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Ministry of Housing and Public Works
Urban Development Directorate (UDD)

Preparation of Development Plan for Fourteen Upazilas
Package-01
(Dohar Upazila, Nawabganj Upazila, Dhaka and Shibchar Upazila,
Madaripur)

DRAFT SURVEY REPORT
Formal-Informal Economic Survey
of
Shibchar Upazila, Madaripur

December, 2016
Desh Upodesh Ltd. In Association with AIBL & TechSuS

LETTER OF TRANSMITTAL

To,

08th December, 2016

PD

**Preparation of Development Plan for Fourteen Upazilas
Urban Development Directorate (UDD)
82, Segun Bagicha, Dhaka-1000, Bangladesh**

Sub: Submission of Shibchar Upazila Formal-Informal Economic Survey Report.

Please find attached to this letter, the Formal-Informal Economic Survey Report of Shibchar Upazila of Package-1 of the project 'Preparation of Development Plan for Fourteen Upazilas'. The report has been prepared based on Terms of Reference and the subsequent instructions received from your office time to time.

Hope the current report will meet your requirements.

Thanking you so much.

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EXECUTIVE SUMMARY

The Formal-Informal Economic Survey Report data was collected, both, from primary and secondary sources. Under Formal Economic Survey, data for hat/bazar was collected from 10 hats/bazaars using standard questionnaire and also through focus group discussion. It is found that 60% of the hat/bazar are operated by the bazar owners. They also own the bazar land. In 90% cases transportation of goods is done through roadway. Waste generated in bazars is mostly dumped in nearby fallow land or wet land. In 90% bazars, on average, the daily transaction is about Tk.1,12,666. All markets enjoy power supply facility. Ninety percent bazar enterprises use tube well as their source of water supply.

In Shibchar Upazila, the total number of Bank and Insurance Companies working is 12 and 10 respectively. The total number of Bank subscribers is 69,770. Total loan disbursed by all the banks is Tk. 83 lakh 4 lakh. Total due loan is 83 crores 4 lakh. Total Agricultural loan disbursed by the Banks in the study area is Tk. 16 crore 30 lakh. The number of insurance service recipients is 2,300. Total number of premium due subscribers is 1,315 and total premium collected is Tk. 83,35,000.

NGOs crucial role in raising the livelihood of rural masses through income generation. In Shibchar 10 NGOs and a number of CBOs are functioning. They mostly provide micro-credit for income generation. Other social activities include health and education services.

The so called industries are mostly processing units. Thus, there hardly any formal type of industry in the upazila in real sense. Only all industries reported working within Paurashava have trade license, none have any environmental clearance. All industries use tube well as their source of water. About 80% use sanitary latrines. All have power supply and 60% enjoy regular power supply. Almost no industry has medical facility for their workers. The workers do not receive any formal training. They learn through working. The industry owners complain of bad communication, waste disposal problem, bureaucratic hassle, and dearth of skilled manpower as their problems.

Informal sector enterprises mostly sell consumers goods of daily necessity and some giving professional services. Some of them were doing business sitting permanently, some have temporary establishments, some doing business moving on non-motorized vehicle and others were moving with head load. About 50% of them invested between Tk. 10,000 to Tk.50,000. About 30% of the investor had to take credit for doing business. They trade on a large variety of goods and services and sale them at low price. Over 71% of their consumers belong to Middle-Middle income groups. Only 30% have permanent establishments and rest do business either on open sky or under temporary structure or on mobile vehicles. Except a few, most of them do business round the year 7 days a week. About 60% of the investors earn an income within Tk. 10,000 a month. As they usually do business on street side and on public land, they are always at risk. About 30% have to face police harassment. The low income informal traders sometimes have to shift business or occupation due to various reasons, like, bad weather, eviction, locational disadvantage.

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Urban Economist

Abbreviations and Acronyms

AIDS	Acquired Immune Deficiency Syndrome
ADP	Annual Development Programme
BBS	Bangladesh Bureau of Statistics
BKB	Bangladesh Krishi Bank
COR	Capital Output Ratio
CZP	Coastal Zone Policy
CBO	Community Based Organisation
DAE	Department of Agriculture Extension
DM	Disaster management
DR	Disaster Reduction
FY 16	Financial Year 2016
GDP	Gross Domestic Product
GC	Growth Centre
ICT	Information and Communication Technology
ICZM	Integrated Coastal Zone Management
MDG	Millennium Development Goals
NMD	National Disaster Management Plan
NGO	Non-Government Organisation
PRS	Poverty Reduction Strategy
PD	Project Director
SFYP	Sixth Five Year Plan
UNICEF	United Nations Children Fund
UNDP	United Nations Development Program

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CHAPTER-1: INTRODUCTION

1.1 Introduction

During last four decades since independence, Bangladesh has made a significant headway towards economic progress. Its real per capita income has increased by more than 130 percent, poverty rate has been cut by sixty percent, and it is well set to achieve most of the millennium development goals (SFYP, 2011-2015). Some significant achievements in the development path are, reduction of total fertility rate from 7.0 to 2.7; increasing life expectancy increase from 46.2 years to 66.6; increasing the rate of economic growth from an average rate of 4% in the 1970s to 6% in the 2000s and to 7.11% in 2015; increasing the savings and investment rates from below 10 percent each in the 1970s to 24 percent (investment rate) and 30 percent (savings rate) in FY10. Attaining the target of gender parity in primary and secondary education; and more than three times increase in production of rice, near to achieving self-sufficiency in food production.

Despite spectacular achievement it is a reality that the Bangladesh is still a low income country with poverty, inequality and deprivation. There is still an estimated 47 million people living under the clutches of poverty. Majority of the labor force is engaged in the low paid informal activity. There not unlimited access to secondary and tertiary education (SFYP,2011-2015). The poorer section of the society is under severe deprivation.

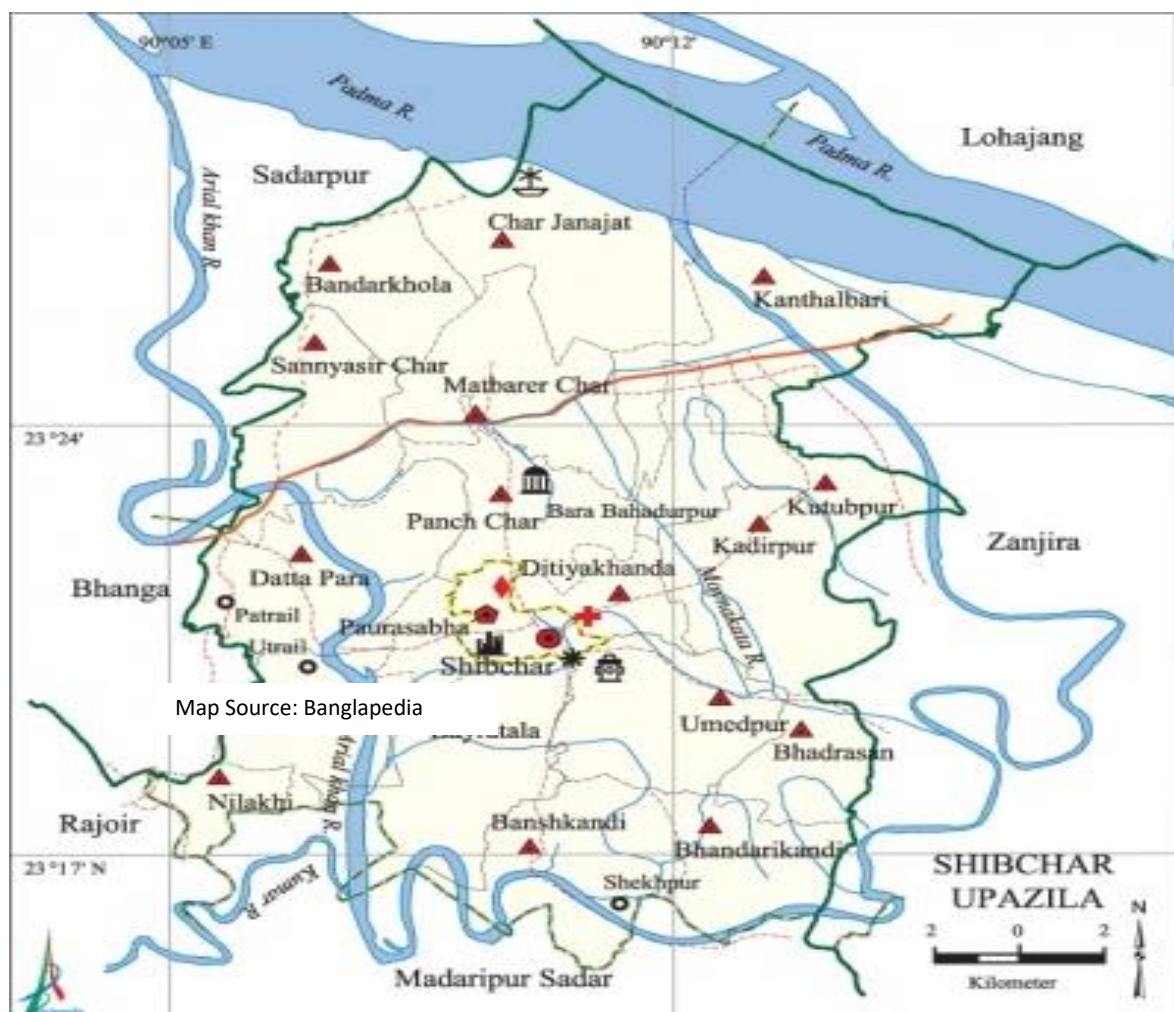
A mix of formal-informal sector economic activities made contribution to attain the progress in the national economy. However, formalization of the informal sector is extremely slow that delays the uplift of the large poor groups.

Upazilas are the root level economic units of the nation. Combining the performance of upazilas that the national accounts are prepared. Upazilas have, both, formal and informal economic activities. Since upazilas are dominated by rural-agricultural activities the informal economy is more prominent here than the formal sector.

Under this report a review and analysis has been carried out on the formal-informal economic activities of Shibchar Upazila. The study has been done based on analysis of some sample cases. Under formal sector four important economic sub-sectors have been studied. These are, hats and bazars, bank and insurance, NGOs and industries. In informal sector, from ten spots 10 informal traders have been studied to unveil their pattern of activities, items traded and income earned.

1.2 Shibchar Upazila Profile

Shibchar Upazila lies under Madaripur district comprising an area of 332.9 sq. km (Shibchar Upazila at a Glance, 2015). The upazila is comprises of 19 unions and 519 villages and a Paurashava.



Map-1.1: Shibchar Upazila (LGED, 2016)

1.2.1 Demographic Features

The population census of 2011 shows population of the Upazila as 3,18,220 where Muslim 306034 (96.17%), Hindu 12165 (3.82%), Buddhist 13, Christian 8 and others 9. The population density in 2011 was 989 persons per square km.

1.2.2 Transport and Communication

According to BBS (2011), the upazila has, in total, 770.7 km of road network with 145 km pucca road 125 km semi-pucca road, 501 km of earthen. Dhaka-Khulna-Barisal Highway passes through the upazila. It also has 1350 km of water ways during monsoon, while 75 km water way can be used round the year. The Padma river passes by the north-western periphery of the upazila.

Shibchar is well linked with surrounding upazilas and districts including the capital city Dhaka via Mawa Ghat. From Dhaka one can reach Shibchar town in 3 hours (ferry) and 1.45 hours crossing the river by speed boat. It is well connected with Madaripur and Shariatpur district headquarters. Dhaka-Khulna Highway passes through the upazila. Using the road one can easily move to Barisal and Patuakhali in the south and Khulna, Satkhira and Jessore in the north and north-west, apart from Faridpur and Magura.

1.2.3 Education

Average literacy rate of the Upazila, in 2011, was 43.50%. The upazila has 1 primary school for every 1890 population, while nationally there is one school for every 1380 population. Among educational institutions, the upazila has 6 colleges, 38 secondary schools, 175 primary schools, 2 satellite schools, 11 community schools, 79 madrasahs.

Table-1.1: Basic Statistics About Shibchar Upazila

Population (Enumerated)	Data
Both Sex	3,18,220
Male	1,56,508
Female	1,61,712
Urban	24,154
Other Urban	7,957
Rural	2,86,109
Annual growth rate	-0.19
Households (HH)	
Total	69,623
Urban	5,527
Other Urban	1,736
Rural	62,360
Average HH Size	4.53
Area sq. km	332.9
Density per sq. km	956
Urbanization (%)	10.09
Literacy (%)	
Both Sex	43.5
Male	44.6
Female	42.4
School Attendance (5 to 24 years) (%)	53.5
Male	53.9
Female	53.2
Geographic Unit	
Union	19
Mauza	101
Village	519
Paurashava	1

BBS, 2011 Community Series-2011

1.2.4 Utility Service

a. Electricity: About 45% households have electricity connection. In the upazila 83 villages so far have been provided with electricity connection. About 87,067 households enjoy power connection.

b. Drinking Water: About 95% of the upazila households have access to safe drinking water. The sources of drinking water are, tube-well 96.90%, tap 0.5% and other sources (Population Census Report, 2011).

c. Major Offices and Services: Shibchar Upazila has one fire station and four police camps. In order to render better serve the people of the Upazila with land issues, there are land *tahshil* offices in each union.

1.2.5 Health Facilities

Among the public sector health facilities, the Upazila has one health complex with 50 beds, 15 union health and family welfare centres, 3 unions sub-health centre, 29 community clinics, 72 satellite clinics, 4 family planning centres.

1.2.6 Economy

The economy of the upazila is primarily based on agriculture as it is the main sources of income of the people of the Upazila. Cottage industries, like, goldsmith, blacksmith, weaving, handloom, embroidery, wood work, bamboo work are available. The upazila has only 15 hand loom factories of which only 5 are in operation. No notable industrial concern exists. There are about 215 cottage industries of different kinds in the upazila in which 1075 persons are engaged as workers.

Only two handloom factories there are there with 15 looms of which only one thirds are operational. Engagement of people in this handloom industry is very negligible at present only 10 people are employed (BBS, 2011). Please see **Table-1.2**.

Table-1.2: Handloom Establishment

Operational		Number
Number of unit (factory)		2
Number of loom	Operational	5
	Non-operational	10
	Total	15

Source: Madaripur District Statistics; Population Census 2011, BBS.

