



# The Professionalization of the Informal Sector for Effective Socioeconomic Development

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## ABSTRACT

This study traces the importance of moving the informal sector to a professional level and its application in developmental efforts in Cameroon. It is an attempt to highlight the important role of the informal sector in development. It employs, Interactionist, structuralist and social action theories to examine the relationship between the actors in the informal sector and their contributions to development in Cameroon in particular and the world at large. It adopted the mixed method approaches in its design and employed in-depth interviews, questionnaires, focus group discussions, observation as well as hard and electronic documents in sourcing data. Quantitative data were entered using EpiData 3.0 and analysed with the support of SPSS 21.0. They were described using frequencies, proportions and Multiple-Responses Analysis while hypotheses were tested using Binary Logistic Regression Modelling in assessing the overall effect of conceptual components and that of individual predictive indicators. As for qualitative data, they were analysed through thematic analysis whereby ideas and viewpoints were grouped under umbrella terms to reduce the abstraction of data. The findings revealed that lack of education financial resources were the main reasons why the informal sector could not effectively contribute to development. There is need to further educate actors in the informal sector in some pertinent areas that will equip them with the tools necessary for effective development. It is recommended in this study that, the government should take steps in mainstreaming participatory vocational training centres in different regions of the country to train actors of the informal sector to better manage their resources. This will go a long way to close the gap between the formal and the informal sector and provide platforms for participatory management, empowerment and capacity building and improve participation in development processes.

## INTRODUCTION

The government of Cameroon has earmarked its emergence by 2035. The economy to a large extent depends on the informal sector, which is characterized by disorder. In a country where more than 70 percent of the workers are in the informal economy, there is need for more organization and control to draw the best from this sector of activity.

The socio-economic status of the informal sector is very important in social science research as it plays a very significant role in planning and carrying out development programmes. The socioeconomic status of the actors in the informal sector may be affected by various indicators like education, occupation, social class, income, wealth, material fulfillment, and so on. Information on the socio-economic status of informal sector is more than important to know how better this sector can contribute to the fulfillment of the society and by that token, the fulfillment of actors in this sector themselves. The informal sector provides livelihood opportunities to a substantial section of the workforce in Cameroon. As the employment situation in the formal sector is limited, it is the informal sector which acts as a bailout for the vast pool of unemployed workforce. Though the informal sector is the main source of livelihood, it is worth mentioning that workers in this sector are usually at a disadvantaged position in relation to the formal sector workers in terms of working conditions, earnings and consequently their living conditions.

The term informal sector was first coined by Keith Hart in 1973. The informal sector is one portion of the economy, which is not taxed, not monitored, and not acknowledged by the government and as well, not fully considered in the Gross National Product (GNP) and Gross Domestic Product (GDP) of a country (Becker, 2004). It is also known as informal economy, shadow economy or grey economy. Employment in the informal sector can be categorized as a) Self-employed, i.e., own-account workers, b) Wage workers, i.e., employees of informal business, and (c) Employers, i.e. owners and owner operators of informal enterprises (Becker, 2004). However, according to World Bank, the informal business comprise of two types of labour market activities. First one is the coping strategies, which are casual jobs, temporary jobs, unpaid jobs, subsistence agriculture, and multiple job holding. The other one is the unofficial earning strategies which are tax evasion, avoidance of labour regulation and other government or institutional regulations, no registration of the company and also underground activities: crime, corruption activities not registered by the government. Thus, informal business activities generally considered as a labour-intensive small scale business operation which requires lower capital and less skills.

For decades, it was assumed by economists that the right mix of economic policies will wipe out the traditional informal activities as the modern formal sector will grow and require more labour. However, many countries could not create a good labour market,

hence informal business is still a major part of employment (ILO, 2013).

The informal economy is largely characterised by: Low entry requirements in terms of capital and professional qualifications. A small scale of operations. Skills often acquired outside of formal education. Labour-intensive methods of production and adapted technology. The informal economy does not comprise the reproductive or care economy, comprised of unpaid domestic work and care activities. Traditionally, the informal economy was perceived as comprising mainly survivalist activities. Various negative aspects were used to describe the informal economy ranging from undeclared labour, tax evasion, unregulated enterprises, illegal and criminal activity. Nevertheless, the vast majority of informal sector activities provide goods and services whose production and distribution are perfectly legal. In addition, informal economy activities are not necessarily performed with the deliberate intention of evading the payment of taxes or social security contributions, or infringing labour legislation or other regulations. The informal economy can however include restricted illegal and restricted legal operations or legal and irregular operators, but no criminal operators. The informal economy should therefore not be confused with the criminal economy.

## Professionalization

Professions have always been a subject of sociological interest (Abbott 1988; Freidson 2001). Professions are privileged, autonomous occupational groups; they have gained control of specific, socially relevant sections of work. A profession can define professional education and controls the entry to a market. Typical professions are doctors and lawyers; they developed in the late middle Ages. Professions that established after doctors and lawyers are, for example, architects, accountants, and engineers. Today, the focus is less on professions than on professionalism as a specific mode of work (Freidson 2001). There have been attempts to define sequences of professionalization, the most influential being Wilensky (1964) who understood professionalization as the sequence of seven steps: (1) a job becomes a full-time occupation; (2) establishing a training school; (3) establishing a university program; (4) founding a local professional association; (5) funding a national professional association; (6) creation of a state license; (7) creation of a code of ethics. We do not know whether professionalization will succeed in a particular field of work; however, resuming research on professions and occupational change, we can describe some phenomena linked to professionalization, specific tasks which involve a high degree of uncertainty and require specialised knowledge; (ii) a socially central value involved in these tasks, for instance health or nature; (iii) a growing body of academic knowledge; (iv) a national professional association or an equivalent disciplinary organisation. Professionalization is a social process by which any trade or occupation transforms itself into the 'profession of the highest integrity and competent'.

## Socioeconomic development

Socio-economic development is a process that seeks to identify both the social and the economic needs within a community, and seeks to create strategies that will address those needs in ways that are practical and in the best interests of the community over a long period of time. The general idea is to find ways to improve the standard of living within the area while making sure the local economy is healthy and capable of sustaining the population present in the area. Socio-economic development occurs in neighbourhoods in metropolitan areas, sections of smaller cities and towns, and even in rural settings. Jeffrey et al. (1999).

## Socio-Economic Importance of Informal Sector

Caroline O.N. Moser (1984: 135), notes that since the informal sector concept was first introduced into academic anthropology by Keith Hart (1973) and then popularized by the International Labour Office, studies attempting to define it, describe it, and analyse it have been so numerous as to constitute what she calls a "growth industry." In general, the ILO's interest in the informal sector concerned its capacity to absorb surplus labour and thereby ameliorate some of the most negative conditions of urban poverty. Various studies have sought to determine further whether or not the informal sector absorbed surplus labour in a devolutionary manner without increase in productive output, or if it contained autonomous dynamism for growth and, if so, how growth might best be stimulated by government policy. In either case, based on her extensive reviews of the literature, Moser (1978; 1984) was driven to conclude that the informal sector remains an exceedingly fuzzy concept. Studies of it have embraced such an astonishing heterogeneity of economic activity that it is virtually impossible to draw firm conclusions from their comparison. In fact, such studies appear to have contributed more to the debate surrounding the dualist and non-dualist conceptions of the economy than they have contributed to the empirical resolution of questions concerning economic institutions, the organization of firms, enterprises, labour markets, the economic strategies of workers, or the economic and social inequalities attaching to any or all of these. Moser's contribution to the informal is different from the socioeconomic benefits in that this research brings out the importance of creating vocational training centres to help train those from the informal sector so they could improve in their lifestyles.

