

## **Economic Crisis, Resilience, Livelihood And Informal Sector: An Analysis of Barriers to the Creation of Decent Jobs in the Informal Economy in Côte d'Ivoire**

\*Jean-Louis Lognon<sup>1</sup>, Droh De Bloganqueaux Soho Rusticot<sup>2</sup>,  
Cléopâtre Kablan<sup>3</sup>

*Corresponding Author: Jean-Louis Lognon*

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**Abstract:** Like most of sub-saharan Africa countries, the labor market in Côte d'Ivoire is dominated by informal sector. Facing the consequences of economic crisis such as poverty and unemployment, the insertion in the informal economy through the creation of micro-enterprises is one of the main resilience strategies developed by various social groups (youth, women, immigrants, graduates students, officials and so on). However, the employment in informal economy is characterized by the precariousness of business conditions: unsuitable premises, lack of access to key public services (water, electricity, telephone). In addition, informal jobs are characterized by low incomes, lack of social protection. Legal or official norms, which regulate the working time, are not respected in this sector. In other words the problematic of decent work conditions arises with acuity in the informal sector. In reference to Livelihood approach, the presentation analyses the determinants of the difficulty to create decent jobs in this informal sector. First, it describes the capitals needed to create decent jobs in this sector. Second, the survey shows how the mechanisms of access to these capitals are, in the case of studied activities, constraints to creation of decent job.

**Keywords:** Informal sector, livelihood, decent work, resilience, Côte d'Ivoire

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### **I. INTRODUCTION**

Likewise in most countries in Sub-Saharan Africa, the labor market in Côte d'Ivoire is dominated by the informal sector which is the main provider of jobs. Indeed, faced with the consequences of the economic crisis including poverty and unemployment (Touré, 1985; Lepape, 1997), the insertion in the informal economy through the creation of micro enterprises is a major resilience strategy developed by various social groups (youth, women, graduates, immigrants, officials etc.). In Abidjan it represents about 74% of jobs. However, despite creating jobs, the informal sector is characterized by deficits in decent work (ILO, 2001).

The question therefore is why jobs created in the informal economy are not decent? This question can be declined into two subsidiary questions. What are the characteristics of non-decent work in the informal sector? What are the social mechanisms behind the lack of decent work in the informal economy in Côte d'Ivoire? The issue of decent work deficits in the informal economy has been analyzed as a part of the issue of the formalization of this sector. Decent work is an important dimension of formalization.

### **II. REVIEW OF THE LITERATURE**

There is an abundant literature on the origins, functioning and survival of the informal sector. These studies can be classified into three categories. The first category concerns the legal and institutional approaches. Economic approaches are the second category. The third category deals with socio-anthropological arguments. *The legal and institutional analysis*

According to these analyzes, the legal framework has an influence on the emergence and survival of the informal sector. They explain the persistence of the informal economy and non-formalization through a mismatch between the regulatory frameworks (in terms of constraints or weaknesses) of African countries and the organizational and functional characteristics of micro-enterprises of the informal sector. Two trends have

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<sup>1</sup>Teacher-researcher, Sociologist, University Felix Houphouët-Boigny (Côte d'Ivoire)

<sup>2</sup>Teacher-researcher, Sociologist, University Felix Houphouët-Boigny (Côte d'Ivoire)

<sup>3</sup>Teacher-researcher, Sociologist, University Felix Houphouët-Boigny (Côte d'Ivoire)

emerged in this category of analysis. The first trend mentions the arguments of the weakness of state institutions. They are regarded as unable to regulate effectively economic activities (Oudin, 1995; Gaspard, B. Muheme, 1995; Maldonado, 2001). The second trend highlights the "too much State." According to the defenders of this argument (De Soto, 1994; Maldonado, 1995; ILO, 2002; Lautier et al, 1991; Niango, 1994; and Labazée Faure, 2000), the existence of restrictive, expensive and binding administrative procedures and legal instruments constitutes the main cause of informal activities.

