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# EXPLORING THE INCOME STATUS OF THE INFORMAL WORKERS OF COX'S BAZAR MUNICIPALITY, BANGLADESH

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## ABSTRACT

Informal workers have a potential role for running the economy of developing and lower middle income countries. In Bangladesh, unemployment is a potential barrier for the development, where state has lack of ability to use the workforce. Informal workers are a group of people who has not engaged in any official or secured working position but they earn daily or monthly by engaging with different service sectors. Cox's Bazar municipality is a bit different and it has absorbed several thousand informal workers and it from Bangladeshi and some Rohingya Community. In most cases, the informal workers need not any financial capital for doing their activities but some skill is required to perform their job. This research will give an in detail field experience of income status about the informal workers in Cox's Bazar Municipality. In addition, this research will provide direction for doing advance research others municipalities and towns of Bangladesh and South Asia. This will lead our economic and physical planners to do something in-advance for coping the informal workers with national economy.

**Keywords:** Informal Workers, Wage Labors, Unemployment, Bangladeshi Taka (BDT), United States Dollar (USD), Compressed Natural Gas (CNG).

## 1. INTRODUCTION

The concept of informal sector was first coined by Keith Hart (1971) and it was the International Labor Organization (ILO) that defused this idea with a view to developing an "effective development strategy" targeted at a specific population. Since then, the concept has gained considerable currency in the development literature. At the 90th Session of the International Labor Conference in 2002, a new concept, informal economy, was used instead of informal sector. Informal sector activities cover micro-entrepreneurs, petty traders, home-based and casual workers, including shoeshine boys, rickshaw pullers, garment workers, and street vendors, to name some. Informal economy encompasses vastly different workers, enterprises, and entrepreneurs that perform activities that are not covered by law because the law is not applicable or is not applied—or with which the law does not encourage compliance because it is inadequate, burdensome, or overly costly. In any case, the activities involved are lawful, and not criminal in the penal sense (Chowdhury, 2005).

At present, more than 160 million people are living Bangladesh and the main problem of this land is employment opportunity. We have not sufficient capability to employing huge manpower with our existing economic activity. That's way; more than ten million people are working in different countries as skilled, semi-skilled and un-skilled labor. This huge population is increasing our National remittance but frequent death of Bangladeshi worker in different countries damaging our National image.

In Bangladesh, the proportion of the aged 15 years and above constitutes more than 64% of total the Population. Among this adult population, 59% is economically active. In context of Bangladesh, the Informal economy plays a significant role in labor market, contributing a significant share to total employment in the country (ADB, 2012).

According to Selim Raihan (2010) “Several studies have defined informality based on certain characteristics ranging from ease of entry, low resource-base, family ownership, small-scale, labor-intensive, adapted technology, unregulated, but competitive markets, and informal processes of acquiring skills”.

The major characteristics of the informal sector in Bangladesh are similar to those in the other developing countries and include: (i) unregistered, small scale operation; (ii) low level of productivity; (iii) low level of income generation; (iv) low level of institutional credit access (sometimes lack of access to formal credit); (v) employment based mainly on kinship, personal/social relations, and casual employment but mostly not on a contract basis; and (vi) generally the absence of recognition or regulation by the Government (Raihan, 2010).

Informal sector is a vital surmise in the development area, especially in developing countries like Bangladesh. When growing population is not provided with enough job opportunities by the formal sector, they engage themselves in small scale, micro level production and distribution of goods and services in the informal sector. Transformation of the economic policy in the surroundings flourishes this in-formalization in the labor market. Moreover, target of more benefit from the firms by manufacturer undermine the working condition of employee in the organization. However, lack of job opportunities that push people to work in the informal economy conceal the bargaining power of labor, downward their wages and undermine their social protections. This work deficit condition not only exists in Bangladesh but also in worldwide (ILO, 2012).

At present, approximately 0.25 million people are living in Cox’s Bazar Municipality. But the City contains employment more than 0.2 million including the commuter population of surrounding the towns and rural areas. So the informal sector has a great role in employing the informal worker through labor selling and small business. The study has considered the labor selling informal workers under different categories. In context of Cox’s Bazar Municipalities and its surrounding areas, the informal workers are two types, Poor Bangladeshi people and Stateless Rohingya people. After last influx (2017-2018) of the Rohingya people into Bangladesh, labor market of informal workers has supplied from two communities (Bangladeshi and Rohingya). As the informal workers market is comparatively small to serve both communities, so seasonal unemployment is facing by some workers.

This study has discovered the income status of informal workers who are working in Cox’s Bazar Municipalities. In addition, it has discovered some challenges faced by the informal workers in their daily life.

## 2. OBJECTIVES OF THE RESEARCH

This research is expected to satisfy three objectives in relation to the research title. Those are:

- To identify the income and living status of informal workers of Cox’s Bazar Municipality Area.
- To explore the income status of the informal workers in Cox’s Bazar Municipality.
- To discover the challenges faced by the informal workers during their daily working period.

## 3. METHODOLOGY

This study has followed a systematic process of social research, this study has conducted by Key Informant Interview (KII) for collecting data from the fields. Multiple respondents have interviewed to understand the income status of the workers. And, this study has considered following types workers as “Person of Concern” (i. Manual Rickshaw Pullers, ii. Manual Goods Carrying Van Drivers, iii. Pushcart Drivers, iv. Engine/ Battery Driven Rickshaw Pullers, v. Engine/Battery Driven Goods Carrying Van Drivers, vi. Three Wheelers CNG Drivers, vii. Pushcart Drivers viii. Three wheelers Engine/Battery Auto Drivers, ix. Maid Servants. x. Fish Processing Workers, xi. Construction Workers, xii. Earth Excavation Workers xiii. Daily Wage Labors).

