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NGOs AND THE INFORMAL SECTOR IN AFRICA

What links and for what purpose?

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Introduction

The 20th century is drawing to a close, characterised by the incomprehensible paradox of an extraordinary progress of science and the innumerable developmental problems which continue to beset humanity. Only a few months ago, the entire world watched with undisguised admiration the prowess of the 'Pathfinder' probe on Mars. At the same time, thousands of people were being struck down by "a tiny little mosquito", or being buried, as victims of the products of technological progress, such as anti-personnel land mines and missiles of various types. Technological development continues to be pursued with vigour, so much so that one is tempted to wonder whether humankind has not given greater primacy to things than to people. This paper has been prepared within the context of the debate initiated by the International Institute for Environment and Development on the problems and prospects of NGOs in relation to sustainable development, as we stand on the threshold of the 21st century.

Since the early 1980s, the view has been unanimously held that the state has failed in its role as principal promoter and pilot of the process of economic and social development, particularly in the Third World. This is in direct contrast to the view in the immediate post Second World-War period, when Western countries and their international co-operation agencies were all convinced that the state alone could provide the necessary guarantees to mobilise and ensure rational utilisation of the vast amounts needed to develop African nations as they emerged from colonial domination. So deep was the conviction that the state was actually seen as the credible and appropriate partner in negotiating funding agreements drawn up on the basis of development plans which only it was capable of preparing and submitting to donor agencies. The Western countries instituted agencies or bureaux specialised in offering advice to these nascent African states on how to prepare and manage five-year development plans, particularly in sub-Saharan francophone countries, along with projections for "take-off" of these countries. On the strength of these development plans, Western countries invested colossal amounts and mobilised an impressive armada of "technical assistants" to pilot the development programmes in order to guarantee their success. Two decades later, the results have been bitterly disappointing. The persistent economic crisis in the 1980s prompted donors, spearheaded by the Bretton Wood Institutions to adopt a different approach which favoured three year sectoral programmes rather than long-term development plans. Concurrently, donors began to be suspicious of the state's role as principal actor in development. Worse still, the State, hitherto the indispensable development agent, is today accused of being fiscally inefficient and a breeding ground of corruption. In short, new development actors needed to be found outside the state structures. Hence the emergence of the non-governmental concept.

New, non-governmental development actors within the African civil society were thus summoned to the rescue. This new situation was buttressed by the observation that development efforts had tended to focus solely on the so called modern sector, i.e. mainstream economic activities tend to involve manufacturing (state-owned or private) and have been established in accordance with official legislation. But in parallel, a large sector of economic activity was springing up outside the officially established sphere, with the

principal actors being the majority of economic players in the countries concerned. The key characteristics of the mainstream, modern-economy has been its focus on trade in exportable agricultural and other primary products, or industrial activities of import-substitution, particularly products which the western industrial producers consider unattractive due to low cost/benefit ratios, or other strategic consideration. On the whole, post-independence efforts at industrialising Africa by the formal economic sectors have proved of little help. But while the hope built on the formal economy is undermined, an alternative economy, largely unrecognised, or at least not sufficiently taken into official account, continues to project itself on Africa's development scene. This is the informal or unorganised sector.

On account of the need to find alternative ways of accelerating development in poor countries, the international community has again swivelled its attention to this informal economy and to the possibility of using non-governmental organisations as the new actors which might prove more credible and achieve greater success than the state.

In this essay, we intend to look at the interconnection of the informal sector, the NGOs and Africa's development prospects, approaching the issue through the following questions:

- **What is the informal sector?**
- **The NGOs' raison d'etre**
- **The functional relationship or the natural duplication between the informal sector and NGOs.**

1. WHAT IS THE INFORMAL SECTOR?

Many development writers and research institutions have in recent years studied this question in great detail, both in the context of development analysis and in relation to actual programmes of development of the informal sector. Nevertheless, one basic question remains, and that is to determine whether the informal sector is a field of operation which requires evolving a strategy to promote it, or whether it is nothing but an anachronistic facet of economic life necessitating corrective measures. Let us attempt first and foremost to understand what in essence is the informal sector.