More than two hundred cottage industries are there in the Upazila, where more than thousand people are employed. Among them 60% are household based and in rest 40%, the labour is hired from outside the family (**Table-1.3**).

Table-1.3: Number of Establishment and Person Engaged in Cottage Industry

Item		Number
Number of unit		215
Person engaged	Family	645
	Hired	430
	Total	1075

Source: Madaripur District Statistics; Population Census 2011, BBS.

Regarding the sector of employment in this upazila, 74.60% is engaged in agriculture, 5.35% in industry and 20.04% are engaged in the service sector (*Madaripur Community Tables, BBS, Population Census 2011*).

1.2.7 Main Sources of Income

Major share of people's income come from agriculture. Agriculture contributes 63.95% of the household income, non-agricultural laboring gives 2.16%, industry 0.81%, commerce 14.57%,

transport and communication 2.18%, service 6.16%, construction 1.22%, religious service 0.15%, remittance give 0.71% and others 8.09% (BBS,2011).

1.2.8 Selected Farm and Non-Farm Economic Activity Data

The upazila has 3 hatcheries and 1 artificial breeding centre; 82 poultry farms and 22 dairy farms. Please see **Table-1.4**. Trading in the upazila is carried out through 67 hats and bazaars including 6 growth centres (*Upazila at a Glance,2015*). The main exports of the upazila are, Jute and paddy.

Table-1.4: Number of Growth Centre, Hat/Bazar and Other Economic Activities

Item	Number
1. Growth centre	6
2. Hat/bazaar	67
3. Poultry farm	82
4. Dairy farm	22
5. Hatchery	96
5. Nursery	4
7. Brick kiln	13
8. Decorator	55

Source: *Upazila at a Glance,2015, Shibchar Upazila Parishad.*

1.2.9 Agriculture

The main crops of the upazila are Boro paddy, Aman paddy, potato, jute, mustard, pulse. Main fruits of the upazila are, mango, guava, papaya, jack fruit, coconut, litchi, banana etc.

Upazila has 59273 acres of total cropped area;42988 acres of permanent cropped area;842acres of temporary cropped area and 14975acres are fallow land. The upazila has 81787 acres of single cropped land, 53222 acres of double cropped land and 14494 acres of triple cropped land.

Regarding ownership of agricultural land, 65.77% of the farm land belongs to the land owners. About 34% is landless (*BBS,2011*).

Table-1.5: Land Area Based on Utilization

Item	Amount (Acre)
Permanent cropped area	42988
Temporary cropped area	843
Permanent fallow area	14975
Total area	59273

Source: *Agricultural Census, BBS,2008*

Total land area under cultivation of major crops and vegetation like paddy, wheat and tomato covers about 26836 acres. There is a shortfall of irrigation facilities in the upazila, since only 43% lands are under regular irrigation.

Table-1.6: Land area Under Irrigation for Selected Crops

Item	Amount (Acre)	
Paddy	Total area	21800
	Irrigated area	10758
Wheat	Total area	4792

	Irrigated area	618
Potato	Total area	244
	Irrigated area	244

Source: Agricultural Census, BBS,2008

1.2.10 Poultry

In case of poultry rearing, the major poultries are, hen, cock, duck and other birds. The number of poultry indicates that most of the households who reported to rear poultry, they do it for commercial purposes (**Table-1.8**).

Table-1.8: Selected Poultry/Birds

Item		Number
Hen and cock	Holding reporting	227
	Total number	218888
Duck	Holding reporting	118
	Total number	50970
Others	Holding reporting	25
	Total number	11000

Source: Agricultural Census, BBS,2008

1.3 Methodology of Data Collection

1.3.1 Data Collection

For this study report all thematic data have been collected through primary level investigation/interview and consultation with the stakeholders and duly filled-in standard questionnaire prepared by the Consulting Firm. Sample questionnaire used for data collection is provided in **Annexure-I** and the Photographs of stakeholders' consultation/interview are provided **Annexure -II**.

Formal and Informal Sector Economic Survey and Data Collection design is presented below:

a. Formal Sector

Information on formal sector has been collected mostly from the secondary sources. However, there is also primary level information collected directly from the field. Direct inquiries of large employees, Chambers of Commerce, trade organizations, owners' associations and Labour Unions were conducted. Besides, relevant Government agencies (Bureau of Statistics, Ministry of Industry) published reports on employment; investment, production etc have been analyzed. Furthermore, Officials records of Shibchar Paurashava are also a valuable source of information.

For formal Sector data collection, first of all, ten hats-bazar have been studied out of total sixty-seven. Structured questionnaire was duly filled in, and information and observations were recorded. Similarly, 20 Bank-Insurance (10 Bank and 10 Insurance Companies) functioning in the Study Area have also been visited for collecting data. The same procedure was followed in collecting data from all of NGOs operating in the study area. For industrial survey questionnaire relevant were prepared and data collected from respective industries from the field.

b. Informal Sector

For collecting informal sector data at first, the nature of informal sector activities in the study area were identified. For this reconnaissance survey was conducted across the Upazila. Activities were mostly found in the service sector, with a small number of manufacturing units.

Sample surveys were conducted at the household level and the business unit level in trading centers with the help of two separate sets of questionnaires. The household surveys were designed to collect information on employees, type and nature of employment, income level, etc. The business unit level survey was conducted to collect information on investment, production, products for local consumption and export. Under Informal Sector Economic Survey 10 trader/sellers operating in different locations, both in rural and urban areas of the upazila, were interviewed/consulted. Standard questionnaire was used for data recording.

Because of small size, all the data collected were processed and tabulated manually. For production of tables, charts and graphs computer was used.

1.4 Review of National Plans and Policies

The national development plans and policies have implications with upazila level plans. Because upazila level development projects are undertaken and budgets are allocated according to the national level policies and planes. So it is important to see what national level plans and policies are there that are going to shape up the upazilas. National development plans are prepared considering the overall needs and aspirations of the country with respect to different sectors of development. Any development initiative at the local level must relate to the national level plans and policies in order to achieve cohesion and integrity with overall development of the country and to attain the national development objectives. Following is brief review of some selected national development plans and strategies.

1.4.1 Perspective Plan 2021

Government has embarked on a Perspective Plan (2010 - 2021) with the aim to implement **Vision 2021**. The vision sets the goals to turn an impoverished nation into a prosperous and progressive nation by the year 2021, where there will be sufficient food and energy security, with drastic reduction of poverty and level of unemployment. The plan is destined to attain great strides in human development covering health and nutrition and effective population control. Commendable progress is aimed to be achieved at all levels of education- primary, secondary and tertiary with substantial development in science and technology, including ICT. A primary aim of the plan is Infrastructure development including integrated multi-modal transport encompassing, railways, roads and inland water transport. Improved connectivity with our neighboring countries will be emphasized to boost inter-regional movement and international trade.

The development perspective of the plan will simultaneously fulfill the economic and social rights of the people and meet civil and political aspirations. To attain these objectives integration of economic growth and expansion of employment opportunities,

reduction of poverty, expansion of democracy and empowerment, consolidation of cultural identity and protection of environment is necessary.

Execution of the **Perspective Plan** will boost agriculture and industrial growth in Shibchar Upazila. With improved connectivity, new markets for agro-products will open up leading to increased production and higher income of the farmers. New investors industrial sector will find it profitable to invest in this upazila taking advantages of cheaper land, better connectivity and cheap labour. With increased employment and income standard of living of the people of the upazila will rise. Local commercial activities will increase generating more employment.

1.4.2 Millennium Development Goals (MDGs)

Millennium Summit was held in September 2000, following that the United Nations issued the Millennium Declaration signed by 189 countries. The countries made commitments to achieve a series of targets of development, most of which are targeted at 2015. This declaration is known as Millennium Development Goals (MDGs). The Millennium Development Goals is a road map for the international community's efforts for development. The declaration set to achieve eight goals as follows:

1. Eradicate extreme poverty and hunger;
2. Achieve universal primary education;
3. Promote gender equity and empower women;
4. Reduce mortality;
5. Improve maternal health;
6. Combat HIV/AIDS, malaria and other diseases;
7. Ensure environmental sustainability;
8. Develop a global partnership for development;

1.4.2.1 Status of Bangladesh in Achieving MDGs

Bangladesh has already achieved several targets of the MDGs like, reducing headcount poverty and poverty gap ratio, gender parity at primary and secondary education, mortality rate reduction, improving maternal health, containing HIV infection, reducing malaria infection, detection and cure rate of TB. Remarkable achievement has been made in curbing the prevalence of underweight children, increasing enrolment at primary schools, lowering the infant mortality rate and maternal mortality ratio, improving immunization coverage and reducing the incidence of communicable diseases.

Following is a brief statement of the status of achieving MDGs:

Goal 1: Eradicate Extreme Poverty and Hunger

The inclusive growth strategy undertaken by the government has resulted in impressive poverty reduction from 56.7 percent in 1991-92 to 31.5 percent in 2010. According to the latest HIES 2010 data, the incidence of poverty has declined on an average 1.74 percentage points in Bangladesh during 2000 to 2010 against the MDG target of 1.20 percentage points. Bangladesh has already met one of the indicators of target 1 by bringing down the poverty gap ratio to 6.5 against 2015 target of 8.0. The estimates suggest that the MDG target of halving the population living below the poverty line (from 56.7 percent to 29.0 percent) has already been achieved by 2012.

Goal 2: Achieve Universal Primary Education

The country has made significant breakthrough in increasing equitable gender access in education (NER: 97.3 percent), reduction of dropouts, improvement in completion of the cycle, and implementation of a number of quality enhancement measures in primary education level. The country has achieved gender parity at primary and secondary level enrolment.

Goal 3: Promote Gender Equality and Empower Women

As mentioned earlier, Bangladesh has already achieved the targets of gender parity in primary and secondary education. This has been possible for taking effective measures for promoting female education, like, stipends and exemption of tuition fees for girls in rural areas, and the stipend scheme for girls at the secondary level. With a view to achieve overall national development through enhanced female education and women empowerment, Education Trust Fund for students of graduate or equivalent level has been established and a fund of Tk 1,000 crore has been allotted for the current year. About 1.33 lakh female student would receive Taka 75.15 crore from this fund.

Steady improvement is marked in the social and political empowerment scenario of women in Bangladesh. There is a sharp increase in the number of women parliamentarians elected (20 percent of total seats) in the last national election. But female wage employment for is still at low level. Data shows, only one woman out of every five gets job in wage employment in the non-agricultural sector.

Goal 4: Reduce Child Mortality

Bangladesh is on sound level in meeting the above target. There are three different indicators to achieve that goal. These are, under five mortality rate, infant mortality rate and immunization against measles. There were successful programs for immunization, control of diarrhea diseases and Vitamin A supplementation that made significant contributions to the decline in child mortality rates.

Goal 5: Improve Maternal Health

Bangladesh Maternal Mortality Survey (BMMS) data indicates, maternal mortality in Bangladesh declined from 322 in 2001 to 194 in 2010. This is a 40 percent decline in a period of nine years. The average rate of decline from the base year has been about 3.3 percent per year. The average

annual rate of reduction was fixed at 3.0 percent for achieving the MDG in 2015. According to BMMS 2001 and 2010, the overall mortality among women in the reproductive ages has consistently declined during the said nine years.

Goal 6: Combat HIV/AIDS, Malaria and Other Diseases

Performance of Bangladesh has been commendable in tackling the communicable diseases, like, HIV/AIDS, Malaria and TB. Data indicate that the prevalence of HIV/AIDS in Bangladesh currently is less than 0.1 percent which is below an epidemic level. As per National AIDS/STD Programmes (NASP), condom use rate was 43.33 percent in 2013. Data collected by National AIDS/STD Programmes (NASP), proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS was 17.70 percent in 2013.

There was a significant progress in the reduction of malarial deaths in the country over the years. In 2005 the prevalence of malaria per 100,000 populations was 441.5, that was reduced to 202 in 2013.

The rate of death caused by TB was 61 per 100,000 populations in 1990. In 2012 it came down to 45. This indicates that the country is on track to achieve the goal.

Goal 7: Ensure Environmental Sustainability

The country has only 13.20 percent of its land with tree cover. This gives a density of 30 percent and above. The tree cover area is much lower in the country compared to the target set for 2015. Since 1991, there has been a steady increase in CO2 emission in Bangladesh because of increasing development interventions and activities. In 2012, the emission was 0.32 tons per capita. At present the proportion of terrestrial and marine areas protected is 1.83 percent which is much less than the target of 5 percent. Data show that 97.9 percent of the population of is using improved drinking water source and 55.9 percent is using healthy sanitation in 2012-2013. In future, however, access to safe water for all will remain as a challenge, as arsenic and salinity intrusion due to climate change impact will affect supply of safe water. Poor are likely to be the worst affected.

Goal 8: Develop a Global Partnership for Development

Bangladesh, on an average, received US\$ 1,672 million ODA per year during last two decades. The rate of ODA, as a proportion of Bangladesh's GDP has declined from 5.59 percent in FY 90-91 to 1.87 percent in FY 12-13 that gives a figure of yearly average of 2.62 percent. From FY 90-91 to FY12-13, on an average, each year Bangladesh received US\$ 633 million as grants and US\$ 1,045 million as loans. Out of 34-member states of the OECD, only eight countries provided US\$ 624.9 million ODA to Bangladesh in 2012-13 which was about 22.23 percent of the total ODA received in that particular year. About 48.24 percent of the total ODA outlay was allocated to the MDGs sectors like, education, health, social welfare, labour, public administration and social infrastructure together with agriculture and rural development. There would be necessity for more international cooperation and grants, loans and transfer of technologies in order to attain most of the MDGs targets by the stipulated period and make accelerated progress to take the country to the middle income level.

Shibchar Upazila like, other upazilas of the country played its role in achieving the targets of MDGs. Government machineries at upazila level contributed in making progress in each sector of MDGs, particularly departments of health and education,

1.4.3 National Sustainable Development Strategy (NSDS)

With a view to meet the challenges of economic, social and environmental sustainability of the economy government has developed National Sustainable Development Strategy (NSDS). Another aim of the NSDS is fulfill the international obligation to global sustainable development agenda. The vision of the NSDS is to “Achieving a happy, prosperous and enlightened Bangladesh which is free from hunger, poverty, inequality, illiteracy, and corruption and belongs completely to its citizens and maintains a healthy environment”.

