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Veiga, Ubaldo Martinez

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Informal economy, labour and trade union experiences in India and Nigeria

Ubaldo Martinez Veiga

The clear notion and the designation of the term “informal economy” first appeared in a 1973 article by the already famous Keith Hart.¹ As a result, everyone thinks that Hart was the social scientist/anthropologist who discovered the phenomenon. He was referring to what was designated as the general and informal activities to obtain resources. The distinction between one type of work and the other is that “informal” is self-employment or freelance work while formal work is paid work. The fundamental variable that serves to distinguish between formal and informal work depends on the degree of work rationalization. If there is recruitment on a regular basis, and this is more or less permanent, with fixed remuneration, this would be a job that is located in the formal economic sector. The rest would be confined to the informal one, characterised by self-employment without permanence, either in the traditional urban sector or belonging to the reserve of the under-employed or unemployed.

Hart proposed a basic question: does the reserve army of the unemployed constitute a passive and exploited majority, or, on the contrary, are informal activities able to generate growth in the resources of the urban or rural poor.

In the first place, one should stress that Hart was obliquely proposing the idea of the informal sector based on observations of Marx regarding the reserve army of workers, as set out with great clarity and depth, in the first

¹ HART, K. “Informal Income Employment Opportunities and Urban Employment in Ghana”. *The Journal of Modern African Studies*. Vol.11, n.1, 1973, pp. 61-89.

volume of *Capital*. Here it is important to underline what the Jamaican Nobel Prize winner Arthur Lewis said in 1954.² He published a famous article, in which he observed that neoclassical economics was based on the premise of a fixed job offer. In contrast to this, and on the basis of observations about the so-called Third World, Lewis raised the question of the “infinite elasticity of work.” The source of this elasticity can easily be seen under the guise of unemployment among small farmers in a dozen overpopulated countries. Other elements would be on one hand, unemployment originating from the implementation of technology. According to Marx, this was enough to create an increasing work surplus and, on the other hand, underemployment in urban areas was what began to be called the informal sector. This term in general context must consider women leaving the household to join the labour market, and the population growth rate, which becomes a dominant factor. In this way, with a growth rate of 3% per annum, the labour supply becomes very elastic.

Lewis proposed a model of economic growth based on two sectors: a so-called traditional sector and a modern one. In Lewis’ terminology, that means a subsistence sector and a capitalist one. In the subsistence sector, a labour surplus is located with zero productivity or even a negative one, and is made up of agriculture as well as small trade, domestic work and the entire set of casual jobs, such as manufacturing furniture, bringing young people to throw themselves at people to carry their luggage or purchases, etc. In contrast to this sector, there was the modern capitalist one, where workers would be employed to the point at which their marginal product would be equal to their salary. As can be seen, the distinction between the formal and informal sectors of the economy was already present and explained by Lewis in 1954.³

Without delving too much into terminological debates, we can say that the distinction between Hart’s formal and informal sector is based on the analysis of the type of work that occurs in each. On the other hand, the authors using the ILO approaches insist, at the beginning, on the characteristics of the companies. In this context, the viewpoints of

² LEWIS, A. “Economic Development with Unlimited Supplies of Labour”, *The Manchester School*. Vol. 22, n.2, May 1954, pp. 139-191.

³ Ibid.

Mazumdar were published,⁴ although they do not follow either of these tendencies. According to this author:

the basic distinction between the two sectors is that in the formal sector, work is somehow protected, in such a way that the level of wages and working conditions are not open to job seekers unless they are able to cross a certain barrier to entry. This type of protection can stem from the actions of trade unions, governments or both acting together.⁵

Mazumdar starts here from an idea which seemed more evident at the time than it is now. This was when entry into informal labour was thought to be practically free, whereas formal work presented some barriers that had to be overcome. Today it is thought that the free entrance to informal work is a chimera. However, it is important to note that formal employment is regulated and protected by the state, while informal work is not. Mazumdar said something about this here that in the 1990s would become the canonical notion of the informal sector. Feige says that the informal sector includes “all actions of economic agents that do not follow the established institutional laws whose protection is denied.”⁶

