's test all suggest that the twelve variables can be subjected to factor analysis.

4.4.1 Extraction of factors and factor interpretation

Table 4 shows that out of the twelve constraining factors, only five have Eigenvalues greater than one. The total variance explained by these components accounted for about 70.2% of the variations. The most essential component accounted for about 23.8%, the next 14.2%, 11.5%, 11.0% and 9.7% with the Eigenvalues of 2.9, 1.7, 1.4, 1.3 and 1.2 respectively.

The scree plot also suggests that only five factors are adequate for extraction.

The rotated factor matrix presented in Table 5 indicates that a five-factor solution is appropriate and adequate in explaining the constraint/problems encountered by informal sector workers in Ho Township. The rotation of the factors presents an opportunity to have a simpler factor structure that can be meaningfully interpreted, the rotated factor matrix below indicates the following:

Table 4. Total variance explained

Components	Eigen value	% Variation	Cumulative %
1	2.9	23.8	23.8
2	1.7	14.2	38.0
3	1.4	11.5	49.6
4	1.3	11.0	60.6
5	1.2	9.7	70.2
6	0.8	6.5	76.8
7	0.7	5.7	82.5
8	0.6	4.6	87.1
9	0.5	4.2	91.3
10	0.5	3.8	95.1
11	0.3	2.6	97.7
12	0.3	2.3	100.0

Source: Researchers' construct (2015)

6
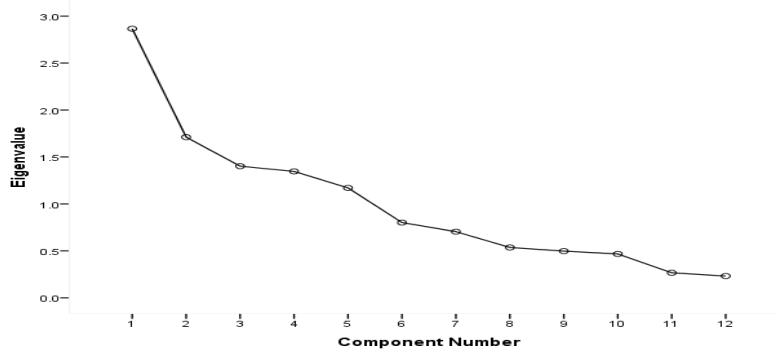
Fig. 2. The scree plot

Table 5. Rotated factor matrix

Variable	Component				
	1	2	3	4	5
x1	.26	.74	.14	-.15	-.38
x2	-.26	-.16	.65	.34	-.30
x3	-.15	.34	-.22	.77	-.03
x4	-.04	.05	.13	.00	.92
x5	.60	.33	.13	.15	.21
x6	.77	-.06	.15	-.09	-.25
x7	.17	-.23	.05	.77	.03
x8	.64	-.07	-.05	.42	.28
x9	.68	.22	.10	-.09	-.07
x10	.20	.11	.76	-.24	.19
x11	.34	.24	.69	-.09	.14
x12	.08	.81	.07	.06	.26

Source: Researchers' Construct (2015)

The first component has significant loadings from four indicators, lack of raw materials/do not know where to buy goods (X_5), lack of infrastructures (X_6), harassment from the authorities (X_8) and Low level of sales (X_9). The correlation matrix also indicated that the above variables have significant correlations among themselves, however harassment from authorities has a significant correlation with restrictive laws from the government thus it would be wise to group them together, hence its presence would be neglected when naming this group. The three remaining variables (X_5, X_6 and X_9). X_5 & X_6 have to do with lack of resources, whilst X_9 has to do with low level of sales. Thus, this component can be named "Lack of Resources and Viability Factor".

The second component has high loadings from start-capital (X1) and Competition (X12), the two indicators also have high correlation between them, and thus this component can be named "Start-Up Capital and Competition Factor".

The third factor has significant loadings from finding the right place to do business (X2), lack of social protection (X10) and Lack of occupational, health and environmental safety. All three variables have something to do with Job security, thus it would be named as the "Lack of Job Security Factor".

The significant loadings on the fourth factor come from Securing Permits (X3) and Restrictive laws from the government (X7). However, the correlation analysis indicated that X7 and X8 have significant correlations and since it has to do with harassment from the authorities, we can conclude that the three indicators have to do with "Government Regulations/Policies factor".