## Demographic considerations

The literature is replete with other influences, especially those of a socio-economic and demographic nature, that influence participation in the informal sector. It has been argued that informal activity tends to thrive in sectors of the economy that are characterized by labour-intensive, low-skilled and low-wage jobs and also where it is easy to employ and pay workers without registration or documentation (Djankov et al. 2003). Empirical evidence indicates

that informal work in most developing countries is concentrated in the distribution sector, with a relatively low prevalence in certain sectors, such as the manufacturing sector.

Christian (1994) finds that individuals with higher incomes have a higher propensity to evade taxes, and this encourages an increase in the informal activity. The sex of a person appears to play an important role in the informal sector: most empirical studies establish that males tend, more than women, to sell their labour services in the informal sector. While women, more than men, are likely to be clients of the informal sector (Schneider et al. 2001).<sup>6</sup> Small-business owners may show similar patterns. Depending on the institutional structures in place, age can have varying influence on whether an individual will participate in the informal sector: some studies have found that age and informal sector activity are related, although there is no definite pattern emerging.

In countries where the social security (e.g. pension) is inadequate, retired persons are more prone to enter the informal sector to supplement or maintain income levels (Portes et al 1986). Other variables likely to affect informal sector participation include marital status (Anderson 1998, Schneider et al 2001), the number of dependents of the agent (Gerxhani 2002, Smith 1987, Schneider et al 2001), the area of residence of the agent (Portes and Sassen-Koob 1987), and level of education.

## The Informal Sector in Cameroon

The Cameroonian literature on informal employment is moving away from a traditional view of informality as evidence for labour market segmentation.

According to the Cameroon National Institute of Statistics (CNIS) (2005), "*the informal sector/employment in Cameroon means one person businesses without a tax identification number and/or without any formal accounting system*". Cameroon certainly shares with the other developing countries a lot of common features in informal patterns.

In 2005 Cameroon's wood industry contributed about 6 percent to GDP. That same year, the wood and wood processing industry accounted for 170,000 jobs, 150,000 in the informal sector and 20,000 in the formal sector. Because startup costs are relatively low, many illegal and unregistered small enterprises are in operation. They mostly employ unskilled workers such as artisans and carpenters. The laws of 1999 paved the way for second-stage transformation in the country's value chain. (MINEFOF 2012).

Vocational training is not closely linked to the needs of the labor market. Vocational institutions enroll a small number of students and focus on a few sectors such as construction (about 25 percent of enrolment) while leaving out other important areas of the economy, such as tourism (3 percent of enrolment) and agriculture (less than 1 percent). Apprenticeships, which could be an efficient way to deliver training aligned with the needs of private employers, can only occur informally because there is no legal framework for private companies to partner with training centers. As a result, most youth do not seem to receive any

professional training (especially in the Northern regions). And when they do, they tend to get it on the job (with the exception of the South-West region).

Young people expressed concern about Cameroon's economic situation. There are not enough jobs available and this is the main reason for their unemployment (World Bank Report 2015).

With the exception of PIAASI, the informal sector has not been the object of any explicit program despite its importance as a job provider. The Government seems to have preferred handling this sector through programs covering issues closely related to it rather than dealing heads on with the constraints faced by this sector. Furthermore, efforts seem to have been focused on ways to lure operators away from the informal sector and attract them to formality, although survey results would tend to indicate that most of them are satisfied with the greater flexibility informality provides them. Furthermore, although the stock-taking uncovered various interventions at the local level aimed at facilitating non-farm informal businesses, many municipalities are still trying to contain or repress these activities.

Even when the program explicitly targets the informal sector, as in the case of PIAASI, the results are mixed. Launched in 2005, the program aimed at facilitating migration from the informal to the formal sector. In this regard, the priority was put on youth and on women, and the main objectives were to: (1) organize activities into professional groups; (2) provide training; and (3) provide financial assistance. The program tried to reach as many people as possible, was rolled out in all the regions, and covered all activities, without proper targeting. As a result, the program over extended itself rapidly. Not being able to deal with the specificities of each activity, its portfolio remained mostly urban. Financial resources were spread thin, not providing enough of an incentive to operators to become formal. Increases in investment were limited. Furthermore, the repayment rate on the loans was low (40 percent).

The informal sector in Cameroon has been modelled in the work of Cogneau, Razafindrakoto and Roubaud who assess the impact of fiscal adjustment and monetary policy that was implemented following the 1994 devaluation. They arrived at the conclusion that production and employment in the informal sector are clearly countercyclical, while the real income per head appeared insensitive to the conditions of formal incomes.

The above paragraphs clearly elucidate the scientific field, define some concepts which were very relevant to the study and also bring out some related literature on the informal sector in other countries and Cameroon. This has gone a long way to show that the informal sector is not to be neglected as far as the developmental chain is concern. This sector has a lot to play in the socioeconomic development of Cameroon.

### Aim of the study

This study aims at demonstrating how the professionalization of the informal sector can step up

its contributions to the development of the actors and the country at large.

## METHODOLOGY

Data was collected in three major towns of the country, notably Buea, Douala and Limbe.

### Sample size

The sample size estimated was 423 informal workers. Expecting a return rate of at least 80%, the minimum sample size for the study is 340.

This sample size was distributed to the various towns proportionately to size.

**Table 1: Sample size per municipality**

Municipalities	Sample size	Minimum
Buea municipality	98	79
Limbe municipality	58	47
Douala	267	214
<b>Total</b>	<b>423</b>	<b>340</b>

Source: from researcher's questionnaires

### Sampling Technique

In this study, the researcher makes use of both probability and non-probability sampling techniques considering the nature of the various segments of the participants. The non-probabilistic sampling applies to informal workers whereby their sample size was determined probabilistically and individuals involved conveniently in the study. In the other sense, on the field, the researchers was meeting participants haphazardly and those willing to participate in the study were administered questionnaire and some involved in the focus group discussion.

As for other developmental stakeholders like the delegate of professional training and trade union representatives, they were sampled purposively. The councils were selected using simple random sampling from the Littoral and South West Region.

The study also focused on the status of the informal sector workers in Cameroon. Data collected here are relevant in determining the challenges faced by the informal sector and whether the actors of the informal sector are actually trained in any professional training centres or vocational schools.

Interviews were conducted to understand how the various people who are involved in the informal sector are managing their lives and businesses or work.

Where the sample population could neither read nor write, this data elicitation method proved to be most helpful. Questions were conceived to sample their opinion. Most respondents here involve those who have been working with the informal sector for a good number of years. This will therefore have a valuable contribution to the research which could not be set aside for simple linguistic reason. Questions were read



to them and where they did not understand, these questions were explained. Room was given for them to explain their answers.