In 1989, Castells and Portes had already offered a definition of the informal sector of the economy as “all the activities that generate resources and are not regulated by the state in social environments where similar activities are regulated.”⁷ These two definitions say something quite similar to what Mazumdar raised well before, and, anyway, seem to be a good starting point for the study of the informal sector that will be proposed in this paper. However, my analysis will not stop solely at defining the object of study. In this way, other aspects of theoretical analysis that respond to current approaches will be analysed in order to question some of the ideas that have become a kind of dogma.

⁴ MAZUMDAR, D. *The Urban Informal Sector*, World Bank Staff. Working Paper 211, Washington DC, 1975; MAZUMDAR, D. *The Urban Labour Market and Income Distribution. A Study of Malaysia*. Oxford: Oxford University Press, 1981.

⁵ MAZUMDAR, D. *The Urban Informal Sector*. Op.Cit., p.1.

⁶ FEIGE, E. “Defining and Estimating Underground and Informal Economics: The New Institutional Approach”. *World Development*. Vol.18, n.13, 1990, pp. 989-1002.

⁷ CASTELLS M. & PORTES, A. “World Underneath: The Origins, Dynamics and Effects of the Informal Economy”. In: CASTELLS M.; PORTES, A & BENTON, L. (eds.) *The Informal Economy. Studies in Advanced and Less Developed Countries*. Baltimore: John Hopkins University Press, 1989.

As is well known, the idea of the informal sector raised by Hart was based on the analysis of some African phenomena. All this had a rationale because, instead of diminishing or disappearing before the liberalization processes, in later years, informal economic activity had actually increased in the developing world, especially in Africa. In accordance with the International Labour Organisation (ILO), Sub-Saharan Africa is the “most informalised region” of the world, with 75% of the non-agricultural workforce working in informal jobs. This informality rose to 90% in certain parts of West Africa, the area which Hart studied.⁸

Neoliberal policies aimed to remove the incentives for the informal sector. In spite of this, informality has become an essential aspect of the life systems of the people, obtaining urban services and developing associative life through it. Analysis of what is happening in some parts of Africa is not an attempt to assert that informal economic activity does not take place in the countries of the so-called developed world. Both Lenin in *Imperialism, The Highest Stage of Capitalism*,⁹ and Rosa Luxemburg in *The Accumulation of Capital*¹⁰ showed that as the class struggle managed to increase wages, Europeans in the early twentieth century forced the capitalists and European workers to supply the raw materials obtained by a cheap, flexible and informal workforce of workers in the so-called Third World. They also obtained manufactured goods and services. The imperialist power structures ensured that informal workers accounted for the costs of the informal economy of manufacturing, production and reproduction of work, while not receiving the benefits of minimum wages, and working at home to eliminate wage increases. Informal work served capital, both in central and peripheral countries, to offer an alternative to halt the expansion of the formal working class that was much more expensive.

In recent years, the problems created by the financial crisis and the disillusionment with the agenda of good governance, have brought with

⁸ ILO. *Women and Men in the Informal Economy: A Statistical Picture*. Geneva, 2002.

⁹ LENIN, V.I. *Imperialism, the Highest Stage of Capitalism*. In V.I. Lenin, *Selected Works*. Moscow: Progress Publishers, 1963, Vol. 1, pp. 667-766.

¹⁰ LUXEMBURG, R. *The Accumulation of Capital*. London: Routledge and Kegan Paul, 1951.

them a rethinking of the informal economy in development processes. There is a tendency to forget that the informal economy has to disappear and an attempt to raise the problem of the possible cooperative interaction between the formal and informal economy; instead of the problem of the elimination or absorption of the second by the first there appears to be a shift towards an interactive collaboration between the two: a hybrid governance, or informal/formal interaction. There is a trend among governments and development agencies to show the energy of the informal economy, its institutions and its system of service provision.