The final factor has its loading from one indicator i.e. Lack of skills and knows how to run the business (X4) and this indicator has the highest loadings of all the twelve variables. Simply stated this factor has to do with lack of entrepreneurial

Table 6. Varimax transformation matrix

Component	1	2	3	4	5
1	.751	.466	.446	-.067	.125
2	.238	-.013	-.319	.888	.233
3	-.310	-.075	.352	-.022	.879
4	.237	-.794	.506	.155	-.183
5	-.477	.383	.565	.428	-.351

Source: Researchers' construct (2015)

skills to manage the business. Thus, it would be named as "The Lack of Entrepreneurial Skills Factor".

The next output presents the five salient factors in order of their importance, the Varimax transformation matrix provides this:

The first factor (Lack of Resources and Viability Factor) is the first most important of all the five factors, the fourth factor i.e. "Government Regulations/Policies factor" is the second most important constraint/ challenge in the informal sector in Ho Township, the third most important factor is Lack of Entrepreneurial Skills, the second factor is the fourth most important factor i.e. Start-Up Capital and Competition, and the third factor (lack of job security) is the fifth most important factor constraining workers in the informal sector in Ho Township.

5. DISCUSSION OF RESULTS

Evidence pointing to the involvement of more males (58.4%) than females (41.6%) in the informal sector appears to contradict popular opinions that depict the informal sector as being dominated by vulnerable women and children, on the other hand, this finding might be as a consequence of the study area, which was conducted in Ho Township, the capital of Volta Region, thus the involvement of children might not be prominent in this semi-urban settlement as compared to rural areas. For instance, it was asserted by Osei-Boateng and Ampratwum [13], that Children's engagement in economic activity in most parts of Ghana is considered a socialization process to prepare them for adulthood. Thus, in Ghana socio-economic practices have sometimes confused the difference between child work and child labour. For instance, most families in Ghana assume it is right to train children in their economic activity (be it farming or fishing) as a way to ensure they acquire the relevant skills. By so doing, some children are withdrawn from school and bonded in labour in disguise of apprenticeship in work that affects their development.

The desire to make more money being one of the alluring opportunities in the informal sector is in tandem with findings from a study on domestic workers in Accra by Osei-Boateng [2], who noted that workers involved in the study earned between GH ₵ 80 [USD$ 57] and GH ₵ 100 [USD$71.4]. This was above the minimum wage of GH ₵ 71.55 [USD$51.1] in 2010. Perhaps this might be a likely reason for most educated individuals choosing to find employment in the sector, and this could also be the reason for the finding that more males are getting involved in the informal sector.

The lack of job security in the sector is one of the major challenges faced by workers, incidence of job insecurity in the informal sector abounds, for instance, whilst the majority of informal sector workers are self-employed and are in control of their income, the incomes generated in the informal sector are often irregular and can be subjected to environmental (weather) and market factors, thus giving rise to income insecurity. Apart from incomes, informal sector according to Apt & Amankrah, [8], and King & Oppong, [9]) is characterized by poor environmental conditions where majority of workers operate from their residential premises and others work from public places like temporary shed and structures; under trees or open spaces, Street hawkers do not have fixed vending sites; they move from one street to another in search of patronage of their wares. Poor public and environmental health, in both the residential and market areas where informal sector workers operate, is a major urban problem in Ghana and jeopardizes the health of many informal workers.

It is also worthy of note that the emergence of government regulations and policies as a constraining factor in the informal sector might constitute a major finding in this study. Since the informal sector is often considered to be unregulated by the government, how could it then be said that governmental policies are constraints towards the development of the

sector? This question should form an interesting basis for further research.

6. CONCLUSION

Evidence from this study suggests several important conclusions, firstly informal sector workers in Ghana appear to be made up of well-educated individuals, also the sector is dominated by micro level sole proprietorship, with external labour coming predominantly from paid laborers, furthermore, examination of the alluring opportunities in the sector revealed that the informal sector being a means to earn a living, and the freedom associated with being an informal sector worker makes it an attractive option for many. Finally, five salient factors were found to be constraining the growth of the informal sector in Ghana, namely; Lack of resources and viability factor, government regulations/policies factor, lack of entrepreneurial skills, start-up capital and competition, and the perceived lack of job security in the informal sector.