The Strategy is based on the visions of the Government set in the Sixth Five Year Plan FY2011-FY2015, the Perspective Plan of Bangladesh 2010-2021 and other sectoral existing plans, policies and strategies of the Government.

The NSDS aims to contribute to sustainable development of the country most and implementable by 2021. The NSDS is to be implemented in 2010-2021 period, when the country will be on track for sustainable development.

The population is projected to reach 177 million in 2021 and 228 million in 2051 is likely to be a big challenge, therefore calls for population planning to maintain a balance between population, development and environment. Maintaining a low population will promote congenial environment and ensure increased standards of living for current as well as for future generations. The other challenges of sustainable development will be to counter poverty and inequality, unplanned urbanization, energy deficiency, inefficient water resources management, natural disasters and climate change.

The identified five NSDS (2010-21) has identified five Strategic Priority Areas along with three cross-cutting issues:

a. Sustained Economic Growth

It is a key development strategy for ensuring higher quality of life, faster poverty reduction and employment generation and transforming the economy into middle income status without compromising environmental sustainability.

b. Development of Priority Sectors

The priority sectors that would carry the nation towards sustainable development are,

- agriculture,
- industry,
- energy,
- transport and,
- human resource development.

The strategies for development in these sectors will be to strengthen them to serve as the engines of economic growth and support achieving sustainable development of the country.

c. Urban Environment

Considering urbanization inevitable with the economic development, sustainable national development will be influenced by sustainable urban development. There will be five key issues for sustainable development of urban areas. These are,

- urban housing,
- management of urban slums,
- water supply and sanitation,
- pollution management and
- urban transport,
- urban risk reduction,

d. Social Security and Protection

NSDS strategies under this issue includes, quality of life, minimum shelters for all including access to services and utilities, social safety net, women's advancement and rights, children's advancement and rights, special services for aged and people with disability, expanded employment opportunities and enhancing access to information and communication technology and facilities.

e. Environment, Natural Resource and Disaster Management

A priority objective of the NSDS is to ensure environmental protection for humans, ecosystems and resources with due emphasis on conservation, augmentation and efficient utilization of the natural resources. It covers water resources, forestry and bio-diversity, land and soil, coastal and marine resources, and natural disasters and climate change.

f. Cross Cutting Areas

The NSDS has marked three important cross cutting issues, such as,

- Good Governance,
- Gender and,
- Disaster Risk Reduction and Climate Change.

The government intends to implement the sustainable development strategies by the concerned ministries/divisions and their agencies. The strategies would be incorporated and adjusted to on-going and future programmes and projects.

The NSDS sectoral strategies are in fact, mostly incorporated in almost all the plan objectives and strategies of the government with some new issues that were not addressed before, such as Climate Change. Execution of strategies not doubt, will bring positive changes in the development of the undeveloped upazilas and a sustainable process will be established to continue uninterrupted

future growth. Steady economic growth together with social security and protection will definitely raise quality of life of the rural masses and cause sustainable development of the urban part of the upazila.

1.4.4 Bangladesh Climate Change Strategy and Acting Plan, 2009

Bangladesh is one of the most disaster prone countries in the world and it will become even more vulnerable as a result of climate change. Disasters like, floods, tropical cyclones, storm surges and droughts are likely to become more frequent and severe in the coming years.

It is essential that Bangladesh prepares now to adapt to climate change and safeguard the future well-being of its citizens. Indeed, the new democratic government is unequivocal in its commitment to protect the people from the ravages of climate change prepared **Bangladesh Climate Change Strategy and Acting Plan, 2009**. It has been developed by Ministry of Environment and Forest.

1.4.1.1 Strategy and Action Plan

The climate change action plan stands on **six pillars**:

- food security, social protection and health
- comprehensive disaster management
- infrastructure
- research and knowledge management
- mitigation and low carbon development
- capacity building and institutional strengthening

The Climate Change Action Plan is a 10-year programme (2009-2018) having 44 programs for implementation. Table-1.9 shows the climate change action plan recommended by **Bangladesh Climate Change Strategy and Act Plan, 2009** for 2009-2018 period.

Table 1.9: Climate Change Action Plan

Sl. No.	Theme	Strategy
1	Food security, social protection and health	To ensure that the poorest and most vulnerable in society, including women and children, are protected from climate change and that all programmes focus on the needs of this group for food security, safe housing, employment and access to basic services, including health.
2	Comprehensive disaster management	To further strengthen the country's already proven disaster management systems to deal with increasingly frequent and severe natural calamities.
3	Infrastructure	To ensure that existing assets (e.g., coastal and river embankments) are well maintained and fit-for-purpose and that urgently needed infrastructure (e.g. cyclone shelters and urban drainage) is put in place to deal with the likely impacts of climate change.

Sl. No.	Theme	Strategy
4	Research and knowledge management	To predict the likely scale and timing of climate change impacts on different sectors of the economy and socioeconomic groups; to underpin future investment strategies; and to ensure that Bangladesh is networked into the latest global thinking on science, and best practices of climate change management.
5	Mitigation and low carbon development	To evolve low carbon development options and implement these as the country's economy grows over the coming decades and the demand for energy increases.
6	Capacity building and institutional strengthening	To enhance the capacity of government ministries and agencies, civil society and the private sector to meet the challenge of climate change and mainstream them as part of development actions.

The government of Bangladesh has established a National Climate Change Fund, with an initial capitalization of \$45 million later raised to \$100 million, which will focus mainly on climate change adaptation.

Climate change may affect **Shibchar Upazila** in the following ways:

- Increase in flood vulnerability in the surrounding low-lying areas along the rivers would affect agriculture production and cause property damage. The affected people would be losing their normal standard of living.
- Excessive rain might cause damage to crops and lead to flooding. Poor people living on wage labouring would be losing income. Flooding might cause river erosion, leading to loss of farm land and homestead. Livelihood of the affected people will be lost. With the increased poverty rural-urban migration would be on increase.
- Draught will affect agriculture and income of the farm labourers. Income of the farmers would be reduced. Country's food production would be affected. More import will be needed to fill the deficit. Farm labourers will lose jobs leading increase in rural poverty. There will be more energy use for irrigation water supply using pumps. Cost of production of the farmers will increase.

Climate Change Impacts are yet to be publicized to the people in general. Even the government officials are not adequately aware of the creeping dangers of climate change. There is need for wide scale publicity of the impacts of the climate change. The government official at upazila level should be trained first on the issues of climate change and the mitigation measures. So that they can adopt those in their everyday activities and development efforts. Particularly, the local engineers must know climate change may affect infrastructure. They should be able to design and develop infrastructure so that they can withstand climate change adaptive to the changed environment.

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CHAPTER-2: FORMAL ECONOMIC ACTIVITY SURVEY FINDINGS

2.1 Introduction

The below table covered activities carried out in commercial areas, Hats and Bazars; in Industries, Banks and Insurance Companies, NGOs and CBOs. They carry formal recognition of public authority in the form of registration, as tax payer or having license. In the context of upazila, these establishments are usually located in and around Upazila center and Union Parishad center and other urban agglomerations.

Table-2.1: Formal Sector Activities Types

Economic Employment Status	Category
Formal Economic Sector Activity	<ul style="list-style-type: none"> • Shops in General and shops in Hat/Bazar/Growth Centre • Industry (Small/Medium/Large) • Bank/Insurance • NGO • CBO

2.1.1 Formal Economic Sector Study

Under formal economic sector study of Shibchar Upazila four issues have been studied and analyzed in the following sections. These are, hat and bazar, bank and insurance, NGO/CBO and industry.

2.1.1.1 Section-A: Hat and Bazar

The total number of hats and bazars in Shibchar Upazila stands at 67. Among them, 6 bazars are growth centres that have been improved, developed and facilitated by LGED. **Table-2.2** shows the growth centres and bazars in Madaripur District and in its different upazilas including Shibchar Upazila. Over 32% of the hats and bazars including growth centres of Madaripur District is located in Shibchar Upazila. The consultant studied 10 hats and bazars of the Upazila in details.

Table-2.2: Growth Centers and Hat and Bazar in Upazilas under Madaripur District

Name of Upazila	Growth Center	Hat/Bazar	Total
1. Kalkini	4	36	40
2. Madaripur Sadar	15	46	61
3. Rajoir	4	36	40
4. Shibchar	6	61	67
Total	29	179	208

Source: BBS (Dhaka District Statistics), 2011;2. Upazila at a Glance,2015

a. Hat and Bazar Management

From survey it is found that most hats/bazars are operated by the private owners. The reason may be that investment in hats/bazars brings a good return. The bazar owners earn handsome revenue from auction of bazars or renting shops. Only one bazar is owned and operated by the Pourashava. It is revealed that 60% of the hats and bazars are managed by bazar property owners themselves; 20% is managed by Cooperative Associations made

up of the shop owners. Leaseholder manages 10% and one is managed by the Pourashava. Please see **Figure-2.1** for more information.

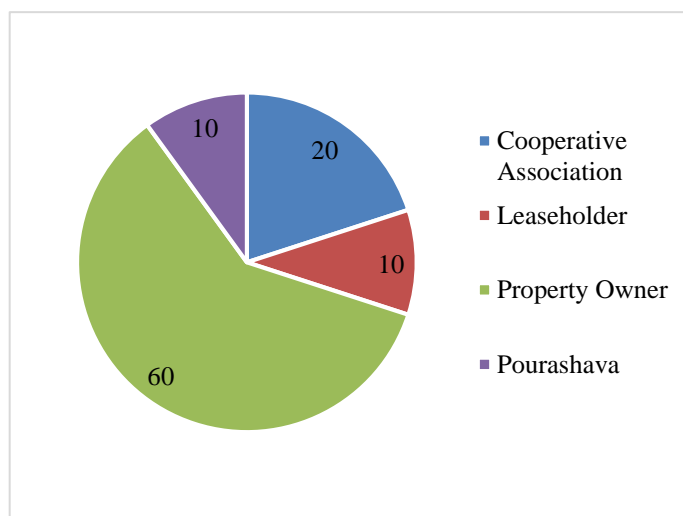


Figure- 2.1: Governing Bodies of Hats and Bazars (Source: Field Survey, 2016)

The table below (**Table-2.3**) shows the names of 10 hat and bazars in Shibchar Upazila that have been studied and also the bodies who govern them. Three categories of bodies govern hats and bazars. They are, Cooperative Associations, Leaseholders, Property Owners and the Pourashava. Matborer Hat and Chander Char are growth centres.

Table-2.3: Name of Hat and Bazar and their Management

List of the Hat/Bazar/	Regulation Process			
	Leaseholder	Property Owner	Pourashava	Total
1. Matborer Hat	1	-	-	1
2.Kacha Bazar Market, Shibchar	1	-	-	1
3. Ilyas Ahmed Choudory Pouro Super Market	-	-	1	1
4. Kohinur Prangon Market	-	1	-	1
5. DIG Super Market	-	1	-	1
6. Arshad Ali Super Market	-	1	-	1
7. Mukthi Judda Nosu Matbor Market	-	1	-	1
8. Munshi Kadirpur Hat	-	1	-	1
9. Jolil Khan Super Market	-	1	-	1
10. Chander Chor Bazar	-	1	-	1
Total	2	7	1	10

Source: Field Survey, 2016

The largest market is the Ilyas Ahmed Choudhury Pouro Super Market located in the pourashava area. It has about 200 shops and in total about 2000 shop keepers are doing business in the market. Covering an area of about 300 acres, this market is operated by the Pourashava. It operates 7 days a week (**Table-2.3**).

b. Land Owner of Hat and Bazar

As presented in **Table-2.4**, 70% hats and bazars are on personal property; land of 30% hats and bazars is owned by Cooperatives and 1 by leaseholder. **Table-2.4** below shows the ownership of the land of 10 hats and bazars where the ownerships are, Personal, Pourashava, Cooperative Association.

Table-2.4: Ownership of Hat Bazar Land

Name of the Authority/Owner	Governing Body				Total	
	Cooperative Association	Lease holder	Property Owner	Paurashava	No.	%
Personal Property	-	1	6	-	7	70
Pourashava				1		
Cooperative Association	2	-		-	3	30
Total	2	1	6	1	10	

Source: Field Survey, 2016

c. Hat and Bazar Auction

Out of 10 hats and bazar studied, four are auctioned every year by the market owners. These are, Matborer Hat, Kacha Bazar Market, Munshi Kadirpur Hat and Chander Chor Bazar. It can be seen from **Table-2.5** that Chander Chor Bazar bids the highest amount of auction money with Tk. 11 lakh, followed by Kacha Bazar Market with Tk. 7 lakh. Matborer Hat secured the lowest bid money with only at Tk. 52000.

Table-2.5: Hat and Bazar Auction

Name of Market	Area (Dec.)	Auction Money (Tk.)	No. of Shops	No. of Sellers
1. Matborer Hat	100	52,000	100	1002
2. Kacha Bazar Market, Shibchar	30	7,00,000	50	505
3. Ilyas Ahmed Choudory Pouro Super Market	33	0	200	2000
4. Kohinur Prongon Market	16	0	23	230
5. DIG Super Market	10	0	30	310
6. Arshad Ali Super Market	8	0	13	130
7. Mukthi Judda Nosu Matbar Market	8	0	4	60
8. Munshi Kadirpur Hat	33	2500	25	250
9. Jolil Khan Super Market	8	0	150	1500
10. Chander Chor Bazar	33	1100000	60	600
Total	279	1,807,700	655	6587

Source: Field Survey, 2016

d. Monthly Transaction

Total monthly transaction of Tk. 3 crore 38 lakh takes place in all the ten surveyed hats and bazars of the upazila. Each bazar on average makes a monthly transaction of Tk. 33 lakh 80 thousand that is daily on average Tk.1,12,666.

Matborer Hat makes the highest amount of transaction of Tk. 80 lakh, followed by Tk. 70 lakh by Chander Char Bazar and Tk. 50 lakh by Katcha Bazar Market (**Table-2.6**). The owners of ten bazars in total receive Tk. 547500 as monthly rent from shops. The highest amount of rent is received by Jolil Khan Super Market, amounting to Tk. 3 lakh each month. Tk. 52 thousand is received from Ilyas Ahmed Choudhury Pouro Super Market. Please see **Table- 2.6** for details.