#### *The economic approaches*

They either adopt macroeconomic perspectives, either microeconomic perspectives or both to explain the emergence and persistence of economic activities in the informal sector. According to these analyses, the development of the informal sector and the keeping of micro enterprises in the informal are due to macroeconomic policies made by the developing countries particularly African countries in order to boost their development. In the specific case of Côte d'Ivoire, the development of the informal sector is analyzed as the consequence of the economic crisis and PAS related to "industrialist" option of development policies initiated by the Ivorian government at its independence (Maldonado and Gaufryau, 1998; Lepape, 1997; Touré, 1985; Penouil, 1990; Boignan N'Guessan, 1999; Faure and Labazée 2000). The globalization with the development of outsourcing is also presented as a cause of informal labor in developing countries (ILO, 2001).

The micro-economic analyzes, (Hernandez, 1997, 1999; Maldonado, 1995; Lautier, 2004) often highlight the economic rationality of "small employers". They mention also the management methods and income reinvestment to explain the persistence of the informal sector. In fact, according to microeconomic argument, a cost-benefit analysis made by micro-entrepreneurs (in reference to the cost of legality), lead them to stay in the informal sector. The accumulation capacity is also presented as a determinant of the informal (Gaud, 1991, De Miras, 1987).

#### *The socio-anthropological approaches*

They explain informality by cultural factors including beliefs, traditions, social norms (Simard, 1994; Boignan N'Guessan, 1999). The persistence of the informal sector is due to harmony between local cultures and practices found in informal enterprises (Engelhard and Taoufik Ben Abdallah, 1990).

### **III. THEORETICAL FRAMEWORK**

The analysis of barriers to the creation of decent jobs in the informal sector in Côte d'Ivoire will be done through the livelihood approach as presented by Chambers (1987), Bebbington (1999), Ellis (2000). In fact, despite some differences about each author's conception of the livelihood approach, invariants can be highlighted in the characterization of this theoretical approach.

Indeed, as an analytical framework, livelihood approach is characterized by five (5) key components.

#### **a) Vulnerability context**

The vulnerability context is the external environment in which actors operate. It is usually marked by trends (population, resources, and governance), shocks (natural disasters, earthquakes, floods, economic crises, war, famine, drought etc.) and circumstances (prices, products, opportunities, unemployment, etc.). These factors are considered outside the control of actors.

#### **b) Capitals**

According to authors of the livelihood approach five (5) kinds of capital are needed by people to achieve their livelihood objectives. These capitals are:

- *Human capital*

In the field of development studies, "human capital" is a very widely used term with various meanings. However, in the context of the SLF it is defined as follows: "Human capital represents the skills, knowledge, ability to labour and good health that together enable people to pursue different livelihood strategies and achieve their livelihood objectives" (DFID, 2000).

- *Social capital*

In the context of the Livelihood Approach (LA) it is taken to mean the social resources upon which people draw in seeking for their livelihood outcomes, such as networks and connectedness, that increase people's trust and ability to cooperate or membership in more formalized groups and their systems of rules, norms and sanctions.

- *Natural capital*

This capital comprises natural resources such as land, water, forest, mineral resources

- *Physical capital*

Physical capital comprises the basic infrastructure and producer goods needed to support livelihoods, such as affordable transport, secure shelter and buildings, adequate water supply and sanitation, clean, affordable energy and access to information

- *Financial capital*

Financial capital” denotes the financial resources that people use to achieve their livelihood objectives and it comprises the important availability of cash or equivalent that enables people to adopt different livelihood strategies. Two main sources of financial capital can be identified. Firstly, there are available stocks comprising cash, bank deposits, credit or liquid assets such as livestock and jewellery, not having liabilities attached and usually independent on third parties. Secondly, there are regular inflows of money comprising labour income, pensions, or other transfers from the state, and remittances, which are mostly dependent on others and need to be reliable.

**c) Access, Transforming Structures and Processes**

According to Blaikie *et al.* (1994: 48), access deals with the capacity of someone, of family, of class or people, even of a community to use capitals which are directly necessary to ensure the survival.

Transforming Structures and Processes represent the institutions, organisations, policies and legislation that shape livelihoods. They are of central importance as they operate at all levels and effectively determine access, terms of exchange between different types of capital, and returns to any given livelihood strategy (Shankland, 2000; Keeley, 2001). Structures can be described as the hardware (private and public organisations) "that set and implement policy and legislation, deliver services, purchase, trade and perform all manner of other functions that affect livelihoods" (DFID, 2000).

