

Section 1: Introduction:

The non-observed economy is composed of four groups of activities:

1/ The underground economy 2/ illegal activities; 3/ the informal sector; 4/ Activities undertaken by households for their own final use.

Informal sector production refers to activities that are not deliberately meant to be concealed and to avoid compliance with legal obligations, but that are not registered or are poorly registered due to the inability of public authorities to enforce their own regulations, the implicit recognition of the inapplicability of these regulations and the resulting tolerance of these activities.¹

The beginning of defining the informal sector go back to an article by Arthur Lewis under the title Economic Development with unlimited supply of Labor. In this article he wrote about his theory of how to develop the third world countries, he notice that these countries have a dual economy; the first is a modern sector which goes along with Capitalism, and the second is traditional sector which produce for the internal market and this include traditional farmers, seasonal workers, small merchants, houses servants and the additions in labor force because of he increase in the population.²

It is important to mention that there is no one definition of informal sector which will address all the purposes and local conditions for example the international labor organization identify the term informal is the one that have many elements which include the simple entry to engage the activities, depending on self resources, to get the skills outside the formal training schools and to focus in the informal market. But in the other hand we find the definition of the organization of Economic Cooperation and development focus on the condition of regulations and permits and the number of persons involve. Also there is no agreement among the majority of Arab Countries on defining the informal activities.³

In Sudan the minister of labor force define the informal sector as a sector that include the very small units of production and services managed by those who work for themselves, but some f them use workers from their family or small numbers of workers by wage, and uses small amount of capital. The majority of this informer sector need very little skills and technics. And also most of this sector are outside the work regulation and social security⁴

In Sudan the informal sector activities include agriculture work in the rural area and in the cities in a group of small works like tea sellers, moving vendors, sellers of vegetables and fruits, shoe shiners and family production projects. This sector provides opportunity of works and earning for a very big group of the Sudanese society, and in addition it produce the goods which these groups needs. For this the informal sector is capable of reducing the effects of urban poverty and to make the poor involve in the economic activities and the labor market.

Section 2:

The factor which lead the individual to enter the informal sector in Sudan:

There is a big increase of activities of informal sector in Sudan because of many different economic and social factors. That is why it is very important to conduct many studies and researches to value this sector and know it's effects on the Sudanese economy. These economic and social factors are:

- The increase of populating in urban area through the natural increase and the migration of the people from the rural area to the cities.
- The low standers of academic and skills training which lead the unskilled labors to work in the informal sector.
- The increase of unemployment due to the inability of formal sector to employ because of policy of free economy and the privatization of public sector.
- Migration due to the treble conflicts, wars and natural conditions of drought
- The increase of the percentage of poverty.
- The transfer of money of those who works outside the country for their family, who like to invest in way that will earned a quick profits.⁵

In the locality of Karari which is part of the state of Khartoum, the informal sector activities we find it in many local markets, and in the main roads, and in the front of universities, hospital and clinics. Also there are activities of informal sector inside the houses like those works in the business of beauty and those do the work of repair and maintenance which conducted inside the houses⁶

The units which involve in activities of informal sector in this locality have no permits to conduct these activities also they had not been registered. But some of them have yearly permission with fees between (250 – 500) Sudanese pound, or monthly rent with fees between (16 – 30) Sudanese pound and this include vendors and the sellers of fruits and vegetable with the exception of tea sellers and traditional bread sellers. It is important to mention that the role of locality administration is only to give temporary permits for the units of informal sector but the location and the land is under responsibility of engineer affairs. As for the informal transport sector in the locality of Karari represent in private cars which are used in public transport⁷

Methodology of Study

The researcher depend on purposive sample and distribute 225 questionnaire for the purpose of reaching the required data. To achieve the research objectives the following hypotheses were tested:

- The informal sector has a positive effect on the GDP.
- There is a statistical relationship between the capital used and economic activities, and the value added.
- The economic and social factors play important role in directing labours towards the informal sector.

Result:

Research main finding include the following:

- The informal sector has a positive effect on the Gross Domestic Product (GDP)
The study which include 225 Cases of economic activities in the informal sector in the locality of Karari clarify the lowest value added is (70) Sudanese Pound. And the highest value added (1820) and the average is (453.7). the total of the value added is (102072) this is why we are able to say that the informal sector has a positive effect on the Gross Domestic Product (GDP).
- The capital in use affect positively the value added, and the economic activity thus the result of this hypnoses that the value added is been effected by both used capital and economic activity and this agree with hypnoses of the study where the value added as is effected by used capital and economic activity which both of them are independent variable.
- The economic and social factors play important role in directing labours towards the informal sector
This schedule show frequency distribution of the statement why you are turn to work in the informal sector – economic factors

The answer	Number	Percentage %
Working in informal sector is a quick way of earning	156	69.3
Didn't find job in both public and private sector	28	12.4
Minimization of wages in public and private sector	25	11.1
The increase of taxes and fees in the informal sector	13	5.8
I was Separated from working in public or private sector	3	1.3
Total	225	100

This schedule show frequency distribution of the statement why you are turn to work in the informal sector – social factors

The answer	Number	Percentage %
I didn't find another job to earn living for me or my family	158	70.2
I Didn't complete my education	28	12.4
Migration from rural to urban area	28	12.4
Moving out because of treble conflicts and droughts	8	3.6
Others	3	1.3
Total	225	100

Conclusion

The major recommendation of this research are:

- The effort must be put towards reaching unified definition for the informal sector in accord with the international concept for the purpose of comparison.
- From a practical prospective to establish a framework for the informal sector it is suggested to benefit from the following:
 - Employment or labour force survey
 - Empirical survey on informal establishments
 - Mixed household-enterprise survey
 - Household consumption survey.
- It is necessary to establish a data base in ministries and institutions that has direct relation with this sector so as to look at the situation of work of informal sector and its contributing in national economic.

References:

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 - ³) Ahmed Alkwaz, informal sector and its role in Arab countries. The Arab plan institute Kuwait 2002.
 - ⁴) Mohammed Albashier, work paper in the regulation of safety and work health in the informal sector, 2000.
 - ⁵) Alshahafa Sudanese New Paper, Number 5297 year 2008.
 - ⁶) personal meeting with Mohamed Abasher Abbakar (Administrative officer in the locality of Karari, 2009.
 - ⁷) *ibid*,