Relations between formal and informal work

The essential question posed by Hart is the possibility that the reserve army of the unemployed and those who work in the informal economy are no more than an amorphous mass that is passive and exploited, or if, on the contrary, these informal activities have the potential to generate resources and growth in the income of the poor or in the economy in general. Another related problem relates to whether informal activities offer independent potential for economic growth and development, independently of what happens to a certain extent in the formal sector.

As you can see, there are three different problems. First, the question is whether informal workers are a passive or amorphous mass. That is to say, an entity without organization, the only chance left is to be exploited to the end or whether, on the contrary, it is a social class. The most basic character of social class is that it is an entity that is not quite chaotic and has an internal organization. The second issue concerns the relationship between formal and informal work or the formal and informal economy. You can ask if the only destination of the informal economy is to become part of or be replaced by the formal economy. Finally, the problem that arises is if one considers informal work to be somewhat dysfunctional or backward, or if, on the contrary, this is an organization that works and is in the direction of the evolution of societies, especially African ones.

The first problem has an erroneous answer, insofar as one can say that it may be possible that informal workers are an amorphous mass. This is frequently affirmed without detailed analysis: when using the term disorganized work, or work in the informal, unorganized sector is contradictory. First, one cannot agree with this idea because all work, which is not pure and strictly individual, is organized, and, often, when speaking of disorganized work, this is because no analysis has been conducted.

During the 1960s and 1970s, it was thought that given the magmatic character of work and the informal economy it was impossible to consider

that informal work was unionized. At present, however, there are an increasing number of cases of informal workers who belong to their own unions. In fact, this is present in both cases we studied. Perhaps one may say that the unions appeared due to the influx of informal workers from the formal sector. However, as seen by the characteristics of the informal workers' unions, these differ from the formal ones and the former do not allow themselves to be subjugated by the latter, trying to defend their autonomy.

Some authors nowadays refer to Africa in particular when they affirm that informal work is so extensive and the area of formal work is so small that it makes no sense to talk of the informal sector. This is the position of Kate Meagher who claims that the informal economy has become so extensive that it has produced the collapse of the “informality paradigm.”¹¹ A similar affirmation is made by Keith Hart who claims that “when most of the economy is informal, the usefulness of the category becomes questionable.”¹² Although the realm of formal work may be more reduced than the informal one, this does not mean that informal work is irrelevant. From this point of view, it is very interesting to emphasize that when discussing the informal work of women in India, (the second case), the workers insist that their activities are their job and really represent work. James Ferguson puts it gracefully stating that in South Africa “I will suggest that the picture that emerges from ethnographic research in Southern Africa suggests that the more fundamental characteristic of the ragtag livelihoods that support more and more of the region’s population is that they are almost unbelievably precarious and insecure and that those who navigate them manage to avoid the worst only through a continual process of flexible improvisation.”¹³

A case analysis from India: Cigarette manufacturers at home and the union struggle

¹¹ MEAGHER, K. *Identity Economics, Social Networks and the Informal Economy in Nigeria*. London: James Curry, 2010.

¹² HART, K. “Bureaucratic Form and the Informal Economy: Concepts and Policies.” In: Basudeb Guha-Khasnobis, Ravi Khanbur and Elinor Ostrom. *Linking the Informal and Formal Sectors: Concepts and Policies*. Oxford: Oxford University Press, 2007.

¹³ FERGUSON, J. *Give a Man a Fish*. Durham: Duke University Press, 2015, p.93.