Complementary to structures, processes constitute the “software” determining the way in which structures and individuals operate and interact. There are many types of overlapping and conflicting processes operating at a variety of levels – and like software, they are crucial and complex. Important processes for livelihoods are for instance policies, legislation and institutions, but also culture and power relations. They may serve as incentives for people to make choices, they may be responsible for access to assets or they may enable stakeholders to transform and substitute one type of asset through another.

**d) Livelihood Strategies**

Livelihood Strategies comprise the range and combination of activities and choices that people undertake in order to achieve their livelihood goals. They have to be understood as a dynamic process in which people combine activities to meet their various needs at different times and on different geographical or economical levels, whereas they may even differ within a household. Their direct dependence on asset status and transforming structures and processes becomes clear through the position they occupy within the framework.

**e) Livelihood Outcomes**

Livelihood outcomes are the achievements of livelihood strategies, such as more income (e.g. cash), increased well-being (e.g. non material goods, like self-esteem, health status, access to services, sense of inclusion), reduced vulnerability (e.g. better resilience through increase in asset status), improved food security (e.g. increase in financial capital in order to buy food) and a more sustainable use of natural resources (e.g. appropriate property rights). Outcomes help us to understand the 'output' of the current configuration of factors within the livelihood framework; they demonstrate what motivates stakeholders to act as they do and what their priorities are.

Therefore in reference to this theoretical approach, the survey on the deficit of decent work in the informal sector will be based on analyzing:

- Firstly, the kinds of capital needed, available and missing among the informal sector workers.
- Secondly, the transforming structures and processes (represented by institutions, organizations, policies and legislation) that shape livelihoods.
- Thirdly, the livelihood strategies meant by the practices, activities and social relationships of informal workers.
- Fourthly, the livelihood outcomes meant by achievements of livelihood strategies.

Thus we formulate the following hypothesis : informal sector is both livelihood strategy and outcome, the deficit of decent work in this sector represents a lack of capitals due to the transforming Structures and Processes represented by institutions, organizations, policies and legislation. In other words the deficit of decent work in micro-enterprises of informal economy in Abidjan is linked to the transforming structures and processes through which workers get access to capitals to undertake their activities.

The general objective of this presentation is to analyze through the livelihood approach the determinants of the deficit of decent work in informal sector in Abidjan (Côte d'Ivoire). The specific objectives are: Identify and describe all kinds of capital needed, available and missing among the informal sector workers. Study the transforming Structures and Processes represented by institutions, organizations, policies and legislation through which stakeholders get access to capitals and set up strategies and achieve their livelihood. Analyze the activities and livelihood outcomes.

#### **IV. METHODOLOGY**

This presentation is based on data from two qualitative surveys that have been undertaken in Abidjan and inside the country. The first one deals with the difficulties of formalization of informal sector in Côte d'Ivoire (my PhD thesis). The second is about the modalities for insertion in monopolized activities of informal sector. Data have been collected by means of semi-structured interviews and direct observation through an observation checklist. Documentary research has also been used to collect information.

Firstly, the interviews focused on : i) the conditions of the creation or integration of activities namely funding, obtaining space and acquisition of skills ; ii) the functioning and the management of activities namely shapes of acquisition and use of incomes , working relationships and human resources management ; iii) the relationship to the State and the legality among informal workers ; iv) and relationship between informal workers themselves ( existence or not of groups, professional associations ). The interviews were conducted with 50 entrepreneurs enrolled in informal artisanal activities (activities grouped into seven (7) branches Building, Food, Metals mechanical, Wood, Textile, Clothing and Leather and Skin, Craftsman, Electric-cold) or owner of small shops. This sample size was obtained on the basis of the phenomenon of saturation. The interviews were tape recorded and transcribed, and data from interviews have been analyzed through a content analysis.

Secondly, direct observation allowed observing through our presence on workplace, (workshops or shops ) working conditions, hygiene, safety and working tools and equipments and whole the working culture.

Thirdly, documentary research consisted to the exploitation of data from ILO literature on decent work, literature about livelihood approach, scientific surveys on informal economy in developing countries particularly in Côte d'Ivoire such as INS<sup>4</sup> survey on informal sector in Abidjan, articles, thesis etc.

#### **V. RESULTS**

This chapter about the results deals with: first the indicators of decent work as defined by ILO and secondly, the presentation of the features of the informal sector in Côte d'Ivoire by referring to the indicators of the concept of decent work.