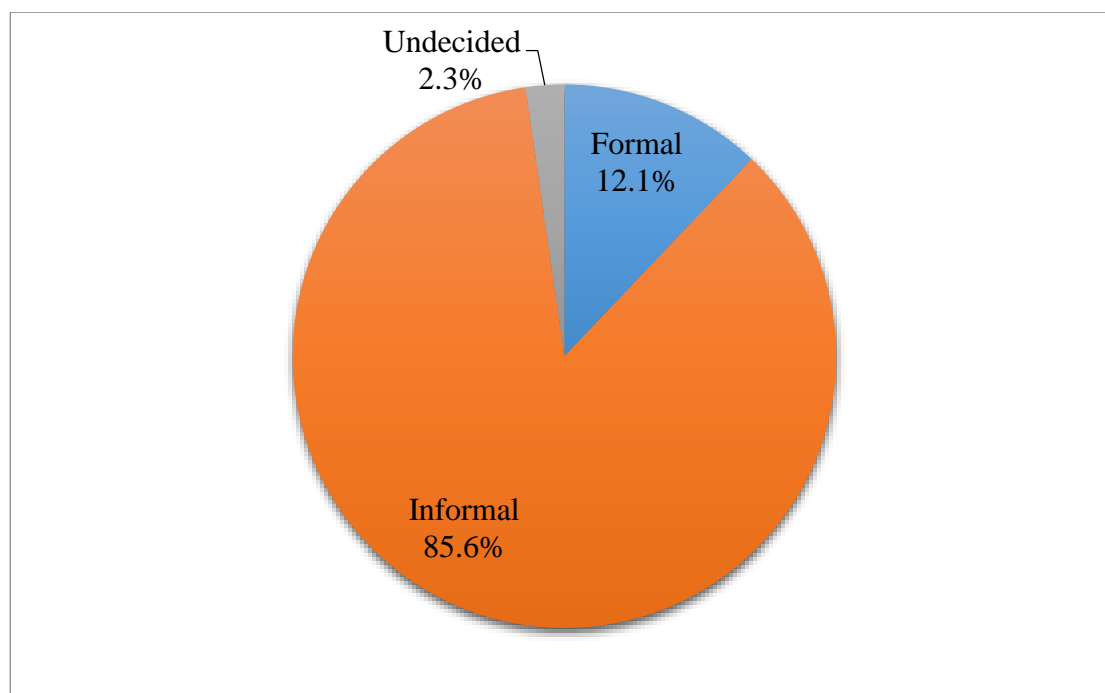
Observation as a data elicitation mechanism helped discover the way those who are involved in the informal sector are living. How they are managing their resources in the various study areas. This method also help to corroborate data obtained through the other research tools. This method was use to state the changes that have occurred within the past years. The researcher being born in one of this region, this data collection method was actually a recollection of a life time experience. Participant observer method entailed going round town and noticing the lifestyle and the dynamics and their impact on development. The various indicators and parameters of living condition here was, housing situation, degree of responsibility, neighbourhood, management of resources, membership in associations, propensity to save, social network. This method helped corroborate, validate or

invalidate data receive from questionnaires and interview. It therefore permitted the triangulation process that helps sustain data validity to be effectively used in this research. This work therefore employs both qualitative and quantitative data elicitation mechanisms.

## RESULTS & DISCUSSION

### Can professionalization of the informal sector sustainably boost the socioeconomic development of actors and Cameroon at large?

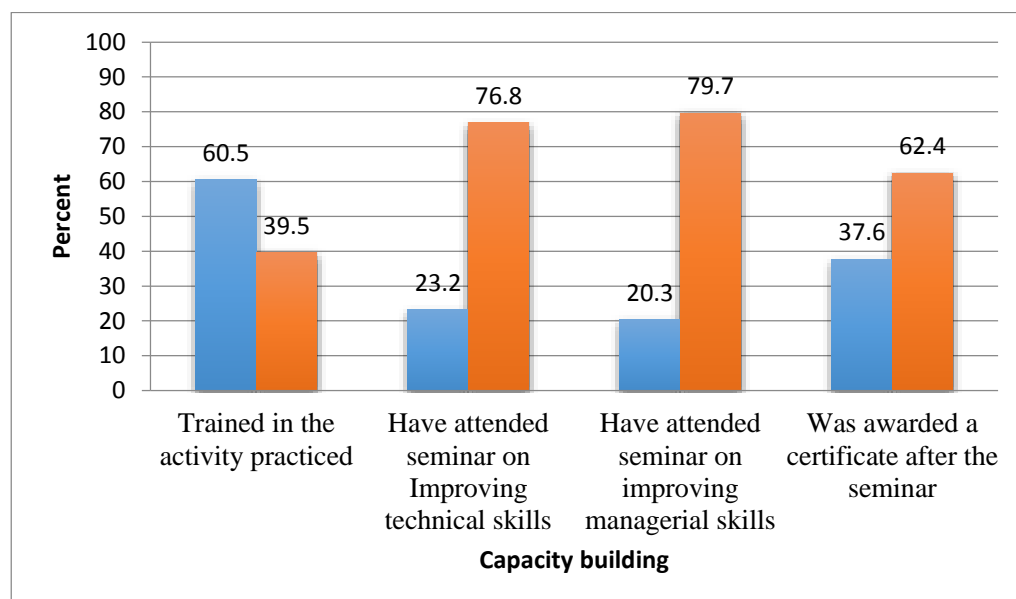
This section aimed at knowing the status of the informal sector in Cameroon, How much employment does it offer, how organized the workers are, how regulated the sector is, what do the workers take home and training.



**Figure 1: Employability of the informal sector**

It was perceived that the informal sector employs more than the formal sector, with proportion of 85.6% (262), as compared to 12.1% (37) for the formal sector.

### Training/Competency



**Fig. 2 Capacity building and competency**

Majority of workers of the informal sector were trained in the activity practiced with proportion of 60.5% (185).

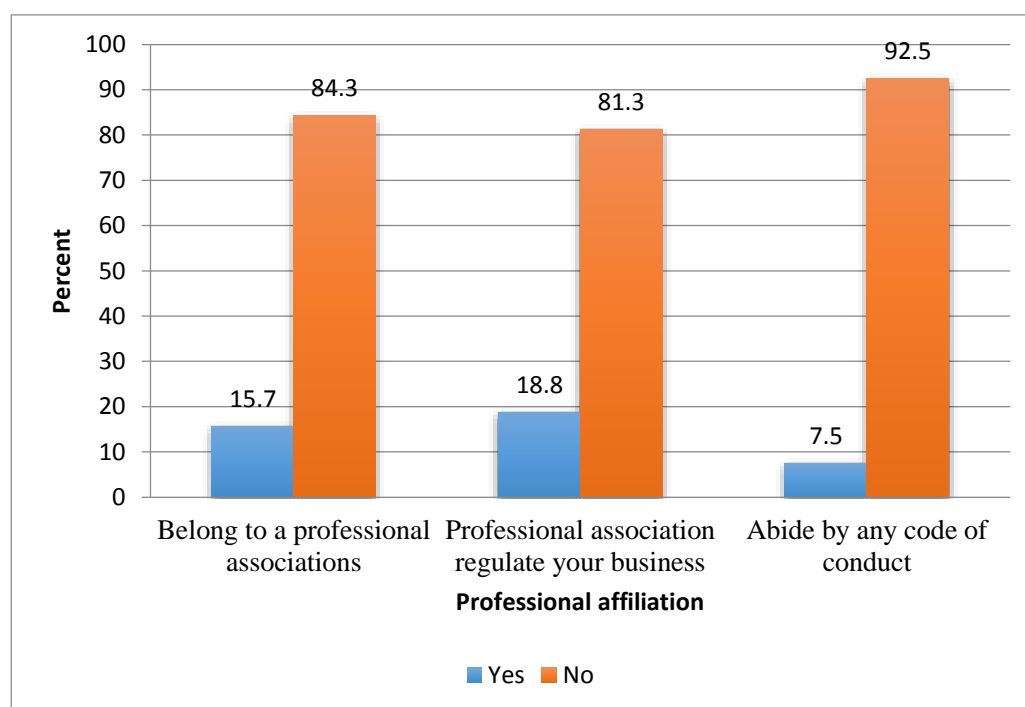
As for the 185 that received training, they mostly learnt outside the classroom (non-formal education) 75.1% (139) while 24.9% (46) followed full time learning in a school (formal education).