1.1. The basic characteristics of the African informal sector

We will look at five characteristic features as follows:

1.1.1. Spontaneity

Contrary to the belief in some quarters that the informal sector sprang up in the aftermath of the economic crisis of the eighties, and is thus a recent phenomenon, it is our contention that essentially, the African economy has from time immemorial, been informal in character. Indeed it is the formal sector which is a novelty, an offshoot of attempts made by governments in their bid to identify taxable economic agents. Otherwise, much of African economic life has always been on an informal basis. Agriculture and trade in imported manufactured goods constitute the most active sectors of production and distribution of goods and services in Africa. In both these areas, economic operators, most often illiterate, create and manage their enterprises without feeling the need to arm themselves with any legal cover whatsoever. No peasant farmer ever complies with any commercial or company registration code by registering his agricultural concern. Yet, both governments and development partners have lived with this fact for decades, and never once thought it necessary to question their legality. Trade relations, within a country and between several African countries have always reposed on an informal relationship between supply and demand. In other words, what today is called the informal sector is in fact the very basis of the economy in almost all African countries. Viewed from this perspective, it is easy to understand the presence and sheer scope of this sector, which evolves spontaneously and independently. The real problem is that now, the economic crisis has opened the eyes of governments of poor countries and donors alike to this reality, to which they had paid no attention in the era of prosperity. Hardly ever the object of any conscious state policy or formal encouragement, the informal sector has established itself as an alternative to the manifest incapacity of the so-called modern sector to offer the means and conditions for a decent life to the disadvantaged and marginalised majority of Africa's population.

1.1.2. Capacity for self-regulation

The informal sector, having developed spontaneously, finds it difficult to comply with official regulatory measures. Generally, the operational informal sector operates in response to pressure exerted by immediate needs as dictated by circumstances. This is to say that it is better able to meet the real needs of the population and adapts constantly to fluctuation in demand without the intervention of government authority. This constitutes both a strength

and a weakness. Because the sector satisfies demand immediately, it is useful at the time it is needed. At the same time however, the informal sector does not fit within the framework of a long-term coherent development policy. Its production and trading activities are regulated by pressure and by satisfaction of demand, and are therefore difficult to plan in the long term. This state of affairs explains why, for a given product, periods of over-abundance alternate with periods of total scarcity. Supply and demand are interdependent only in relation to contingencies, rather than to consumer needs. Output in the sector is especially driven by climate or seasonality. In the final analysis, this self-regulation does not follow the linear dynamics of economic development in general.

1.1.3. Absence of statistical data

By definition, the informal sector does not fall within the constitutional and institutional framework which might have permitted regular monitoring of its activities or its evolution. All informal activities are therefore not covered by any official system of information and management. The question is thus posed as to the reliability of economic indicators which for a long time, formed the basis for the projections drawn up for African countries in long and medium term plans elaborated by governments with the help of western experts. Even today, given the non-availability of reliable data on the most substantial sector of the economy - the informal sector - all projections on the macroeconomic trends in African countries are far from accurate. We find ourselves in the paradoxical situation where development projections are based solely on data available for the minority sector of the economy - the so-called modern or formal sector. The problem of statistical unreliability is compounded by the increasing marginalisation of the state in those economic sectors which it controlled in the past, and in respect of which it could at least offer a few more or less reliable data. It therefore comes as no surprise to anyone that most of these development plans have produced no convincing results, since they were drawn up using data that were at best partial and at most downright incorrect. The dearth of data on the informal sector is further complicated by the fact that its economic activities are both fluctuating and non regulated. Even more significant is the fact that where certain upstream activities of production of goods and services are regulated for one reason or another, those in downstream distribution are mostly in the informal sector, or vice versa.

1.1.4. Absence of a legal framework for development

It is self-evident that informal activities are not subject to regulation or any established legal framework. That much said however, one should not make the mistake of believing that the informal sector has no in-built system of regulation. The practice of thrift collection in microfinance in African countries - in The Cameroons for example - illustrates the extent to which actors govern themselves with common rules of operation, often even more draconian than official regulations in the finance sector. The only difference is that these rules are unwritten. Clearly, to be informal is therefore not synonymous with absence of ethics or lack of intrinsic logic. Equally, not every activity which does not comply with the legal arrangements and official regulations should be considered informal, since in the perception of those involved, the rules of the game are enforced, accepted and largely respected. But informal sector operators very often act at their own risk. When all goes well, "everything is

fine". In the event of a dispute however, the actors find out to their cost that they are outside the protective umbrella of the law and are therefore open to arbitrary decisions. Amicable settlements which can drag on and on merely serve to mask latent conflicts.

1.1.5. Weak source of fiscal revenue

The fundamental character of the informal sector is that it operates outside the scope of classic economic circuits and rules. As such, it is difficult to tax because it is in a constant state of flux. In most cases, operators in this sector keep no accounting books, hence can offer no data that might serve as a basis for determining the level of taxation. In effect, either the activities are not taxed or the amount of tax applied appears to the operators to have been fixed arbitrarily, in the absence of a fixed taxable base. Nevertheless, it would be wrong to think that the informal sector contributes nothing to the coffers of the state or its local level agencies. With the sheer scale and coverage of these economic activities, operations are anything but clandestine. In many cases, they constitute a source of revenue at local government level through the daily payments for site occupancy, and sometimes pay for any number of permits and levies imposed by central or other government agencies. But on the whole, the high mobility of thousands of the smallest operators in the sector is a source of concern to collectors of direct and indirect taxes. Viewed from this perspective, actors in the informal sector may be said to be tax evaders and by extension bad citizens. This explains why, for a long time, official state departments set little store by the contribution of the informal sector to the gross domestic product (GDP). It also shows why for decades, African governments based their economic and social development plans on the minority sector data emanating from the so-called modern sector. Informal sector operations have generally not received adequate attention in official fiscal matters because they have always been considered as contributing little towards state finances.