##### **1. The indicators of decent work**

The concept of “decent work” was launched in these terms in 1999, in the Report of the General-Director at the International Labour Conference meeting in its 87th session. Decent work is a concept which apprehends work both as enabling and inclusive. Four components of the notion are elaborated in the same Report of the Director-General: i) employment, ii) social protection, iii) workers’ rights and, iv) social dialogue (Ghai, 2003). Employment here covers work of all kinds and has both quantitative and qualitative dimensions. Thus, decent work applies not just to workers in the formal economy but also to unregulated wage workers, the self-employed and home workers. In others words decent work concerns informal sector.

##### **a) Employment dimension**

The indicator of employment covers three aspects. First, this indicator comprises employment opportunities. In fact, talk about decent work means first of all the possibility to access job. Three indicators are commonly used to measure the employment opportunities: the labour force participation rate (LFPR), employment-to-population ratio (EPR) and unemployment rate (UR). But the last two are the most used because they were considered more likely to report employment opportunities (Ghai, 2003).

Secondly, decent employment refers to remunerative employment. An important attribute of decent work is that workers should benefit from “remunerative” employment, which is one element in the “quality” of work. It is not possible to specify an absolute figure that should constitute remunerative employment in all countries. This must vary in accordance with the prevailing societal values and material prosperity of a country. In industrial countries, two measures are generally used to measure the adequacy of remuneration: a relative measure showing the proportion of workers earning an income less than half of the national median wage, and a measure of absolute poverty below US\$14.40 a day per person. For developing countries, the indicator of remunerative work is provided by data on absolute poverty.

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<sup>4</sup>National Institutut of Statistic

Thirdly, another component of employment indicator of decent work is the conditions of work. Decent work is expressed in particular conditions. It is carried out according to international standards of work. It is therefore based on the ratified conventions and recommendations from the ILO under the aegis. The range of elements covered by conditions of work can include night work, hours of work, weekly rest and paid leave. However, in the context of this discussion, reference is limited to occupational safety and health.

**b) *The social security dimension***

The social security of workers constitutes an important component of decent work. The ILO's Social Security (Minimum Standards) Convention, 1952 (No. 102), establishes nine classes of benefit (medical care and benefits in respect of sickness, unemployment, old age, employment injury, family, maternity, invalidity and survivors).

National social security systems have been designed essentially to meet the needs of wage employees. Where the majority of workers are wage employees in the formal economy, a well-designed system can play a vital role in providing security to the working population. However, in most developing countries, where wage employees in the formal economy shape a little proportion of the total working population, such social security system will fail to meet the urgent needs of the majority of the people.

**c) *The basic rights dimension***

The ILO has developed and adopted series of international standards that define these rights and their violation. It has also elaborated conditions and guidelines to protect and promote them. Decent work is characterized by the respect of workers' basic rights. The concern here is with three facts: i) forced labour, child labour under abusive conditions, ii) discrimination at work and, iii) freedom of association.

Firstly, the term "child labour" is often defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that: is mentally, physically, socially or morally dangerous and harmful to children; and interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work. About, forced work, Convention, 1957 (No.105), prohibits all forms of forced labour for certain purposes, including political coercion, economic development and as means of racial, social or religious discrimination. Secondly, discrimination at work involves the denial of equality of treatment and opportunity to individuals in their own right or as members of a social group. Discrimination at work can be based on gender, incomes, race, ethnicity etc. The third aspect of basic rights of workers, is the freedom of association. The freedom of association is among the fundamental rights of workers. It is enshrined in the UN Charter and the Universal Declaration of Human Rights. At its inception, the ILO has carried the greatest interest to the rights of workers and employers to form independent organizations to defend their interests, to organize joint activities and participate in negotiations and discussions where these interests are at stake.

**d) *The social dialogue dimension***

The social dialogue is an essential dimension of decent work. Social dialogue between different social and economic groups and between them and the public authorities is an essential means of resolving inevitable conflicts of interest over economic and social policies in a cooperative framework. Social dialogue may take place at one of three levels: between employers and employees in relation to terms and conditions of employment; between the management and workers over the functioning of an enterprise; and between social partners and public authorities about social and economic policy. Clearly, the right to freedom of association is closely linked to social dialogue. It is based on collective bargaining, workplace democracy and participation at the national level.

