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**SMALL SCALE ENTERPRISES IN NIGER:
SURVEY RESULTS FROM DOSSO AND MARADI**

By

Yacob Fisseha

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TABLE OF CONTENTS

	<u>Page</u>
CHAPTER 1: NIGER SMALL SCALE ENTERPRISES: SURVEY BACKGROUND INFORMATION	1
1.0 INTRODUCTION	1
1.1 SAMPLING APPROACH AND LOCATION OF SURVEY AREAS	4
1.2 ENUMERATION METHOD	7
1.3 SOME OPERATIONAL DEFINITIONS	10
 CHAPTER 2: GEOGRAPHICAL AND INDUSTRIAL DISTRIBUTIONS OF NIGERIEN SSES	 11
2.0 INTRODUCTION	11
2.1 GEOGRAPHICAL DISTRIBUTION OF NIGERIEN SSES	12
2.2 EXTRAPOLATION OF SAMPLE FINDINGS	17
2.3 ESTIMATION OF THE NUMBER OF SSES FOR NIGER AS A WHOLE	19
2.4 INDIVIDUAL ENTERPRISE TYPES THAT DOMINATE THE NIGERIEN SSES	23
2.5 SUB-SECTORAL AND INDUSTRIAL GROUPING OF ENTERPRISES	29
2.6 COMPARING RESULTS FROM TWO DIFFERENT STUDIES	37
 CHAPTER 3. EMPLOYMENT MAGNITUDE AND PATTERN IN NIGERIEN SMALL SCALE ENTERPRISES	 38
3.0 INTRODUCTION	38
3.1 THE OVERALL MAGNITUDE OF THE SSES LABOR FORCE	38
3.2 SIZE DISTRIBUTION OF SSES LABOR FORCE	42
3.3 SEASONALITY OF OPERATION AMONG ENTERPRISES OF THE SSES SECTOR	46
3.4 TYPES OF LABOR FORCE IN THE SSE SECTOR	48
3.5 WOMEN IN THE SMALL SCALE ENTERPRISES SECTOR	50
 CHAPTER 4: BASIC CHARACTERISTICS OF THE NIGERIEN SMALL SCALE ENTERPRISES SECTOR	 54
4.0 INTRODUCTION	54
4.1 REVIEW OF BASIC SSES CHARACTERISTICS	54
4.2 IMPORTANCE OF THE SSES AS SOURCE OF HOUSEHOLD INCOME	56
4.3 GENERAL CHARACTERISTICS OF SSES IN THE SUPPLEMENTARY SURVEY	57
4.4 SECULAR CHANGES OVER TIME	61
4.5 PROBLEMS FACED BY SMALL SCALE ENTERPRISES	62
4.6 TYPES OF EXTERNAL ASSISTANCE RECEIVED	63
 APPENDIX A	 65
 BIBLIOGRAPHY	 70

LIST OF TABLES

	<u>Page</u>
Table 1. List of Strata as Source of Potential Area Sampling Units	6
Table 2: Names and Populations of Area Sampling Units enumerated in the survey.	9
Table 3a: Geographical Distribution of Miger SSEs and Their Labor force Size from the Sample Areas . . .	13
Table 3b: Total Number of SSEs and Employment in Dosso and Maradi by Extrapolation from Table 3a	18
Table 4a: Dominant Enterprise types in the First Two Strata of Maradi and Dosso towns	24
Table 4b: Dominant Enterprise types in the Smaller Towns And ZDs strata of Dosso and Maradi Departments . . .	25
Table 5: Sub-sectoral and Industrial Groupings of SSEs and their Employment	30
Table 6: The Results from two Different Studies On the Number and Type of Enterprises	37
Table 7: A series of employment adjustments to discount for multiple market visits, part time workers, etc.	39
Table 8. Distribution (%) of SSEs in Dosso and Maradi Departments By Labor Force Size Ranges	43
Table 9: Average (Arithmetic Mean) of the Size of SSEs Labor Force Among Industrial Groups	44
TABLE 10: Average Number of Months of Work per Year and Other Size Characteristics	46
Table 11: Distribution (%) of the Total Labor Force Among Different SSEs Labor types	49
Table 12a: Shares (%) of SSEs and Employment Accounted for By Female Owned Enterprises: Dosso	51
Table 12b: Shares (%) of SSEs and Employment Accounted for By Female Owned Enterprises: Maradi	52
Table 13: Summary of Basic SSEs Characteristics	55
Table 14: The Importance of SSEs as Source Of Income and Employment	58
Table 15: Descriptive Profile of SSEs In the Supplementary Survey	60

1

**CHAPTER 1: NIGER SMALL SCALE ENTERPRISES:
SURVEY BACKGROUND INFORMATION**

1.0 INTRODUCTION

This report describes the results of a survey on small scale enterprises in Niger carried out by Michigan State University during fall 1989. The project was financed by USAID/Niger and co-sponsored by the Ministry of Planning, Government of Niger (GON). For the purpose of the present study, small scale enterprises (SSEs) are defined as those non-farm enterprises whose total 'employment' (actually number of people working in such an activity) is equal to or less than 50; such market oriented production, commerce and repair enterprises range from the one-person operated vendors one sees on the roadside to the medium sized conventional or formal business outfits. In the case of Niger, it also includes the mobile ones as well. There are, of course, a number of ways to define small scale enterprises, including availability of prior data, purpose of the study and the level of economic (business) development of a country. The use of number of people working in an enterprise is preferred here because it is easy to get and proprietors or SSEs owners would have less inhibition to divulge such information at the first encounter such as this.

The present study is geared towards providing a bird's eye view of the SSEs sector as to its broad importance in employment and its geographical and industrial distributions. The study was initiated by USAID/Niger (henceforth, just USAID) in collaboration with host institutions and individuals under a conscious program of pursuing a broad-based economic (rural) development approach in Niger. The primary motive behind the study was to find out more about the Nigerien¹ small scale enterprises sector and see what role it might play in such an effort, particularly those SSEs located in the villages and rural towns in close proximity to agricultural activities.

¹ The word Nigerien will be used as an adjective for Niger and SSE or SSEs will be used as an abbreviation for Small Scale Enterprises, including manufacturing, commerce and services.

While a number of studies (a few quite extensive) have been done in the past,² the published works indicate that none of them is systematically consistent or comprehensive enough to provide a broader picture of the SSEs sector and place it in a national context with respect to its economic and employment roles and sectoral linkages. As a result, very little centrally relevant information capable of providing both a larger and more specific perspectives seems to exist on the sector to help incorporate it into a targeted project of development intervention, particularly in the context of the broad-based effort mentioned earlier. One also finds sporadic references to the sector in a number of other studies of agriculture, commerce or privatization, but very little structured and targeted information on the basic characteristics and constraints of the SSE sector per se.

The present study includes basic information on the SSEs such as their geographical distribution among localities of different population size strata, the types and sizes of such enterprises, their

² Examples of such studies include those done by,

- a) The GON institutions such as the Ministry of Planning or the Ministry of Commerce and Industry-- particularly studies conducted by the artisans unit within the latter ministry; some of the studies have not yet been fully analyzed or published;
- b) Experts sponsored by development agency such as USAID under its examination of income generating activities or market studies; or sponsored by the ILO particularly through the now-defunct OPEN (Office de Promotion de l'Entreprise Nigerienne) project; or by academic institutions such as the University of Niamey or the University of Toulin on sewing or embroidery activities in Agadez; and finally by CARE/Niger on potential clients in Maradi; and
- c) Individuals on historical development of markets, exchange modes, and trading routes and linkages, particularly in eastern Niger: Eric J. Arnould in Zinder department; Margaret O. Saunders in Mirvia, Zinder; Stephen Baier, a book, on the whole eastern region; and Mary Bivin, on historical socio-economic development in Maradi.

employment pattern and other related basic static characteristics.' Although contextual references may be made to them, the present study was not designed to provide information on entrepreneurs' concern about topics such as product markets, development assistance and government regulations; nor was it designed to investigate broader issues such as sectoral economic linkages, resource productivity, and manpower training needs. The study does provide a descriptive profile regarding the following issues:

- (1) The prevalence and importance of the small scale enterprises with regards to their relative sub-sectoral, industrial and geographical distributions;
- (2) The importance of income from SSE activities relative to that from agriculture and other sources;
- (3) The size, intensity and pattern of employment found in the SSE sector;
- (4) The position of females with regards to their share in the total employment and ownership of enterprises;
- (5) Some indications of the mode of production or operation utilized by SSEs as indicated in the use of modern technology or the permanence and durability of their workshops;
- (6) A systematic and clear statistical sampling frame, i.e., a list of potential target enterprises (for those areas represented by the survey) for possible use in future studies-- industry and locality specific listing of SSEs should save extra costs and help generate more accurate data;
- (7) And from the supplementary survey mentioned earlier, some preliminary information on the following additional points:
 - (a) The educational background of the entrepreneurs;

' USAID/Niger's present goal for the study of the small scale enterprises is of course broader than the limited objectives in the present study. This study attempts to provide the basic characteristics of the sector and is hoped to contribute insight so possible in depth future studies on the Nigerien small scale enterprises sector.

- (b) Some historical information about the enterprises;
- (c) Entrepreneurs' perception of current problems and problems faced when an enterprise is started and when it goes through some stage of growth;
- (d) Entrepreneurs' access to technical, managerial or financial assistance; and
- (e) Secular changes among the different enterprise types in recent years.

It is hoped that combined, the above points could provide basic contextual information on the SSEs sector and possibly provide enough knowledge base for specific intervention, for evaluating the relative importance of SSE projects or for deciding whether or not further investigation of the sector is at present necessary.

1.1 SAMPLING APPROACH AND LOCATION OF SURVEY AREAS

The study consists of a comprehensive primary survey or enumeration of SSEs in certain localities and a brief supplementary socio-economic investigation on a much smaller sample of enterprises. The set of enterprises in the supplementary survey were drawn from those enumerated (recorded) in the primary survey.⁴ Both surveys were carried out in Dosso and Maradi departments (provinces); currently USAID has a number of development or research projects in these two departments and they were chosen so that the SSEs survey could complement these other efforts and thus augment the overall knowledge base in these areas and reinforce the goal of promoting a broad-based economic development policy.

Dosso and Maradi constitute an important part of the agricultural zone found in the south of the country; the most dominant agricultural activities are mentioned later. The two departments combined account for a third (33.3 %) of the total national population of about 7.25 million, but only 6% of the total surface area of 1.27 million sq.

⁴ The supplementary sample of 237 enterprises was added mainly to get some preliminary socio-economic background information to help provide preliminary insights of major issues.

kms. and are in fact the most densely populated departments in Niger.'

Studies of small scale enterprises in other countries have shown that their prevalence and characteristics may systematically vary with the population sizes of localities where they are found.' To take advantage of this possible tendency, the present survey was conducted along a stratified sampling approach. Thus, the area sampling units included in the survey were selected after the two departments were stratified into localities on the basis of their population sizes. The stratified localities were (1) Maradi town, (2) Dosso town, (3) the smaller towns in each department (i.e., excluding Maradi and Dosso), and (4) rural localities which the Central Bureau of Statistics calls Zones de Denombrement (ZDs) and which it uses as the standard units of area sampling for population census.' The ZDs have clearly marked boundaries and each of them may have from one to a dozen villages within its boundary.' The population sizes of the ZDs

' See 2eme Recensement General de la Population 1988, Bureau Central Du Recensement, Ministere du Plan et de la Planification Regional, Republique du Niger; January, 1988, p. 6.

' Major summaries of such studies are included in,

- a) Small Scale Industries in Developing Countries: Empirical Evidence and Policy Implication, MSU International Development Paper No. 9, Liedholm and Mead (1987);
- b) The Contribution of Small-Scale Forest-Based Processing Enterprises to Rural Non-Farm Employment and Income in Selected Developing Countries, FAO publication MISC/85/4, Fisseha (1985).

' Among the urban localities potentially available for the present survey, only Dosso and Maradi (and perhaps Dogon Douchi and Tessaoua) could qualify, by the U.N. definition of 20,000 people or more, as urban areas. Many of the other towns are very small and are found in rural settings, particularly those off the major east-west highway.

' For the present study, detailed maps of the ZDs and their individual population sizes were obtained from the Central Bureau of Statistics.

range from 1000 to 2500. Both Maradi and Dosso towns were each counted as a separate stratum due to their relatively large population sizes and due to their status as the seats of departmental government. The details of the different strata are shown in Table 1.

The first two strata (i.e., respectively Maradi and Dosso towns) were automatically included for enumeration in the survey; from the third stratum, a purposive sub-sample of towns (subjectively chosen as 'representative' of the population size distribution of the smaller towns) was picked; these towns were Dogon Doutchi, Gaya, Loga, Dakoro, Tessaoua and Agueie. Finally, a random sample of ZDs representing both departments was chosen from the fourth stratum of rural localities.

Table 1. List of Strata as Source of Potential Area Sampling Units

Department	Population Size Strata			
	Stratum 1	Stratum 2	Stratum 3	Stratum 4
DOSSO (693,200)	--	Dosso Town (27,000)	D. Doutchi Boboye Gaya Loga (44,800)	667 Rural ZDs (621,400)
MARADI (1,400,000)	Maradi Town (113,000)	--	Agueie Dakoro G. Roundji Madarounfa Mayahi Tessaoua (59,300)	810 Rural ZDs (1,227,700)

This Table shows specific names of potential area sampling localities (total number of the ZDs in the case of the fourth stratum) and total Populations for each stratum (shown in parenthesis); the population figures are preliminary reports from the 1988 population census.

1.2 ENUMERATION METHOD

Field enumeration was done by 19 students from the University of Niamey after a week of training. Most of them were third and fourth year students and some of them had worked in some survey works before. One was used for checking codes and the rest were divided into three groups of six enumerators each under a supervisor; each group was provided with a four-wheel drive vehicle and a driver. Two of the three supervisors had completed their course work at the University and they had only to write their terminal papers before they graduate; the third supervisor was already preparing to go abroad for further training. Since Maradi was expected to take longer time, two groups were assigned there.⁹

The primary languages in Dosso and Maradi being respectively Djerma and Hausa, each enumerator's place of assignment was decided by taking this fact into consideration.¹⁰ Each group of enumerators had the necessary facilities to be able to stay wherever the work happens to take them. Fortunately, accommodations were greatly facilitated by government officials helping in providing guest houses. Regional offices of the Ministry of Planning played a valuable role in making the necessary contacts for such arrangements.

Although it was modified to suit the Nigerien situation, the format of the questionnaire for the primary study was the one used by the Small Scale Enterprise unit at Michigan State University in a dozen other countries. It is designed for easy completion and to contain a lot of basic information in a small space; it is also well suited for a quick and easy verification of data and for generating a systematic and sequential listing of all enterprises enumerated.

⁹ Although two enumerator groups were assigned to it, Maradi took a much longer time to enumerate due to the multitudes of SSEs found there; this affected the ability to cover other smaller towns in Maradi department.