To understand the organization of informal labour, an example from India may be proposed. In this case, they are women workers who work in the informal sector of the economy. It is estimated that less than 8% of the total labour force in India belongs to the formal sector. Therefore, more than 92%, (350 million people of 400 million), work in the informal sector. This is due to the fact that labour legislation is not enforced, but also mainly because the laws are inappropriate.¹⁴

One of the fundamental problems that makes it very difficult to organize women workers in the informal sector is that the law that prevents the dismissal of workers belonging to trade unions has no applicability to those who work in the informal sector. Another negative factor is the extreme discrimination against women and girls that, as is well known, begins before birth. The problems are even more complicated for homeworkers, mostly women. This status of workers was not even recognized, until very recently in Spain. Hensman carried out an analysis of the production of *bidis*, (a type of cigarette rolled in India which are cut and packaged in homes by women).¹⁵ The production of cigarettes was carried out in factories until 1970. Then they were closed and began to be produced in homes. In 1967, a law was introduced that applied the employer-employee relationship to the producers of bidis. In Hyderabad, capital for a few years of the state of Andhra Pradesh and Telangana, a trade union of bidis producers composed exclusively of women was established. The first struggle was to be recognized as workers. When researchers began to analyse the situation of women workers in the city, it was discovered that government statistics recognized only a hundred women working. When the government was forced to release accurate statistics, it was discovered that the number of women workers was 10,000. The union was organized in 1987 and by 1994 the number of women who belonged to the union was 5,000.

It must be emphasized that the goal of recognition as workers was central. This may seem irrelevant, but in interviews with the women it appeared to be one of the most important goals to achieve: the recognition of the category as workers. This recognition was listed with the request to obtain a document, where it recognized that the women in question were endorsed as a category of worker. This was an important element in the establishment of the identity of the worker as an integral part of a social class. As stated very

¹⁴ HENSMAN, R. "Organising against the Odds: Women in India's Informal Sector". In: PANITCH, LEO et al (eds.) Working Classes Global Realities, *Socialist Register*. Vol. 37, 2001, pp.249-257.

¹⁵ Ibid.

well by Rina Agarwala: “This identity emphasizes that these workers in the informal sector see themselves as belonging to this class as an aid to legitimize themselves as valid citizens, not as an antithesis to capital.”¹⁶ It must be borne in mind that the requirement of providing a carnet (workers’ identity booklet) was proposed to the employers that, according to the law, they were obliged to provide. However, very few employers complied with this obligation.¹⁷ It is interesting to emphasize that women workers began a protracted struggle against the government to achieve this proof of employment. Before this request sustained by the fight, the government gave them, in the first place, a “carnet of social services,” (Welfare booklet), and subsequently an identity carnet as a worker. The carnet of social services gave them the right to maternity benefits and help with school for their children. There were also problems of a domestic nature. Many of the husbands beat the women, and at other times they had a lot of opposition from the family itself to be able to join the trade union. While sometimes women deviated from their union activities, other women often appeared who with the help of the same trade union lobbied the husbands to enable them to take an active part in the union. These data indicate that workers in the informal sector, far from being unorganized, a species of magma, were very well organized in trade unions or at other times in Non-Governmental Organizations.

This was a working-class organization of an informal nature. This class organization implied recognition of the status of workers that was manifested in an identification card with the workers’ data. It is important to underline that this booklet was acquired by the workers, not with the help of the employers or as the result of a confrontation with them, but by means of a confrontation or petition to the state that in the end was the one that awarded it. In the final analysis, the carnet became very important in the creation of a class identity. This demonstrates something very important that has been underlined by many authors.¹⁸ In India, the formal workers considered employers responsible for the welfare of the workers and in this

¹⁶ AGARWALA, R. *Informal Labour, Formal Politics and Dignified Discontent in India*. Cambridge: Cambridge University Press, 2013.

¹⁷ HENSMAN, R. “Organising against the Odds...”. *Op.Cit.*, p. 251.