Those who have attended seminar on improving technical skills were 23.2% (71).

Those who have attended seminar on improving managerial skills were 20.3% (62).

Out of the 133 that have attended a seminar 50 making 37.6% were awarded a certificate.

### Professional affiliation and business regulation



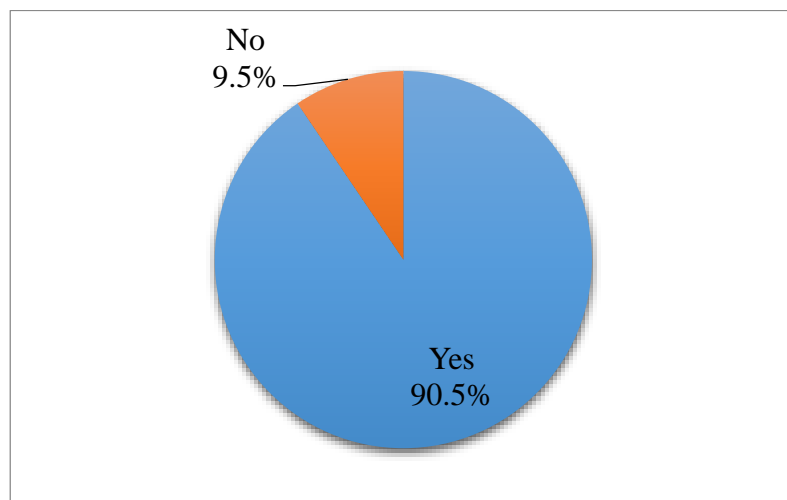
**Figure 3: Professional affiliation and business regulation**

Only 15.7% (48) workers of the informal sector belonged to a professional association.

Among the 48 that belonged to a professional association, only 2.9% (9) said that a professional association regulates their business.

As for those that abide to any code of conduct, they were only 7.5% (23).

### Remuneration



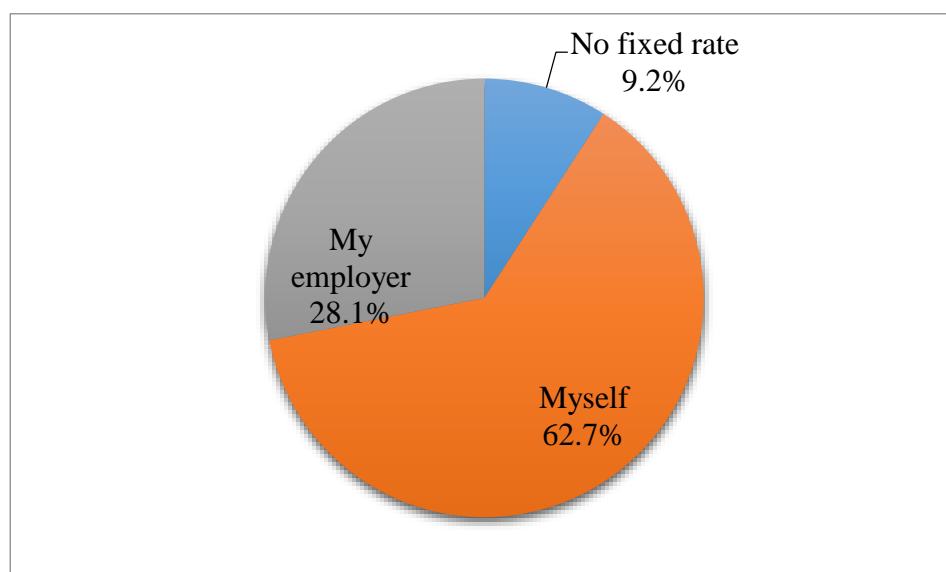
**Figure 4: Remuneration of workers of the informal sector with respect to gender**

N=306

Workers of the informal sectors were generally remunerated, with proportion of 90.5% (277) as against

9.5% (29) for those who claimed not to be remunerated.

### Person fixing the rates of remuneration



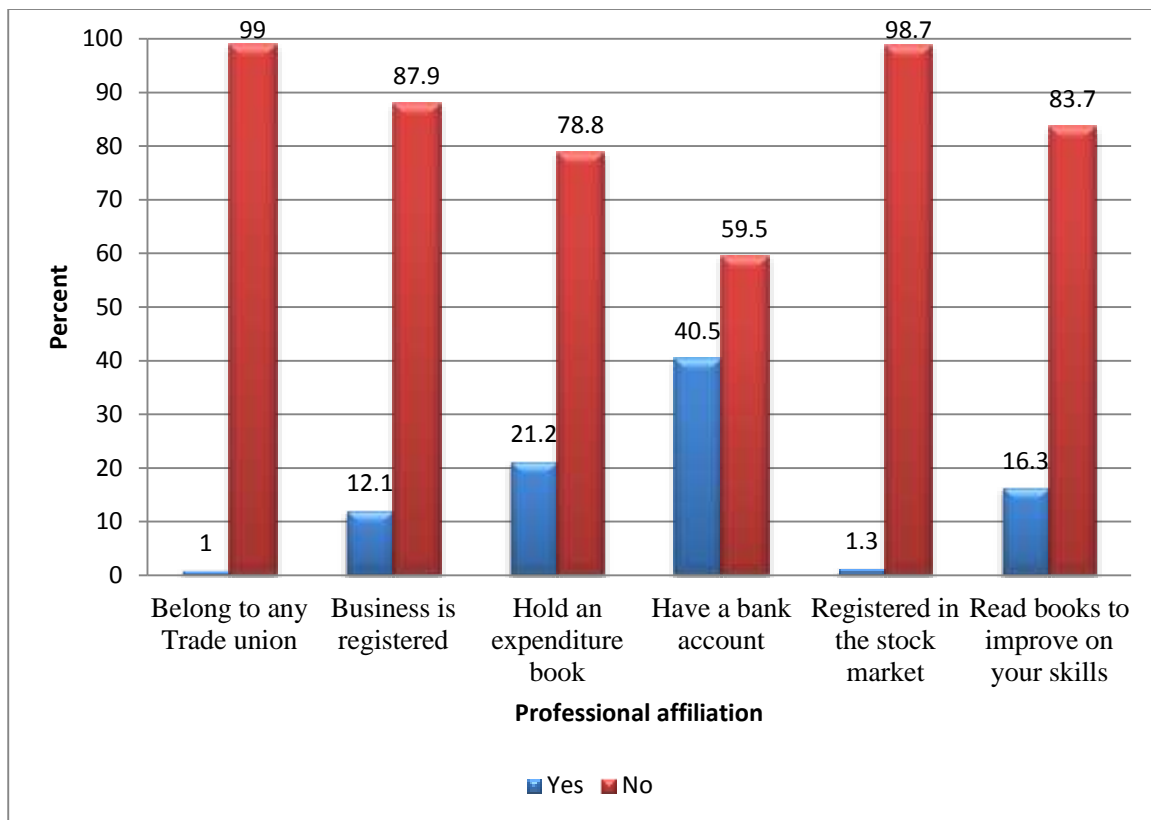
**Figure 5: Person fixing rate of remuneration**

N=306;

The rate of remuneration was mostly fixed by workers themselves 62.7% (192), 28.1% (86) said by their

employers while 9.2% (28) said there was not fixed rate.