¹⁰ This difference in language ability among the enumerators was later a constraint preventing moving some of them to Maradi to help with the overload there.

In order to complete the primary questionnaire, enumerators had to go from street to street and from house to house checking and recording the presence (or absence, as the case may be) of SSEs in the sample localities. Completed questionnaires were coded and checked on the field before they were sent to Niamey for computer entry. In addition to a final manual verification in Niamey, the data were twice entered into the computer, once for initial entry and a second time for verification.

At the end of the enumeration or survey period the following localities were completed: Maradi Town, Dosso Town, five other smaller towns (Dogon Douchi, Gaya, Loga, Boboye or Birnin-Gaouré and Dakoro) and 14 rural ZDs-- see Table 2. Those localities enumerated in the survey account for almost 10 per cent of the total population in the two departments. The aggregate sample representation was thus very good. All smaller towns in Dosso were covered; however, due to the long time Maradi town took to cover it and the fact that language background precluded bringing additional enumerators from Dosso, the small towns of Tessaoua and Aguié in Maradi departments were not covered as initially planned.¹¹ As the enumerators had to go back to school, it was not feasible to extend the enumeration period either to cover these two towns.¹² Thus the smaller towns in Maradi department are under represented. Nevertheless, the completion of all the remaining localities in the sample was done in record time. Both Maradi and Dosso towns, five smaller towns and 14 ZDs (Zones de Denombrement) were completed. In doing so, close to 19,000 small scale enterprises were enumerated and another 16,000 households were

¹¹ The interest to cover Tessaoua was particularly great as it lies in the historical trade caravan route down to Northern Nigeria.

¹² The initial sampling design described earlier was based on a plan of work for an earlier survey starting date.

Table 2: **Names** (in the case of the fourth stratum, just total number of ZDs) and **Populations of Area Sampling Units** enumerated in the survey.

Department	Population Size Strata			
	Stratum 1	Stratum 2	Stratum 3	Stratum 4
DOSSO (693,200) <11.9%>	--	Dosso Town (27,000) <100%>	Doutchi, Gaya Boboye, Loga (44,800) <100%>	6 rural ZDs (10,800) <1.7%>
MARADI (1,400,000) <10.1%>	Maradi Town (113,000) <100%>	--	Dakoro (14,500) <24.5%>	8 rural ZDs (13,300) <1.1%>

Population figures for each stratum (shown in parenthesis) are rounded off to the nearest hundreds; percentage of stratum population enumerated during the survey is shown in angle brackets, <>.

visited and noted as having no SSE activities.

In addition, a more detailed supplementary questionnaire was completed for a sample of 237 cases. For this supplementary sample, the average size of the labor force per enterprises is relatively bigger (5.83) compared with that for the primary enumeration survey (1.69).¹³ The aim in this sample was to collect data on enterprises that are perhaps more likely conducive to the feasibility and potential effectiveness of intervention projects; thus, it was assumed that

¹³ Enumerators were given the responsibility of picking the respondents randomly--the only requirement being not to include the very small or micro enterprises whose activities are called 'vending' in the present survey.

a certain degree of business size and operational capacity may be desirable (although it may not be always necessary) to take advantage particularly of certain technical intervention measures.

1.3 SOME OPERATIONAL DEFINITIONS

As already indicated, SSE activity is defined to encompass enterprises with 'employment' of 1 to 50 people. The word employment does not necessarily imply paid employment and is used here in the context of working in or being engaged in an SSE activity. The survey includes enterprises involved in manufacturing, commerce/trade and services. Manufacturing is used in a wider context to include the repairing of manufactured goods since repair activities also engage in the production or modification of original and replacement items. Depending on their related activities, the individual enterprises are grouped into industrial units. Forest-based activities refer to non-wood based plant raw materials (that may be acquired from the forest).

The rural and urban dichotomy employed here adopts the practice used by the Central Bureau of Statistics of the Government of Niger (GON). Thus all references to urban localities include the larger towns of Maradi and Dosso as well as the smaller towns in the third stratum. Rural localities then refer exclusively to the ZDs.

The main part of the report deals with the identification, enumeration and classification of SSEs and employment from the extensive study called here primary survey; the report also contains a little more detailed description of the larger group of SSEs from a separate study called here supplementary survey. The results from the supplementary survey are discussed in Chapter 4.

The actual results of the survey are presented beginning with the next chapter.

.11

CHAPTER 2: GEOGRAPHICAL AND INDUSTRIAL
DISTRIBUTIONS OF NIGERIAN SSES

2.0 INTRODUCTION

During the survey of SSES in Dosso and Maradi departments for 30 days, close to 19,000 SSE activities were enumerated from canvassing about 35,000 households.¹ The use of the phrase 'SSE activities' is deliberate and is meant to highlight the fact that some 'enterprises' although providing partial income and partial employment to their operators, are in their rudimentary stage of business organization. As will be pointed out later, many are very small and may be operated on the side in addition to other household activities such as farming. The two departments of Dosso and Maradi enumerated in the survey are literally teeming with such SSE activities. It should also be noted that in the kind of house-to-house canvassing (census) approach used in this study, it is most unlikely to over count SSES in a given enumerated locality (assuming the sample locality has been clearly delineated) because enumerators record what they find during their visits. On the other hand, any degree of participation in an SSE activity will get to be enumerated so that some adjustment factor such as the intensity of employment or the length of operation per year will have to be used to modify or normalize the SSE counts. The smallness and 'informality' of the enterprises should not however cause one to lose sight of the fact that they are sources of employment and income for their operators-- benefits that might not have been available in their absence.

¹ In addition, a sample of 237 enterprises from among those included in the primary enumeration were examined in detail for additional information. This smaller sample is identified in the report as a supplementary survey. Fifty-eight of these 237 enterprises were clients of CARE/Niger in the department of Maradi and 27 of them were specifically picked at the end of the survey to increase their number. Issues related to enterprise constraints, formal assistance received by SSES, secular growth patterns among them and certain entrepreneurial characteristics come from this supplementary survey.

In this chapter, the main aspects of the survey including the distribution of SSE enterprises among localities and industrial or sub-sectoral segments will be discussed. The employment picture will be covered in Chapter 3, while the importance of these enterprises in household income and their other basic characteristics will be described in Chapter 4.

2.1 GEOGRAPHICAL DISTRIBUTION OF NIGERIAN SSEs

The results of the identification and enumeration part of the study are shown in Table 3a: Over all 18,650 SSEs were enumerated 'employing' some 31,500 people.¹ The number of SSEs and the corresponding employment figures enumerated per stratum are given in the table; for each stratum within a department, as well as for both departments combined, the percentage distribution of the SSEs and the average size (arithmetic mean of the number of people working in an enumerated enterprises) are shown. The averages are simple means without any industry or stratum weighting adjustments to reflect relative magnitudes.² In terms of percentage shares, all the strata are fairly well represented in the enumeration: The row totals at the bottom of the table show that about 45 per cent of the SSEs enumerated were in Maradi town while Dosso town, the Smaller Towns and the ZDs accounted respectively for about 11, 29 and 14 per cent.

¹ The sense in which the word 'employ' is used in this report means total number of people 'engaged' in or working in the enterprise whether they are paid or not. Thus, it includes entrepreneurs, family workers, apprentices and hired workers.

² Two large scale activities employing about 300 people were enumerated during the survey. These enterprises are excluded from Table 3a since they fall outside the definition of small scale enterprises used in this study (i.e., an enterprise with 50 people or less working in it). It was decided to enumerate bigger firms as well since it does not take that much time or cost to include them in the survey once enumerators are on the field.

Table 3a: Geographical Distribution of Niger SSEs and Their Labor force Size from the Sample Areas

DEPARTMENT:	POPULATION SIZE STRATA				TOTAL
	MARADI	DOSSO	SMALL TOWNS	ZDs	ALL STRATA
DOSSO:					
SSEs, #	--	2,105	4,566	1,652	8,323
SSEs, R%	--	25.3%	54.8%	19.9%	100.0%
Workers, #	--	4,318	7,591	2,356	14,265
Workers/SSE	--	2.05	1.66	1.43	1.71
Maradi:					
SSEs, #	8,450	--	887	988	10,325
SSEs, R%	81.8	--	8.6	9.6	100.0
Workers, #	14,239	--	1,430	1,566	17,235
Workers/SSE	1.69	--	1.61	1.59	1.67
Both Departments:					
SSEs, #	8,450	2,105	5,453	2,640	18,648
SSEs, R%	45.3	11.3	29.2	14.2	100
Workers, #	14,239	4,318	9,021	3,922	31,500
Workers/SSE	1.69	2.05	1.65	1.49	1.69

Figures show (a) sums (#) and row percentages (R%) for SSEs, and (b) sums and labor force average size (workers/SSE) for workers.

For about the same number of ZDs enumerated in each department, Dosso had on average more SSEs per ZD than Maradi: The average number of SSEs per ZD is 276 in Dosso but only 124 in Maradi. The difference is not due to differences in the size of ZD population between the two departments: The average population size of surveyed ZDs in Maradi is only 4% less than those in Dosso. The physical or geographical location of the enumerated ZDs within each department is well distributed in the two departments that location of a sampled ZD does not seem to be a factor in the difference either.

Every thing else being equal, the availability of key inputs (e.g., raw materials) and historical linkages to such activities may be major factors explaining why some types of SSEs are clearly abundant in a given place than in others. Thus, there is a large number of salt mining in Dosso because the product is found there. Similarly, it may be the availability of raw materials that mat making account for over 50 per cent of the SSEs in the Dosso ZDs compared with a corresponding share of only 6 per cent in Maradi.

The number of SSEs per 100 people in each stratum are 7 for Maradi, 8 for Dosso, 9 for the Smaller Towns and 11 for ZDs. Dosso smaller towns and Zds have higher figures (respectively 10 and 15) compared with those (respectively 6 and 7 percent) in the corresponding strata in Maradi. The higher figure for Dosso ZDs may be due to a large number of mat making and, in a few cases, salt mining. If mat making is excluded from Dosso ZDs, their number of SSEs per 100 people is the same as that for Maradi ZDs; the figure for Dosso smaller towns is unaffected however by excluding mat making.

Also, if mat making and salt mining are excluded from the Dosso ZDs, then Maradi ZDs would have 40 per cent more SSEs per population unit of 100 people. It is of course likely that some or most of the Dosso proprietors in mat making and salt mining might have been doing other SSE activities if the chance to work in these two SSE types was not available. In other words, Dosso ZDs might still have more SSEs

per population unit than those in Maradi Department.

Although their direct impact is hard to establish, there are some differences on the availabilities of certain amenities between the two departments which may be worth noting here.⁴ For example, ZDs from Dosso are on average only 3 km. away from a modern village school compared with 16 km. for Maradi ZDs; also, Dosso ZDs are located about 40 kms. away from an all weather road compared with 60 kms. for Maradi; the average number of water wells per ZD is 8 in Dosso compared with 5 for Maradi; Dosso ZDs are more diversified in their economic activities including salt mining and gardening in addition to farming and cattle rearing; in Maradi the economic activities were primarily limited to production of millet, sorghum, 'niebe' (peas) and raising livestock; an assessment of the ZDs indicates (perhaps to be sensed from the preceding discussion) that Dosso ZDs may have higher levels of income encouraging more SSEs activities; even within Maradi itself, for example, those ZD which seem to be relatively more prosperous seem to have more SSEs per unit of population; although Dosso ZDs seems to be nearer to some projects, CARE/Niger's operation in Maradi effectively counters this potential source of advantage; and finally, Dosso has ethnically more diverse groups than Maradi including new comers from the neighboring countries. Thus, it is possible that the above factors could be sources of variation in the number and types of SSEs between the two departments. It should be said however that without a more focused comparative study, it is difficult to make a plausible conclusion whether the above differences are in fact sources of relative variation on the number or types of SSEs between the two departments.

Among the smaller towns, Gaya has a disproportionate share of the number of SSEs in Dosso; although its population is only half as much, it has as many SSEs as the former. In addition to the fact that Gaya

⁴ The data for the discussion in this paragraph comes from a one page brief information sheet collected for each ZD.

district gets the highest rainfall in Niger and this may indirectly contribute to growth in SSE activities through increased agricultural production, the main reason may be due to the fact that Gaya is near the international border with Nigeria and Benin; every market day, some entrepreneurs come from Malanville, Benin and from Kamba, Nigeria to do business in Gaya (just as some people from Gaya, and even from as far away as Niamey, go to Malanville and Kamba on their market days).

Such cross border trade in established markets is not limited to Gaya; in Malgorou market about half an hour's drive from Gaya on the way to Dosso Town, for example, one finds traders both from Nigeria and Benin selling different products. In this market the Niara was exchanging at the rate of 30 cfa.⁹ A year ago, the exchange rate was about 37 cfa to the Niara. For a trader who comes from Malanville, Benin, the major items of expenses are personal transport of 1,200 cfa round trip, 100-200 cfa for goods, 200 for renting a stand and about 200 additional market expenses which the traders did not want to specify.

Products that come from Benin include grains (primarily millet, maize, and rice), vegetables and fruits, tubers (yam and sweet potatoes), and manufactured products such as cloth and drinks. Products from Nigeria included petroleum products, electronic items (tvs, radios and tapes), and a number of other consumer products such as soaps, condiments, shoes and cigarettes. Products going from Niger to Benin include cowpeas (niebe), onions, mats, groundnut, gum arabic and some cloth; items going to Nigeria include all those sent to Benin except onions, plus cotton, cattle or livestock and even some imported consumer goods. Some products going to Nigeria are smuggled across the border by road vehicles or river boats.

Finally, Table 3a shows that the typical enterprise has less than

⁹ If the Niara for exchange is more than 200, then the exchange rate goes up by about 8% to 32.5 cfa to the Niara.

two people working in it. In both departments, the average size (arithmetic mean) of the labor force gets bigger as one moves from rural to urban areas.* This again is the norm for such enterprises in many developing countries. The labor force size distribution will be discussed later in Chapter 3.

2.2 EXTRAPOLATION OF SAMPLE FINDINGS

Table 3a presents the enterprises and employment actually enumerated; however, in both Maradi and Dosso departments, some entrepreneurs, particularly in the commercial activities, do business in two or three markets each week. In the present study, the percentage of entrepreneurs in each locality who practiced multiple market visits per week ranges from 2 to 30, depending on a given locality. In order to make the necessary adjustment to avoid double counting, the number of entrepreneurs who engage in multiple market visits and the number of markets visited per week were recorded for each sample area during the enumeration. These two numbers were then used to construct a discounting factor for each stratum to be applied on the figures of Table 3a. The net result is that the number of enterprises enumerated per stratum was reduced by 5 to 12 per cent.