¹⁸ AGARWALA, R. *Informal Labour, Formal Politics and Dignified Discontent in India*. *Op.Cit.*

case the labour rights flowed, as in all the other capitalist countries, from a requirement or confrontation between the employees and employers, which is what gave a class character to the formal workers.

The problem is that the informal workers did not have a stable employer, and, often, the subcontracting processes were so complex that it was not known who the employer really was. In addition, the lack of a stable employer often meant that they were also not provided with safety in the workplace nor allowed the right to strike. For this reason, the informal workers tended to defend the responsibility for their well-being at the state level. Hence, the informal workers changed their demands or requirements from the rights of the workers like minimum wages, safety in the workplace and the disappearance of contract work. These demands or requirements that some authors designate with the term of “economicist” problems,¹⁹ are those which are generally carried out by formal workers. Although workers in the informal sector were also fighting for these rights, they often dispensed with them because of their particular situation. It seemed impossible to fight for the rights of workers in the workplace where this does not exist or for the disappearance of contract work when there is no other. This entailed that workers in the informal sector raised their fight against the state, (which is also a class struggle), to improve the household well-being. This improvement meant access to education, health, social security, aid for housing, etc. These claims or demands were carried out by the state authorities, leaving employers aside and in this way avoiding the influence of liberal, or rather, neo-liberal reforms.

It is very important to understand the relevance of what occurred in this case. There were three very important changes in the configuration and performance of these informal workers as a class. First, they raised their demands at the state level rather than with their employers. Second, they changed the goals they were trying to achieve with the demands towards the objectives of welfare rather than strictly labour rights. The third has to do with the methods used to change their situation, namely traditional strikes or protests, but the use of their power as voters demanded responsibility and state obligations with respect to social consumption and reproduction not only of informal workers but ultimately of society as a whole. Informal workers defined their worker identity as a class, not as an antithesis to capital, but as a means of becoming a citizen with basic rights. Somehow, you could say that the struggles for basic human rights are also the rights of

¹⁹ KOHTARI, R. *Politics and the People: In the Search of a Human India*. New York: New Horizon Press, 1989, chap. 2.

workers. This goes against the viewpoint that informal work is a whole magmatic and confusing area, because workers in this sector were not politically organized and did not work in the capitalist economy. Yet informal workers' organizations, (trade unions), gained an identity that constituted informal work as a distinct class. It is a class that does not possess the means of production. The workers acted at the margins of state jurisdiction and created an identity that connected them with the state through their needs of consumption or, in other words, through their expenses of reproduction.

An African case analysis: the tailors' trade unions of Nigeria

From the African case to be analysed, I aim to shed light on the second question previously proposed: whether the relationship between formal and informal labour consists in that informal work is subsumed in the formal economy, or whether, on the contrary, it remains within a certain and relative union of the two sectors, being present as an autonomous, although obviously also relative, informal type of work.

The example we are going to bring up refers to a fundamental activity in Nigeria. This is of tailoring which has great importance in quantitative and qualitative terms. Nigeria was formerly a significant exporter of cocoa, palm oil and other agricultural products. The massive production of oil has replaced agriculture. The centralization of the control of this product has generated a thriving middle class. Perhaps because of the influence of what is called the "resource curse" of oil, the manufacturing sector, which was large and important, collapsed. Between the various sectors, textiles were of very great importance. More than 60,000 unionized workers were employed in the mid-twentieth century with large factories in cities in the north and in the coastal town of Lagos. However, these numbers have now decreased by two-thirds. The collapse has been the result of the liberalization of the foreign market favoured by the World Bank and the IMF. This favoured the massive importation of textiles from China and India. However, spinning, weaving and stamping have given rise to major companies in Nigeria. Tailors are also very important because they provide the vast majority of all kinds of dresses that are sold in the country.