Table-2.6: Market Wise Monthly Transaction and Rent Received

Name of Hat	Monthly Transaction (Tk.)	Monthly Rent (Tk.)
1. Matborer Hat	8000000	12000
2. Kacha Bazar Market, Shibchar	5000000	75000
3. Ilyas Ahmed Choudhury Pouro Super Market	3000000	52500
4. Kohinur Prongon Market	2000000	30000
5. DIG Super Market	2500000	35000
6. Arshad Ali Super Market	700000	0
7. Mukthi Joddha Nosu Matbor Market	100000	12000
8. Munshi Kadirpur Hat	1500000	8000
9. Jolil Khan Super Market	4000000	300000
10. Chander Chor Bazar	7000000	23000
Total	33800000	547500

Source: Field Survey, 2016

e. Transportation System in Hats and Bazars

From the **Table-2.7**, it is found that out of 10 hats and bazar 9 are connected by road ways (90%) and only Matborer Hat is connected by, both, road and water way.

Table-2.7: Transportation System

Transportation System	Frequency	Percent
Roadway	9	90
Roadway & Waterway	1	10
Total	10	100

Source: Field Survey, 2016

f. Actors in a Market

The rural markets mostly sale agro-products. Manufactured and processed goods are also sold in these markets. Three actors are engaged in a rural market, who constitute a chain of intermediaries between the farmer and the consumer. They are, *faria*, *aratdar* and *paikar* or wholesalers. *Faria* collects products directly from the farmer and brings it to the market and sells to the *aratdar* who maintains a storage in the market to preserve the product. Next, the *aratdar* sells it to a *paikar* or wholesaler, from whom the product is purchased by retailers from different markets. There are whole sellers and retailers in the market who import consumer and capital goods from larger urban centers. They import goods directly or serve as the agents of big manufacturers.

g. Market Wholesaler

The wholesalers import goods directly from the producer or are the agents of big manufacturers. They also buy agricultural products from farmers or *farias*. In ten hats/bazars surveyed, the total number of wholesaler shops have been found 48 which is about 7.33 percent of total shops. They are basically market brokers, who sell their goods in bulk to the retailers or to the consumers keeping a percentage of profit. Average number of wholesalers' in each market has been found 10. The commodities of goods transacted in the surveyed markets are, Rice, Wheat, Paddy and Vegetable and various processed/manufactured consumer goods and products used for agriculture.

h. Market Retailer

Retailers buy goods from the wholesalers and sell the products by adding their profit with the wholesale price to the local consumers. In 10 hats/bazars the total number of shops belonging to retailers has been found 607. They also sell the same products they purchase from the wholesalers.

Table-2.8: Market wise Number of Shops Belonging to Wholesalers and Retailers

SL	Name of Hat/ Bazar	No of Total Shop	No of Whole Seller	No of Retailer
1	Matborer Hat	100	10	90
2	Kacha Bazar Market, Shibchar	50	8	42
3	Ilyas Ahmed Choudhury Pouro Super Market	200	15	185
4	Kohinur Prongon Market	23	2	21
5	DIG Super Market	30	2	28
6	Arshad Ali Super Market	13	1	12
7	Mukthi Judda Osu Matbar Market	4	0	4
8	Munshi Kadirpur Hat	25	1	24
9	Jolil Khan Super Market	150	5	145
10	Chander Chor Bazar	60	4	56
Av.		66	5	61
Total		655	48	607
Wholesalers			7.33%	
Retailer				92.67%

Source: Field Survey, 2016

i. Waste Management in Hats and Bazars

Field survey data shows that out of 10 hat and bazars, about 90% dump their wastes in nearby fallow land/low land or roadside areas. Only one market dispose waste in specific dumping site and it is the Ilyas Ahmed Choudhury Pouro Super Market owned and operated by the Pourashava. Please see **Table-2.9** and **Figure-2.2** for details.

Table-2.9: Waste Dumping

Waste Dumping Site	Frequency	Percent
Dumping Site	1	10.0
Fallow Land/Roadside	9	90.0

Total	10	100.0
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Source: Field Survey, 2016

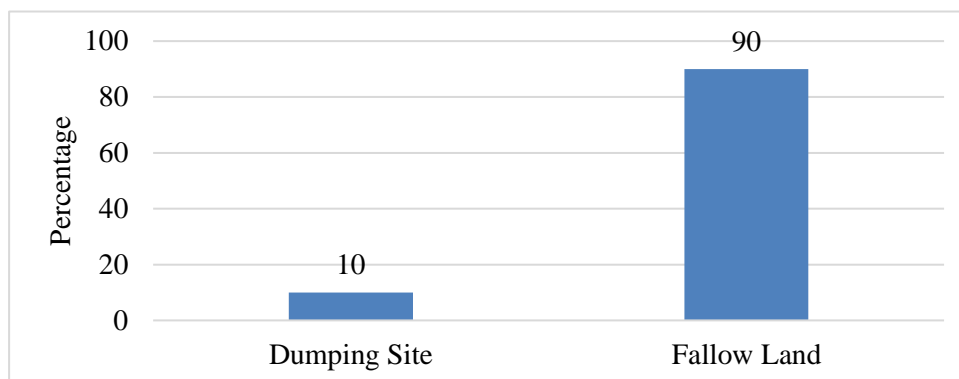


Figure- 2.2: Way of Waste Disposal (Source: Field Survey, 2016)

In most of the market places waste is managed by the shop owners themselves. It is found that waste disposal works of surveyed 90% hat/bazar is done by workers engaged by the shop owners or bazar associations. In 10% case CBO an operate is found collecting door to door waste using rickshaw vans. Please see **Table-2.10**.

Table-2.10: Way of Waste Disposal

Way of Waste Disposal	Frequency	Percent
1. Own worker	6	90
2. Pourashava	1	10
Total	10	100

Source: Field Survey, 2016

j. Sanitation

Condition of sanitation is fairly good in majority of the hats and bazars. Survey findings show about 89% have sanitary latrines, while two have rudimentary system that are unhygienic in nature. These are, Munshi Kadirpur Hat and Kacha Bazar Market, Shibchar. Please see **Table-2.11**.

Table-2.11: Sanitation Facility in Hats and Bazars

Sanitation Facility	Frequency	Percent
1. Sanitary Latrine	8	80
2. No Provision of Sanitary Latrine	2	20
Total	10	100

Source: Field Survey, 2016

k. Water supply

Water supply is an everyday need of hats and bazars. All the shop keepers of hats and bazars use ground water as the source of water supply. They extract water from the ground using hand tube well. Out of 10 hats and bazars all get their day to day water supply from ground water through tube well. As water is easily available in the ground and sinking of

tube well is not that expensive, shop keepers with their own initiatives install tube well for extracting water.

l. Access to Electricity

Electricity is a basic need of any market place. Field survey shows, all the 10 surveyed hats and bazars enjoy electricity connection. But they complain about irregular supply which affects transaction in shops (**Table-2.12**).

m. Major Problems of Hats and Bazars

On enquiry with hat and bazar shop keepers and traders it is revealed that they suffer from a number of problems during business operation. Each respondent mentioned about multiple problems they encounter. However, here, only the major problems have been highlighted. Twenty percent shop owners complained about extortion by local hoodlums. Almost all bazars, except growth centres have allegation about poor condition of internal roads of bazars. This problem affects movement of goods in and out of bazar. About 30% shop owners made such allegation. Poor drainage often causes waterlogging in different places of bazars during monsoon. This has been a major problem in 20% bazars. Most bazars do not have any waste dumping site. They dispose their waste indiscriminately leading to environmental pollution. They feel that over the period this might turn into a critical problem. Irregular power supply and poor condition of structures are also problems in bazars. Please see the **Figure- 2.3** for more information.

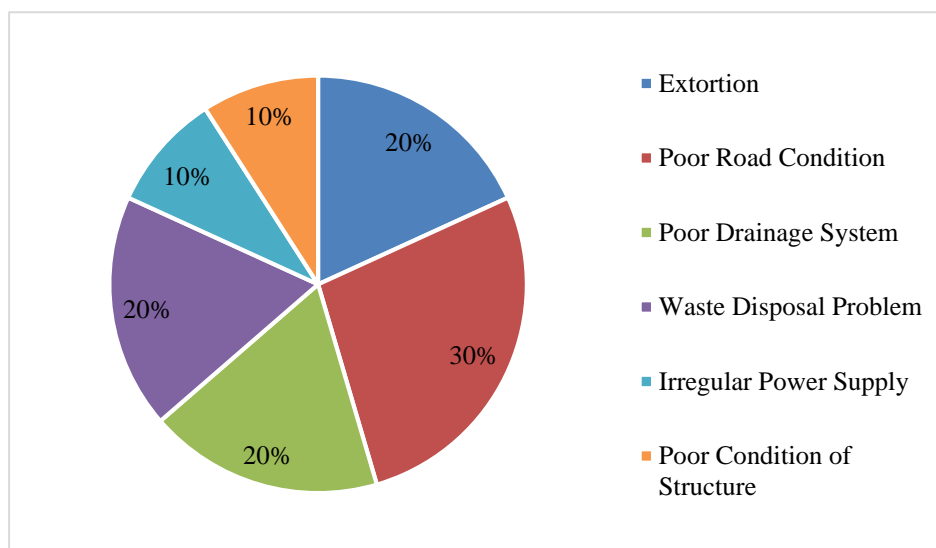


Figure- 2.3: Problems of Hats and Bazars *Source: Field Survey, 2016*

n. Summary of Hat and Bazar Survey Findings

Under **Formal Economic Activity Survey** of selected hats and bazars, data were collected from 10 hats and bazars using standard questionnaire and also through focus group discussion and personal interview. It is found that 60% of the hats and bazars are operated by the bazar

owners themselves. They also own the bazar land. In 90% cases transportation of goods is done through roadway. Bazar wastes are mostly dumped in nearby fallow land or wet land/roadside areas. Each markets, on average, daily makes a transaction of about Tk.1,12,666. All markets enjoy power supply facility. All bazars use tube well for extracting ground water.

2.1.1.2 Section-B: Bank and Insurance

Shibchar Upazila has 22 bank and insurance company branches (12 insurance company and 10 banks). Among them 10 bank branches and all the 10 insurance companies' branches have been investigated. Among the banks operating in the upazila, three are public sector banks and the rest are private banks. The public sector banks are, Agrani Bank Ltd., Janata Bank Ltd., and Bangladesh Krishi Bank Ltd. The private banks are, BRAC Bank, National Bank Limited, Bangladesh Commerce Bank, Modhumoti Bank Limited, United Commercial Bank Limited, Karmashangosthan Bank and Palli Sanchoy Bank.

The 10 insurance company branches operating in the study area are, National Life Insurance Company Ltd, Meghna Life Insurance Company Ltd., Popular Life Insurance Company Ltd., Delta Life Insurance Company Ltd., Islami Bank Insurance Branch, Fareast Islami Life Insurance Co. Ltd., Padma Life Insurance Co. Ltd., Rupali Life Insurance Co. Ltd., Progoti Life Insurance Co. Ltd., and National Life Insurance Company Ltd.

a. Number of Bank Subscribers and Loan Disbursed

There are 83,180 account holders in surveyed 10 banks the of the upazila. It shows that there are on average 4 account holders in each household. Agrani and Krihi Banks have 20,000 accounts each followed by National Bank with 17000 account holders. The number of subscribers is high in these banks because they disburse agricultural loan. In other banks the number of account holders vary between 500 to little over 7000. Bangladesh Krishi Bank disbursed Tk. 15 crore 86 lakh that includes Tk. 13 crore 40 lakh agricultural loan. This is the highest amount of loan disbursed by a single bank in the upazila. The other banks disbursing high amount of loan are, Agrani Bank Ltd., National Bank, United Commercial Bank Limited, BRAC Bank Limited. Please see **Table-2.13** for details.

Table-2.13: Name of the Banks Surveyed, Location, Number of Account Holder and the Amount of Loan Disbursed

Sl	Name of Bank	Location	No. of Account Holder	Amount of Total Loan Disbursed (Tk.)	Agricultural Loan Disbursed (Tk.)
1	Agrani Bank Limited	Shibchar, Shadar, Shibchar, Madaripur.	20000	90000000	20000000
2	Janata Bank Limited	Shadar Branch, Shibchar, Madaripur.	7500	10000000	0
3	Bangladesh Krishi Bank	Shadar Branch, Shibchar, Madaripur.	20000	143100000	134000000
4	BRAC Bank Limited	Shadar Branch, Shibchar, Madaripur.	2100	80000000	500000
5	National Bank Limited	Shadar Branch, Shibchar, Madaripur.	17000	158600000	8500000
6	Bangladesh Commerce Bank Limited	Shadar Branch, Shibchar, Madaripur.	1500	60000000	0

Sl	Name of Bank	Location	No. of Account Holder	Amount of Total Loan Disbursed (Tk.)	Agricultural Loan Disbursed (Tk.)
7	Modhumoti Bank Limited	Shadar Branch, Shibchar, Madaripur.	732	18700000	0
8	United Commercial Bank Limited	Shadar Branch, Shibchar, Madaripur.	4800	140000000	0
9	Karmashangosthan Bank	Shadar Branch, Shibchar, Madaripur.	548	33000000	0
10	Palli Sanchoy Bank	Shadar Branch, Shibchar, Madaripur.	9000	97000000	0
		Total	83180	830400000	163000000

Source: Field Survey, 2016

Investigation on study area banks show that the highest amount of loan was disbursed in the agricultural sector. In this sector four banks together disbursed about Tk. 16 crore 30 lakh. Bangladesh Khrishi Bank disbursed the highest amount of Tk.1 crore 34 lakh, Tk. 2 crore by Agrani Bank and Tk. 85 lakh by National Bank. As business, industry and other loans the 10 banks disbursed Tk;66 crores 74 lakh. Please see **Table-2.13** for more information. Banks in the study area offer different financial services apart from normal banking transactions. They offer agricultural credit, SME credit, project loan, deposit loan and do E-Banking, Mobile Banking, Foreign Banking and Industry Loan and deliver remittance money as agents of international money transfer agencies.

b. Amount of Agricultural Loan Disbursed

Out of 10 banks studied, only 4 banks disbursed agricultural credit totaling an amount of Tk. 16 crore 30 lakh. Among them two are public banks and the two private banks disbursed the highest amount of agricultural loan. Agrani Bank disbursed an amounting of Tk. 20,000,000 as agricultural credit, Bangladesh Krishi Bank paid Tk.1 crore 34 lakh, Tk. 2 crore was disbursed by Agrani Bank and National Bank disbursed Tk. 85,00,000. Please see **Figure-2.4**.