Meriting serious consideration for further studies is the finding that government regulations and policies are considered to be constraints in the sector, this is important because the government's policy that is supported by the IMF/World Bank driven economic policies is to expand the informal sector for the following purposes: Creating jobs for new entrants and shed labor from the public formal sector, Unleashing the creative potential and innovative as well as entrepreneurial powers of artisans to stimulate growth and Producing cheap goods and services for mass consumption [6]. Thus, any regulation or policy that works against the attainment of the above stated objectives must be identified and appropriately amended.

A major limitation of the five extracted components has to do with naming the factors after determining the significant loadings on each component; thus, the names given to each factor are more of the researchers' perceptions since the loadings on one factor usually comes from more than one indicator, and as such the names given to the factors may probably not reflect all the variables that are loaded highly on that factor.

It is also worthy to note that the outcomes from this study may not be reflective of the prevailing conditions in the whole of Ghana's informal sector, this shorting coming on generalization might be attributed to this study being focused only one region and specifically one town, thus to enhance the reliability and validity of the findings from the study, there is need to replicate this study with a larger sample size that is reflective of views from more informal sector workers in at least most parts of Ghana's ten regions.

In view of these findings, this study recommends the following;

1. Government should establish institutions that will help to train the youth and deprived the needed entrepreneurial skills, doing this will enhance their earning potentials and contribute significantly to the development of the informal sector.
2. The Establishment of business incubation centers that would help start-ups with the needed consultancy services where needed should be encouraged, and to continually monitor the progress of the startups and help create the needed value chain linkages for these startups
3. That the government should establish Investment funds that can easily be accessed by upcoming entrepreneurs whose business ideas or plans have been considered to have good potentials for growth by the incubation centers
4. The focus of government should be in selected areas of the economy especially Agriculture etc. that can create sustenance for the economy.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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APPENDIX

HO POLYTECHNIC
DEPARTMENT OF MATHEMATICS AND STATISTICS
OPPORTUNITIES AND CONSTRAINTS IN GHANA"S INFORMAL SECTOR

Research Questionnaire

This research is strictly for academic purpose, I hereby guarantee my willing respondents that the information provided shall be treated with utmost confidentiality.

Please tick as applicable

A. SOCIO-ECONOMIC DATA

1. Please indicate your   gender
(a) Male   [ ]   (b) Female   [   ]
2. Age:
(a) below 18yrs [ ]   (b) 18-25yrs [ ]   (c) 26-35yrs [ ]
(d) 36-45yrs [ ]   (e) 46-56 yrs. [ ]   (f) Above 56yrs [ ]
3. Marital status
(a) single [ ]   (b) married [ ]   (c) Divorced [ ]
(d) Separated   [ ]   (e) Widowed   [ ]
4. Level of education (a) Basic [ ]   (b) JHS [ ]   (c) SHS [ ]   (d) tertiary [ ]
(e) others [ ]

B. TYPE AND NATURE OF BUSINESS

1. What type of business do you operate? ....
2. Is your business owned by: (a) Only you [ ]   (b) You and your family [ ]
(c) You and a partner [ ]   (d) A group of people   [ ]
3. How did you acquire the premises you operate your business?
a) Family property (b) rented (c) purchased (d) from my residence
4. Does this work comply with your qualification? (a) Yes [ ]   (b). No, it is below   my qualification [ ]
(c) No, it is above my qualification [ ]
5. Is this business your only source of income? (a)Yes [ ]   (b) No [ ]
If No, what are your other sources of income?
(a)   [ ] Doing other informal sector business; describe …………………………
(b)   [ ] working in the formal sector.
6.   How many hours do you usually work in a day?   (a) Four hours or less [ ]
(b) Five to seven hours [ ]   (c) Eight hours [ ]   (d) Over eight hours [ ]
7.   Do you pay any levy to any governmental authority? a) Yes   [ ]   b) No   [ ]
8. What sources of labor do you use in your business? Please tick as many as applicable
(a) Paid workers   [ ]
(b) Support from family/relatives   [ ]
(c) Only me   [ ]
(d) Apprenticeship   [ ]
9. How much is your average sales per day? …………………………………..