All the foregoing considerations illustrate the extent to which the informal sector is as much an essential factor in the economic life of African countries as it is a phenomenon which is problematic for the state's role in steering national development. The sector provides a substantial part of the means of subsistence for the majority of the population and is therefore a potential sector for self-employment. Nevertheless, it is our humble opinion that international aid should be careful about idealising the "informalisation" of the African economy on the sole ground that the sector offers an avenue for the marginalised populations to combat poverty.

1.2. The dangers of idealising the informal sector

It is largely agreed that African states have been incapable of effectively playing their presumed role as prime motivator of economic and social development of their countries. Neither has the state been able to meet the expectations of its international development partners, who expected it to be an effective catalyst in fostering national development and unity. Moreover, it has been observed that benefits from international aid did not accrue to all sections of African society. Only a handful of the elite minority of urban dwellers has been able to reap the benefits of the resources given to governments for funding national development. The bulk of the funds generated from within and outside the state went into the payment of civil servants' salaries and equipment of state agencies, all in the name of

strengthening the capacity of the "entrepreneur" state and its administrative services to achieve successful management of national development. Whenever it was necessary to fund development actions in rural areas, most of the financial resources were devoted to infrastructural development and provision of other equipment aimed at making the life of administration and expatriate officers easier. A close observation shows that ultimately, only a minute percentage of funds earmarked was ever actually used for development actions as planned. The result is that after over three decades of massive joint effort by governments and donors, the economic situation of African countries remains as precarious as ever. After having gulped almost 75% of external funding, rural development in general and the agricultural sector specifically, are literally in ruins. The structures of production and processing of agricultural produce have not been modernised to the point where they could act as a leverage for rural employment. The excessively high premium placed on cash crops has destabilised the subsistence system in rural areas, making famine almost endemic in countries with high potential as producers of cash crops. In recent times, the rural areas have awaken to the reality of a precipitate and massive exodus, as especially their youths migrate to urban areas in search of a largely non-existent employment in the public and private sectors. As for the private sector, poor agricultural performance coupled with the absence of the spirit of enterprise in the nationals, have rendered it incapable of supplying the calibre of agro-industrial plants which might have spurred development of small and medium enterprises, a key source of creating long-term employment among the lower income populations. The mega industrial plants hurriedly set up with the blessing of public authorities in an environment hardly prepared for them quickly turned into bottomless, money-guzzling pits into which states are obliged continuously to pump funds. In both cases therefore, the rural-urban migrants meet with disillusion. The critical situation and a survival instinct push these disadvantaged people to engage in any kind of income-generating enterprise in every imaginable sector. This is a situation of emergency and survival which forces people to react by simply coping ("managing") outside the official framework. The informal economy may therefore be said to constitute a deviation within the normal economic development process in a country. As such it is a necessary evil. This assertion is based on four underlying repercussions of the characteristics enumerated above.

1.2.1. A source of corruption of the development process

We do not wish to suggest that corruption exists only in the informal sector. It is a scourge of human societies from which no sector of activity and no country on earth is spared. Arguably, the greatest perpetrators of spectacular feats of corruption are more often the big enterprises, duly established in accordance with official norms, and who have turned the practice into a fine art. Outcries against corruption are rampant in Africa and elsewhere. Thus, it is a universal phenomenon. Nevertheless, it must be recognised that, in all cases, corruption is always carried out at an informal level. When kickbacks exchange hands between a company (national or multinational) and a network of partners, or when public servants demand a percentage on a contract before approving or signing the agreement, it all takes place informally. The practice is so neatly done that it is often impossible to prove. The problem assumes greater and more alarming proportions in the informal economy simply because all business relations are entwined around the principle of amicable

agreement and mutual confidence, and a system of self-regulation applies. Furthermore, because they exist outside a legal framework, enterprises in the informal sector feel a sort of latent guilt vis-à-vis the public authorities. In effect, to bring any dispute before the legal institutions would constitute a self-denunciation since they would be asked by the competent authorities to produce the necessary documents. Indeed, the most lucrative informal businesses may be both highly risky and illegal, as with drug trafficking, for example. Clearly therefore, the informal sector is not a stable, or transparency-driven framework for development of entrepreneurship, even though its less restrictive character may encourage easier business relations among the actors.