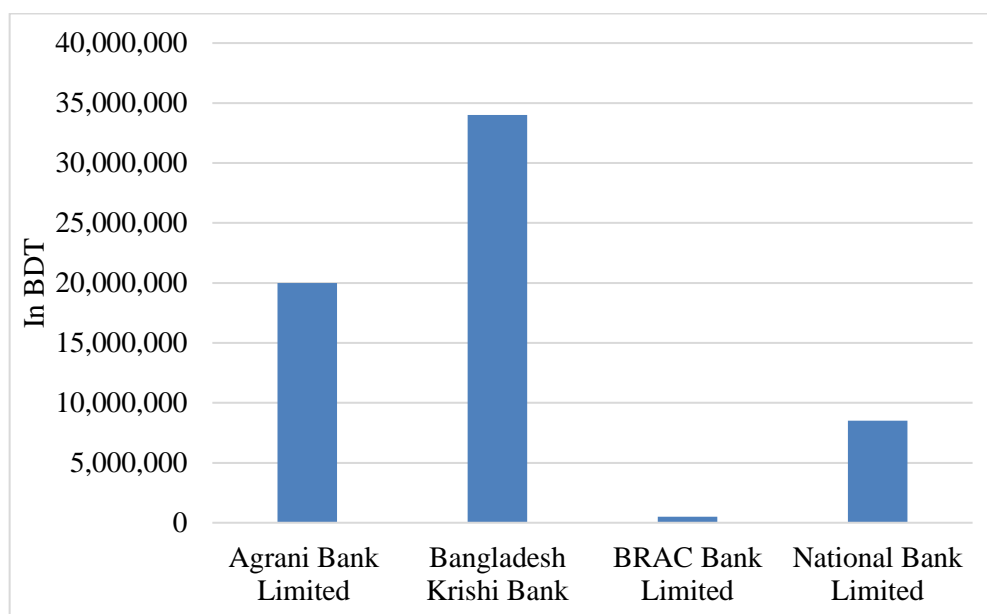


Figure-2.4: Total Agricultural Loan Disbursed (Source: Field Survey, 2016)

c. Amount of Total Loan (including Arrear) Due

The **Table-2.14** below shows the amount of total loan due against the Banks. Total amount due loan due in all banks of the study area is Taka 83 crore 4 lakh. The highest amount of loan due is in Bangladesh Krishi Bank. The loan due in this bank amounts to Tk. 14 crore 31 lakh. It is found that due loan to Agrani Bank Limited is Taka 90,000,000 and to Janata Bank Limited is Taka 10,000,000. Please see **Table-2.14** for more information. **Maximum Amount of Due Loan (Tk.)**

Table-2.14: Amount of Total Loan Due

Name of the Bank	Amount Due (Tk.)	Maximum Amount of Due Loan (Tk.)
1. Agrani Bank Limited	90,000,000	100,000,000
2. Janata Bank Limited	10,000,000	100,000,000
3. Bangladesh Krishi Bank	143,100,000	100,000,000
4. BRAC Bank Limited	80,000,000	100,000,000
5. National Bank Limited	158,600,000	100,000,000
6. Bangladesh Commerce Bank Ltd.	60,000,000	100,000,000
7. Modhumoti Bank Limited	18,700,000	100,000,000
8. United Commercial Bank Limited	140,000,000	100,000,000
9. Karmashangosthan Bank	33,000,000	100,000,000
10. Palli Sanchoy Bank	97,000,000	100,000,000
Total	830,400,000	

Source: Field Survey, 2016

d. Insurance Company

The total number of insurance Companies working in the study area is 10 and the total number of subscribers 22,650. Padma Insurance has the highest number of 7 thousand subscribers, while National Life Insurance Company has the lowest 200 subscribers. Only three companies have 5000 subscribers, one has 1000 subscribers and the rest have below 1000 subscribers. All the insurance companies are private. Please see **Table-2.15**

Table-2.15: List of the Insurance Companies Surveyed

Sl No	Name of Insurance Company	Location	No. of Subscriber	No. of Regular Premium	Amount of Premium Collected (Tk.)	No. of Defaulter Premium Payer	Amount Due as Premium (Tk.)
1	National life insurance company Ltd.	Boundhara, Shibchar Upazila HQ	200	130	80000	40	30000
2	Meghna life insurance company Ltd.	Shibchar Upazila HQ.	5000	200	1000000	50	230000
3	Popular life insurance company Ltd.	Shibchar Upazila HQ	2500	60	200000	2000	500000
4	Delta life insurance company Ltd.	Shibchar Upazila HQ.	5000	3500	100000	751	350000

Sl No	Name of Insurance Company	Location	No. of Subscriber	No. of Regular Premium	Amount of Premium Collected (Tk.)	No. of Defaulter Premium Payer	Amount Due as Premium (Tk.)
5	Islami Bank Insurance Branch.	Shibchar Upazila HQ	1000	90	70000	45	35000
6	Fareast Islami Life Insurance Co. Ltd.	Shibchar Upazila HQ	1000	700	400000	300	140000
7	Padma Life Insurance Co. Ltd.	Shibchar Upazila HQ	7000	320	1400000	34	321000
8	Rupali Life Insurance Co. Ltd.	Shibchar Upazila HQ	500	150	120000	100	72000
9	Progoti Life Insurance Co. Ltd.	Shibchar Upazila HQ	250	150	95000	60	45000
10	National life insurance company Ltd.	Shibchar Upazila HQ	200	120	720000	30	180000
Total			22650	5420	4185000	3410	1903000

Source: Field Survey, 2016

e. Name of Insurance Companies and Nature of Services

Fareast Islami Life Insurance Company has the highest number (700) of regular premium payers. On the other hand, only 90 subscribers pay regular premium in Islami Bank Insurance Company. Please see **Figure- 2.5** for more information about regular premium payers.

It is noted that except one, all other insurance companies deal with life insurance of different categories. Only Islami Bank Insurance company has other products apart from life insurance. These include,

- Marine Insurance Policy
- Fire Insurance Policy
- Product Liability Policy
- Machinery Breakdown Policy
- Motor Insurance Policy
- Industrial All Risk Policy

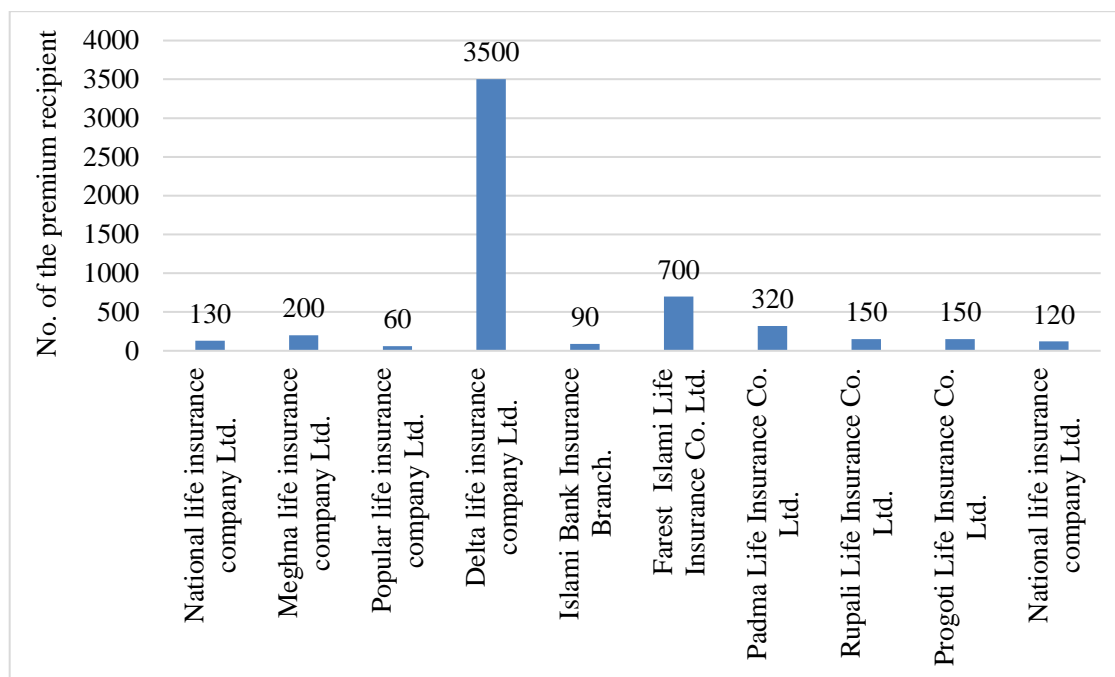


Figure-2.5: Number of the Premium Payers by Insurance Company Source: Field Survey, 2016

f. Amount of Premium Collected

Table-2.16 below shows the present amount of premium collected by different Companies. National life insurance company Ltd. has collected amounting to Taka 80,000, Meghna life insurance company Ltd. amounting to Taka 1,000,000, Popular life insurance company Ltd. amounting to Taka 200,000, Delta life insurance company Ltd. amounting to Taka 1,000,000, Islami Bank Insurance Branch. amounting to Taka 70,000, Farest Islami Life Insurance Co. Ltd. amounting Taka. 400,000 and Padma Life Insurance Co. Ltd. amounting to Taka. 1,400,000. Total amount of premium collected by BIMA Companies working in the study area is Taka. 4185000.

Table-2.16: Amount of Premium Due

Name of the Insurance Company	Amount (Tk.)	Range of Premium Amount Due (Tk.)				Total
		Up to 100000	Above 100000 to 20000	Above 300000 to 400000	Above 500000	
1. National life insurance company Ltd.	80,000	1				1
2. Meghna life insurance company Ltd.	1,000,000				1	1
3. Popular life insurance company Ltd.	200,000		1			1
4. Delta life insurance company Ltd.	100,000	1				1
5. Islami Bank Insurance Branch.	70,000	1				1
6. Farest Islami Life Insurance	400,000			1		1

Name of the Insurance Company	Amount (Tk.)	Range of Premium Amount Due (Tk.)				Total
		Up to 100000	Above 100000 to 20000	Above 300000 to 400000	Above 500000	
7. Padma Life Insurance Co. Ltd.	1,400,000				1	1
8. Rupali Life Insurance Co. Ltd.	120,000		1			1
9. Progoti Life Insurance Co. Ltd.	95,000	1				1
10. National life insurance company Ltd.	720,000				1	1
Total	4,185,000	4	2	1	3	10

Source: Field Survey, 2016

g. Amount of Premium Due to Payers

The total amount of premium due to subscribers is Tk. **4,185,000**. Padma Life Insurance has the highest Tk. 14 lakh due to the subscribers. Islami Bank Insurance has the lowest Tk. 70,000 due to the subscribers. Please see **Table-2.17** more information.

h. Number of Subscriber with Premium Due

Popular Life Insurance company has the highest 2000 subscribers with premium due. Delta Life Insurance Company holds the second position with 751 subscribers having premium due. Fareast Islami Life Insurance Co. Ltd. has 300 subscribers with due premium. Please see Figure-2.6 for more information.

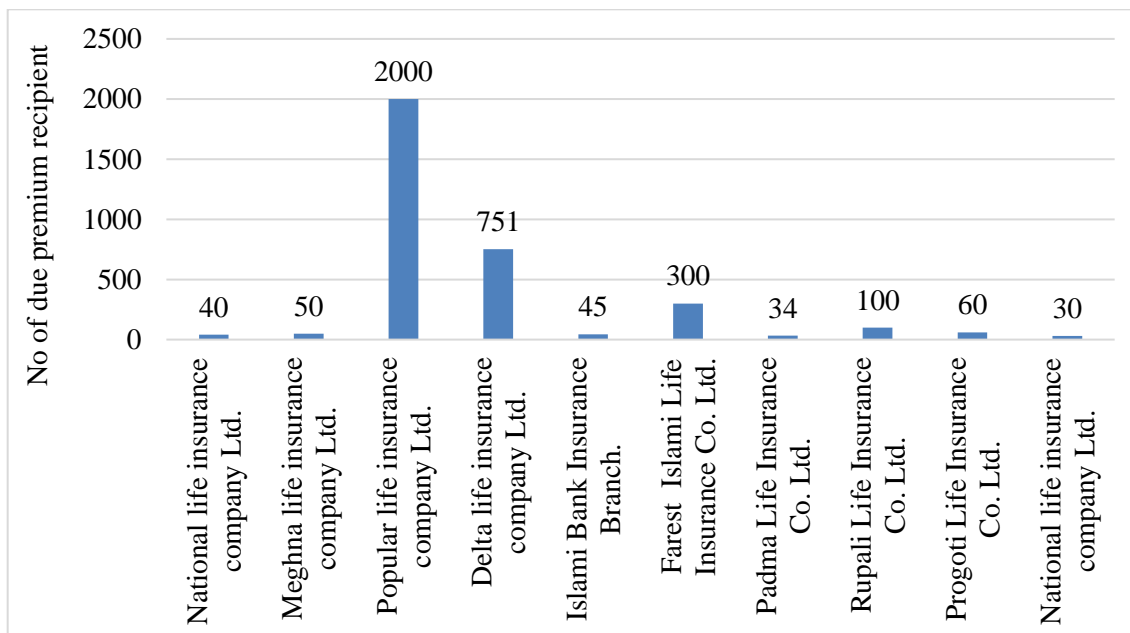


Figure-2.6: Number of Subscribers with Premium Due Source: Field Survey, 2016

h. Summary of Bank and Insurance Company Survey Findings

In Shibchar Upazila, the total number of Bank and Insurance Companies working is 22- 12 Banks and 10 Insurance Companies. Ten banks and ten insurance companies have been

studied. Total number of Bank subscribers is 69,770. Total loan disbursed by all the banks is Tk. **83 lakh 4 lakh**. Total due loan is Taka 83 crore 4 lakh. Total Agricultural loan disbursed by the Banks in the study area is Tk. 16 crore 30 lakh. The number of insurance service recipients is 2,300. Total number of premium due to the subscribers is 1,315 and total premium collected in current year is Tk. 83,35,000.