### Business organization and management

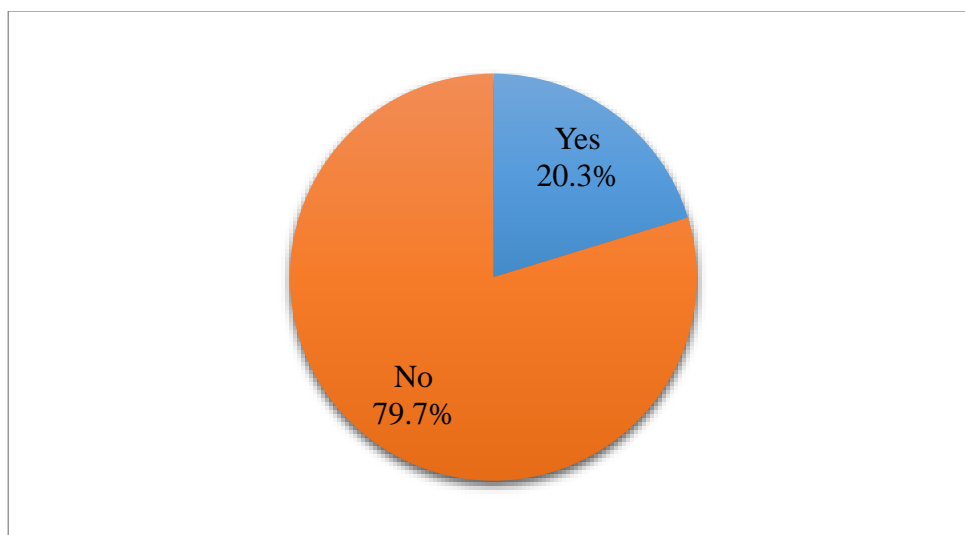


**Figure 6: Business organization and management**

Only 1% (3) of workers of the informal sector said they belong to a trade union.  
 Only 12.9% (37) had their business registered.  
 Only 21.2% (65) hold an expenditure book.

Less than majority making 40.5% (124) had a bank account.  
 Only 1.3% (4) were registered at the stock market.  
 Only 1.3% (4) read books to improve on your skills.

#### Full time or adhoc employment



**Figure 7: See present activity as permanent job.**

Only 20.3% (62) of the informal workers see their present activity as a permanent job.

Male perceived activity as permanent job more than female, with proportion of 22.1% (38), as against 17.9% (24) for the female.



**Table 2: See present activity as permanent job with respect to gender**

Gender	Stats	See present activity as a permanent job		Total
		Yes	No	
Male	n	38	134	172
	%	22.1%	77.9%	100.0%
Female	n	24	110	134
	%	17.9%	82.1%	100.0%
Total	n	62	244	306
	%	20.3%	79.7%	100.0%

$\chi^2$ -test:  $\chi^2=0.816$ ;  $df=1$ ;  $P=0.366$ .

**Table 1: Would accept other employment with respect to gender**

Gender	Stats	Would accept other employment				Total
		From the government	From any other employer	Both	None	
Male	n	27	11	119	15	172
	%	15.7%	6.4%	69.2%	8.7%	100%
Female	n	23	0	93	18	134
	%	17.2%	0.0%	69.4%	13.4%	100%
Total	n	50	11	212	33	306
	%	16.3%	3.6%	69.3%	10.8%	100%

$\chi^2$ -test:  $\chi^2=10.220$ ;  $df=3$ ;  $P=0.017$ .

Majority of workers from the informal sector will accept employment both from the government or any other employer 69.3% (212), 16.3% (50) would accept from government, 10.8% (33) from none, while 3.6% (11) would accept from any other employer.

More female than male would not accept other employment with proportion of 13.4% (18) as against 8.7% (15) for the male. Only male would accept employment from any other employer.

## Business income

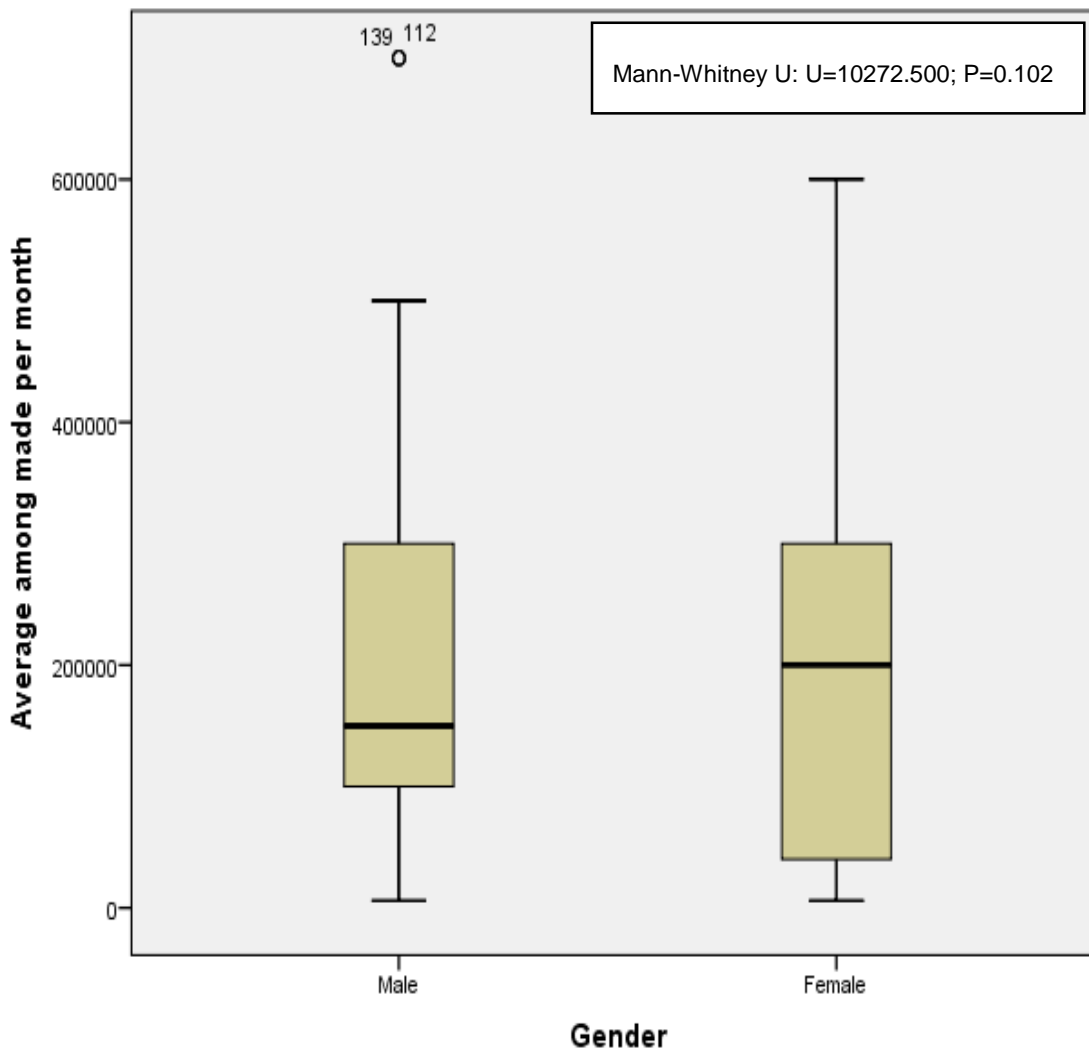
**Table 4: Average amount made from business per months**

Gender	N	Mean	Median	Minimum	Maximum	Std. Deviation
Male	172	210965.12	150000.00	6000	700000	155832.790
Female	134	186253.73	200000.00	6000	600000	153801.390
<b>Total</b>	<b>306</b>	<b>200143.79</b>	<b>175000.00</b>	<b>6000</b>	<b>700000</b>	<b>155179.765</b>