C. FACTORS INFLUENCING PEOPLE TO WORK IN THE INFORMAL SECTOR

Please thick as many as applicable the factors that influenced your decision to be engaged in your business

S/N	Indicator	Scale
1	This is the only way I know to earn money	
2	This is the only way to support my family	
3	While waiting or looking for a job	
4	Out of job and need to earn money	
5	I don't want to work for someone	
6	To complement my income from the formal sector	
7	More money can be made in the informal sector than the formal	
8	Flexibility of working schedule	
9	Lack of formal education	
10	Want to be my own boss	
11	It's a family business	
12	It gives me more time	

D. PROBLEMS AND CONSTRAINTS AFFECTING INFORMAL SECTOR BUSINESS

The following are constraints facing the informal sector, please indicate the extent to which you feel the following indicators affect the sector. Use the Likert scale below:

1= strongly agree   2= Agree   3= Uncertain   4= Disagree   5= strongly disagree

S/N	Indicator	Scale
1	Money or start- up capital	
2	Finding the right place to do business	
3	Securing permits and complying with laws/regulations	
4	Lack of skills and know-how to run the business	
5	Lack of raw materials or do not know where to buy goods	
6	Lack of infrastructure e.g. roads, electricity etc.	
7	Restrictive laws from the government	
8	Harassment from the authorities	
9	Low level of sales	
10	Lack of social protection	
11	Lack of Occupational, Health and Environmental Safety	
12	Competition and jealousy from others	

Code Book

Question	Variable	Values
A1	Gender	1= Male; 2= female
A2	Age	1= Below 18 ;2=18-25; 3=26-35; 4=36-45 ;5=46-56 6=56 and above
A3	level of education	1= Basic; 2= JHS; 3= SHS 4= Tertiary
A4	marital status	1= Single;2 = Married 3= Divorce; 4= Widowed 5=widowed
B1	Type of business	1=agriculture;2=manufacturing 3=sevices;4=construction
B2	educational program	1= only you; 2=you & family 3= you & partner;4=a group
B3	Ownership	1=family;2=rented;3=purchased 4=from residence.
B4	Job & qualification	1= yes; 2=No &below;3= No &above

B5	Only source of income	1= yes ; 2=No
B5a	What informal business	
B6	Hours of work	1= < 4; 2=5-7 ;3=8 ; 4=> 8
B7	Levy	1=yes ;0= No
B8a	Paid workers	1= Yes,0=elsewhere
B8b	Support from family	1= Yes,0=elsewhere
B8c	Only me	1= Yes,0=elsewhere
B8c	Apprenticeship	1= Yes,0=elsewhere
B9	Average daily income	
C1	Only way to earn money	1= Yes,0=elsewhere
C2	Support family	
C3	Waiting for job	1= Yes,0=elsewhere
C4	Out of job	
C5	Don't want to work for someone	1= Yes,0=elsewhere
C6	Complement my income	
C7	More money in informal	1= Yes,0=elsewhere
C8	Flexibility of working	1= Yes,0=elsewhere
C9	Lack of education	1= Yes,0=elsewhere
C10	Want to be my own boss	1= Yes,0=elsewhere
C11	It's a family business	1= Yes,0=elsewhere
C12	It gives me more time	1= Yes,0=elsewhere
D1	X_1	1=SA ; 2=A ;3=U;4=D; 5=SD
D2	X_2	1=SA ; 2=A ;3=U;4=D; 5=SD
D3	X_3	1=SA ; 2=A ;3=U;4=D; 5=SD
D4	X_4	1=SA ; 2=A ;3=U;4=D; 5=SD
D5	X_5	1=SA ; 2=A ;3=U;4=D; 5=SD
D6	X_6	1=SA ; 2=A ;3=U;4=D; 5=SD
D7	X_7	1=SA ; 2=A ;3=U;4=D; 5=SD
D8	X_8	1=SA ; 2=A ;3=U;4=D; 5=SD
D9	X_9	1=SA ; 2=A ;3=U;4=D; 5=SD
D10	X_{10}	1=SA ; 2=A ;3=U;4=D; 5=SD
D11	X_{11}	1=SA ; 2=A ;3=U;4=D; 5=SD
D12	X_{12}	1=SA ; 2=A ;3=U;4=D; 5=SD

Where;
SA = Strongly Agree, A = Agree; U= Undecided D= Disagree SD = Strongly Disagree.