2.1.1.3 Section-C: NGO and CBO

a. Activities of NGOs in Shibchar Upazila

Just after liberation war of Bangladesh, NGOs, particularly foreign NGO's and some local NGO's started working in Bangladesh for reconstruction of war-ravaged economy. Later, in early 1980's, local NGO activities were expanded progressively mostly with funding from external sources both in urban and rural areas. At present, 11 NGOs are working in the study area. Some of them are prominent NGOs working nationally and regionally. These are, ASA, BRAC, BURO Bangladesh, TMSS, Jagorani chakra foundation Bangladesh.

Table-2.17: NGOs, Number of Members and their Main Function

Sl.	Name of the NGO	Office Location	Number of Member	Main Function
1	BURO Bangladesh	Keranicort, Shibchar Upazila HQ	1627	Micro Credit
2	BRAC	Shibchar ,Shibchar Upazila HQ	30600	Micro Credit
3	ASA	Keranicort, Shibchar Upazila HQ	2304	Micro Credit
4	TMSS	Shibchar Upazila HQ	80	Micro Credit
5	CSS-AGS	Thana Road, Shibchar Upazila HQ	230	Micro Credit
6	CARSA	Shibchar Upazila HQ	1752	Micro Credit
7	Gono Unnayan Prochesta (gup)	Keranicort, Shibchar, Upazila HQ	2000	Micro Credit
8	Jagorani chakra foundation Bangladesh	Mohoripotti, Shibchar Upazila HQ	1300	Micro Credit
9	Naria Unnayan Samity	Guahatota, Shibchar Upazila HQ	1000	Micro Credit
10	Madaripur Legal Aid Association	Shibchar Upazila HQ	350	Micro Credit
11	Shokti Foundation	Shibchar Upazila HQ	730	Energy Development

Source: Field Survey, 2016

b. Other Social Service Provided by NGOs

NGOs working in the study area mostly provide micro credit to poor. Their target groups are, lower income people, slum areas, and naturally vulnerable areas. About 75% beneficiaries of the NGOs are lower income groups and 25% professional-groups. Target Group/Beneficiaries of NGOs are Lower Income Group-75% and Profession-wise Group-25% . As the **Table-2.18** shows, the NGOs also provide various other social services, like, Brac supplies improved seeds to farmers. ASA and TMSS create awareness on social

forestry, BURO provides training on various awareness and job training, CS-AGS is engaged in creating awareness on arsenic contamination in water. However, the primary function of almost all the NGOs working in the study area is micro credit to low income people.

Table-2.18: Service Provided by NGOs

SI No	Name of NGO	Location	NGO Members	Area of Activity							Location of Activity	Target Group	
				Training	Improved Seed Supply	Awareness on Social	Arsenic Mitigation	Plant Distribution	Micro credit	Land Fertilization/Energy			
1	BURO Bangladesh	Keranibu, Shibchar, Madaripur	1627	Yes						Yes		Nation Wide	Low Income
2	Brac	Shibchar, Madaripur.	1436		Yes					Yes		Nation Wide	Low Income
3	ASA	Shibchar, Madaripur.	2304			Yes				Yes		Nation Wide	Low Income
4	TMSS	Shibchar, Madaripur	40			Yes				Yes		District	Low Income
5	CSS-AGS	Shibchar, Madaripur.	230				Yes			Yes		District	Low Income
6	CARSA	Shibchar, Madaripur.	1752					Yes	Yes			District	Low Income
7	Gono Unnayan Prochesta (GUP)	Shibchar, Madaripur.	2000				Yes	Yes	Yes			District	Low Income
8	Jagorani Chakra Foundation Bangladesh	Shibchar, Madaripur.	1300							Yes	Yes	District	Low Income
9	Naria Unnayan Samity	Shibchar, Madaripur.	1000							Yes		District	Low Income
10	Madaripur Legal Aid Association	Shibchar, Madaripur.	350							Yes		Nation Wide	Low Income
11	Shokti Foundation	Shaheber hat, Shibchar, Madaripur	730	Yes							Yes	Nation Wide	Low Income
		Total	12769										

Source: Field Survey, 2016

c. Area of Activity of NGOs and Membership

Out of 10 NGOs studied 4 four have been found to have nationwide activity, while 6 work at the district level, it means that their activities are not spread over entire Bangladesh, but limited to only to a number of districts.

Among the major NGOs Brac has the highest over 30,000 members, ASA has 2304

members, BURO Bangladesh has 1677 members. They also provide services like, education and health. Please see **Table-2.19**.

d. Community Based Organisation (CBO)

Investigation by the consultant has identified 9 NGOs working in the Shibchar Upazila. **Table-2.19** below tables shown CBOs' names, number of members and service provided in the study area. Panna Rural Development Foundation has 230 members and they provide micro credit and training services. There are 135 members in Shokal-Shonda Multipurpose Society. Their services include,

Table-2.19: Name of CBOs, Member, Services, Working Area/Location

Name of CBO	Location	CBO Members	Services Provided
Shokti Foundation	Shaheber hat, Shibchar, Madaripur	730	Trade Training
Panna Rural Development Foundation	Shaheber hat, Shibchar, Madaripur	230	Weel Seed Supply
Shokal-Shonda Multipurpose Society	Shaheber hat, Shibchar, Madaripur	135	Weel Seed Supply
Shoriatpur Development Society	Shaheber hat, Shibchar, Madaripur	929	Tobacco Processing
Gono unnayan Multipurpose Society	Shaheber hat, Shibchar, Madaripur	20000	Arsenic Mitigation
Rimso Foundation	Shaheber hat, Shibchar, Madaripur	292	Arsenic Mitigation
Rural Services Foundation	Shaheber hat, Shibchar, Madaripur	2700	Micro credit
Shuprovath	Shaheber hat, Shibchar, Madaripur	150	Land Fertilization
Vai Vai Welfare Society	Shaheber hat, Shibchar, Madaripur	325	Land Fertilization
Shoboj Shongho Society	Shaheber hat, Shibchar, Madaripur	1350	Others

Source: Field Survey, 2016

micro-credit, awareness building. Shoriatpur Development Society has 929 members and provide part from micro-credit, education promotion. Gono Unnayan Multipurpose Society has 2000 members and they provide such services as, loan, education promotion. Please see **Table-2.19** for more information. All the CBOs serve the disadvantaged groups in rural areas.

Five CBOs are local based. Their development project activities are limited within the village of origin or surrounding villages. Rest four CBOs have spread their activities over the entire Madaripur District covering entire Shibchar Upazila (**Table-2.19**).

e. Problems of NGOs and CBOs

On discussion with NGOs and CBOs the consultant has revealed a number of problems faced by them. A major function NGOs and CBOs is disbursing credit to the low income families to raise their income. The NGOs and CBOs complain that in many cases the members taking credit fail to repay them in schedule time. This puts the NGOs and CBOs in fund crises to deliver further credit to other those who need. The non-payers have been recorded by 50% of the interviewees. Another problem faced by the NGOs and CBOs is that after training and awareness building the trainees are often found reluctant to follow instructions and fail to cooperate with them in attaining objectives of the project. The NGOs and CBOs also face non-compliance by the members of the programmes and lack of government cooperation with the NGOs and CBOs. Please see the **Figure- 2.7** for details about problems.

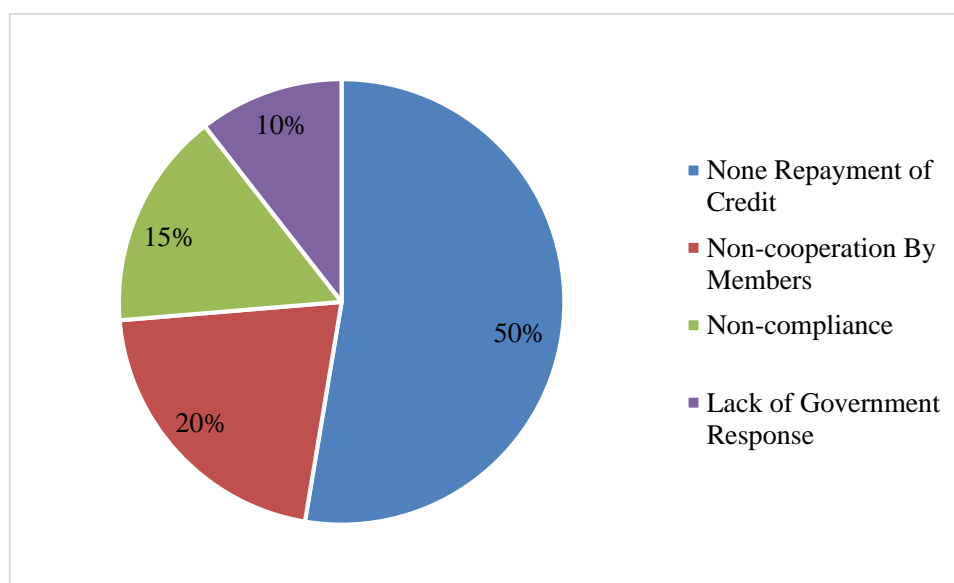


Figure- 2.7: Problems of NGOs Source: Field Survey, 2016

f. Summary of NGO Activity

In formal sector, NGO's activities play important role in income generation, particularly, in rural areas as well as in disaster prone areas. They help improving the livelihood of the have-nots. In Shibchar 10 NGOs are functioning. They mostly provide micro-credit for income generation. Other social activities include health and education services.

2.1.1.4 Section-D: Industrial Survey Findings

Formal Sector Industries operate within the legal frame-work that is they are registered with any of the government or local government and they pay taxes. Data on formal sector industries were collected for study through standard questionnaire and also from secondary sources. According to BBS the total number of industries in Madaripur district is 31,587 and Shibchar Upazila has 1,427 so called industries, most of which are cottage industries. According to Upazila at a Glance of Shibchar Upazila Parishad, the upazila has 781 cottage industries and 3 large scale industries. The consultant has taken 10 industries as samples for study as presented below.

Table-2.20: Name and Type of Industries Studied, Ownership, Investment, Source of Funding

Sl No	Name of Industry	Type of Industry	Ownership	Area (Acre)	Capital Investment (Tk.)	Funding source	No. of Employee	Product
1	Bhai Bhai Furniture Enterprise	Wooden Materials	Personal	2	700000	Family	7	Wood
2	Akota Steel	Steel Mill	Personal	2	500000	Family	5	Steel
3	Tayzullah Mullah Rice mill	Rice Mill	Personal	2	1000000	Personal	6	Rice
4	PBF Bricks	Brick Field	Personal	8	3000000	Relative	100	Brick
5	Shamoly Workshop	Workshop	Personal	1	150000	Personal	2	Iron product
6	Safia Traders	Building Materials	Personal	7	500000	Remittance	4	Building Materials
7	MS Brithel Enterprise	Flour Mill	Personal	2	600000	Family	5	Flour
8	Rony Motor Garage	Motor Garage	Personal	2	100000	Personal	3	Motorcycle repair
9	Monzu khan saw mill	Saw Mill	Personal	4	1000000	Personal	6	Wood
10	Tushar ICE Factory	Ice Cream/ Ice Factory	Personal	2	500000	Family	2	Ice cream
				32	8050000		140	

Source: Field Survey, 2016

a. Products of Local Industries

The industries studied shows that almost all of them produce products that are mostly consumed by local consumers. **Table-2.20** shows that the local industries are producing, Brick, Cooking Oil, Confectionery items, Agricultural Products, Cloth & Twist, Wooden Materials, Hand loom Products, Ice/Ice cream, flour etc. that are mostly consumed locally.

b. Ownership Pattern of Industry

All the industries studied by the consultant are of personal proprietorship. As a rural based economy no large scale industries exist in the upazila in real sense. The studied industries are small in size and as such involve low capital investment. They can be set up by individual entrepreneurs.

c. Source of Capital for Setting up Industry

It is revealed from the survey that half of the (50%) industrial owners used personal savings as the source of capital for setting up industry; 20% used family savings plus bank loan to setting up industry. **Table- 2.22** has more detailed information about source of funding.

Table-2.22: Funding Source for Setting Up of Industry

Source of Capital for setting up Industry	Frequency	Percent
1. Personal Savings	5	50%
2. Inheritance Property	1	10%
3. Family Savings & Bank Loan	2	20%
4. Loan from Relatives	1	10%
5. Remittance	1	10%
6. Cooperative Association	0	0%
Total	10	100%

Source: Field Survey, 2016

d. Major Transport Mode Used for Moving Industrial Products

It is evident from **Table-2.23**, that industrial products are marketed by such transports as, Bus, Truck, Pickup, Auto, Rickshaw Van and head load. Interview with transport owners and drivers and industry owners show that in 50.00% cases motorised transports are the major mode of transport used for carrying industrial products. They include, bus and truck. For transporting rest of the products, Rickshaw, Rickshaw Van, Battery Operated Auto, etc. are used. The buyers are usually small traders and they prefer cheapest mode of transport. Buyers selling products in local markets use Rickshaw, Rickshaw Van, Battery Operated Auto and head load for carrying their products. In one hat (Matborer Hat) apart from road transport boats are also used. It is close to the Padma river. Please see **Table-2.23** for more information.

Table-2.23: Major Mode of Transport used for Carrying Industrial Products

Major Mode of Transport Used for Carrying Products Industries	Frequency	Percent
1. Bus	2	30%
2. Truck and Pickup	1	20%
3. Battery Operated Auto	1	10%
4. Rickshaw	1	10%
5. Rickshaw Van	3	20%
6. Head Load	1	5%
7. Waterway	1	5%
Total	10	100%

Source: Field Survey, 2016

e. Disposal of Industrial Waste

The local industries use variety of places for dumping their waste, but not formal dumping site. As the **Table-2.24** shows, 30% industries use road side for dumping waste. Other dumping places of industrial wastes are, open place, canal/river, agricultural land. It is found from the type of industries studied, that except furniture making enterprise hardly any commendable waste is generated by any of the industry. Steel and Iron Factories generate some waste that are disposed of in nearby fallow land. Engineering Workshops,

Flour Mills and Rice Mills, Brick manufacturers and Ice Cream Factories hardly generate any waste. **Table- 2.24** shows how the industries dispose their waste.