In order to reflect the total number of enterprises in the rest of the two departments, the figures for the third and fourth strata need to be blown up to show the total SSE numbers. The resulting outcome of the extrapolation is presented in Table 3b. The extrapolation shows that there are 140,241 SSEs employing some 202,690 people in Dosso and 97,634 SSEs employing 156,125 workers in Maradi-- Thus, a total of 237,875 SSEs employing some 358,814 people for the two departments.

* At this stage, since the sampling scheme employed was not proportional to stratum population size, it is not possible to make additional inter-strata comparisons except with respect to the number of SSEs per unit of population and the average number (arithmetic mean) of workers per SSE.

Table 3b: Total Number of SSEs and Employment in Dosso and Maradi by Extrapolation from Table 3a

DEPARTMENT:	POPULATION SIZE STRATA				STRATA TOTALS
	MARADI	DOSSO	SMALL TOWNS	ZDs	
Dosso:					
SSEs, #	--	1,964	4,032	134,245	140,241
SSEs, R%	--	1.4%	2.9%	95.7%	100.0%
Workers, #	--	4,026	6,693	191,970	202,690
Workers, R%	--	2.0	3.3	94.7	100.0
Maradi:					
SSEs, #	8,230	--	3,202	86,202	97,634
SSEs, R%	8.4	--	3.3	88.3	100.0
Workers, #	13,909	--	5,155	137,061	156,125
Workers, R%	8.9	--	3.3	87.8	100.0
Both Departments:					
SSEs, #	8,230	1,964	7,234	220,447	237,875
SSEs, R%	3.5	0.8	3.0	92.7	100
Workers, #	13,909	4,026	11,848	329,031	358,814
Workers, R%	3.9	1.1	3.3	91.7	100

Figures show sums (#) and row percentages (R%) both for SSEs and workers after extrapolation of Table 3a to account for all areas in the two departments.

Without the multiple market visit adjustment mentioned above, the totals for the two departments would have been 254,282 SSEs and 383,265 employment. Thus, the aggregate reductions translate into 6 per cent for each department. The Smaller Towns stratum seems to have a lot of entrepreneurs coming from the major towns of Dosso and Maradi;⁷ as a result, the major impact of the adjustments fall on this stratum. All discussions henceforth will be based on the adjusted estimations.

For the two departments combined, Maradi alone accounts for 3.5 of the total enterprises and 3.9 per cent of their employment, compared with the rest of the urban strata (Dosso and the Small Towns combined) accounting respectively for 3.8 and 4.4 per cent. Rural SSEs account for 92.7 per cent of the enterprises and 91.7 per cent of the employment. Finding a large majority of the SSEs in the rural areas is again common in such studies of many other developing countries. Also, the average number of workers per SSE being very small in all the strata, a stratum that dominates (e.g., as the ZDs do here) in the number of total SSEs will also dominate in the number of workers.

2.3 ESTIMATION OF THE NUMBER OF SSEs FOR NIGER AS A WHOLE

Even though the number of SSEs in the two departments may seem excessively large even after the adjustment for multiple market visits is made, it will be noted below that this kind of phenomenon may not be unique to Niger.⁸ Before such comparative statements are made however, it would be interesting to see what the findings in the two departments imply for the rest of the country.

The present survey does not, statistically speaking, allow one

⁷That the reverse is not true, see Eric J. Arnould (1985).

⁸ Further adjustments will be made later, to gauge the importance of SSEs in terms of household income and nature of business operation or employment.

to extrapolate from the two departments to the rest of the country as the localities enumerated are not a random statistical representation of the whole country. Nevertheless, if one were to make a rough such estimate on the basis of the findings in the two departments just to get a feel of the magnitude of the sector however (i.e., an estimate that does not have formal statistical measurement of accuracy), the results for the rest of the country would be as follows: 62,191 urban SSEs and 404,461 rural SSEs or a total of 466,652 additional SSEs 'employing' some 708,358 people. The total national figure would then be 79,619 urban and 624,908 rural SSEs (or a total of 704,527 SSEs employing some 1,072,589 people). Thus, nationally about 11 per cent of the SSEs would be in the urban areas compared with 4 and 12 per cents respectively for Dosso and Maradi departments-- or 7.3 for both combined. This difference in urban-rural SSEs distribution may be due to the large urban populations of Niamey and Zinder.

The national figure of SSEs in the rest of the country was estimated separately on the basis of urban and rural population shares of localities and on the assumption that the incidence of SSEs nationally is comparable with those corresponding population localities of Dosso and Maradi combined.' A few localities are pastoralist areas. Thus, about 89 per cent of Agadez's rural ZDs and 3 per cent of Tahoua's are pastoralist areas; in other departments, pastoralist ZDs account for less than 1 per cent of their total rural ZDS. One wonders how such areas affect the total count of SSEs. Given that not only quite a number of SSEs may be found in these pastoralist areas, but also due to the small population that live in them, the reduction in the number of SSEs would be minimal even if all the pastoralist ZDs were completely excluded.

Comparing the results of the present study for Niger as a whole with those from other studies by other agencies would be useful

* Such assumptions are tenable with respect to the aggregate number of SSEs only and not with respect to their relative distributions as well.

information. Care must be taken in such comparison however because, among other things, there is not a consistency of definition of what constitutes a small scale enterprise sector (or, to use a less acceptable term, the informal sector) nor of the localities to be covered. In 1987, the Ministry of Plan along with the Ministry of Commerce and Industry, Ministry of Finance, the Central Bureau of Statistics, and the (now defunct) Office for the Promotion of Nigerian Enterprises (known as OPEN in its French acronym) launched a study of the 'informal sector'¹⁰ in Niamey and other major towns (including Maradi and Dosso). In that study, Niamey, Agadez, Dosso, Maradi, Tahoua and Zinder were estimated to have about 17,000 'sedentary' activities (i.e., excluding hawkers and peddlers doing business from the roadside); and the whole country was estimated to have about 20,000 itinerant operators. Yet the present study shows that Maradi and Dosso alone account for at least 40 per cent of this 17,000 total. As for the itinerant operators, the urban localities of Maradi and Dosso alone have about 4,700 of them which is almost a fourth of the 20,000 mentioned above; if the rural areas of these two departments were to be included, they would add another 33,000 itinerant operators. Thus, there seems an enormous underestimation on the extent of the Nigerien SSE sector in the 1987 study.

How does the number of SSEs in Niger compare with other corresponding studies in Africa? SSEs studies of the detail and comprehensiveness of the present one are usually not available for comparison in West Africa, or other parts of Africa for that matter.¹¹ It is generally accepted though that there are more SSEs per population unit

¹⁰ Informal sector operators were defined in the study as "non-agricultural and non-pastoral activities for which they are not licensed and whose production is exchanged for money.

¹¹ A study that closely approximates the present survey is the one carried out in Zambia where the mobile activities were not included in the enumeration; that survey showed that there may be at least 350,000 SSEs employing some 580,000 people. Zambia has about the same size, but more urbanized, population as Niger.

in West Africa than any other part of Africa (Margaret Peil, 1979). In West Africa itself, and more specifically in Francophone West Africa, a less comprehensive study was done in Burkina Faso (Wilcock and Chuta, 1982) where "the list of industry types [was] far from exhaustive." This study was done in the Eastern Region of the country where in 1982 "there were no paved roads, public electricity or running water systems in the entire region". The results from this 'selective' or limited survey was that there were about 12,000 SSEs employing some 21,000 people in an area comprising 8% of the total national population and 20 per cent of the land area. A simple extrapolation based on the size of the population would indicate that there might be at least 150,000 of these 'selective' SSEs in Burkina Faso employing some 260,000 people. The "predetermined list of industry types" surveyed leaves many other kinds of SSEs activities such as fixed and mobile vendors as well as a number of services which the Niger survey includes. Since both countries have about the same size of population and generally of the same degree of economic development, it is possible that a similar and concurrent questionnaire may be expected to produce comparable figures for number of SSEs and employment.

On the other hand, there may be several reasons why Niger may have more SSEs than Burkina Faso. First, it is said that the drought of the early seventies brought more damage and dislocation to Niger than any other West African country (Rubino, 1985). This was particularly true in the pastoralist areas of the country. Many of those people dislocated by the drought may be eking out a living in the SSE sector.¹² Second, it may be due to the Nigerian factor; the cross border trade that flourishes between Niger and Nigeria may be a magnet drawing hundreds of petty traders into the activity. Finally,

¹² Mary Bivin's dissertation research (currently under analysis) on the historical development of the socio-economic sphere in Maradi area may shed some light on the SSEs as well.

trading is historically much more part of Niger relative to many West African countries (Baier, 1980), including Burkina Faso-- a legacy possibly giving impetus to the present abundance of SSEs in Niger.

2.4 INDIVIDUAL ENTERPRISE TYPES THAT DOMINATE THE NIGERIEN SSEs

The Nigerien SSEs sector in Dosso and Maradi departments is dominated by a few enterprise types. These dominant enterprise types include vending, food catering, food processing (including oil extraction from groundnut), retail stores and tailoring in the urban areas of both departments (i.e., in the large towns of Maradi and Dosso as well as the smaller towns); in the rural ZDs, the most dominant SSE types include mat making, vending, food catering, salt mining and food processing. The prevalence of mat making and salt mining is however limited only to Dosso ZDs; there are very few of them (specially salt mining) in Maradi ZDs. In fact, the most dominant SSE types in the latter are food catering, vending, food processing, hair dressing and livestock retail, in that order; they account for about 60 per cent of all the SSEs there.

Tables 4a and 4b show that the SSE types mentioned above account for at least two-thirds of the total SSEs in each stratum. The tables list sequentially, along with their cumulative percentages, the first 30 most prevalent SSEs for the stratum listed on the first half of the table (i.e. Maradi Town in Table 4a and the Small Towns in Table 4b). Then SSE types ranked below the first 30 SSEs are listed if they fall within the first 30 SSEs of the stratum listed in the second half of the table (i.e., Dosso in Table 4a and the ZDs in Table 4b); their cumulative percentages are not shown however. The tables also give the percentage shares of the first 30 most prevalent SSEs for each strata. Thus, in Table 4a, flour mill with 133 SSEs is ranked #10 for Maradi Town and accounts for 1.6 per cent of all SSEs in that town; furthermore, the cumulative percentage shares for the first highest 10 Maradi SSEs listed (i.e., including flour mill) is 76.2. In the second half of the table, flour mill with 32 SSEs in

Table 4a: Dominant Enterprise types in the First Two Strata of Maradi and Dosso towns

SSE TYPES	POPULATION SIZE STRATA							
	MARADI				DOSSO			
	RANK	Count	%	Cum.%	Rank	Count	%	Cum.%
Vending	1	2464	29.2	29.2	1	412	19.6	19.6
Food catering	2	1795	21.2	50.4	2	333	15.8	35.4
Food Processing	3	544	6.4	56.8	3	199	9.5	44.8
Retail/store	4	476	5.6	62.5	4	189	9.0	53.8
Tailoring	5	277	3.3	65.7	7	70	3.3	70.0
Ground nut	6	199	2.4	68.1	6	125	5.9	65.7
Butcheries	7	198	2.3	70.4	8	65	3.1	73.1
Other services	8	196	2.3	72.8	9	40	1.9	75.0
Garments	9	157	1.9	74.6	23	12	0.6	91.5
Flour mill	10	133	1.6	76.2	12	32	1.5	81.7
Hair dresser	11	127	1.5	77.7	11	35	1.7	80.2
Wood Work	12	115	1.4	79.1	19	16	0.8	89.1
Pottery	13	112	1.3	80.4	14	28	1.3	84.3
Mat making	14	98	1.2	81.6	10	38	1.8	76.8
Laundry	15	96	1.1	82.7	37	6	0.3	
Trad. Doctors	16	96	1.1	83.8	16	24	1.1	86.7
Auto shop	17	87	1.0	84.8	29	10	0.5	94.5
Transport	18	85	1.0	85.8	15	25	1.2	85.5
Shoe repair	19	77	0.9	86.7	20	14	0.7	89.7
Bike repair	20	77	0.9	87.6	39	5	0.2	
Car repair	21	73	0.9	88.5	17	19	0.9	87.6
Dairy products	22	61	0.7	89.2	18	17	0.8	88.4
Wholesale	23	51	0.6	89.8	13	28	1.3	83.0
Textiles	24	46	0.5	90.3	24	12	0.6	92.1
Elec. Repair	25	46	0.5	90.8	28	10	0.5	94.1
Blacksmith	26	45	0.5	91.3	26	11	0.5	93.1
Livestock retail	27	44	0.5	91.8	30	9	0.4	94.9
Coal	28	43	0.5	92.3	58	1	0.0	
Plastics	29	40	0.5	92.8	51	1	0.0	
Bar/Restaurant	30	39	0.5	93.3	20	16	0.8	89.1
Dressmaking	31	37	0.4	93.2	19	17	0.8	89.2
Sweets	33	36	0.4		22	12	0.6	90.9
Bakery	36	29	0.3		5	146	6.9	60.8
Tinsmith	49	18	0.2		21	13	0.6	90.4
Bricks	66	4	--		25	11	0.5	92.6
Groceries	55	28	0.1		27	10	0.5	93.6

Trad. = traditional; livestock = livestock; Elec. = electronic

Table 4b: Dominant Enterprise types in the Smaller Towns And ZDs strata of Dosso and Maradi Departments

SSE TYPES	POPULATION SIZE STRATA							
	SMALLER TOWNS				RURAL ZDs			
	RANK	Count	%	Cum.%	Rank	Count	%	Cum.%
Vending	1	1385	25.4	25.4	2	397	15.0	52.5
Food catering	2	1003	18.4	43.8	3	304	11.5	64.0
Food process.	3	499	9.2	52.9	5	107	4.1	74.8
Groundnut	4	371	6.8	59.7	10	52	2.0	87.0
Retail/store	5	361	6.6	66.4	12	36	1.4	90.2
Mat making	6	249	4.6	70.9	1	989	37.5	37.5
Bakeries	7	240	4.4	75.3	13	34	1.3	91.5
Tailoring	8	143	2.6	78.0	15	30	1.1	93.9
Other serv.	9	89	1.6	79.6	11	49	1.9	88.8
Shoe repair	10	88	1.6	81.2	25	5	0.2	98.2
Butcheries	11	83	1.5	82.7	8	61	2.3	82.7
Transport	12	71	1.3	84.0	16	24	0.9	94.8
Salt mining	13	70	1.3	85.3	4	179	6.8	70.8
Hair dresser	14	59	1.1	86.4	6	79	3.0	77.8
Flour mill	15	59	1.1	87.5	20	7	0.3	96.6
Trad. Doctors	16	54	1.0	88.5	9	60	2.3	85.0
Dairy products	17	49	0.9	89.4	27	3	0.1	
Lvstock retail	18	46	0.8	90.2	7	68	2.6	80.4
Fuel vending	19	40	0.7	90.9	24	5	0.2	97.7
Blacksmith	20	38	0.7	91.6	14	34	1.3	92.8
Wholesale	21	25	0.5	92.1	--	--	--	
Laundry	22	25	0.5	92.6	26	3	0.1	98.0
Dressmaking	23	24	0.4	93.0	23	6	0.2	97.2
Wood work	24	22	0.4	93.4	17	12	0.5	95.3
Tinsmith	25	22	0.4	93.8	48	1	0.0	
Elec. Repair	26	19	0.3	94.1	19	11	0.4	96.3
Plastics	27	18	0.3	94.4	--	--	--	
Coal	28	18	0.3	94.7	--	--	--	
Grocery shops	29	16	0.3	95.0	45	2	0.1	
Bar/restaurant	30	16	0.3	95.3	44	2	0.1	
Garments	40	10	0.2		18	11	0.4	95.9
Farm tools	44	8	0.1		21	6	0.2	96.5
Money changers	39	11	0.2		22	6	0.2	96.7
Pottery	46	6	0.1		28	4	0.2	97.9
Watch repair	45	7	0.1		29	2	0.1	98.1
Car Repair	35	14	0.3		30	2	0.1	98.2

Trad. = traditional; lvstock = livestock; Elec. = electronic

Dosso is ranked #12 and has corresponding relative and cumulative percentage shares of 1.5 and 81.7 respectively. Similarly for Table 4b, tailoring with 143 SSEs is ranked #8 for the Small Towns and accounts for 2.6 per cent of all SSEs in that stratum; furthermore, the cumulative percentage for the first highest 8 SSEs listed (including tailoring) in that stratum is 78.0. The second half of the table shows that tailoring with 30 SSEs in the ZDs is ranked #15 with corresponding relative and cumulative percentage shares of 1.1 and 93.9 respectively.