**2. Presentation of the informal sector in Côte d'Ivoire in reference to the criteria of decent work**

This presentation is made by considering the criteria of decent work defined above, namely, employment, social security, basic rights, and social dialogue.

**a) *Employment in informal sector in Côte d'Ivoire***

In terms of employment creation, the informal sector is a great job creator. The labor market in Côte d'Ivoire particularly in Abidjan is dominated by informal employment. The share of informal sector in the employment in Abidjan is 76, 5% (NSI, 2008). This sector is characterized by self-employment with little prospect of employment as only 22% of unit managers intend to hire (NSI, 2008).

Furthermore, about remuneration and incomes, informal workers are poor. The poverty rate within it is 36, 1% (PRSP, 2009). According to the INS, (2008) about 69.6% of stakeholders in this sector are paid less in minimum wage. Most often there is no salary. Because, most of the time, the workforce is familial (Lognon,

2010; Droh, 2011). Workforce comes from ethnic kinship networks main criterion for recruitment. The wage type relationships are almost nonexistent. The informal sector in Côte d'Ivoire faces difficulties of access to credit and has a low capital level. For example in Abidjan 92.4% of informal production units have capital of less than 250,000 FCFA (INS, 2008).

Finally, about conditions of work, informal sector is generally characterized by precarious conditions of work. In fact, workplaces are unsafe and unsanitary huts. Working tools are rudimentary and unsafe. The informal production units are not generally equipped with running water, electricity and even less phone.

**b) The social security in informal sector in Côte d'Ivoire**

The social security policy in Côte d'Ivoire requires employers to grant coverage of occupational risk to workers and their dependents. However, most of the informal workers are not registered and do not have insurance. There are various insurance structures in Côte d'Ivoire. But the implementation of social protection policy through these agencies covers only about 10% of assets (mostly workers in the modern sector and thereby excluding the informal sector).

**c) The basic rights of workers in informal sector in Côte d'Ivoire**

In the micro-enterprises in Côte d'Ivoire, some of basic rights of workers namely forced and children labour, discrimination at work and freedom of association are not always respected.

In workshops we can see children working as apprentices. Girls work as waitresses. Discrimination at work between men and women exists also in Ivorian informal sector. For example, according to the NSI survey (2008), the level of capital is very low among women in the informal sector compared to men. 94.6% of the units they manage have capital of less than 250,000 CFA.

About freedom of association, it can't be said that in Côte d'Ivoire there is not freedom of association of informal sector workers. There are many organizations in the informal sector based on its heterogeneity. For instance, there are cooperatives of women producers of food products, professional groups promoted by the National Chamber of crafts of Ivory Coast. There are no unions of informal workers in Côte d'Ivoire properly speaking<sup>5</sup>. In fact, the real problem is the strength of these associations. In other words, it's about their capacity to negotiate and improve conditions of informal sector workers in the social dialogue.

**d) Social dialogue and informal sector in Côte d'Ivoire**

In Côte d'Ivoire, in the informal sector, the dialogue between employee and employer, on the one hand and the other, the dialogue between informal sector operators and public authorities is low. At micro level, there are no unions in informal units of production. At meso level, professional groups based on activities, bargain with town councils arrangements related to municipal taxes. These arrangements are done in order to reduce and adapt taxes to the size and features of business (low income, no formal accounting, low capital etc.). It was the case in Yopougon<sup>6</sup>.

Extract from interview with S.B. President of the Textile and Clothing professional Group, member of The National Chamber of Crafts in Yopougon in Abidjan

*"We here we find, we do not earn enough money and it is with what little money we feed our family so we cannot do all papers and then pay tax like that. But then we went to see the town hall and we have negotiated an arrangement. We asked them to set an amount for the trading license that we can pay and suits us. That's how we've reached agreement on six thousand a month for trading license"*

At macro level, The State created National Chamber of crafts of Ivory Coast. This chamber should be the main intermediary between the informal sector and the State. But, since its inception in 1993 this institution has difficulties to play this role. It is unknown by the informal sector operators.

In the last analysis, it appears that the informal sector is characterized by deficits in relation to the dimensions of decent work. Firstly, there are the deficits concerning the quality of employment particularly incomes and working conditions. Secondly, there is rights deficit. Thirdly, informal sector workers face social protection deficit. And fourth, there is representation deficit.