Table-2.24: Waste Disposal System of Industries

Roadside	River/ Canal/ Wet Land	Agricultural Field	Fallow Land	Total
3	4	1	2	10
30%	40%	10%	20%	100%

Source: Field Survey, 2016

f. No Objection Certificate (NOC) and Environmental Impact Assessment (EIA) Clearance

According Local Government Act 2009 any business and industrial enterprise before starting operation in a City Corporation or Paurashava has to secure trade license from the City Corporation or Paurashava it is operating within. Since except the Brick Field all industries are located within the Paurashava, all have trade license from the Shibchar Paurashava. Since the Brick Filed operates outside the Paurashava it does not have any trade license. But is has to secure permission from the Deputy Commissioner of Madaripur District after fulfilling conditions of setting up Brick field.

For EIA certificate for green and orange category industries permission has to be secured from district Environment Office. Before that the enterprise has to conduct EIA of the industry concerned. None of the industries and workshops, studied by the consultant, conducted any EIA and does not have any DoE environmental clearance. Most industrial owners are ignorant about the necessity of such study. Besides, there is slack of enforcement environmental laws and regulations on the part of the DoE in particular and government in general.

g. Source of Water Supply in Industry Premises

It is evident from **field survey** that out of 10 enterprises studied, all of them use tube well as the source of water. The same water is used for drinking purpose. All have deep tube well (DTW) installed in their premises. None of them use any other source of water for their everyday need. Everyday drinking water is also procured from tube well. People are adapted to tube well water from ground sources as long as they are not contaminated by arsenic.

h. Sanitation in Industries

In **Table-2.26** it has been shown that out of 10 industries surveyed 8 (80%) have sanitary latrines, 2 (20%) have pit latrine in their premises.

Table-2.26: Sanitary System in Industries

Sanitation Type	Frequency	Percent
1. Sanitary Latrine	8	80%
2. Pit Latrine	2	20%
Total	10	100%

Source: Field Survey, 2016

Regarding quality of latrines, it is found from **Table-2.27** that over 60% sanitary latrines are in acceptable condition, while in case of both, sanitary and pit latrines, are in poor

condition (**Table-2.27**). All pit latrines are in poor state and unhygienic.

Table-2.27: Quality of Sanitary Latrine

Type of Latrine	Quality of Sanitation		Total
	Acceptable	Poor	
1. Sanitary Latrine	6	2	7
	60.00%	20%	100.00%
2. Pit Latrine	0	2	
Total	6	4	7
	60.00%	40.00%	100.00%

Source: Field Survey, 2016

i. Access to Electricity

Investigation on industries show that all have access to electricity supply. **Table-2.28** shows, out of 10 industries, 1 (10%) secures supply from PDB and the rest 9 (90%) are connected to REB power supply network. None of the industries has generator for emergency use in absence of power supply disruption.

Table-2.28: Electricity Source of Industry

Electricity Connection Agency	Frequency	Percent
PDB	1	10
REB	9	90
Generator in absence of Electricity	0	0
Total	10	100

Source: Field Survey, 2016

Of the ten industries surveyed 20% complained of irregular power supply and 60% enjoy regular power supply. Only one reported of regular power supply but low voltage, another said irregular and low voltage. Please see **Table-2.29**.

Table-2.29: Status of Electricity Supply

Electricity Supply	Frequency	Percent
Regular & No problem	6	60
Irregular	2	20
Regular but low voltage	1	10
Irregular and low voltage	1	10
Total	10	100

Source: Field Survey, 2016

j. Medical Facility for Workers

Industrial owners were asked if they provide medical facility to their workers, 70% answered negative. Only 30% of the owners replied that they provide health benefit to their workers (**Table-2.30**).

Table-2.30: Health/Medical Facility for Industry's Employee

Health Facility for Employer/Employee	Frequency	Percent
Yes	3	30
No	7	70

Total	10	100
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Source: Field Survey, 2016

Regarding the nature of medical benefits, the three respondents (30%) said that they provide financial assistance to workers during severe health problems. Rest of the owners do nothing about medical facility for their workers. There is no provision of owner appointed doctor for consultation in any of the industries surveyed.

k. Training Facilities in Industry

Out of ten industrial owners (**Table-2.32**) nine said that they had training facilities for newly appointed workers.

Table-2.32: Training Opportunity for Employees

Having Training Opportunity for Employee	Frequency	Percent
Yes	9	90
No	1	10
Total	10	100

Source: Field Survey, 2016

However, there is no formal training facilities. The employers offer them probationary on the job training after appointment (**Table-2.33**).

l. Problems of Industries

During interview with industry owners, questions were asked about the problems they were usually facing. The owners mentioned about such problems as, infrastructure, poor communication, insufficiency of fuel, extortion, waste disposal, bureaucratic hassle, lack of skilled man power, lack of capital, insufficiency of loan. Please see **Figure-2.8**.

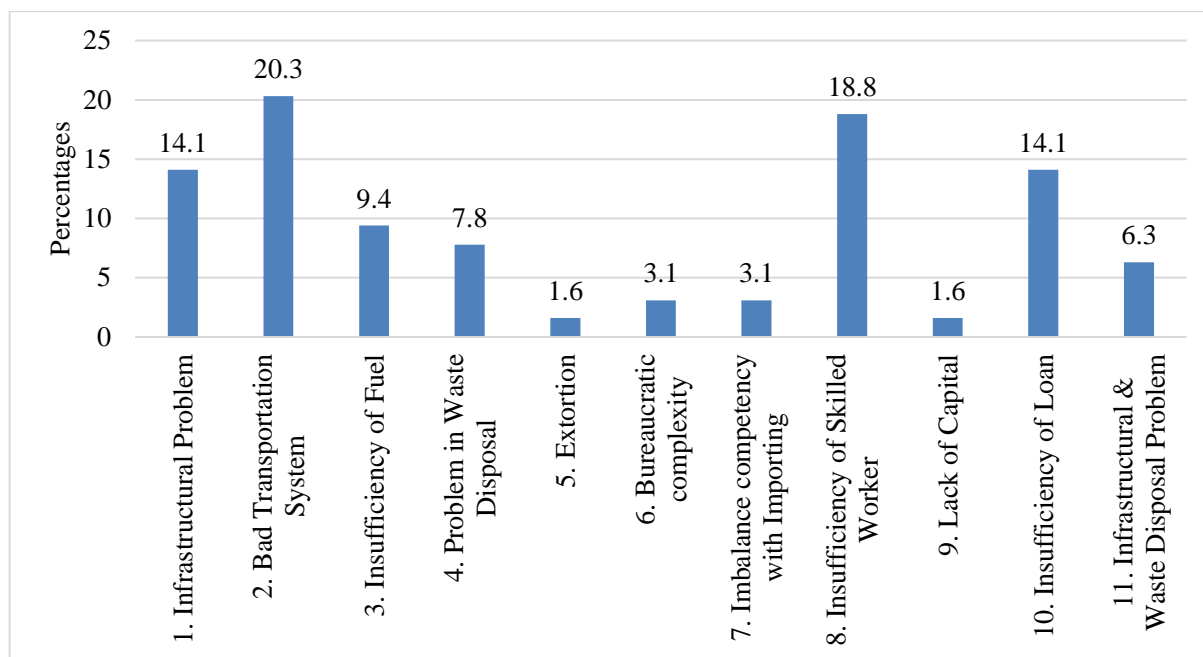


Figure-2.8: Problems of Industries Source: Field Survey, 2016

m. Summary of Formal Industrial Economic Activity

There is no formal type of industry in the upazila in real séance. The available so called industries are mostly processing units. Except those who are in Paurashava have trade license, none have any EIA and permission from DoE. All industries use tube well as their source of water. About 80% use sanitary latrines. All have power supply and 60% enjoy regular power supply. Only 30% industrial owners provide financial assistance to workers during severe medical cases. The industries don't have any formal training system for workers. They learn through working after appointment. The industry owners complain of bad communication, waste disposal problem, bureaucratic hassle, dearth of skilled manpower.

CHAPTER-3: INFORMAL SECTOR ECONOMY

3.1 Introduction

Bangladesh is the 44th largest market based economy in the world in nominal terms, and also the 32nd largest economy by purchasing power parity. International agencies have placed Bangladesh among the **Next Eleven** emerging market economies in the world (Wikipedia,2016). IMF termed Bangladesh's economy as the second fastest growing major economy of 2016 in the world, with a GDP growth rate of 7.11%. Agriculture contributed 18 % of the national GDP in 2001 -2011 (World Bank, 2012). However, the entire agricultural sector is said to be informal. About 89% of jobs in the job market is in the informal sector (ADB,2010). Informal sector is more prevalent in rural areas than in urban areas. Women play a significant role in the informal sector activities in rural areas in particular that vastly remain unaccounted.

Like other parts of the country there is a vast informal sector in Shibchar Upazila. The current section of the Formal-Informal Activity Study analyses the informal sector activities in Shibchar Upazila based on some sample cases. A number of informal entrepreneurs were interviewed for extracting various information regarding the informal sector activities. Sometimes 10 were consulted sometimes 19 were consulted depending on the purpose. Interviews were also carried out with the buyers of the informal sector goods and services. Informal sector economic activities can be based on, both, service and goods. In the current study only those who are dealing with goods have been considered.

Informal Economic Sector includes-agricultural day labourers, small traders, urban street vendors, paid domestic workers and home produced cloths, handicrafts, roadside small tea stall, ferrywala, vegetables seller, van and rickshaw puller, etc. (**Table-3.1**). Informal jobs usually fall outside the domain of the Governments labor market regulation. Informal entrepreneurs do business on others land or on government owned land including street side without paying any rent. They are neither recognized nor registered by any government agency and they are not tax payers.

Table-3.1: Formal-Informal Sector Activities Types

Economic Employment Status	Category
Informal Economic Sector Activity	<ul style="list-style-type: none"> • Agriculture and agriculture labour • Fixed and mobile hawkers, • Footpath Traders, • Household Servants, daily wage earners, etc.

Source: Field Survey, 2016

3.2 Type and Number of Informal Entrepreneurs Interviewed

In the study area 10 types of informal traders/sellers were interviewed at 10 locations (Table-3.1). Types of informal traders interviewed include, Betel nut businessman, Earthen Pottery Seller, Dry Fish Seller, Raw Fish seller, Fruit seller, Readymade Garment seller, Mobile Hawker, Shoe Seller, Vegetable Seller. Among them Fruit sellers, Fish Sellers, Readymade Garment sellers, Vegetables sellers have the lion shares as informal entrepreneurs. For informal sector data collection investigators visited 10 business/trading

centers out of which 3 were urban and 7 were in rural areas.

Table-3.2.1: Survey Location-Rural-Urban Bazar/Hat

Sl.No.	Name of the Survey Location-Rural and Urban Hat-Bazar	Area
1	Matborer Hat	Rural
2	Kacha Bazar Market, Shibchar	Rural
3	Ilyas Ahmed Choudhury Pouro Super Market	Urban
4	Kohinur Prongon Market	Rural
5	DIG Super Market	Rural
6	Arshad Ali Super Market	Urban
7	Mukthi Judda Osu Matbor Market	Rural
8	Munshi Kadirpur Hat	Urban
9	Jolil Khan Super Market	Rural
10	Chander Chor Bazar	Rural

Source: Field Survey, 2016

It is shown in **Table-3.2.1** the names of 10 hats and bazars have been visited and where interviews were conducted on informal business people. A range of queries were made about their business type, turn over, problems and potentials. In all the hats and bazars a large number of sellers were doing small businesses informally. One person from each category of informal economic activities was interviewed.

Table-3.2.2: Type and Number of Informal Traders/Sellers Interviewed

Sl. No	Category of Informal Activity	Frequency	Percent
1	Tea Stall	1	10
2	Earthen Pottery Seller	1	10
3	Fish Seller	1	10
4	Fruit Seller	1	10
5	Restaurant	1	10
6	Auto Rickshaw	1	10
7	Raw Materials Seller	0	0
8	Van Driver	2	20
9	Small Business	1	10
10	Vegetable Seller	1	10
	Total	10	100

Source: Field Survey, 2016

3.3 Capital Investment in the Business

Interview with the ten entrepreneurs' reveals that the amount of capital rolling in informal sector businesses varies from below Tk. 10,000 to above Tk. 50,000 depending on the size of business. About 30% invested around Tk. 10,000. About 50% invested amount between Tk. 10,000 to Tk.50,000. Only about 20% entrepreneurs have been found who have invested beyond Tk. 50,000.

3.4 Credit for Business Investment

Since the informal sector investors are poor, it is often difficult for them manage capital for doing business. Many of them have to take credit for investment from different sources. It

is found from interview, only about 30% of 10 entrepreneurs have taken credit for starting business. It means rest, 7 informal traders are doing business with their own capital. Such capital usually collected from past saving of the family or selling landed property or other valuables. On interview it is revealed that sources of credit are, friends and relations and NGOs. The formal banking system denies credit to the poor who usually, do not have the ability to provide collateral.

3.5 Types of Commodities Traded

Huge variety of materials, that may go to the extent of over 50, are traded in the informal market. Materials may be classified as services and commodities. Commodities may vary from *Jhal Muri* and Pickle selling to Grocery and Fresh Fish. Services include Shoe Shine, Hair Cutting, Black Smith, Tin Smith, Various Repair services, Engineering Works, etc. A short list of informal sector activities is presented in **Table-3.2.2**.

3.6 Consumer Groups of Informal Market

Interview with purchasers of informal sector goods shows five categories of consumer income groups purchasing goods and services from the informal markets. In total 49 purchasers were interviewed and classified into income groups. The identified income groups are, **Marginal** (1), **Low income** (3), **Lower-middle income** (8), **Middle-middle income** (35), **Upper-middle income** (2). Over 71% purchasers have been found belonging to the Middle-Middle income group (**Table-3.3**); 16.33% to the Lower Middle income group and 6% to Low Income group. Detailed information is presented in (**Table-3.3**). According to the opinion of the consumers interviewed, they purchase from informal markets because, the products/services are cheaper, they are easily available near to hand and they, sometimes, can buy them on credit as well. The income group classification with monthly income range in taka is presented below,

- 1. Marginal** <5000
- 2. Low income** 5,000–13,199
- 3. Lower-middle income** 13,200–24,999
- 4. Middle-middle income** 25,000–49,999
- 5. Upper-middle income** 50,000–99,999
- 6. High Income** 100,000+ (Chowdhury,2013).