In all the strata, vending activities are very important accounting for 15 to 29 per cent of all SSEs in each stratum. In fact vending activities are the most important SSE type for all the urban areas; in the rural areas, it is the second dominant activity after mat making which accounts for over a third of the SSEs in that stratum. The second important type of SSE activity seems to be food catering followed by all sorts of processing of foods or items whose processed end products are foods.

Although Nigerian SSEs have interesting aspects such as the money changers in many border market places or such as fuel/gas vendors in Gaya, in general they seem to have less diversity compared with other countries of similar study. Tables 4a and 4b show that about six general activities account for two-thirds to three-fourth of the total SSEs number in each stratum. Enterprise types that seem conspicuously absent (in relative terms) include wood based manufacturing, metal works other than blacksmith, food and drink canning or bottling, and production of bricks, blocks and tiles. The two tables also show that as ones moves to less urban areas, the concentration of SSEs in fewer enterprise types increases slightly.

Except in Zambia, vendors have not been included in similar surveys before. In the present survey, even mobile or itinerant hawkers are enumerated. Although they are retailers, vendors are included and identified separately in the study for a number of reasons: One, their volume of business (stock of merchandize) is

typically very small consisting of a few tiny piles of different mostly consumer items;" two, although they operate from a fixed location, their business site is either completely open or without private enclosure; three, they are usually an object of official censure and bringing out their role to public attention may be useful; and finally since vending activities are usually not included in any official records or other considerations (even much less than the SSEs in general), they are indicated separately here to help isolate their statistics from the rest of the SSEs group.

As one moves from the rural stratum to the more urban strata, one finds that SSEs involved in trading, services, and repairs of automated machinery become increasingly more important. This is particularly true with respect to car and bike repair activities. A few activities seem to be equally important both in rural and urban areas. These include flour mill, tailoring, transport and groundnut processing (i.e., primarily oil extraction).

APPENDIX A presents more detailed comparative picture of distribution of SSE types between pairs of similar localities in Maradi and Dosso departments. The frequency (row F) of SSE types and their relative distribution (row C) within each locality among the two smaller towns and the two ZDs (one of a kind from each department) are shown there. Only those SSE types which are found in at least one of the localities are listed in the Appendix; when an SSE type is missing from the second locality, its cell is shown with two dashes (--). The two ZDs (Yelou in Dosso and Gangara in Maradi) have about the same population sizes-- their population sizes are shown in parenthesis under their names. Gaya has the same population size as Dokoro, however Gaya was excluded due to the extensive cross border trade in it which would make it unrepresentative. Dogon Doutchi, which has the next closest population size to Dokoro, was

¹¹ Some retailers such as those in Maradi market look and operate like vendors although they are known to have substantial merchandize on storage.

chosen therefore although its population is 36.6% bigger than the latter. This big population size difference does not result in corresponding large difference in the number of SSEs between the towns.

APPENDIX A shows the major activities in the four localities. These activities include food catering, food processing and retail in Dogon Douchi; vending, food catering, food processing and mat making in Dokoro; salt mining, mat making, vending and food processing in Yelou; and food catering, vending and food processing in Gangara. The tabular presentation also shows that there more activities such as garment, pottery, leather, blacksmith, vending and traditional doctors in Maradi localities than those in Dosso. On the other hand, activities such as groundnut processing, mat making, retailing and salt mining tend to be relatively more common in Dosso than in Maradi localities. Comparison between any two localities within the same stratum could also show some significant underlying differences. Thus, the important agricultural activities in Dokoro explain the large number of blacksmith concentration (almost 4 times as many as are found in Dogon Douchi); on the other hand, Dogon Douchi's location on the main highway creates more business for retailing activities and food catering. Also, no doubt due to the availability of raw materials, there are more than 10 times mat making and an abundance of salt mining (from seasonal river flows through ancient river valleys called dallols) activities in Yelou compared to Gangara. That the availability of both product demand and raw material in influencing the diversity and prevalence of SSEs activities in a given locality is to be expected, of course.

Finally, many entrepreneurs have a second type of SSEs in addition to the primary one discussed in this report. In the urban localities, about 10 to 12 per cent of them had a second enterprise; in the ZDs the percentage was down to 7 per cent. In all the strata, vending followed by food catering were the most common types of secondary enterprise. Secondary enterprises are not discussed here.

2.5 SUB-SECTORAL AND INDUSTRIAL GROUPING OF ENTERPRISES

The 70 or 80 different types of SSEs enumerated during the survey can be categorized into three general (sub-sectoral) sets identified here as manufacturing, commerce and service which are shown at the bottom of Table 5. Commerce includes both trade (i.e., store establishments) and vending. All three can be subdivided into a number of related activities called here industrial or enterprise type groups.

Only Manufacturing is divided into such detailed industrial groups in Table 5. Commerce is divided into three major groups: Wholesales, vending and retailing. Service consists of many diverse activities which are not amenable for meaningful grouping; thus, all services are grouped into one. Examples of SSEs types within groupings of the three sub-sectors of Table 5 are as follows:

1. Manufacturing:

- a. Garments: Tailoring, dress making and other apparel;
- b. Wood-Based: Carpentry, lumber yard and wood carving;
- c. Forest-Based: Mat making, baskets, and other non-wood products with raw material from forest plants;
- d. Metals: Tinsmith, blacksmith, welding, other metal works;
- e. Vehicle Repairs: Repairing of cars, bikes and bicycles;
- f. Other Repairs: Electronic, instrument, watch and tool repairs;
- g. Leather: Making/repairing of leather shoes, bags, etc.;
- h. Foods: Oil extraction, bakery, and food processing;
- i. Pottery: Primarily pottery but also mud bricks and masonry;
- j. Other mfg: This category includes all other manufacturing (MFG) SSEs not included in the above 9 groupings;

2. Commerce: Retail stores, wholesales and vending activities dealing with various marketable commodities;

3. Services: Hair Saloon, transport, guest houses, traditional doctors, private schools, laundry and advertising;

Table 5: Sub-sectoral and Industrial Groupings of SSEs and their Employment in the Four Strata of Dosso and Maradi Departments

INDUSTRIAL GROUPS	POPULATION SIZE STRATA				TOTAL			
	MARADI	DOSSO	SMALL TOWNS	RURAL ZDs				
GARMENTS	SSEs:	S	498	103	182	50	833 4.5%	
		R	59.8%	12.4%	21.8%	6.0%		
		C	5.9%	4.9%	3.3%	1.9%		
	Workers:	S	863	208	297	70	1438 4.6%	
		R	60.0%	14.5%	20.7%	4.9%		
		C	6.1%	4.8%	3.3%	1.8%		
		A	1.73	2.02	1.63	1.40		
	WOOD-BASED	SSEs:	S	184	22	51	18	275 1.5%
			R	66.9%	8.0%	18.5%	6.5%	
			C	2.2%	1.0%	0.9%	0.7%	
		Workers:	S	415	65	122	45	647 2.1%
			R	64.1%	10.0%	18.9%	7.0%	
C			2.9%	1.5%	1.4%	1.1%		
A			2.26	2.95	2.39	2.50		
F-BASED		SSEs:	S	101	39	249	990	1379 7.4%
			R	7.3%	2.8%	18.1%	71.8%	
			C	1.2%	1.9%	4.6%	37.5%	
		Workers:	S	122	52	364	1297	1835 5.8%
			R	6.6%	2.8%	19.8%	70.7%	
	C		0.9%	1.2%	4.0%	33.1%		
	A		1.21	1.33	1.46	1.31		
	METALS	SSEs:	S	105	44	81	38	268 1.4%
			R	39.2%	16.4%	30.2%	14.2%	
			C	1.2%	2.1%	1.5%	1.4%	
		Workers:	S	287	129	167	111	694 2.2%
			R	41.4%	18.6%	24.1%	16.0%	
C			2.0%	3.0%	1.9%	2.8%		
A			2.73	2.93	2.06	2.92		

NOTE: (1) R = Row %, for SSEs or Workers; (2) C = Column %; (3) S = Sum for SSEs and Workers; (4) A = Arith. Mean for Workers; (5) MFG = Manufacturing; Proc. = Processing

Table 5 CONTINUED:

INDUSTRIAL GROUPS	POPULATION SIZE STRATA				TOTAL	
	MARADI	DOSSO	SMALL TOWNS	RURAL ZDs		
VEH. REPAIR SSES:	S	178	30	34	7	249
	R	71.5%	12.0%	13.7%	2.8%	1.3%
	C	2.1%	1.4%	0.6%	0.3%	
	A					
Workers:	S	783	250	116	12	1161
	R	67.4%	21.5%	10.0%	1.0%	3.7%
	C	5.5%	5.8%	1.3%	0.3%	
	A	4.40	8.33	3.41	1.71	4.66
O. REPAIRS SSES:	S	76	12	31	18	137
	R	55.5%	8.8%	22.6%	13.1%	0.7%
	C	0.9%	0.6%	0.6%	0.7%	
	A					
Workers:	S	149	22	60	34	265
	R	56.2%	8.3%	22.6%	12.8%	0.8%
	C	1.0%	0.5%	0.7%	0.9%	
	A	1.96	1.83	1.94	1.89	1.93
LEATHER SSES:	S	136	18	115	5	274
	R	49.6%	6.6%	42.0%	1.8%	1.5%
	C	1.6%	0.9%	2.1%	0.2%	
	A					
Workers:	S	203	24	194	5	426
	R	47.7%	5.6%	45.5%	1.2%	1.4%
	C	1.4%	0.6%	2.2%	0.1%	
	A	1.49	1.33	1.69	1.00	1.55
FOOD PROC. SSES:	S	1233	624	1326	267	3450
	R	35.7%	18.1%	38.4%	7.7%	18.5%
	C	14.6%	29.6%	24.3%	10.1%	
	A					
Workers:	S	1995	1181	2265	441	5882
	R	33.9%	20.1%	38.5%	7.5%	18.7%
	C	14.0%	27.4%	25.1%	11.2%	
	A	1.62	1.89	1.71	1.65	1.70

NOTE: (1) R = Row %, for SSES or Workers; (2) C = Column %;
 (3) S = Sum for SSES and Workers; (4) A = Arith. Mean for Workers; (5) MFG = Manufacturing; Proc. = Processing

Table 5 CONTINUED:

INDUSTRIAL GROUPS	POPULATION SIZE STRATA				TOTAL				
	MARADI	DOSSO	SMALL TOWNS	RURAL ZDS					
POTTERY	SSEs:	S	117	40	30	9	196		
		R	59.7%	20.4%	15.3%	4.6%		1.1%	
		C	1.4%	1.9%	0.6%	0.3%			
	Workers:	S	225	185	73	15	498		
		R	45.2%	37.1%	14.7%	3.0%		1.0%	
		C	1.6%	4.3%	0.8%	0.4%			
		A	1.92	4.63	2.43	1.67			
	OTHER MFG	SSEs:	S	39	11	91	188		329
			R	11.9%	3.3%	27.7%	57.1%	1.8%	
			C	0.5%	0.5%	1.7%	7.1%		
Workers:		S	64	20	174	288	546		
		R	11.7%	3.7%	31.9%	52.7%		1.7%	
		C	0.4%	0.5%	1.9%	7.3%			
		A	1.64	1.82	1.91	1.53			
ALL MFG,		SSEs:	S	2667	943	2190	1590		7390
			R	36.1%	12.8%	29.6%	21.5%	39.6%	
			C	31.6%	44.8%	40.2%	60.2%		
	Workers:	S	5106	2136	3832	2318	13392		
		R	38.1%	15.9%	28.6%	17.3%		42.5%	
		C	35.9%	49.4%	42.5%	59.1%			
		A	1.91	2.26	1.75	1.46			
	WHOLESALE	SSEs:	S	51	28	25	1		105
			R	48.6%	26.7%	23.8%	1.0%	0.6%	
			C	0.6%	1.3%	0.5%	0.0%		
Workers:		S	219	121	76	2	418		
		R	52.4%	28.9%	18.2%	0.5%		1.3%	
		C	1.5%	2.8%	0.8%	0.0%			
		A	4.29	4.32	3.04	2.00			

NOTE: (1) R = Row %, for SSEs or Workers; (2) C = Column %;
 (3) S = Sum for SSEs and Workers; (4) A = Arith. Mean for Workers; (5) MFG = Manufacturing; Proc. = Processing

Table 5 CONTINUED:

INDUSTRIAL GROUPS	POPULATION SIZE STRATA				TOTAL			
	MARADI	DOSSO	SMALL TOWNS	RURAL ZDs				
RETAIL	SSEs:	S	2600	582	1530	426	5138 27.6%	
		R	50.6%	11.3%	29.8%	8.3%		
		C	30.8%	27.6%	28.1%	16.1%		
	Workers:	S	4370	1031	2515	675	8591 27.3%	
		R	50.9%	12.0%	29.3%	7.9%		
		C	30.7%	23.9%	27.9%	17.2%		
		A	1.68	1.77	1.64	1.58		
	VENDING	SSEs:	S	2464	412	1385	397	4658 25.0%
			R	52.9%	8.8%	29.7%	8.5%	
			C	29.2%	19.6%	25.4%	15.0%	
		Workers:	S	3372	652	2032	566	6622 21.0%
			R	50.9%	9.8%	30.7%	8.5%	
C			23.7%	15.1%	22.5%	14.4%		
A			1.37	1.58	1.47	1.43		
ALL COMM.,		SSEs:	S	5115	1022	2940	824	9901 53.1%
			R	51.7%	10.3%	29.7%	8.3%	
			C	60.5%	48.5%	53.9%	31.2%	
		Workers:	S	7961	1804	4623	1243	15631 49.6%
			R	50.9%	11.5%	29.6%	8.0%	
	C		55.9%	41.8%	51.2%	31.7%		
	A		1.56	1.76	1.57	1.51		
	ALL SERV.,	SSEs:	S	668	140	323	226	1357 7.3%
			R	49.2%	10.3%	23.8%	16.7%	
			C	7.9%	6.7%	5.9%	8.6%	
		Workers:	S	1172	378	566	361	2477 7.9%
			R	47.3%	15.3%	22.9%	14.6%	
C			8.2%	8.8%	6.3%	9.2%		
A			1.75	2.70	1.75	1.60		
ALL		SSEs:	S	8450	2105	5453	2640	18648
			R	45.3%	11.3%	29.2%	14.2%	
		WORKERS:	S	14239	4318	9021	3922	31500 1.69
			T	45.2%	13.7%	28.6%	12.5%	
	A		1.69	2.05	1.65	1.49		

Note: Comm. = Commerce; Serv. = Services; F = Forest; O = Other

Table 5 presents absolute numbers and relative shares of the number of enterprises and their employment. The letters 'R' and 'C' in the table indicate row and column (for percentage shares). Since there is no weighting scheme used, the row percentages are not useful except for comparative purposes between a value for the SSEs and the corresponding value for employment. Thus, 50.6% of all the retailing SSEs in the four strata are found in Maradi town and they account for 50.9% of all the retailing employment found in the same four strata. On the other hand, column percentages indicate that retail SSEs account for 30.8% of all the SSEs in Maradi and they also account for 30.7% of the employment in it; in retail, the corresponding pairs of column percentages for the other strata are Dosso (27.6 and 23.9), Small Towns (28.1 and 27.9) and for the ZDs (16.1 and 17.2). The row percentages can be used to show that no industrial group in the SSEs sector dominates in the size of its labor force or employment relative to its share in the number of enterprises.¹⁴

The table also summarizes the relative importance not only of the individual industrial groups but also of the three major sub-sectors: Manufacturing (MFG), commerce and service. The shares of employment and SSEs among the three sub-sectors are summarized as follows:

	<u>MARADI</u>	<u>DOSSO</u>	<u>S.TOWN</u>	<u>ZDs</u>	<u>TOTAL</u>
a) SSEs:					
1) MFG	31.6%	44.8%	40.2%	60.2%	39.6%
2) Commerce	60.5	48.5	53.9	31.2	53.1
3) Service	7.9	6.7	5.9	8.6	7.3
	-----	-----	-----	-----	-----
TOTAL	100.0	100.0	100.0	100.0	100.0
a) Employment:					
1) MFG	35.9%	49.4%	42.5%	59.1%	42.5%
2) Commerce	55.9	41.8	51.2	31.7	49.6
3) Service	8.2	8.8	6.3	9.2	7.9
	-----	-----	-----	-----	-----
TOTAL	100.0	100.0	100.0	100.0	100.0

¹⁴ Labor force size distribution in general, and among industrial groups in particular, are discussed in the next chapter.

In the table the 10 manufacturing groups are combined together under the entry 'ALL MFG'; the three commercial groups are similarly represented by the entry 'ALL COMM.'; finally the entry 'ALL SERV.' groups all the individual service enterprises. In the urban areas, commerce has the largest share of enterprises among the three sub-sectors. In the ZDs manufacturing has the largest share. Even if mat making are excluded from the ZDs, manufacturing enterprises still account for the largest share of SSEs and employments. Since the ZDs have the lion's share of all enterprises (see, Tables 4a and 4b) this means that a very large percentage (i.e., more than half) of the SSEs in the two departments are in manufacturing activities as well.

In the case of employment, commerce still has the largest share in Maradi and the small towns. Due to the relatively much more larger manufacturing enterprises in it, compared to commerce, Dosso joins the ZDs in manufacturing accounting for the largest share of the employment. In fact, the summary percentages clearly show that both manufacturing and service have on average larger employment per enterprise than commerce which includes many of the small vending activities.

If vending SSEs are excluded from consideration (as are the cases in many other country studies), then the share of manufacturing in Dosso and Maradi would go up respectively to 44.5 and 55.7 per cent. These figures are consistent with past experiences. For example, manufacturing share in total SSEs in Egypt, Sierra Leone and Jamaica were respectively 44, 56 and 37 per cent. In Zambia, manufacturing share goes as high as 90 per cent due to the preponderance of beer brewing in the rural area; if beer brewing is excluded, the percentage declines to 68%.¹⁵

Except in Dosso, the largest group in all the urban areas are the

¹⁵ Information on Egypt, Sierra Leone and Jamaica is summarized in a report, The Contribution of Small-Scale Forest-Based Processing Enterprises to Rural Non-Farm Employment and Income in Selected Developing countries that the author wrote for FAO. For Zambia, see, Milimo and Fisseha (1986). Detailed report for Egypt, Sierra Leone and Jamaica are found respectively in Badr et al (1982), Liedholm and Chuta (1876) and Davies et al (1979).

retail activities followed by vending and food processing-- in Dosso vending is ranked below food processing. In the ZDs, the forest-based, non-wood, activities are the most prevalent activities followed by retail, vending and food processing in that order. Forest-based SSEs are those whose raw materials come directly from the forest or field; such raw materials include bamboo, twigs, grass, palm leaves, etc.

The relative importance of the industrial groups among the strata are also shown in the table. The following groups consistently increase in relative importance as one moves to the more urban areas: Garments, wood based activities, vehicle repair and retail; the following seem to have a similar tendency but with less consistency: metals, leather, pottery, food processing, wholesale, vending and services. Only the non-wood, forest-based group (and perhaps the other repair group) seem to be relatively more important in the ZDs.

Finally, Table 5 shows for each group the average or arithmetic mean of the number of people working in the enterprise; in the table, this is shown by the 'A' row. If, due to their small size, cells with less than 30 cases are ignored, we find that the smallest group in all the strata are the non-wood, forest-based activities with values of 1.21, 1.33, 1.46 and 1.31 respectively for Maradi, Dosso, the Small Towns and the ZDs. The largest group for all the urban strata is vehicle repair; but for the ZDs, it is metal works. Except for the forest-based (non-wood) group, Dosso groups are consistently larger than corresponding groups either in Maradi or the Small Towns strata.

2.6 COMPARING RESULTS FROM TWO DIFFERENT STUDIES

About the time that the present SSEs survey was carried out in Dosso Department, another USAID inquiry called Market Development Study was also going on the department.¹⁶ Both Dosso and Dogon Douthi were covered by both studies. Since the results from our study for Dogon Douthi are presented in detail in Appendix A, the summary results of

¹⁶ See Peter Doan and Blane Lewis, Niger Market Town Development Study: Final Report, 1989.

results of the two studies for Dogon Doutchi are presented in Table 6.

The two studies had different approaches and different goals. The Market Study for example dealt only with "fixed enterprises" whereas the present SSEs studies included itinerant vendors as well. The definition or description of SSEs also seem different in the two approaches. This is partly due to the fact that the Market Study focus was on economic linkages as opposed to industrial identification and classification as is the case in the SSEs study. After vending activities are excluded, the two studies should nevertheless classify very similar the SSEs among the three major sub-sectors, i.e., manufacturing (processing or fabrication), commerce (retail, wholesale, etc.) and services.

Table 6: The Results from two Different Studies
On the Number and Type of Enterprises
In Dogon Doutchi Town, Dosso Department

DOGON DOUTCHI SSEs SURVEY		DOGON DOUTCHI MARKET STUDY	
Retail	310	Retail-consumer	106
Vending	225	Bar-hotel-restaurant	72
Food processing	199	Retail-farm output	47
Services	46	Fabrication	27
Garment fabrication	36	Repair services	18
Wood based fabric.	24	Wholesale/storage	17
Leather fabrication	17	Other services	15
Metals fabrication	16	Agricultural processing	12
Repair services	14	Retail-inputs	8
Other manufacturing	7	Livestock processing	3
TOTAL	894	TOTAL	325

If we exclude vending, the SSEs study shows that there were 310 for commerce, 60 for services (including repairs) and 299 for processing or fabrication; the corresponding values for the Market Study were respectively 250, 33 and 42. The largest difference between the two studies exists in the number of processing or fabrication enterprises.

CHAPTER 3. EMPLOYMENT MAGNITUDE AND PATTERN IN NIGERIAN SMALL SCALE ENTERPRISES

3.0 INTRODUCTION

Both urban and rural employment of the less skilled (i.e., those who are less likely to find jobs in the formal market) is one of the important contributions of the SSE sector in many countries. In this chapter, the overall magnitude of the labor force in the SSEs sector in Dosso and Maradi departments, its size ranges, its rate of participation, and the different components that constitute it will be analyzed; the discussion concludes by describing the role of women in the employment picture.

The overall magnitude of the small scale enterprises (SSEs) in Dosso and Maradi departments is estimated to be about 237,875 employing some 358,800 people (Table 3b, Chapter 2). Furthermore, a rough estimation for the country as whole was given as 704,527 SSEs employing some 1,072,600 people. The raw figures and the percentage distribution of the total employment among the different industrial groupings is given in Table 5 of Chapter 2.

3.1 THE OVERALL MAGNITUDE OF THE SSEs LABOR FORCE

SSEs are as a rule very small-- one usually finds less than 2 people per enterprise. However, because of their large numbers, their aggregate employment contribution tends to be substantial-- usually second to agriculture for many developing countries. Both the number of SSEs and the number of their employment need to be adjusted because some SSEs have part time people and children (below age 14) working in them or because some enterprises may be operated on a seasonal basis for part of the year only.

On the basis of the total employment of 31,500 enumerated during the survey, the overall SSE employment for the two departments is estimated to be about 383,265 (219,459 for Dosso and to 163,806 for Maradi, see Table 7). The enumeration included however entrepreneurs who make multiple visits per week to different markets in the same department. To avoid (due to this practice) double counting during extrapolation for those parts of the departments not enumerated,

Table 7: A series of employment adjustments to discount for multiple market visits (b), part time workers (c), children (d), and seasonality of production (e)

DEPARTMENT:	POPULATION SIZE STRATA				
	MARADI	DOSSO	SMALL TOWNS	ZDs	TOTAL
1. Total Dosso Employment					
(a) Raw Total #	--	4,318	7,591	207,550	219,459
(b) After M.Mrkt	--	4,026	6,693	191,970	202,689
(c) After P.Time	--	3,706	6,297	186,710	196,713
(d) After Child.	--	3,174	5,709	171,282	180,163
(e) After Season.	--	2,721	4,865	144,222	151,808
2. Total Maradi Employment					
(a) Raw Total #	14,239	--	5,812	143,755	163,806
(b) After M.Markt	13,909	--	5,155	137,061	163,806
(c) After P.Time	13,232	--	5,103	129,440	147,775
(d) After Child.	11,890	--	4,795	117,141	133,826
(e) After Season.	10,422	--	4,483	102,831	117,736
3. Final totals,** For both depts					
	10,422	2,721	9,348	247,053	269,544

** These are the sum of the 'e' results in both departments.

adjustment is made on the total (gross) estimation of 383,265. A similar adjustment was done in Chapter 2 when the total number of enterprises was estimated for each department. After adjusting for multiple market visits, the total employment figures for each department (the 'a' entries in Table 7) are reduced to 202,689 for Dosso and to 163,806 for Maradi resulting in the 'b' entries; this is an aggregate drop of 4%. The adjusted combined estimate for the two departments is then 366,495 people working in 237,875 SSEs or an average of 1.54 people per enterprise.

The total employment needs to be adjusted further to take account of the fact that some of the people working in these enterprises are part time workers or children. In the present adjustment, one full-time adult worker is equated to four part time workers or two children.¹⁶ Thus, when adjustment for part time workers is made, the net result is 343,946 workers for the two departments and the number of adult worker-equivalent employment drops to 313,991 (i.e., 180,165 for Dosso and 133,826 for Maradi, 'd' entries).¹⁷ Finally, a further seasonal adjustment for the number of months the enterprise is operated per year (called 'season' in the Table) takes it down to 269,544 people in the SSE sector working for 12 months, a year. This is, in other words, the 12-month full-time equivalent number of working people in the SSE sector.¹⁸

It is difficult to tell for sure what the total combined 269,544 full-time equivalent adult workers for Dosso and Maradi imply for the rest of the country. With the same caveat as was made in Chapter 2 when estimating the SSEs in Niger, one can hazard a guess that this

¹⁶ Any person working half or less of the normal working time in the enterprise is considered part time.

¹⁷ To the extent that some part-time workers are also children, there will be double discounting, resulting in downward bias in the final employment figures.

¹⁸ Such a full-time figure is very stringent and has the effect of downward biasing the results. There is hardly any workers, even in the formal sector, who work full time for 12 months straight.

could translate roughly into 803,078 workers for the whole country. The different adjusted figures of employment both for the two departments in the survey and the implication for the country as a whole are summarized as follows (rounded to the nearest hundreds):

<u>Employment Adjustments</u>	<u>Dosso and Maradi</u>	<u>The Whole Country</u>
a. Initial estimates, before any adjust.	383,300	1,072,600
b. After adjustment for multiple markets	358,800	1,068,800
c. After adjustment for part time workers	344,500	1,025,700
d. After adjustment for Children workers	314,000	934,400
e. After adjustment for seasonal operation	269,500	803,100

Even if there were other reasons to discount the national SSEs employment figures by much larger factors (say for example, that perhaps Dosso and Maradi present the most conducive environments for SSE activities), the resulting figures are going to be still substantial. Thus, 803,100 full-time equivalent adult workers is a large number for a country the size of Niger. Household size in Niger is reported to be about 6.2; and since the employment figure is full-time adult workers equivalent, it is plausible to guess that at least something like 2 to 3 million additional family members may be supported by SSEs activities.

How does the employment in the SSEs sector compare with that in the formal sector? Again, due to differences in definition or due to lack of adequate data, it is not usually easy to make a concrete comparison. However, since the difference in numbers of employment between the two sectors is so huge, exact figures are not necessary to get a general perception of comparative magnitudes. In 1988, the formal sector (consisting of private and para-statal activities) employed about 26,000 people. Another 28,000 people were employed by the public sector.¹⁹ Our figure of 12-month full-time equivalent employment of 803,100 is almost 15 times more than the total of 54,000 for the formal sector. Even if only urban SSEs (i.e., unadjusted and excluding those found in the ZDs) employing 3 or more people are used

¹⁹ See Rapports Annuel D'activité 1988: Direction de L'emploi.

comparison, the results show that just Dosso and Maradi departments alone would account almost for 20% of the 54,000 figure. If our estimate for the whole country (including the ZDs this time) is used for a corresponding comparison (i.e., using SSEs employing 3 or more people) with the total formal sector employment of 54,000, then the same kind of SSEs would employ 3 times as many as the formal sector. Because SSEs activities that employ 3 people or more are used, any employment adjustment for part-time, children or seasonal employment will have little impact.