Mann-Whitney U:  $U=10272.500$ ;  $P=0.102$

Overall, the average amount made from business per month was 200143.79frs. The average amount made from the business per months was 21096512frs for the

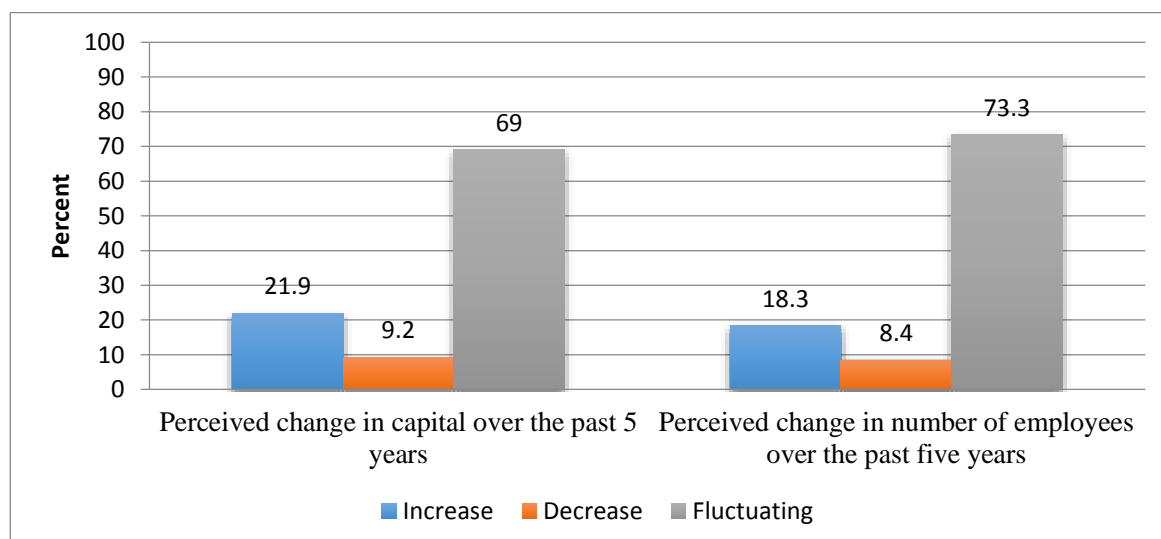
male, slightly higher than that of the female, with their average been 186253.73frs; but this difference was not statistically significant ( $P=0.102$ ).



**Figure 8: Average amount made per months, comparing between male and female**

But the median was higher for the female, 200000frs, as compared to 150000 frs for the male, thus indicating that more female had business monthly income of 200000 frs or above than male. But male had the

highest monthly income but the standard deviations very similar indicate that male and female had almost the level of variability in their monthly business income.



N=306

**Figure 9: Perceived change in capital and number of employees**

It was mostly perceived that capitals are fluctuation 69.0% (211), 21.9% (67) perceived an increase while 9.2% (28) perceived a decrease.

**Table 5: Perceived change in capital with respect to gender**

Gender	Stats	Perceived change in capital over the past 5 years			Total
		Increase	Decrease	Fluctuating	
Male	n	44	24	104	172
	%	25.6%	14.0%	60.5%	100.0%
Female	n	23	4	107	134
	%	17.2%	3.0%	79.9%	100.0%
Total	n	67	28	211	306
	%	21.9%	9.2%	69.0%	100.0%

$\chi^2$ -test:  $\chi^2=16.445$ ;  $df=2$ ;  $P=0.000$ .

More male perceived an increase in capital with proportion of 25.6% (44), as compared to 17.2% (23) for female. At the same time, more male perceived a decrease 14.0% (24) as compared to 3.0% (4) for female which more perceived a fluctuation, with

proportion of 79.9% (107), as compared to 60.5% (104) for male.

As for the number of employers, it was generally fluctuating, 73.3% (192), 18.3% (48) perceived an increase while 8.4% (22) perceived a decrease.

**Table 6: Perceived change in the number of employees with respect to gender**

Gender	Stats	Perceived change in the number of employees over the past five years			Total
		Increase	Decrease	Fluctuating	
Male	n	28	17	90	135
	%	20.7%	12.6%	66.7%	100.0%
Female	n	20	5	102	127
	%	15.7%	3.9%	80.3%	100.0%
Total	n	48	22	192	262
	%	18.3%	8.4%	73.3%	100.0%

$\chi^2$ -test:  $\chi^2=8.392$ ;  $df=2$ ;  $P=0.015$ .

Female perceived more fluctuation than male 80.3% (102) as compared to 66.7% (90) for the male. Male perceived an increase in the number of employees over the past five years more than female, with

proportion of 20.7% (28) as against 15.7% (20) for the female. But at the same time, male perceived more decrease, with proportion of 12.6% (17), as against 3.9% (5) for females.

**Table 7: Correlation between variation in capital and number of employees**

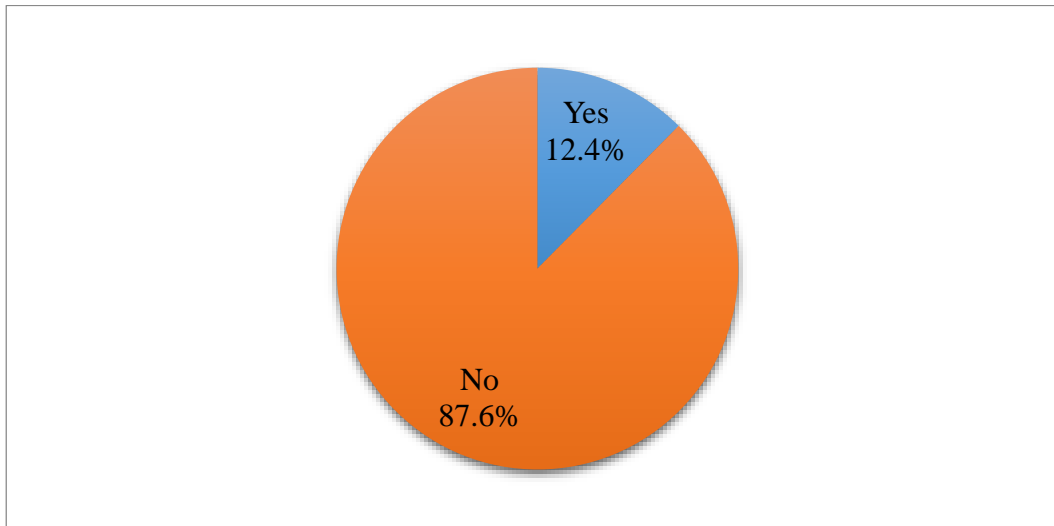
	Spearman's rho	Perceived change in number of employees over the past five years
	Correlation Coefficient	.829**
Perceived change in capital over the past 5 years	Sig. (2-tailed)	.000
	N	262

\*\* . Correlation is significant at the 0.01 level (2-tailed).

There was a significant positive and very strong correlation between change in capital and change in the number of employees ( $R=0.829$ ;  $P=0.000$ ). This

therefore implies that the more the capital, the more workers of the informal sector employ.

## Tax payment



**Figure 10: Payment of tax by workers of the informal sector**  
N=306

A proportion of 12.4% (38) of workers of the informal sector pay taxes.  
The type of tax ranged from business tax, insurance, liberal tax, VTA license, and patent.

**Table 8: Amount of tax paid per annum**

Gender	N	Mean	Median	Minimum	Maximum	Std. Deviation
Male	16	158125.00	150000.00	10000	250000	63478.999
Female	19	128947.37	100000.00	30000	300000	104450.665
Total	35	142285.71	150000.00	10000	300000	88153.800

Mann-Whitney U; U= 107.500; P=0.142.