## VI. DISCUSSION

This part of the study deals with the processes through which informal entrepreneurs access to capitals for their livelihood (strategies and outcomes). In other words, it is to analyze how the mechanisms and processes of access to capital lead to a deficit of decent work in the informal sector in Côte d'Ivoire.

<sup>5</sup>Unions exist only in the informal sector of transport

<sup>6</sup>A commune in the district of Abidjan

So we will focus on: Firstly, the functioning of institutions, organizations, policies and legislation at all levels (macro, meso and micro) regarding the access to the capital needed to create decent job; secondly, how this functioning leads to deficit of decent work among informal workers.

But, before that, it's necessary to describe the features of capital in informal sector according the pentagon of capital as defined by the livelihood approach.

### **1. Characteristics of capital in the informal sector in Ivory Coast**

The five capital defined by the livelihood approach are mobilized and invested by Ivorian informal workers to create and to manage their activities. That confirms the vision of De Haan (2000: 344) for whom people need five types of capital to achieve their livelihood outcomes. These five capitals are: human capital, natural capital, physical capital, financial capital and social capital. But what these capitals look like in case of Ivorian informal workers?

#### **a) Human capital within informal sector in Côte d'Ivoire**

In the case of the informal sector in Côte d'Ivoire, human capital is characterized by familial manpower or it is from social networks (ethnic, nationality, religion networks). There is also very few employees. Knowledge, skills and experience are acquired on the job through apprenticeship. Informal workers have no knowledge or very weak knowledge about workers rights and generally about formal rules related their businesses. This is the phenomenon of asymmetry of information, one of the main causes of informality. Most of informal sector operators interviewed, do not consider themselves as being outside the law. The work in informal economy is also marked by low creativity and inventiveness.

#### **b) Social capital within informal sector in Côte d'Ivoire**

Social capital is the most available and used capital by informal workers. It comprises all community networks (kinship, friendship, religious, political networks). This capital is used to acquire other capital. Informal activities are socially embedded.

#### **c) Natural capital within informal economy in Côte d'Ivoire**

Natural capital usually refers to land and water. In this study, it refers to the land on which workshops and huts are built. The workshops or huts are generally built on not parceled land or, on spaces where it is forbidden to build. Informal micro-entrepreneurs are not, in many cases, owners of lands of their workplaces. Operators of informal economy face difficulties of land access.

#### **d) Physical capital within informal sector in Côte d'Ivoire**

It is visible through the precarious nature of the physical conditions of the work place (hut, the problem of access to electricity, running water, sanitation) and the rudimentary and unsafe working tools.

#### **e) Financial capital within informal sector Côte d'Ivoire**

The main feature of financial capital in informal sector is that this capital is low. For example in Abidjan 92.4% of informal production units have capital of less than 250,000 FCFA (INS, 2008). These characteristics of the mobilized capital in the informal sector Ivorian were highlighted by several authors (Maldonado et al 2004; Lognon 2010; Jacquemot and Raffin 1993) in their description and analysis of this sector.

### **2. The processes to access to capital of livelihood**

Informal activities are both livelihood strategies and livelihood outcomes. However, the deficit of decent work in informal sector is due in part to the process of access to capital.

#### **A) Informal sector and the access to human capital**

Human capital comprises skills, knowledge, good health, ability to labor, manpower, experience, creativity. The deficit of decent work in informal economy in particular, working conditions, hygiene and lack of respect of social security are due to the way human capital is acquired in the informal sector.

In fact, the embeddedness (Granovette, 1992) of informal economy activities within social relationships determines, in large part, the process of the acquisition of human capital, its features and its use. Because of this embeddedness the manpower in informal unities comes from various social networks (ethnic, kinship, family, nationality networks). Workers in informal economy are usually apprentices, employees from family or ethnic group of the boss. Therefore, labor relationships are not only professional relationships. They are also and mostly social, especially kinship, family relationship. In the workshop instead of relationship between a boss and apprentices and employees, it is father and son relationship which is expressed. The work is seen as a socialization action of the young people. Thus, according the boss (and also the workers), it's unnecessary or superfluous to apply labor law because of his links with his workers. For instance, as rules we can mention the declaration of workers, the minimum wage, the payment of social security contributions of workers, the insurance, and apprenticeship contract for apprentices.