It would have been interesting to know what kind of income or wage is associated with this magnitude of employment. As the information for such analysis is not available, general anecdotal discussion will be presented in Chapter 4 when describing the importance of income from an SSE activity relative to other sources; also the proportion of the labor force that works on full payment basis will be discussed later.

3.2 SIZE DISTRIBUTION OF SSEs LABOR FORCE

As already indicated in Chapter 2, Nigerien SSEs are typically small which is usually the case for many developing countries.²⁰ The distribution of the SSEs among labor size ranges is given in Table 8. About two-thirds of all the enterprises are one-person operations, i.e., there is only one person working in the enterprise. Another one-fifth have 2 people working in them. A tenth have between 3 and 5 people in them. Thus, about 95 per cent of all the SSEs have less than 6 people working in them. For the Small Towns and ZDs strata, there are in fact no enterprises that have more than 20 people working in them. Maradi Town has 11 firms with employment greater than 25 and with an average work force of 37.64; Dosso has 7 such firms. For each stratum within a department, Table 9 gives the average size of the labor force in each enterprise of a given industrial grouping. There

²⁰ The average enterprise employed 1.79 in Burkina Faso (although the enumeration was biased towards the bigger SSEs) and 1.62 in Zambia. Just for those in the manufacturing sub-sector, the SSE size was 1.9 in Sierra Leone, 1.6 in Egypt, 1.6 in Honduras, 2.2 in Jamaica and 2.8 in Thailand-- in Niger it is 1.8.

Table 8. Distribution (%) of SSEs in Dosso and Maradi Departments By Labor Force Size Ranges

LABOR SIZE RANGES	POPULATION SIZE STRATA					
	MARADI DEPARTMENT			DOSSO DEPARTMENT		
	Maradi	S.Towns	ZDs	Dosso	S.Towns	ZDs
1	64.6	62.2	61.1	55.2	58.7	69.9
2	22.8	25.7	27.8	25.2	26.8	21.7
3-5	10.5	10.6	10.3	14.1	13.4	8.1
6-10	1.6	1.1	0.3	2.1	0.9	0.3
>10	0.5	0.4	0.5	3.4	0.2	0.0*
Total	100.0	100.0	100.0	100.0	100.0	100.0

* These are values less than (.1).

seem no big and systematic differences in size between manufacturing, services and trade (excluding vending) among the different strata. Among the industrial groups, leather and vending are the smallest; while metals, repairs and pottery are generally bigger almost in all the strata. The average employment figures of Table 9 should be studied against the absolute and relative magnitudes of employment figures in Table 5. Table 9 shows, by the way, that there might be a consistent difference in size of SSEs between Maradi and Dosso departments-- Dosso SSEs are usually bigger.

Table 9: Average (Arithmetic Mean) of the Size of SSEs Labor Force Among Industrial Groups Within Each Population Stratum

INDUSTRIAL GROUPINGS	POPULATION SIZE STRATA					
	MARADI DEPARTMENT			DOSSO DEPARTMENT		
	Maradi	S.Towns	ZDs	Dosso	S.Towns	ZDs
Garment	1.73	1.45	1.50	2.02	1.68	1.08
Wood-Based	2.26	4.44	1.50	2.95	2.27	2.50
Forest-based	1.21	1.22	1.10	1.33	1.50	1.32
Metal	2.73	2.14	2.75	2.93	2.02	3.21
Veh. repairs	4.40	3.00	1.80	8.33	3.47	1.50
Other repairs	1.96	1.43	1.60	1.83	2.08	2.25
Leather	1.49	1.89	1.00	1.33	1.54	1.00
Foods	1.62	1.73	1.67	1.89	1.71	1.66
Pottery	1.92	1.93	1.67	4.63	2.87	1.67
Other MFG*	1.64	1.30	1.44	1.82	2.12	1.54
ALL MFG*	1.91	1.71	1.59	2.26	1.76	1.43
Wholesale	4.29	--	2.00	4.32	3.04	--
Retail/stores	1.68	1.85	1.65	1.77	1.61	1.33
Vending	1.37	1.38	1.40	1.58	1.49	1.47
ALL Commerce	1.56	1.56	1.55	1.77	1.58	1.41
ALL Services	1.75	1.62	1.70	2.70	1.78	1.41
TOTAL ALL SSES	1.69	1.61	1.59	2.05	1.66	1.43

Note: Veh. = Vehicle; MFG = Manufacturing

3.3 SEASONALITY OF OPERATION AMONG ENTERPRISES OF THE SSEs SECTOR

Not only may people work part time in an SSE activity but the enterprise may be operated for only part of the year. The average number of months that an enterprise in a given industry is operated could help understand the degree of seasonal operation among SSEs. To see if there is any relationships between the size of the enterprise as well as its degree of business sophistication and the number of months of operation, Table 10 shows the average number of workers and the percentage of salaried workers in each enterprise in addition to the average number of months of operation per SSE.

The average number of months of operation for all the SSEs is about 10 months per year. Since the upper limit for the number of months is 12, an average of 10 means that a large majority of the SSEs are operated almost for the whole year. There is very little difference on this among the four strata. Among the industrial groups, pottery has the shortest period of operation in all the strata except in Maradi. It is followed by vending and Forest-based (non-wood) SSE activities. On the higher side of business operation period, vehicle repairs have the highest number of months. In the higher category are also found leather, services and wholesale. The table also shows that the SSEs that are operated for fewer number of months usually have a smaller number of workers; and of course their salaried workers as percentage of all workers (discussed in the next section) is also the lowest. Thus, while only 61.1% of the 1-person SSEs are operated for a full 12-month period, the corresponding figures for the SSEs with 2, 3-5, 6-10 and 11-25 workers per enterprises are respectively 66.4, 78.0, 77.6 and 88.9 per cent. As a whole, almost two-thirds of the SSEs are operated for 11 or more months. On this respect there does not seem to be any difference between urban and rural enterprises although the increased agricultural activities would have been expected to result in some differences between the two areas.

TABLE 10: Average Number of Months of Work per Year and Other Size Characteristics

INDUSTRY GROUP	POPULATION STRATA				TOTAL	
	MARADI	DOSSO	S.TOWNS	ZDS		
GARMENTS:						
Workers	Sum	863	208	297	70	1438
Salaried	%	4.75	0.96	1.02	--	3.20
Workers	Avg	1.73	2.02	1.63	1.40	1.73
Months	Avg	10.60	10.54	10.49	9.48	10.50
WOOD BASED:						
Workers	Sum	414	65	122	45	646
Salaried	%	10.87	23.08	5.74	--	10.37
Workers	Avg	2.26	2.95	2.39	2.50	2.36
Months	Avg	10.52	10.05	10.69	10.22	10.49
F-B NON-WOOD:						
Workers	Sum	122	52	364	1297	1835
Salaried	%	0.82	--	0.27	--	0.11
Workers	Avg	1.21	1.33	1.46	1.31	1.33
Months	Avg	9.29	9.69	9.54	9.86	9.76
METALS:						
Workers	Sum	287	129	167	111	694
Salaried	%	2.79	15.50	4.19	2.70	5.48
Workers	Avg	2.73	2.93	2.06	2.92	2.59
Months	Avg	10.90	9.68	10.60	10.92	10.62
VEH.REPAIR:						
Workers	Sum	783	250	115	12	1160
Salaried	%	11.88	12.40	9.57	--	11.64
Workers	Avg	4.40	8.33	3.48	1.71	4.68
Months	Avg	11.10	11.67	10.94	10.86	11.14
OTHER REPAIRS:						
Workers	Sum	149	22	60	34	265
Salaried	%	4.03	--	--	--	2.26
Workers	Avg	1.96	1.83	1.94	1.89	1.93
Months	Avg	10.59	11.42	10.52	10.67	10.66
LEATHER:						
Workers	Sum	203	24	194	5	426
Salaried	%	1.97	--	3.09	--	2.35
Workers	Avg	1.49	1.33	1.69	1.00	1.55
Months	Avg	10.48	11.06	10.90	12.00	10.72

Note: Twokers = Total workers; Salaried = Hired workers; Months = Number of months of work per year

(Table 10 Continued):

INDUSTRY GROUP	POPULATION STRATA				TOTAL	
	MARADI	DOSSO	S.TOWNS	ZDs		
FOODS PROC.:						
Workers	Sum	1988	1174	2263	441	5866
Salaried	%	10.26	8.86	3.76	1.36	6.80
Workers	Avg	1.62	1.89	1.71	1.65	1.71
Months	Avg	10.34	9.88	10.10	10.30	10.16
POTTERY:						
Workers	Sum	225	185	73	15	498
Salaried	%	26.67	52.43	24.66	--	35.14
Workers	Avg	1.92	4.62	2.43	1.67	2.54
Months	Avg	10.17	9.13	8.63	8.00	9.62
OTHER MFG:						
Workers	Sum	64	20	174	288	546
Salaried	%	3.12	--	0.57	0.69	0.92
Workers	Avg	1.64	1.82	1.91	1.53	1.66
Months	Avg	10.90	10.27	7.89	10.19	9.64
WHOLESALE:						
Workers	Sum	219	121	76	2	418
Salaried	%	36.07	19.83	23.68	--	28.95
Workers	Avg	4.29	4.32	3.04	2.00	3.98
Months	Avg	10.86	9.79	10.56	9.00	10.49
RETAIL:						
Workers	Sum	4358	1031	2514	671	8574
Salaried	%	9.04	13.29	4.38	1.94	7.63
Workers	Avg	1.68	1.77	1.64	1.58	1.67
Months	Avg	9.86	10.23	10.37	10.40	10.10
VENDING:						
Workers	Sum	3362	650	2022	565	6599
Salaried	%	2.26	3.54	1.78	0.35	2.08
Workers	Avg	1.37	1.58	1.47	1.43	1.42
Months	Avg	9.61	9.49	9.76	10.41	9.71
SERVICES:						
Workers	Sum	1169	376	565	361	2471
Salaried	%	10.27	27.13	14.51	3.32	12.79
Workers	Avg	1.76	2.72	1.75	1.60	1.83
Months	Avg	10.44	10.27	10.80	10.43	10.51
TOTAL:						
Workers	Sum	8426	2098	5443	2637	18604
Salaried	%	14206	4307	9006	3917	31436
Workers	Avg	7.98	12.89	4.27	0.97	6.72
Months	Avg	1.69	2.05	1.65	1.49	1.69
	Avg	10.03	9.98	10.11	10.16	10.06

3.4 TYPES OF LABOR FORCE IN THE SSE SECTOR

During the field enumeration, each person working in an SSE activity was identified as falling into one of the following four types: Proprietors (owner-operators), family members, hired workers and apprentices. Proprietors must be working in the enterprise in order to count as part of the labor force; family members are relatives who are not fully paid for their services in the enterprises; hired or salaried workers are those who are fully paid for their labor in the enterprise; and finally, apprentices or trainees are people who are working in the enterprise under a training arrangement and therefore their enumeration, if any, does not reflect the full contribution of their labor.

Table 11 shows the relative shares of the different labor force types as a percentage of the total labor force found both in urban and in rural SSEs. Urban areas constitute all the first three strata (all the towns) of the present study. The fourth stratum of rural ZDs constitute the rural areas of Table 11. In general the share of proprietors in the total labor force is dominant in all the three sub-sectors of manufacturing (MFG), commerce (including vending) and services; in each situation they account for over half of the labor force. If family members are added to proprietors, the table shows that except for services in the urban areas, both labor types account for at least 80 percent of the total labor force. Hired workers and apprentices account for the balance. There are hardly any hired workers in the rural SSEs-- the highest share is 3.3% for rural services. In both types of areas there are twice as many hired workers in services as there are in the other two sub-sectors.

Among the industrial groups, urban hired workers account for at least 10 percent of the labor force in pottery, vehicle repair and wood-based production. However, these industrial groups account for a small proportion of the total SSEs compared with foods, forest-based, commerce and vending (see Table 5). In fact, in aggregate, foods and retail (whose hired labor force is respectively 7.2 and 8.1%) would be each contributing more hired workers in aggregate than repairs, pottery and metals put together. Perhaps a more insightful approach

Table 11: Distribution (%) of the Total Labor Force Among Different SSEs Labor types

INDUSTRIAL GROUPINGS	DEGREE OF URBANIZATION							
	URBAN AREAS				RURAL AREAS (ZDs)			
	Propr.	Family	Hired	Appr.	Propr.	Family	Hired	Appr.
Garment	58.4	20.0	3.1	19.0	71.4	34.3	--	4.3
Wood-Based	43.4	25.2	11.1	20.3	40.0	60.0	--	--
Forest-based	73.8	23.9	0.4	1.4	79.0	20.7	--	0.3
Metal	38.9	34.0	6.0	21.1	34.2	55.0	2.7	8.1
Veh. repairs	21.0	31.0	11.7	36.3	58.3	33.4	--	8.3
Other repairs	51.5	26.9	2.6	19.0	55.9	35.3	--	8.8
Leather	62.99	28.8	2.4	5.9	100.0	--	--	--
Foods	57.2	32.7	7.2	2.9	61.0	34.4	1.4	3.2
Pottery	40.4	12.2	36.2	11.2	60.0	33.3	--	6.7
Other MFG*	54.7	39.4	1.2	4.7	65.6	32.0	0.7	1.7
ALL MFG*	52.0	29.0	7.9	11.1	70.2	27.5	0.5	1.8
Wholesale	24.89	37.7	29.1	9.4	--	--	--	--
Retail stores	57.7	32.5	8.1	1.7	63.0	34.8	1.9	0.3
Vending	69.9	26.6	2.2	1.3	70.3	27.8	0.4	1.6
ALL Commerce	61.8	30.2	6.2	1.8	66.3	31.6	1.2	0.9
ALL Services	54.8	15.5	14.4	15.3	62.0	18.6	3.3	16.1
ALL SSEs	57.3	28.7	7.5	6.5	68.2	28.0	1.0	2.8

Note: Veh. = Vehicle; MFG = Manufacturing;
Propr. = Proprietor; Appr. = Apprentices.

would be to exclude the 1-person SSEs and compare the rest. This would be more useful at understanding those enterprises that may exhibit a higher level of business operation. This could have an implication on the kind and direction of technical assistance that could be given to such SSEs. If this approach is used, then the shares of hired labor in total labor force for pottery, wholesales, service, wood-based production and vehicle repair would be respectively 46, 32, 21, 14 and 12 percent; industrial groups that do not show marked change are forest-based production and vending, with 0.3 and 4.0 percent respectively.