During the data collection, this study has followed social ethics of data collection and informed the respondents prior to data collection. Used information of the research have taken prior concern from the respondents.

## 4. FINDINGS OF THE RESEARCH

Finding of the research has divide in three category, Living Condition, Income Status and Challenges of the informal workers, mentioned sections have described in below.

### 4.1 Living Condition

This research has investigated location of informal workers (night stay) after working into the municipality area. And, majority of the informal workers are living in different low income settlement (Khurushkul, Fishery Ghat, Somotee Para and different

pocket areas of the Municipality). It has identified that the places informal workers are living is lack of different service facilities. Most of the cases water supply condition of the mentioned areas is not in a standard condition. Water supply for the low income settlement is depends of Deep tube-well which installed by Government or NGOs. Most of the cases people need to carry water with long time waiting.

In addition, this research found approximately 19% of the informal workers are from the surrounding areas (outside the municipality) which including Rohingya people (Approximately 3%). This commuter workers are coming during the early morning and went to their home at night time.

## 4.2 Income Status

Whole person of concern has again categorized three categories, a. Manual Vehicle Operators Worker, b. Engine/Battery Driven Vehicle Operation Worker, c. Wage workers, for a setup location work.

### a. Manual/ Non-motorized Vehicle Operators Worker

Three types (i. Manual Rickshaw Pullers, ii. Manual Goods Carrying Van Drivers, iii. Pushcart Drivers) of workers have defined under the categories. Manual rickshaw pullers used to rent the rickshaw from the owners at BDT 100 (USD 1.2) for a day and earn BDT (700 to 900) or USD (8.25 to 10.60). Ownership of manual good carrying van and pushcart have found self-owned by the operators/workers. And, daily income of these two is BDT (600 to 1100) or USD (7.05 to 12.95) but under these two type, drivers need to carry goods according to requirement of the work.

According to the field investigation, some Rohingya people are also involved as manual rickshaw puller into the municipality. But, no manual good carrying van or pushcart drivers has found from Rohingya community.

### b. Engine/Battery Driven/Motorized Vehicle Operation Worker

Four types of informal workers (iv. Engine/ Battery Driven Rickshaw Pullers, v. Engine/Battery Driven Goods Carrying Van Drivers, vi. Three Wheelers CNG Drivers, vii. Three wheelers Engine/Battery Auto Drivers). Most of the cases of the person of concern (drivers) have not the ownership of the vehicle as the purchasing of the vehicle required a fixed amount of investment BDT 55000 (USD 650) to BDT 400000 (USD 4700). So the income is sharing into two parts a. owner. b. driver/ informal worker.

**Table 1:** Daily Income and expenditure of four categories provided below

Type	Total Income	Total Expenditure		Workers income
		Vehicle owners	Gas/ Electricity	
Engine/ Battery Driven Rickshaw	BDT (1400-1500) or USD (16.50 to 17.65)	BDT 500 (USD 5.90)	BDT 200 (USD 2.35), Electricity	BDT (700-800) or USD (8.25 to 9.41)
Engine/Battery Driven Goods Carrying Van	BDT (800-1000) or USD (8.25 to 10.60)	Self-Owned	BDT 200 (USD 2.35), Electricity	BDT (600-800) or USD (7.05-9.41)
Three Wheelers CNG	BDT (1400-1500) or USD (16.50 to 17.65)	BDT 500 (USD 5.90)	BDT 400 (USD 4.70), Gas	BDT (600-700) or USD (7.05-9.41)
Three wheelers Engine/Battery Auto	BDT (1400-1500) or USD (16.50 to 17.65)	BDT 500 (USD 5.90)	BDT 200 (USD 2.35), Electricity	BDT (700-800) or USD (8.25 to 9.41)

### c. Wage workers

Five Type of informal workers (ix. Maid Servants. x. Fish Processing Workers, xi. Construction Workers, xii. Earth Excavation Workers xiii. Daily Wage Labors), have placed under wage worker and workers required little equipment's/machineries to perform their job. Most of the cases, the employer supply necessary instrument except some tools.

As listed above, income of the maid servants is mostly monthly basis and it's BDT (5000 - 8000) USD (58.80 to 94.12). Maid servants are taken meals from the employers as an additional benefit, some cases they stayed in the house where they work and women are working as maid servant. Some maid servants are working more than one houses as day basis, in that case BDT (400-500) USD (4.70- 5.88) wage need to provide to the worker. Some Rohingya women are also engaged in maid servant work into the municipality.

Construction workers are earning BDT (400 – 800) USD (4.70 – 9.41), according to skills, same rate is applicable for fish processing workers. And, earth excavation workers are earning BDT (400-600) USD (4.70- 7.05) as per the actual work they perform

in the workplace. And, daily wage labors are earning BDT (400-600) USD (4.70- 7.05) in different labor based work (Like: Shops, small restaurants, etc).

### 4.3 Challenges of Informal Workers

Informal workers of the Cox's Bazar Municipality are facing many type of problem, among those, transport related informal workers facing problem of broken road condition. In addition, dust in the road influence different types of sickness. Non-motorized drivers/operators need additional labor due to fragile road condition. All the types of informal workers carry out risky jobs but they do not have any medical support if they face accident. Seasonal unemployment is facing most of the informal workers. In many cases, working period of the informal workers is more than eight hours which is a big challenging to maintain their family.

## 5. CONCLUSION

According to the findings of the research, informal workers are still neglected from different type of benefit / social safeties. However, they are contributing a lot for running the economy of the municipality. The amount of income is not sufficient for some worker's family. In many cases, husband and wife both are working as informal workers for maintain their family. In some cases, some employers are not providing them dignity which is also affect the mental state of the workers.

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