Extract from interview with N. J. joiners in Abidjan

*"All those who work with me  
are like my children. It's me who feeds them. ..."*

Extract from the interview of workers in a tailor shop in Abidjan

*"Our boss, he is like our dad, he is  
even our daddy. He treats us like his  
own children»"*

Therefore, because of the social embeddedness of informal activities, the origin and the process of recruitment of worker lead to non-compliance of certain rules relating to workers' rights.

In addition, it exists a close link between skills, training and formalization hence the decent work. In informal economy, low incomes and low productivity are linked to the low level of skills and training. This weakness of skills is due to the manners of getting this human capital.

Firstly, most of informal worker acquire their skills on the job. They begin as apprentices and after create their own workshop. So skills usually, don't come from formal training frameworks. Secondly, many activities are regarded as fact of cultural identity of some social groups. For instance the sale of livestock is defined as an activity of peuhl immigrants from Mali and Niger. So the skills are transmitted with the aim of perpetuating their culture. Methods, tools and skills are old, traditional and can't provide high productivity and high incomes. Any changes to modernize are hardly accepted and adopted. Innovation remains difficult.

This social representation of the activity as cultural identity fact is used to legitimate the precarious and harsh working conditions of young people as part of their socialization. It's the case of the sale of chicken in Bingerville<sup>7</sup> monopolized by *mossi* people from Burkina Faso (Lognon and Yao Gnabeli, 2010).

Extract from the interview with O.D owner of shed of sale chicken in Bingerville market

*Our activity is "hard, dirty, with  
uncertain incomes. This job is not easy, not everyone can do that,  
standing up under the sun often without selling anything, because there  
are some days, when there is no sale. But we Mossi people are  
courageous, we are not afraid of hard work. Look at young people with  
whom we work. We do not give them wages. It's not everyone who can  
accept that. But with us Mossi people, it is discipline, respect  
for seniors so they accept that.*

At institutional level or macro and meso levels, the insurance sector is composed of different structures: (i) the General Pension Fund officials (CGRAE) supported by the Mutual Branch officials and state officials (MUGEFCI) for the public insurance scheme; (ii) the National Fund of social Insurance (CNPS) to the private insurance scheme or voluntary and (iii) military and national police forces fund. However, the implementation of welfare policy through these agencies covers only about 10% of assets (mostly workers in the modern sector thereby excluding the rural and informal sector). To overcome this, the organic laws on the Universal Health Insurance (AMU) were passed. However, the problems associated with technical mounting of the project and military-political crisis did not allow its implementation. Since 2011, several studies are underway to launch the project

In addition, the training support brought by public (CNMCI<sup>8</sup>) or private institutions to informal stakeholders focuses mainly on accounting so that they will pay taxes. Rarely, there are training modules on the right of workers. Most of informal workers ignore the legislation on their rights. Informal workers have no knowledge or very weak knowledge about workers rights and about formal rules related their businesses. Most of informal sector operators interviewed, do not consider themselves as being outside the law. Many micro-entrepreneurs ignore the modern means of production.

### ***B) Informal sector and the access to social capital***

One of the main features of informal activities is the fact that they are embedded in social relationship. Because of this social embeddedness, social capital is the capital both more available and widely used in the informal sector. This capital is generally used to acquire all other capital for livelihood. This capital comes mostly from informal networks themselves. In the words of Abdou Salam Fall and Alioune Mboup

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<sup>7</sup>a town on the eastern periphery of Abidjan

<sup>8</sup>Chambre Nationale des Métiers de Côte d'Ivoire (National Chamber of Crafts of Côte d'Ivoire)



(1995), "it is the informal, which makes available to the informal". These are the networks of kinship, ethnic, family, etc. The mobilization of social capital is based on mechanical solidarity (traditional) (Durkheim, 1893). That is solidarity based on a common identity, shared values and shared beliefs and customs.

However, the fact that mechanical solidarity is the basis for the mobilization of social capital, has a negative impact on the strength and richness of this capital. This capital based on strong ties remains low and relatively poor to influence decisions at the macro level for workers in the informal sector. Related to decent work, it does not give the informal sector workers a real ability to negotiate within the framework of social dialogue and access to decent jobs. Professional groups and organizations have a limited sphere of influence at micro and meso levels. The National Chamber of Trade remains unknown by craftsmen. It has internal difficulties of functioning. This fact does not allow it to play its role of mediation in favor of the informal sector.