Table-3.3: Services /Commodities and Consumer Income Groups

Sl.No.	Taking Service/Purchasing Goods from	Consumers' Income Group					Total
		Marginal	Low Income	Lower-middle income	Middle-middle income	Upper-middle income	
1	Tea Stall	1	1	-	3	-	5
2	Earthen Pottery	-	-	1	1	-	2
3	Fish Seller	-	1	2	5	-	8
4	Fruit Seller	-	-	-	3	1	4
5	Restaurant	-	-	2	4	1	7
6	Auto Rickshaw	-	-	-	-	-	-
7	Raw Materials Seller	-	-	1	2	-	3
8	Van Driver	-	-	-	2	-	2
9	Small Grocery	-	-	1	10	-	11
10	Vegetable Seller	-	1	1	5	-	7
	Total	1 (2.04%)	3 (6.12%)	8 (16.33%)	35 (71.42%)	2 (4.08%)	49

Source: Field Survey, 2016

3.7 Status of Informal Trading Establishment

Informal sector traders maintain different kinds of establishments for doing business depending on situation. As low income entrepreneurs they are unable to afford rented shops and therefore they usually they do business on public space or public property. It is reported that out of 10 informal traders interviewed, (**Table-3.4**) about 30% have permanent establishments, 40% carry out business under temporary structures, 20% trades do business in non-motorized vehicles and 10% roam around with head load of commodities. The highest number of people do business with temporary arrangements due to various risks they face in doing business. So it is evident that although informal sector contribution in employment sector is about 80%, they are doing business at risk and under utter disadvantaged condition.

Table-3.4: Status of Informal Trading Establishment

Status of Business Establishment	Frequency	Percent
1. Permanent	3	30
2. Temporary	4	40
3. Non-motorized vehicle	2	20
4. Roaming with head load of commodities	1	10
Total	10	100

Source: Field Survey, 2016

3.8 Time Period of Doing Business

Most informal traders do business 7 days a week, from morning to night round the year. Of the 10 informal traders interviewed, only one was found doing business seasonally (**Table- 4.5**). This person does business on Rickshaw Van. He is basically a farm labourer. In monsoon when there is no job in the farm land he sells goods on Rickshaw Van and earns his living. Rest of the interviewee carry on their business round the year.

Table-3.5: Time Period of Doing Informal Business

Time Period of Doing Informal Business	Frequency	Percent
Monsoon	1	10
Whole year	9	90
Total	10	100

Source: Field Survey, 2016

3.9 Traders/Sellers Monthly Turnover

As presented in **Table-3.6**, 10 types of traders/sellers were chosen for interview, one each from 10 markets. Among other issues, they were also interviewed regarding their monthly income. The information they supplied have been compiled in **Table-3.6**. It is found that 6 traders doing different kinds of businesses, earn a monthly income within Tk.10 thousand. Three traders earn between Tk. 10 thousand and Tk. 20 thousand. Only one trader has income above Tk. 20 each month on average. This trader sales vegetables in Matborer Hat. From the above data the minimum daily early earning by informal activities is calculated around Tk. 300 on average.

Table-3.6: Types of Traders/Sellers and Monthly Turnover

Location of Activity	Location	Nature of Business	Monthly Turnover			
			Within 10000 (Tk.)	10000 to 20000 (Tk.)	More than 30000 (Tk.)	Total
1. Matborer Hat	Rural	Vegetable Seller			1	1
2. Kacha Bazar Market, Shibchar	Rural	Vegetable Seller	1			1
3. Ilyas Ahmed Choudhury Pouro Super Market	Urban	Dry Fish Seller		1		1
		Fish Seller				
		Fruit Seller				
		Raw Materials Seller				
		Small Grocery Business				
		Vegetable Seller		1		1
4. Kohinur Prongon Market	Rural	Small Grocery	1			1
5. DIG Super Market	Rural	Betel-Nut Seller	1			1
		Grocery Business				
6. Arshad Ali Super Market	Urban	Earthen Pottery Seller	1			1
		Fruit Seller				
		Garments Seller				
		Small Grocery Business				
7. Mukthi Judda Osu	Rural	Small Grocery				

Matbor Market						
8. Munshi Kadirpur Hat	Urban	Mobile Hawker	1			1
		Vegetable Seller				
9. Jolil Khan Super Market	Rural	Small Grocery Business		1		1
10. Chander Chor Bazar	Rural	Betel-Nut Seller				
		Grocery Business	1			1
Total			6 (60%)	3 (30%)	1 (10%)	10

Source: Field Survey, 2016

3.10 Monthly Expenditure

Informal sector families expand their income on various accounts as shown in **Table-3.7**. Of 10 family respondents, average monthly expense on food has been found about Tk.4000, average monthly expenditure on housing is Tk.1200; on education is Tk. 1,580, medical Tk. 1361, clothing Tk. 1,311, entertainment Tk. 1,040 and other expenses Tk. 1,043. The highest expenditure the families have to make is in education account and the lowest is in entertainment.

Table-3.7: Monthly Expenditure on Various Accounts

Monthly Expenses on Various	Average Monthly Expenditure (Tk.)	Remark
1. Food	4000	Average 4 members
2. Housing	1200	Three families live in rented house.
3. Expense on Education	1650	-
4. Expense on Medical	1100	-
5. Expense on Clothing	1080	-
6. Expense on Entertainment	1010	-
7. Miscellaneous expenses	1150	-

Source: Field Survey, 2016

3.11 Problems Faced by Informal Sector Business Entrepreneurs

Doing business in the informal sector is not smooth and easy. They have to encounter a host of problems every day in doing business. Problems they face in respect of doing trade include, adverse weather condition, eviction panic, extortion and harassment by Police (**Table-3.8**). Most traders have to face more than one problem during their business activity. When asked about the most critical problem they face, out of ten respondents, 30% pointed to police harassment, 40% indicated to adverse weather and according to 30% respondents' eviction panic is their major problem. One who is doing business occupying road space or on other land without permission, has to remain vigilant all the time of intervention either by police or by the land owner. Police intervention often turns into harassment. The traders doing business with permanent or temporary makeshift structures on public property are always in a risk of eviction. In case of any demolition of structures, they build them again, after the demolishers are gone. Sometimes for safety they have to make arrangements with the land owning authority personnel. If any trader finds doing business in the unused private land profitable, he negotiates with land owner and pay rent

for the space.

Table-3.8: Type of Major Problems Faced by Informal Business

Informal Business Location	Problems Faced			
	Police harassment	Adverse weather	Panic of Eviction	Total
1. Matborer Hat	-		-	1
2. Kacha Bazar Market, Shibchar	-		-	1
Ilyas Ahmed Choudhury Pouro Super Market		-		2
Kohinur Prongon Market	-	-	-	-
DIG Super Market	-	-		1
Arshad Ali Super Market	-	-	-	=
Mukthi Joddha Nosu Matbar Market		-	-	1
Munshi Kadirpur Hat	-	-	-	1
Jolil Khan Super Market	-	-		1
Chander Chor Bazar			-	2
Total	3 (30%)	4 (40%)	3 (30%)	10 (100%)

Source: Field Survey, 2016

3.12 Shifting Occupation

It is regular feature/phenomena of shifting of occupation or diverting of works in informal sector because of various reasons as presented in **Table-3.9**. All businesses do not give equal amount of profit all the time. There are ups and downs in businesses. When business go down adversely and do not give expected level of profit they shift to other businesses that can produce more profit. From survey of 10 enterprise owners, it is found that two of them change business due to bad weather. During rainy season street side business is usually dull as the consumers show up poorly in the streets. As the profit goes down they shift to other businesses. The two traders who sell fruits and vegetables in their roadside shops, shift to mobile businesses during monsoon. They do business on various commodities like, crockery, earthen pottery. Sometimes traders also shift business caused by eviction, low profit, personal physical problem or to avail of new business opportunity, etc. Please see **Table-3.9** for details.

Table-3.9: Causes Shifting Business

1. Adverse weather	2	20%
2. Eviction	2	20%
3. Low profit	1	10%
4. New opportunity	2	20%
5. Physical problem	1	10%
6. Locational disadvantage	2	20%
Total	10	100%

Source: Field Survey, 2016

3.13 Summary of Informal Sector Economy Survey Findings

The consultant carried out a survey of 10 informal sector investors in 10 locations. About 50% of them invested amount in informal business is between Tk. 10,000 to Tk.50,000.

About 30% of the investor had to take credit for doing business. They trade on a large variety of goods and services and sale them at low price. Over 71% of their consumers belong to Middle-Middle income groups. Only 30% have permanent establishments and rest do business either on open sky or under temporary structure or on mobile vehicles. Except a few, most of them do business round the year 7 days a week. About 60% of the investors earn an income within Tk. 10,000 a month. As they usually do business on street side and on public land, they are always at risk. About 30% have to face police harassment. The low income informal traders sometimes have to shift business or occupation due to various reasons, like, bad weather, eviction, locational disadvantage.

CHAPTER-4: SUMMARY FINDINGS

4.1 Introduction

Chapter five of the report contains the summary of findings on issues discussed in the earlier chapters and a set of recommendations to improve the conditions of the formal and informal sector activities in the upazila in order to expedite its economic up building.

4.2 Formal Economic Activity

The **Formal Economic Activities** of the upazila is pursued, apart from the upazila headquarter, through 67 hats and bazars including growth centres. Almost all formal economic activities including, bank and insurance company branches and NGO head offices are located in the upazila headquarters.

Sample study on 10 hats and bazars shows that, 60% of the hats and bazars are operated by the bazar owners, that is, the owners of bazar land. In 90% cases transportation of goods is done through roadway. Bazar wastes are mostly dumped in nearby fallow land or in wet land/roadside areas. In 90% markets, on average, the daily transaction done is about Tk 50 lakh. All markets enjoy power supply facility. All bazars use tube well for meeting their everyday water need.

The total number of Bank and Insurance Companies working in the upazila is 22- 12 Banks and 10 Insurance Companies. In banks the total number of subscribers accounts to 69,770. Total due loan in banks is Tk. 1,04,58,000. Total Agricultural loan disbursed by the Banks in the study area is Tk. 16 crore 30 lakh. The number of insurance service recipients is 2,300. Premium is due to total number of 1,315 subscribers and the total amount of premium collected in current year is Tk. 83,35,000.

NGO's in rural areas play important role in income generation of the low income people. They help improving the livelihood of the have-nots. In Shibchar 10 NGOs are functioning for social development with primary aim to uplift lives of the disadvantaged people through income generation. They mostly provide micro-credit for income generation. Other social activities include health and education services. A number of local CBOs are also in operation in the upazila playing similar role as NGOs.

The available so called industries in the upazila, are mostly processing units. Only the unit's operating within Pourashava have trade license. None of those who operating outside the Pourashava any trade license. None have any EIA and permission from DoE. All industries use tube well as their source of water. About 80% use sanitary latrines. All have power supply and 60% enjoy regular power supply. Only 30% industrial owners provide financial assistance to workers during severe medical cases. The industries don't have any formal training system for workers and they learn through working after appointment. The industry owners complain of bad communication, waste disposal problem, bureaucratic hassle, dearth of skilled manpower as their major problems.

4.3 Summary of Informal Sector Economy Survey Findings

The survey of 10 informal sector investors in 10 locations show that about 50% of them invested an amount between Tk. 10,000 to Tk.50,000 for doing business. About 30% of the

investors had to take credit for doing business. They trade on a large variety of goods and services of low end. Over 71% of their consumers belong to Middle-Middle income groups. Only 30% have permanent establishments and the rest are doing business either on open sky or under temporary structures or on mobile vehicles. Except a few, most of them do business round the year 7 days a week. About 60% of the investors earn an income within Tk. 10,000 a month. As they usually do business on street side and on public land as a result they are always at risk of eviction. About 30% have to face police harassment. The low income informal traders sometimes have to shift their business or occupation due to various reasons, like, bad weather, eviction, locational disadvantage.

4.4 Conclusion and Recommendation

In a developing country like Bangladesh with huge population and high illiteracy rate, low level of technology and low investment, it is normal that a large section of the population cannot be absorbed in the formal sector of employment. Recently, the World Bank Chief said that if Bangladesh can attain a GDP growth rate of 8%, its unemployment problem would be substantially solved. And the country is progressively heading towards that direction. Upazilas are the grass root level development units where economic activities are taking place, both, at formal and informal levels. Formal **sector is** far lagging than the informal sector. For up building formal sector at upazila level, government rules and regulations should be relaxed for the time being. Rules should flexible enough to follow by the small investors in this remote areas of the country where they find very small markets for their products and services.

It is the responsibility of the government policy makers to gradually make the formal sector stronger so that revenue can pour in greater extent to the government account that can be put into further development of the country. But this should not be at the cost of ignoring the informal sector. Because informal sector is still, the largest sector of employment for huge unskilled and unemployed. It is also playing a key role in supplying the cheap labour to the formal sector and help generating extra profit for the entrepreneurs. Policy for strengthening the informal sector should consider the following specific issues,

- allow collateral free credit facility for the informal sector investors, developing appropriate mechanism;
- allow sufficient number of them doing business on footpath without disturbing the pedestrian movement;
- make arrangements for allowing temporary structures for informal business people on public land;
- give them protection against all kinds of extortions and harassments and allow them to do business without any hassle.

The government policy should aim at gradually formalizing the informal sector activities by strengthening their capacity. Formalizing the informal sector activities will boost not only the economic status of individual families, but also add to the government revenue as they would attain the capacity of paying taxes.

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Annexure-I

Annexure-II

ANNEXURE-II
Photographs of Stakeholder
Interview in Shibchar Upazila



Photo-01: Interview with an NGO Official



Photo-2: An NGO Office of Shibchar Upazila



Photo-3 : Interview with a CBO Official



Photo-4: NGO Office of Shibchar Upazila



Photo-5: NGO Office of Shibchar Upazila



Photo-6 : Interview with NGO Officials