In average, they pay 142285.71 frs of tax per years.  
Male tax was relatively higher than that of the female,  
with an average of 150000 frs as compared to 100000

frs for the female but this difference was not significant  
(P=0.142).

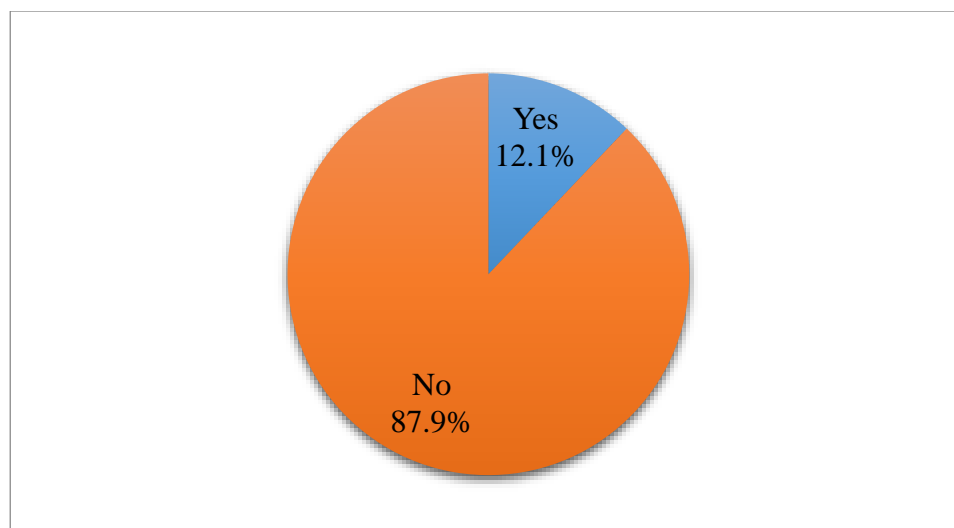
**Table 9: Correlation between average amount made per month and average amount of tax paid**

Spearman's rho		Amount of tax paid per annum
Average among made per month	Correlation Coefficient	.624**
	Sig. (2-tailed)	.000
	N	35

\*\* . Correlation is significant at the 0.01 level (2-tailed).

There was a significant positive and strong correlation  
between average amount made from the business per  
month and amount of tax paid per annum (R=0.624;

P=0.000). This therefore implies that the more the  
income, the more the tax paid.

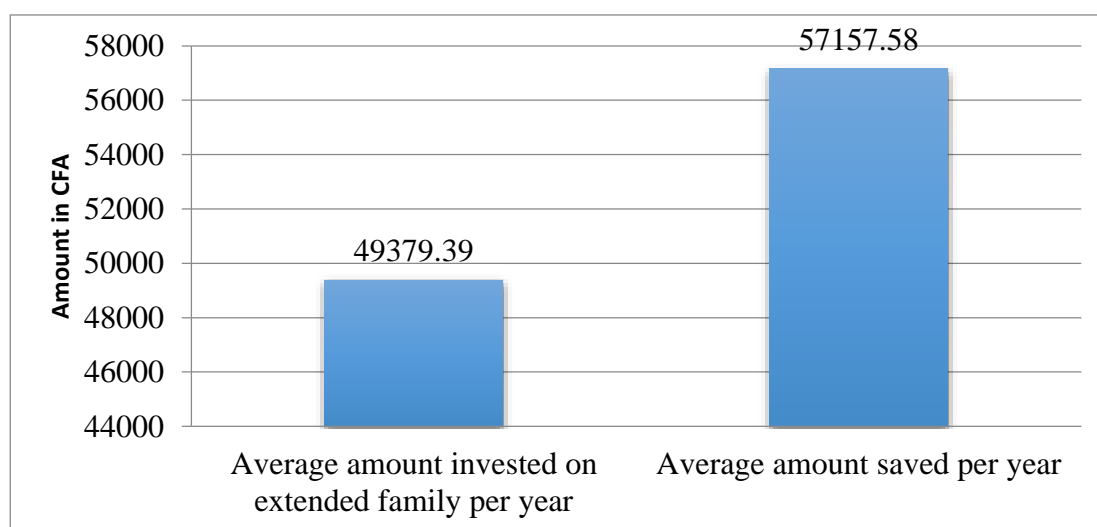


**Figure 11: Business registration**

Only 12.1% (37) of workers of the informal sector had their business registered.

The business was registered in the "registre de commerce", taxation for some, council or UB campus for others.

Actors of the informal sector make an average 776258.6 Frs profit per year and a major share of this money is invested on their family, both direct and extended for an average of 669721.62 frs for the direct family and 49379.39 frs for their extended family, and save an average of 57157.58 frs.

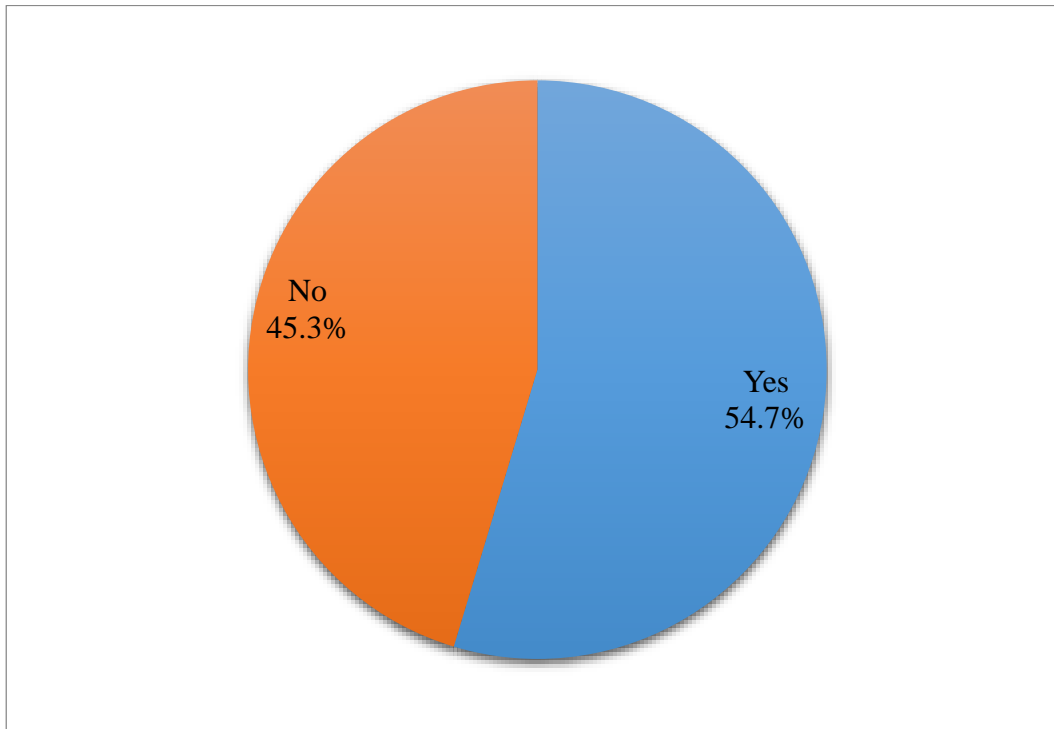


**Figure 122: Comparing what informal sectors workers spend on extended family and their savings**  
Wilcoxon Signed Ranks Test ( $Z=-0.533$ ;  $P=0.594$ ).