At the stratum level, the proportion of proprietors and family members consistently increases as one moves from the urban to the rural areas of both departments. The situation is reversed for hired and apprentice workers. This could be seen in Table 11 as well between the urban and rural areas.

3.5 WOMEN IN THE SMALL SCALE ENTERPRISES SECTOR

The SSEs sector is known for the high participation of women both as owner of enterprises and as part of the labor force. Because some SSE activities require very little start up capital and perhaps due to flexible working time, women tend to participate more in the SSEs sector. Even more importantly, women may be attracted to the sector, because they may find it easier to get employment opportunities there than in the formal sector.

Tables 12a and 12b summarize the role of women in the two departments. The Tables (one for each department) show three pieces of information: (1) Percentage of all SSEs owned by women (shown by the 'SSEs' column); (2) Percentage of all employment accounted for by SSEs owned by women (Column 'Emp'); and (3) Percentage share of all females as part of the total labor force in the SSEs sector-- i.e., including those SSEs owned by males.²¹ Thus, Table 12a shows that for Dosso town 15.5% of the garment SSEs are owned by women; these same female-owned

²¹ The labor force in the SSEs sector consists of both male and female proprietors, family members, hired workers and apprentices.

Table 12a: Shares (%) of SSEs and Employment Accounted for By Female Owned Enterprises in Dosso Department As Well as All Female Labor Force as Percentage Of Total SSEs Labor Force or Employment

INDUSTRIAL GROUPINGS	DOSSO								
	Dosso Town			Small Towns			Dosso ZDs		
	Female Shares			Female Shares			Female Shares		
	SSEs	Empl.	L.F.	SSEs	Empl.	L.F.	SSEs	Empl.	L.F.
Garment	15.5	9.6	15.9	20.1	16.9	17.8	33.3	30.8	15.4
Wood-Based	13.6	16.9	9.2	29.2	20.2	16.5	14.3	5.7	--
For.-based	89.7	92.3	86.5	95.3	96.3	88.4	98.3	98.5	95.7
Metal	2.3	0.8	--	3.8	1.9	2.9	7.1	2.2	--
Veh. repairs	--	--	--	3.3	1.0	1.0	50.0	66.7	66.7
Other repairs	8.3	4.5	--	--	--	--	--	--	--
Leather	5.6	4.2	4.2	36.8	32.4	33.3	--	--	--
Foods	75.3	73.0	61.1	85.3	82.9	72.7	80.6	80.0	72.1
Pottery	7.5	8.1	0.5	12.5	4.3	8.7	--	--	--
Other MFG*	9.1	5.0	0.1	66.2	52.8	53.5	70.4	67.3	68.4
ALL MFG*	56.3	44.9	37.8	73.8	67.1	59.9	88.9	85.5	78.2
Wholesale	32.1	13.2	18.2	28.0	30.3	17.1	--	--	--
Retail stores	58.6	60.8	52.8	71.5	70.9	62.3	57.3	61.3	57.7
Vending	38.3	39.6	33.7	42.2	43.2	52.0	34.7	35.5	34.1
ALL Commerce	49.7	49.9	43.6	58.4	58.6	52.0	43.9	45.4	43.1
ALL Services	16.5	9.8	7.7	14.0	9.7	7.4	21.8	17.3	19.1
ALL SSEs	50.5	44.0	37.6	61.6	59.3	52.7	78.8	76.3	73.6

SSEs = % of SSEs owned by women;
 Empl. = % of total labor force accounted for by female owned SSEs;
 L.F. = Females as % of total labor force in each industry group.

Table 12b: Shares (%) of SSEs and Employment Accounted for By Female Owned Enterprises in Maradi Department As Well as All Female Labor Force as Percentage Of Total SSEs Labor Force or Employment

INDUSTRIAL GROUPINGS	MARADI								
	Maradi Town			Small Towns			Maradi ZDs		
	Female Shares			Female Shares			Female Shares		
	SSEs	Empl.	L.F.	SSEs	Empl.	L.F.	SSEs	Empl.	L.F.
Garment	19.3	14.0	14.0	13.2	9.1	10.9	2.6	3.5	3.5
Wood-Based	27.7	15.9	14.7	--	--	----	--	--	--
For.-based	61.4	62.3	56.6	75.0	77.3	75.0	22.2	21.7	20.3
Metal	1.9	2.1	1.4	6.9	3.2	8.1	--	--	--
Veh. repairs	1.1	0.6	0.6	--	--	--	--	--	--
Other repairs	--	--	--	--	--	--	--	--	--
Leather	32.4	34.0	23.6	4.3	3.4	2.2	--	--	--
Foods	51.3	43.6	34.2	30.6	27.9	23.8	45.8	42.6	35.8
Pottery	48.7	29.3	24.0	42.9	44.4	37.0	16.7	50.0	20.0
Other MFG*	5.1	4.7	9.4	17.4	13.3	10.0	11.1	15.4	23.1
ALL MFG*	36.9	25.1	20.7	25.2	20.7	19.2	24.4	23.0	12.5
Wholesale	9.8	5.9	3.2	--	--	--	--	--	--
Retail stores	60.0	55.9	44.1	62.8	55.5	42.1	68.7	72.9	54.8
Vending	33.5	34.5	26.8	38.4	38.3	30.7	18.2	19.4	16.8
ALL Commerce	45.8	45.5	35.6	47.7	46.0	35.9	46.8	59.1	39.9
ALL Services	21.9	14.8	35.6	12.1	8.5	5.3	17.6	12.0	11.2
ALL SSEs	41.2	35.6	28.5	38.1	34.9	28.2	36.3	37.5	29.8

SSEs = % of SSEs owned by women;
 Empl. = % of total labor force accounted for by female owned SSEs;
 L.F. = Females as % of total labor force in each industry group.

enterprises account for 9.6% of the total labor force found in all the garment group; furthermore, 15.7 percent of the total labor force in the garment group as a whole are females (i.e., including female proprietors). At the sub-sectoral level, Maradi women have a bigger role of SSEs ownership and employment in commerce than in manufacturing or services. In Dosso however, they are more prominent in the manufacturing sub-sector. This difference is due primarily to mat making in Dosso department which is dominated by women.

In both departments the high rate of SSE ownership by women is due to a few industrial groups namely, the forest-based (non-wood), foods and retails. In all Dosso strata, each of these three groups show women owning more than half of the SSEs. Only in retailing do women own more than half in the Maradi town strata. Groups with moderate rates of female participation in both departments include vending, pottery, wood-based and garments. Industrial groups that have low rates in both departments are all kinds of repairs and metal works.

Regarding total SSEs employment accounted for by women-owned SSEs, the three strata in Maradi department show 35.6, 34.9, and 37.5 per cent respectively for Maradi town, the small towns and the ZDs. The corresponding values for Dosso are 44.0, 59.3, and 76.3-- much higher than Maradi.

There is also a range of similar magnitude of differences between the two departments in the proportion of women in the total SSEs labor force. Certain industrial groups have much higher share of women working in them. In Dosso town, these include the forest-based (with 86.5%), foods (61.1), and retailing or stores (52.8%). Those with highest percentages in Maradi town are also the same group but with reduced percentages: forest-based (56.6), retail (44.1%) and foods (34.2). Industrial groups that have the lowest female employment rate include metals and repairs in both departments. In Dosso, ceramics also have a very low share of female workers.

Finally, more attributes relevant to all SSEs in general and to specific industrial groups in particular will be briefly discussed in Chapter 4 along with the supplemental survey mentioned in Chapter 1.

CHAPTER 4: BASIC CHARACTERISTICS OF THE NIGERIEN SMALL SCALE ENTERPRISES SECTOR

4.0 INTRODUCTION

Some of the basic characteristics of the SSEs in Niger have been already discussed throughout the report so far. These basic characteristics depict the enterprises as small in size, heavily dominated by manufacturing and commerce, accessible to women (and perhaps to the young and school dropout as well) and as activities of full time engagements to their owners. In this final chapter the aim is to bring those characteristics together and with additional attributes to examine the SSEs sector further.

4.1 REVIEW OF BASIC SSEs CHARACTERISTICS

Table 13 summarizes the basic characteristics discussed so far in the report. It shows that not only is the average size of the labor force less than 2 in all the strata except Dosso town, but close to two-thirds of the activities are one-person operations and they have little hired labor. Thus, as a group, the enterprises get more than 90 percent of their labor force from proprietors and family members. In fact, except those in pottery, vehicle repairs, wood-based production and wholesale trade, the others hardly use any hired labor. Nevertheless, one needs to remember that as a whole, over one million Nigeriens are involved in some kind of SSEs activity. In fact, even if 5% of the employment is outside (hired) labor, this translates into at least 40,000 full time equivalent workers. It will be shown later also that a substantial number of the enterprises are the main source of income for their owners.

Generally, the proportion of SSEs engaged in manufacturing or processing activities increases as one moves from the urban to rural areas. The reverse is true with respect to commerce and service activities. The average number of months that the SSEs are operated is about 10 for all the strata. In fact, less than 17% of the SSEs both in urban and rural areas are operated for less than 6 months.

Table 13: Summary of Basic SSEs Characteristics

CHARACTERISTICS	MARADI	DOSSO	S.TOWNS	ZDS
1. <u>Small Scale Enterprises:</u>				
a. Each stratum's share of the total estimated SSEs	3.5%	0.8	3.0	92.7
b. One-person operated SSEs	65%	55	60	67
c. Share of SSEs with labor force >5 people	2.1%	6.6	1.5	0.6
d. Average number of months of operation per year	10.0	10.0	10.1	10.2
2. <u>SSEs Labor Force:</u>				
a. Average (arithmetic mean) per enterprise	1.7	2.0	1.6	1.5
b. Share of proprietors and family members	85.4%	78.6	91.5	97.5
c. Share of females in total labor force	28.5%	37.6	48.7	57.2
d. Children as percent of total labor force	14.8%	15.7	17.0	16.8
e. Part-time workers as percent of the total	6.5%	10.6	6.8	5.1
3. <u>Sub-sectoral distribution of all SSEs:</u>				
a. Manufacturing	31.6%	44.8	40.2	60.2
b. Commerce	60.5%	48.5	53.9	31.2
c. Service	7.9%	6.7	5.9	8.6
4. <u>Female-owned SSEs:</u>				
a. As % of all SSEs	41.2%	50.5	57.8	62.9
b. Their Share in total employment	35.6%	44.0	55.3	61.8

Table 13 shows that women play prominently in the SSEs scene both as proprietors and as part of the SSEs labor force. The proportion of SSEs they own is however much higher than their relative share of the total labor force in the sector; this is particularly true in the urban areas. The data also show that females are not likely to have one-person operation more than males. In fact 49.6% of the one-person activities are owned by women compared to 50.4 percent by men. At the stratum level however, the share of women in ownership of all SSEs falls to 41.3 percent in Maradi but increases to 62.2 percent in the ZDs.

4.2 IMPORTANCE OF THE SSEs AS SOURCE OF HOUSEHOLD INCOME

The two direct benefits from SSEs activities were mentioned as employment (hence income to the employees) and income to the proprietors. Data do not exist to describe the actual or absolute levels of income either for employees or proprietors. Table 14 presents the relative importance of proprietors' income from SSEs activities and other possible indicators of improved business operation. Only about a fourth of the SSEs in the ZDs are the main source of income; this shoots up to 62.8 percent however for Maradi town. Even for the ZDs however, income from SSEs activities is either the main one or at least equal to any other source for 52 percent of the proprietors; for the remaining three strata the corresponding percent is at least 67. Thus, an SSE activity as a source of household income is very important and this importance steadily rises as one moves from the rural stratum to the most urban stratum. The corollary to this is that less of the urban proprietors depend on agriculture as the main source of income. In fact, 89 percent of the proprietors in the ZDs get income from agriculture compared to only 56, 65 and 77 percent respectively for those in Maradi town, Dosso town and the small towns. Also 51.7 percent of the one-person SSEs are the main source of income for their owners compared to 60.6

percent of those SSEs with greater than one person.

The SSEs are also a major source of full time employment. It was shown in Chapter 3, that the average number of months of work per enterprise was about 10. Table 14 attempts to show the importance of the SSEs as source of income and employment but at the same time indicates the highly traditional nature of organization in the sector. Those SSEs that are operated for 6 months or less range from a high of 18 per cent for Maradi town to as low as 14 percent for the small towns; these are not high percentages. On the other hand, the percentage of enterprises that are operated 10 months or more is 71 for Maradi town and 67 for each of the remaining three strata; this indicates the importance of employment in the sector. Such employment is however for family labor as the percent of hired labor is very low, even after excluding the 1-person operations. Finally, while the proportion of those SSEs that are operated from the home seem to increase as one moves from the more urban to the rural areas, there does not seem any clear pattern with respect to the proportion of SSEs operated from open spaces-- both urban and rural localities show a similar picture.

4.3 GENERAL CHARACTERISTICS OF SSEs IN THE SUPPLEMENTARY SURVEY

The information for the rest of this Chapter is processed from a supplementary survey. It has a sample of 237 cases of which 58 are proprietors affiliated with CARE/Niger in Maradi department-- all the CARE affiliated SSEs are in Maradi. The sample is not random in the statistical sense; in fact vendors were deliberately excluded. On the other hand, out of the 58 affiliated with CARE, 27 of them were added at the end to raise the number of this group.¹

¹ It should be noted that for some proprietors, income from, say, e.g., employment or remittances, can be the main source.

² It might be instructive to compare the CARE group with SSEs in the primary survey not affiliated with CARE.

Table 14: The Importance of SSEs as Source Of Income and Employment

CHARACTERISTICS	MARADI	DOSSO	S.TOWNS	ZDS
1. Entrepreneurs whose main income is from SSEs	63%	59	56	25
2. Entrepreneurs with no agricultural income	44%	35	23	11
3. Entrepreneurs working 3 months or less	10%	8	5	3
4. Entrepreneurs working 6 months or less	18%	16	14	16
5. Entrepreneurs working from the home	22%	15	21	38
6. Entrepreneurs working from open spaces	34%	34	32	38
7. Share of Salaried workers in SSEs with employment > 1	13%	18	6	2

Table 15 presents some of the major statistics on the group of SSEs in the supplementary survey.¹ The approximate distribution of the cases among the four strata is as follows: Maradi accounts for 45% of the cases; Dosso, 20%; the small towns, 30%; and the ZDs, 5%. The urban bias in the number of SSEs included in the sample is consistent with the relative stratum shares of the total number of SSEs enumerated during the primary survey. The sub-sectoral distribution shows 52% manufacturing, 29% commerce and 19% service. All the industrial groupings except vending are represented; however,

¹ Numbers or percent figures in the Table are rounded off to the nearest whole number.

² Due to the small number of cases for the ZDs, one needs to be careful in drawing implications from that stratum.

each with 20%, commerce (retail/trade) and services are heavily represented.

In examining SSEs in the supplementary study, there are four areas of focus: Basic characteristics of SSEs or proprietors; secular business changes over the years; nature of problems faced by SSEs; and accessibility to external assistance such credit or management advice.