They are not retailers, but the tailors who produced and sold dresses did so in such a way that almost the only competition they had was the sale of imported used clothing wholesale from Europe, where it is often obtained as

if for charity when it is something to be sold. Tailors in Nigeria work as self-employed producers who carry their products to final markets. They may have one or more apprentices and almost never have paid employees. They rarely operate as cooperatives. In Lagos and elsewhere in Nigeria, the tailors were organized into associations. This was taking place in markets where a system of guilds functioned, dating back to pre-colonial times. Tailors created their professional associations which were inserted into guilds, many of which are older ones. These associations are very important for maintaining their professional “standards” and of regulating the skills that the apprentices have to acquire. These guilds and associations became trade unions, without ceasing to be guilds and associations. It is a Union, the Union of Nigerian Tailors or NUT, to which another must be added, which appeared in 2010, the Federation of Informal Workers of Nigeria or FIWON. They are unions of informal workers. Another two unions must be added to these, which “in principle” are made up of formal workers: the Nigeria Labour Congress (NLC) and the Trade Union Congress (TUC).

Taking this into account, it is possible to understand the week-long strike which involved a huge mobilization of workers in the informal economy in protest against the rise in oil prices. The tailors played a central role in the mobilizations. Although Nigeria is one of the largest oil producers in the world, there were no refineries in the country at that time. This brought oil imports to represent big business for a set of Nigerian companies.²⁰ All this took place despite the fact that the price of oil was regulated in such a way that it was cheaper than in the world market. This difference in the price had been of great concern to some international agencies present in Nigeria, such as the World Bank and the International Monetary Fund. They claimed that the local price of oil had to be adjusted to world market prices to avoid any type of distortion in the use of local resources. This was called the liberalization of the oil trade.

In 2011, a rise in oil prices on the world market took place, bringing with it what groups within the country were calling for: the deletion of the “subsidy.” However, most of the people in Nigeria strongly defended the stipulated oil prices. Indeed, it was considered the only help from the federal government for the people. In addition, among other things, social services had deteriorated considerably after independence. On the other hand, the harmonization of oil prices with respect to the world market would bring the “huge benefit” of liberalization. In our case, the tailors were at odds because

²⁰ ANDRAE, G. & BECKMAN, B. “Lagos Tailors, Trade Unions and Organisations in the Informal Economy.” *African Studies Review*. Vol. 56, n.3, 2013, pp.191-208.

harmonization was not really a creation of harmony but the vulgar and simple increase of the oil prices that would lead in turn to an increase of the production costs of the tailors' work and an even greater increase in "energy poverty in the homes." We cannot forget that small tailors' workshops are sometimes their homes. The tailors who worked in the informal economy had a few clear reasons for the strike. It was an increase in the costs of transportation, the cost of survival due to the increase in the price of electricity, and the production costs in that sewing machines and electricity for the workshops would increase in price.

The popular protest and the general strike that lasted for a week in January 2010 represented an unprecedented mobilization of informal workers. This was enabled by the two unions of workers, NUT and FIWON, that had relationships with two of the major trade unions of formal workers, the NLC and TUC, who led the demonstrations.

The participation of the tailors of Lagos together with their own trade unions and most of the general ones was a demonstration that the politics of limited and local performance had overcome and acquired a national dimension. The alliance between two trade unions of informal workpeople and the formal trade unions, was used by two formal trade unions at national level to try to formalize the relations with the organizations of the informal economy with the intention of formalizing informal work, and in this way, exercising its' control. In fact, the two national trade unions imposed an end to the strike after one week. In spite of all this, the informal trade unions always maintained their independence; they never admitted to a situation of subordination. For this, they maintained a "friendly distance" with regard to the trade unions of formal workers. This way, they defended the autonomy with regard to these and cultivated intense relations with the state of the city of Lagos. Two trade unions of informal workpeople, but especially one of them, FIWON, the most recent, tried to continue with a different agenda from the one that the trade unions of formal workpeople maintained. The trade unions of informal workers did not direct its efforts to the creation and implementation of collective bargaining with the employers, but to obtain public assistance on the part of the state as well as other elements of social protection such as old age pensions, insurance, etc. It is possible to observe an enormous resemblance in the requirements of these trade unions of informal workpeople and those of the women in India described above.