Amount invested on extended family was the focus here because it was assumed better standardized and discretionary as compared to amount spent on children, rent, electricity, health of one's family which are determined by parameters like family size, number of children, etc., which are not really discretionary, because you are more likely to spend more on education if you have more children.

The amount invested on extended family was an average 49379.39 frs per years, not significantly ( $P=0.594$ ) different from the average 57157.58 frs saved per year. This therefore implies that expenditure on extended family absorbs a great share of profit.

### Ploughing back profit



**Figure 13: Has re-invested in the business**

Majority have re-invested in the business 54.7% (199) while 45.3% (165) did not.

Majority of workers of the informal sector save from their business 52.6% (161) while 46.1% (141) did not save.

Those that did not save was generally because, it was not possible for them to save 87.9% (124), 9.9% (14) as they invest all on family charges and to sustain the business, while 5 making 3.5% gave other reasons, settlement of business debts, lack of funds.

This trend did not differ significantly between male and female.

There was a strong and significant positive correlation between amount invested on family and the amount saved ( $R=0.503$ ;  $P=0.000$ ). This therefore implies that more the investment on the family, the higher the savings. In the other senses, family responsibility did not significantly hinder the development of the informal sector, thus rejecting the hypothesis here stated.

### How can the Informal Sector be Transformed to Sustainably Boost the Socio-Economic Development of the Actors and Cameroon at Large?

Informal workers expectations from government to improve on the sector' activities ranged from the need for training facilities, grants/Sponsorship, tax reduction/tax incentive, loans, offering training, education for all, improve on transport facilities, tax free in crises zones, employment opportunities, tax free for beginners, provide farm input, micro-loans, reduce training cost, create investment banks, trade union, encouraging self-employment, create awareness,

facilitate access to land, friendly political atmosphere, improve on power supply, infrastructural development, conducive business environment and control of inflation.

Informal workers expectations from the private sector to improve on the sector' activities ranged from salary increase, opening training centres, payment of salary, in-service training, organization of sector, good working condition, sponsorship/grants, adequate power supply, objectivity, awareness of opportunities, respect for employees, enterprise closer to source of raw materials, make fuel cheaper and rent reduction.

Informal workers' expectations from their peers to improve on the sector' activities ranged from collaboration, innovative/creativity mind, organization/form association, honesty, business promotion, adaptive, stable price, constant training, self-employment, create awareness, proper management, family assistance, customer orientation, and employment opportunities.

### Focus Group Discussion

Group discussions were organised with relevant stakeholders to explore studied and informed opinion on the activities of the informal sector and its impact on development. Discussions brought about all actors of the informal sector. This involved tailors, petty vendors, carpenters, car cleaners, builders, welders in all the three towns selected for the study. This was deemed necessary as it provided an opportunity to collect data that could not be easily captured by either questionnaire or interview. From the discussion, we gathered the following:



- Investing in the informal sector was more or less conditioned by the economic situation of the country. Many are forced into petty trading to put food on their table while waiting for better opportunities. Most actors were school dropouts who had wanted to pursue their education but for financial reasons they could not. Engaging in an informal activity to many, at the initial stage was a temporary arrangement while waiting and hoping for things to be normalised. It is only gradually that many got into the web and leaving became difficult.
- The field of study did not matter. Many embraced what in their opinion, could provide what they needed or what their capital could afford. All levels of education was involved here, irrespective of age.
- With their activities, many were able to feed their families even if it wasn't the three square meals every day. Many could provide a shelter for their close ones as well as a minimum health care. Even though most resorted to nonconventional medicine
- Their dwellings which very few owned, were usually very precarious especially those living in Douala. Many live in very filthy conditions and difficult neighbourhoods with very high crime rates.
- Most of them had spent more than ten years in their activities which were quite varied. They all started like apprentices then owned their own businesses after graduating from their mentors from whom they received on-the-job training.
- Many never received formal education and did not belong to a professional association thus were not constrained by any code of ethics. As understood by Tseng (1992) model that powerful professions are controlled by powerful associations, most associations organised by actors in the informal sector are more geared towards spicing the social life of actors.
- A good number were not satisfied with their remuneration. Many were ready to accept other jobs either from the government or from any other employer. Even so, management of the resources they made from the trade was another ball game. Most of the actors in this field lived from hand to mouth. Very few thought of ploughing back profit. The idea of making constant money gave them the illusion that life will always be the same. They most often consumed all what they made during the day with the hope that the next day more shall come.
- The informal sector is plagued by a lot of challenges: lack of capital to run the business, very little access to loan especially from banks due to lack of collateral, lack of business registration, thereby, no payment of taxes.

## SUMMARY OF FINDINGS

### Role of informal sector in the socio-economic development of the sector and of Cameroon at large

Workers of the informal sector were generally of the opinion that the informal sector employs more than the formal sector (85.6%). They generally agreed (90.5%) that they were remunerated and they dominantly fixed the remuneration cost themselves (62.7%). The business organization was generally poor, as they mostly did not belong to any trade union (99.0%), only 12.1% had the business registered, only 21.2% hold an expenditure book, less than majority had a bank account (40.5%), and just 1.3% was registered in the stock market. They dominantly did not see their present activity as permanent job (79.7%), which means they perceived it more as a transitional phase to really achieve their vocation, thus aligning with the 89.2% that were ready to accept an employment. Their monthly business incomes range from 6000 to 700000 CFA, with the average at 200143.79 CFA. Business growth was not satisfactory as just 21.9% perceived an increase in capital over the years while 18.3% perceived an increase in the number of employees. They generally did not pay tax as just 12.4% did so. They contributed an average of 142258.71 CFA annually as tax to the government of Cameroon. The contribution of the informal sector to the socio-economic development was perceptible in various aspects. In average, workers of the informal sectors had an average of 6 people under care, an average of 5 people that they sponsored in school, spent an average of 372956.20 CFA on education per year, an average of 202140.29 CFA on health, 44365.57 CFA on rent, 11945.66 CFA on water, 10361.02 CFA on electricity, 27952.88 CFA on dressing, 49379.39 CFA on extended family. With respect to business development, they have re-invested in average of 314386.94 CFA in their business, an average of 57157.58 CFA was saved, and the average net profit was 776258.6 CFA. Majority had been able to save from their business (52.6%), while majority as well had re-invested in the business (54.7%).

### Measures to enhance the socio-economic benefit of the informal sector

Measures to enhance the socio-economic benefit of the informal sector were apprehended from government, the private sector, and informal workers. Expectation from the government ranged from the need for training facilities, grants/Sponsorship, tax reduction/tax incentive, loans, offering training, education for all, improve on transport facilities, tax free in crises zones, employment opportunities, tax free for beginners, provide farm input, micro-loans, reduce training cost, create investment banks, trade union, encouraging self-employment, create awareness, facilitate access to land, friendly political atmosphere, improve on power supply, infrastructural development, conducive business environment and control of inflation. Informal workers expectations from the

private sector to improve on the sector' activities ranged from salary increase, opening training centres, payment of salary, in-service training, organization of sector, good working condition, sponsorship/grants, adequate power supply, objectivity, awareness of opportunities, respect for employees, enterprise closer to source of raw materials, make fuel cheaper and rent reduction. Informal workers expectations from their peers to improve on the sector' activities ranged from collaboration, innovative/creativity mind, organization/form association, honesty, business promotion, adaptive, stable price, constant training, self-employment, create awareness, proper management, family assistance, customer orientation, and employment opportunities. Reconciling expectations from the government and the private sector, they had in common the need for training centers, financial support, grants/non-refundable subsidies, tax incentive for young companies, informing when are employment opportunities, adequate power supply, providing good and favorable conditions for the workers of the informal sector, and loans.

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