Due to a deliberate bias towards bigger sample SSEs, the attributes of the SSEs found in the supplementary survey are quite different from those found in the primary sample. Thus, SSEs in the supplementary survey are much bigger (three times as many workers per enterprise as the primary sample-- 5.83 vs 1.69); 45% of their total labor force is hired (compared 7% for the primary); at least half of them employ 3 people or more (compared with 12% for the primary); 30% of them had machines (primary, 3%); and 88% of them are the main source of household income (compared to 55% for the primary).

The average age of the sample enterprises is 14 years with substantial difference among strata. The average age of an enterprise tends to increase as one moves to the rural area. In general the large majority of the SSEs are quite old. Half of the SSEs in the supplementary sample are more than 10 years old; in fact, almost a fifth are 20 years old or more. Considering SSEs that are 20 years old or more, among the oldest are in services (a third out of 42 being 20 years old or more), wholesale (a third out of 21) and leather (3 out of 5). Among the young one are food processing and vehicle repairs with both of them having a third of their SSEs less than three years.

In aggregate, about 90% of them had experienced some growth period well after they were established. Almost uniformly, the growth period occurred about 5 to 7 years ago or in the early to mid-80's. About 46% of the proprietors had acquired modern education; a

Table 15: Descriptive Profile of SSEs
In the Supplementary Survey

ATTRIBUTE	MARADI	DOSSO	S.TOWNS	ZDS	TOTAL
1. <u>Basic Characteristics</u>					
<u>SSEs:</u>					
Number of SSEs in sample	106	50	70	11	237
Percent of SSEs in sample	45%	21	29	5	100
Average labor force size	7	4	4	3	6
Employment greater than 3	65%	48	52	37	55
Age of Enterprise (yrs)	13	12	18	16	14
SSEs 3 years old or less	10%	22	10	18	13
SSEs 10 years old or less	47%	62	42	55	49
SSEs more than 20 yrs old	13%	12	28	27	18
Experienced growth period	89%	86	93	100	90
Years since growth occurred	6	5	6	7	6
<u>Proprietors:</u>					
With modern education:	41%	52	53	29	46
Started SSE from scratch	74%	52	64	55	66
SSE inherited or as gift	11%	20	27	27	19
2. <u>Changes over last 5 years:</u>					
Number of SSEs increased	53%	36	47	18	46
Number of SSEs decreased	9%	7	11	9	9
Own Sales/Prodn. Increased	24%	16	39	50	28
Own Sales/Prodn. Decreased	47%	39	29	10	38
Market Demand increased	28%	29	53	60	38
Market Demand decreased	41%	33	19	30	32
3. <u>Problems faced:</u>					
Faced initial problems	71%	66	67	91	70
Faced growth problems	69%	60	61	82	66
Facing current problems	92%	88	93	82	91
4. <u>External Assistance:</u>					
Received credit assistance	30%	14	27	36	26
Received Technical Assist.	4%	8	9	27	7
Received Management Assist.	11%	2	13	--	9

substantial number of the remaining also claim to have acquired Koranic education; almost two-thirds of them started their enterprises from scratch-- in other words, they did not inherit, buy, rent or get it as a gift.

Comparing the Care/Niger affiliated SSEs with the general supplementary sample SSEs, the former have about the same age (13 years compared with 14 for the latter); all of them had experienced some growth about 6 years ago, on average; 50% of their proprietors have modern education compared to 48% for the rest of the supplementary SSEs; also among the CARE clients with modern education, half had secondary or higher education compared with 39% for the non-CARE affiliated group. However, the percentage of proprietors who started their SSEs through their own effort from scratch about the same. Finally, the percentage of the CARE affiliated SSEs with powered machines is twice as big as the other group. These factors seems to indicate that those Proprietors working with CARE have bigger enterprises, are more advanced business-wise and they are both more educated and more dependent on SSEs for household income.

4.4 SECULAR CHANGES OVER TIME

The reference period for the discussions on secular changes were the last 5 years; the direction of changes are based on proprietors' perception of business changes in their immediate surroundings. Hence the responses should be understood to involve subjective evaluations of potentially measurable variables. The variables are changes in the number of SSEs, in a respondent's production or sales volume, and the overall market demand for the key product in which the respondent is involved.

Respondents are asked to differentiate three levels of changes: Namely, much increase (or decrease, as the case may be), small increase (or decrease) or no change at all. In Table 15, only the 'much increase' and 'much decrease' are shown-- responses of 'no change' and 'small or slight changes' are not shown. This two responses should indicate a definite change of magnitude. The

general pattern of the responses seems to indicate that the number of SSEs has increased in all the strata; the responses to the changes in own production/sales and in the market or overall demand are not uniform across the strata; both seem to have fallen in the urban areas but might have increased in the rural areas.

4. 5 PROBLEMS FACED BY SMALL SCALE ENTERPRISES

Table 15 shows responses to inquiries of whether proprietors were faced with problems at three different stages of an enterprise: At time of starting the enterprise; at time of growth, if any; and during the current period. About 70 percent of the proprietors said they faced problems when they started their enterprises-- the major problem was lack of capital funds, followed by demand or marketing problems and technical know how. Two-thirds of the proprietors reported facing problems of working capital, tools/machinery, and regulation during their growth period. For the current period, the most constraining problems are, in order of importance, lack of product market (demand), lack of working capital, constraining regulations and lack of tools or machinery. The problems encountered during the different stages are shown in the chart below:

<u>Timing of Problems</u>	<u>Nature of Problem and Frequency of Occurrence</u>		
	<u>Highest</u>	<u>Middle</u>	<u>Low</u>
1. Initial	Funds	Market/demand Technical- knowledge	Machinery/ tools Regulations
2. Growth	Working capital Machinery/ tools	Regulations Marketing	Labor Technical- knowledge
3. Current	Market/Demand Funds	Regulations Machinery/ tools	Technical- knowledge

Problems faced by the CARE affiliated group are not generally

different from the above list although they tend to mention lack of tools or machinery more consistently. That they also mention lack of funds often is not surprising as some of them do not have a loan from CARE yet but have either applied for it or the assistance they received was technical or management advice instead.

4.6 TYPES OF EXTERNAL ASSISTANCE RECEIVED

The availability of three types of assistance were examined among the 210 SSEs in the 'random' supplementary group (i.e., excluding the 27 CARE affiliated SSEs deliberately added later): Credit, technical and managerial. Overall, 47 credit, 15 technical and 16 management assistance were received by the 210 enterprises. Thus, a fifth of the SSEs had received credit which is a significant rate. The different types of assistance are well distributed among the different enterprise types. The distribution is not so well however among the four strata. A lion's share of the assistance goes to Maradi. However, this may be more due to the sampling approach rather than a characteristic feature of the credit system. The sources of credit were as follows: 24 or half of the of the total were from the BDRN⁵ (Development Bank of the Republic of Niger); another 7 from BIAO (Banque International de l'Afrique Occidentale); 4 from OPEN (Office de Promotion de l'Entreprise Nigerienne); 2 from CARE; and the rest from other sources including Banque Islamique, the UGAN group of insurance companies, CNCA (Caisse National de Crédit Agricole) and even private companies such as SONITAN. Both technical and management types of assistance came primarily from these other sources, followed by 3 management assistance from OPEN and 2 technical assistance from CARE.

Among the 27 CARE affiliated SSEs that were intentionally included later in the project, 15 had received CARE credits, 6 (5 of whom also got CARE credit) received CARE management assistance and 1 received CARE technical advice. The remaining 10, although listed as CARE clientele had received no assistance at the time of the

⁵ Banque de Développement de la République du Niger

interview and were waiting for response to their applications.

In conclusion, while Nigerian SSEs have common basic characteristics similar to what one finds in other developing African countries, there are also some aspects that seem to set them apart. Their sheer numbers is a very important factor in the employment sector-- i.e., perhaps much more than in other places. The absence of large or even medium sized firms means that they dominate the commerce and service scene of the economy. A much higher proportion of the relatively bigger SSEs are also older, indicating the historical importance of such enterprises in Nigerian economy.

In its short life since it started operation in Maradi CARE/Niger seems to have reached quite a substantial number of SSEs, primarily with credit assistance. Such services seem to be somewhat skewed towards the larger and more advanced enterprises. Even without CARE/Niger around, a substantial number of the bigger SSEs have benefited from services (e.g., credit) provided by the modern sector. As a financial institution, the BDRN seems to have reached quite a large group of SSEs. It would be interesting to look into the repayment rate for the BDRN loans.

APPENDIX A: Example of SSE Type Distributions in Pairs of Localities in Two Strata of Dosso and Maradi Departments (The Population Sizes of the Localities are Shown in parenthesis)

MAIN SSE TYPE	STRATUM AND LOCALITY NAME			
	SMALL TOWNS		RURAL ZDs	
	D.DUTCHI, Dosso (19,914)	DOKORO, Maradi (14,579)	YELOU-3, Dosso (2,143)	GANGARA-2, Maradi (2,139)
Tailoring	F	26	32	6
	C	2.9%	3.6%	2.2%
Garments	F	8	1	2
	C	0.9%	0.1%	0.7%
Dressmaking	F	--	4	1
	C	--	0.5%	0.4%
Other garments	F	2	1	--
	C	0.2%	0.1%	--
Carpentry	F	--	1	--
	C	--	0.1%	--
Wood carving	F	--	--	2
	C	--	--	0.6%
General woodwork	F	6	1	1
	C	0.7%	0.1%	0.4%
Farm tools making	F	--	1	3
	C	--	0.1%	0.9%
Bamboo/twig	F	--	--	1
	C	--	--	0.3%
Metal works	F	2	2	--
	C	0.2%	0.2%	--

F = Frequency of SSEs; C = Column % share

APPENDIX A CONTINUED:

MAIN SSE TYPES		D.DOUTCHI, Dosso	DOKORO, Maradi	YELOU-3, Dosso	GANGARA-2, Maradi
Bike repair	F	1	2		
	C	0.1%	0.2%	--	--
Haulage carts	F	1			
	C	0.1%	--	--	--
Tinsmith	F	4	2		
	C	0.4%	0.2%	--	--
Welding	F	3	2		
	C	0.3%	0.2%	--	--
Electronic repair	F	5	4		3
	C	0.6%	0.5%	--	1.1%
Car repair	F	5			
	C	0.6%	--	--	--
Blacksmith	F	6	23	4	2
	C	0.7%	2.6%	1.2%	0.7%
Goldsmith	F				1
	C	--	--	--	0.4%
Other metal	F	1			
	C	0.1%	--	--	--
Leather works	F	1	7		
	C	0.1%	0.8%	--	--
Shoe repair/mfg	F	10	30		1
	C	1.1%	3.4%	--	0.4%
Plastics	F	6	10		
	C	0.7%	1.1%	--	--
Groundnut	F	54	10		26
	C	6.0%	1.1%	--	9.6%

F = Frequency of SSEs; C = Column % share

APPENDIX A CONTINUED:

MAIN SSE TYPES		D. DOUTCHI, Dosso	DOKORO, Maradi	YELOU-3, Dosso	GANGARA-2, Maradi
Beef processing	F	18	19	8	18
	C	2.0%	2.1%	2.5%	6.7%
Milk processing	F	8	1	--	--
	C	0.9%	0.1%	--	--
Ice cream	F	2	--	--	--
	C	0.2%	--	--	--
Other dairy	F	4	1	--	--
	C	0.4%	0.1%	--	--
Bakery	F	2	3	7	--
	C	0.2%	0.3%	2.2%	--
Sweets	F	1	1	--	--
	C	0.1%	0.1%	--	--
Other foods	F	95	40	9	4
	C	10.6%	4.5%	2.8%	1.5%
Pottery	F	--	5	--	1
	C	--	0.6%	--	0.4%
Brick/blocks	F	--	4	--	--
	C	--	0.5%	--	--
Tiles	F	--	2	--	--
	C	--	0.2%	--	--
Other ceramics	F	--	3	1	1
	C	--	0.3%	0.3%	0.4%
Salt mining	F	1	15	137	--
	C	0.1%	1.7%	42.5%	--
Jewelry	F	2	2	--	--
	C	0.2%	0.2%	--	--
Clock/watch repair	F	--	3	1	--
	C	--	0.3%	0.3%	--

F = Frequency of SSEs; C = Column % share

APPENDIX A CONTINUED:

MAIN SSE TYPES		D. DOUTCHI, Dosso	DOKORO, Maradi	YELOU-3, Dosso	GANGARA-2, Maradi
Repair musical	F			1	
	C	--	--	0.3%	--
Photo processing	F	1	1		
	C	0.1%	0.1%	--	--
Coal production	F	18			
	C	2.0%	--	--	--
Cigarettes	F	1			
	C	0.1%	--	--	--
Flour mill	F	15	10		4
	C	1.7%	1.1%	--	1.5%
Tyre repair	F	2	2		
	C	0.2%	0.2%	--	--
Mat making	F	2	36	83	6
	C	0.2%	4.1%	25.8%	2.2%
All other mfg	F		5		2
	C	--	0.6%	--	0.7%
Retail/store	F	81	31	1	4
	C	9.1%	3.5%	0.3%	1.5%
Groceries	F		1		
	C	--	0.1%	--	--
Bar/restaurant	F	3	4		
	C	0.3%	0.5%	--	--
Auto parts shop	F	2	2		
	C	0.2%	0.2%	--	--
Textiles/drapes	F	1	7		
	C	0.1%	0.8%	--	--
Containers	F		2		
	C	--	0.2%	--	--

F = Frequency of SSEs; C = Column % share

APPENDIX A CONTINUED:

MAIN SSE TYPES		D. DOUTCHI, Dosso	DOKORO, Maradi	YELOU-3, Dosso	GANGARA-2, Maradi
Laundry	F	8	3		
	C	0.9%	0.3%	--	--
Hair dresser	F	12	14	8	14
	C	1.3%	1.6%	2.5%	5.2%
Forest products	F		4		1
	C	--	0.5%	--	0.4%
Advert. sign making	F	1			
	C	0.1%	--	--	--
Vending	F	225	336	28	55
	C	25.2%	37.9%	8.7%	20.4%
Food catering	F	211	138	7	81
	C	23.6%	15.6%	2.2%	30.0%
Private schools	F		3		
	C	--	0.3%	--	--
Money changers	F		1		
	C	--	0.1%	--	--
House painting	F		1		
	C	--	0.1%	--	--
Traditional doctors	F	5	16	6	12
	C	0.6%	1.8%	1.9%	4.4%
Transport service	F	5	4	5	2
	C	0.6%	0.5%	1.6%	0.7%
Books/stationery	F	1			
	C	0.1%	--	--	--
Livestock retail	F	11	18	10	9
	C	1.2%	2.0%	3.1%	3.3%
All other services	F	15	16		13
	C	1.7%	1.8%	--	4.8%
TOTAL	F	894	887	322	270
	C	100%	100%	100%	100%

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