However, with this case description, the problems of the relationships between formal and informal work have not been analysed. Normally it is thought that informal economic systems are often backward and dysfunctional, and therefore, what we have to achieve is the formalization of the informal economy. Consideration of a more recent viewpoint is in accordance with our claims. Instead of formalizing the informal economy or making it disappear, further eliminating its' incentives, as advocated by the neoliberal authors, there is a need to establish an approach according to which the interactive collaboration between the formal and informal economy is manifested in the idea of "Hybrid Governance". That is, co-production and the interrelationship between the formal and informal sectors must be advocated. The term used is to "normalize" not "formalize" – normalizing the informal sector, raises the question as to how this "normalization" of the informal economy affects the rights of citizenship. As has already been observed in the functioning of trade unions of informal workers, what these institutions demand are the basic human rights that are considered as workers' rights and which are derived from the interaction and struggle with the state authorities. The pure inclusion of the informal economy into the formal one, or the formalization of this without taking into account the strengths and weaknesses of the informal economic institutions, is nonsense, as Andrae and Beckman emphasize very clearly in the case of the Nigerian tailors.²¹ The integration of informal unions into formal ones first gave them a national dimension that they had not had before. This allowed them to confront the state and demand social protection and other rights for workers in the informal economy.

The result of the action of informal workers in the national protest in 2010, together with the trade unions of the formal workers, constituted a milestone in political and economic integration, which expanded their voice and horizons of action beyond considerations of a limited nature.

However, it is necessary to raise a central problem that gives the case interest and originality. At the time that this integration between informal workers and formal ones was occurring, when integration and inclusion were being questioned, the informal unions tried to put forward conditions to defend their autonomy and relative independence. A very important phenomenon thus has to be considered. This is because the subordination and destruction of the particularities of the informal economy was thought to be something negative for the poorest and most vulnerable groups, (informal workers). In the context of African societies, studies frequently

²¹ Ibid.

refer to an “inclusive consideration” in the informal economy that can give the impression of a consensual process and without any controversy that obscures the role of struggles, whether pro or contra, the inclusion of, and the divisions and alliances that are created.

Summed up briefly, it is a question of the maintenance of autonomy and the rejection of inclusion as an absolute good and of exclusion as evil. There are Africanists nowadays who have introduced a term of enormous analytical importance.²² It is a question of the idea of “adverse” or “harmful” incorporation. In the case which we are referring to, the problem needs to be raised in the following way. It is a question of knowing if the relations between formal and informal create genuine processes of inclusion or processes of an exploitative nature of “harmful incorporation”. Changing the informal/formal dichotomy to another one with which it is initially identified, poverty /not poverty, one must forget the narratives of pure exclusion and consider that poverty also persists because the people join economic and social life in a disadvantageous way. It is necessary to insist on the terms or conditions of inclusion more than the pure and simple inclusion that neoliberalism supports. To solve this serious problem, it is possible to give a condition that appeared in the relationship between the tailors who were employed in the informal economy and their informal organizations on the one hand, and the formal organizations with which they entered into relationship, on the other. It is a question of the preservation of the autonomy of the former before the latter which empowered the tailors of Nigeria to fight for their rights with the state. The problem raised here is therefore central.

²² HICKEY, S. & AYEE, J. “Adverse Incorporation, Social Inclusion and Chronic Poverty”. Manchester University. Chronic Poverty Research Centre. Working Paper 81, 2007; DU TOIT, A. & NEVES, D. “In Search of South Africa's Second Economy: Chronic Poverty, Economic Marginalisation and Adverse Incorporation in Mt.Frere and Khayelitsha.” Manchester University. Chronic Poverty Research Centre. Working Paper 102, 2007.