### **C) Informal sector and the access to natural capital**

At least three ways of access to natural capital (land) in the informal sector can be mentioned. The first way is the official path. This type of access to urban land is authorized by law of 8th November 1984 N° 84-1244 on manorial system of municipalities and the city of Abidjan. By following the official way micro-entrepreneur is facing difficulties. Administrative procedures with the municipal authorities are long and constraining. Therefore they explore another ways.

The second way is the way of indigenous communities. It consists of an arrangement between the owner of informal unit of production and the contractor of land. These arrangements are made also between informal groups which control illegally certain spaces in the city of Abidjan. Installation is done therefore without formalized leases. The third type of access is the installation without any permission on urban sites where it is generally forbidden to settle. And very often, they are driven off of these sites during the implementation of urban development programs and infrastructures construction. Also in this illegal way, some informal sector operators occupy without prior authorization unfinished houses or land from private individuals for their activities and use them as their workplaces. They often have to leave when the owner wants to get back his space. These forms of access to land by the transgression of rules, is the case in many African cities (Choplin A., 2006)

These processes of access to natural capital in informal sector in Côte d'Ivoire can't lead to creation of decent work because it is illegal. It originates uncertainty and precariousness of workplaces. Workplaces are built with recycled material (wood, metal sheets). These are mostly huts without real security (electricity, water, telephone etc). This kind of buildings is due to the fact that, given the fact that they are not owner of the land; they can be expelled at anytime. This is often a strategy for managing uncertainty. In short, it is a livelihood strategy.

### **D) Informal sector and the access to financial and physical capital<sup>9</sup>**

The difficulty of access to funding and low endowment with financial capital of informal sector actors is one of the main causes invoked to explain the informality and lack of decent work. Indeed, the funding mechanisms of informal sector in Côte d'Ivoire do not generally guarantee the formalization of activities and the creation of decent jobs. Really, the legality has a cost that the weakness of their financial capital cannot enable them to bear. The micro-entrepreneurs are excluded from the formal financing system, the classic banking system (Fauré, 1992; Botzung, 1996). Microfinance institutions created to overcome this discrimination function today as conventional banks and have failed to settle the problem of financing micro-enterprises. Soko (2009) in his analysis of models of microfinance in Côte d'Ivoire denounces this deviation of MFIs from their original purpose. In addition, the micro-enterprises structures financing set up by the Ivorian government, through their mechanisms of selection of beneficiaries, exclude the poor. This situation is described by Lida and Droh (2010) in their analysis of the mechanisms of selection to social funds in Côte d'Ivoire. Therefore, because of these difficulties, the financial capital in informal economy comes from personal savings, from informal social networks. The same results were obtained by R. Alami Mejjati (2006) in his analysis of the functioning of the informal sector in Morocco from 1956 to 2004. It shows that funding practices are endogenous and depend on social networks. It specifies that the individual funding, from a previous savings is the dominant source of funding when creating micro-enterprise. This savings is often complemented by the contribution of family and friendship networks.

This type of access to financial capital in the informal sector is the cause of the weakness of initial capital or investment. This weakness has a direct impact on physical capital (equipment, work tools etc.). These equipments are rudimentary, not reassuring. Indeed, micro-entrepreneurs for most, are unable to acquire modern equipment that can ensure greater productivity, substantial revenues and safe working conditions.

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<sup>9</sup>We analyze the access to both types of capital because there is a close relationship between these two types of capital. Precisely the quality of physical capital remains tightly bound to the amount of financial capital

## VII. CONCLUSION

This study aimed at analyzing the barriers to the creation of decent employment in the informal economy in the Côte d'Ivoire despite being a major provider of employment. Referring to the livelihood approach, we can say that the deficit of decent work in the informal sector is actually a qualitative and quantitative deficit of capital (natural, physical, human, financial and social). This deficit is in turn, related to mechanisms of access and investment of capital by informal workers. On analysis, these different processes, institutions and structures function both at macro, meso and micro, as barriers to the creation of decent employment in the informal sector in Ivory Coast.

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