1.2.2. Inadequate legal protection for actors

Since the most favoured informal activities are small production outfits offering goods and services, maintenance or retail trade, they are areas of potentially low productivity, and therefore very vulnerable to problem from many directions. In the same vein, the actors are often mostly illiterate men and women, school dropouts or unemployed graduates. The social or power status of informal economy actors no doubt accentuates their vulnerability. Overall, it is evident that the informal sector has a great need of legal protection on account of its extreme vulnerability. And that precisely is where the dilemma rests. Not only are they averse to seeking legal redress but the law in fact requires them to be able to appear in court. To do that, they must be officially registered as economic operators, which is hardly the case. Needless to say, for some transactions to be feasible, there must be a minimum legal guarantee especially if it is in regard to a litigation or concerns a request for bank loans. The issue of credibility then arises when informal sector actors need bank loans for example, not to mention the possibility that this lack of legal cover may result in blackmail or arbitrary decisions being taken during the settlement process.

1.2.3. Difficulty in achieving strategic planning

As we have said, one of the inherent characteristics of the informal sector is its inability to yield regular, reliable data on the activities undertaken. This shortcoming leads to extremely serious consequences on macroeconomic adjustment, when one considers that 75 to 80% of Africa's population functions within this sector, whose real value cannot be easily assessed. The result is that in African countries, national strategic planning for development becomes a game of chance. How for instance can projections for a country's long term development be drawn up when the overwhelming majority of economic activity is unquantifiable? This is the dilemma when African countries are presented with programmes designed to ensure development of the informal sector as part of poverty alleviation policies. While there is no denying the contribution of the sector to the survival of a huge section of the population, one is duty bound to underline this aspect of the situation which has a direct influence on the prospects of sustainable development in poor countries.

1.2.4. Inadaptability to the demands of globalisation

We are living in an era of increasingly marked globalisation of economic trade among nations. This new development will inevitably lead to a certain harmonisation of methods and conditions which govern partnerships between economic agents. It will also place greater organisational and legal demands on the different development partners and actors. From this viewpoint, one is inclined to wonder on what basis enterprises which are solidly established within a highly organised economic and juridical environment might be willing to deal harmoniously with partners who operate informally. Is the cult of the informal in Africa consciously or otherwise serving as a pretext for the "marginalisation" of the continent, in a world of merciless competition where the rule of the game demands strict conformity with set norms which (rightly or wrongly) apply universally? In its literal sense, the word "informal" refers to any situation characterised by the absence of clearly enunciated and universally accepted rules. With this particular case, it is significant to note that all those who sing the praise of the informal sector in Africa lay emphasis on this failure to observe and be bound by legal regulations. And if in fact, this freedom from the confines of legality really does account for the real or imagined success of enterprises in the informal sector, how will they fare in their business relations within a world economy which demands above all performance, organisational capacity, legal security and quality goods and services? All these are issues that demand the attention of African governments, their development partners and all agencies interested in supporting sustainable development in African countries.

The foregoing shows all too clearly that the informal sector is today at the centre of the debate on alternative development in the so-called less developed countries in general and African countries in particular. Considered as an essential factor of the economic reality of these countries, the informal sector is often presented as the new arena in the quest for a new strategy to combat poverty and therefore enjoys strong support and funding in the form of multilateral and bilateral aid. Even the World Bank and the United Nations system have made it the focus of their aid policy to developing or so-called poor countries. Before revisiting the issue of the relevance of "informal" sector promotion and development programmes in Africa, we should like to refer again to the widely held notion within the donor community that the African state has failed in its mission as promoter of national development, and that it has become necessary to find new actors who supposedly will be less ineffectual at the job. The assumption is that such actors must be drawn from outside the state structure and within the civil society. Hence the present cult of the non-governmental. In this regard, it is pertinent to examine in greater detail the current upgrading of the status of non-governmental organisations (NGOs) to the status of the new "musketeers" of development in Africa. Why, in effect, have NGOs been singled out for their new role?

2. NGOs' RAISON D'ETRE

In the NGO file series n° 1 (April 1997), Bolaji Ogunseye addresses the dilemmas of African NGOs by attempting to analyse the contradictions they face in their day to day existence. Our own intention here is to study the existential objectivity of NGOs in Africa, after which we shall outline what we consider to be their assets as well as the illusions shrouding their operation.

2.1. How objective is the NGO phenomenon?

Any seasoned observer of the dynamics of development in Africa cannot but be struck by the sudden expansion, from the mid-80s, of what has now come to be known as non-governmental organisations. Not only has the NGO suddenly become a development practitioner but these organisations are seriously considered as being capable of accelerating the sustainable development process. This automatically presents NGOs as an alternative to the state in its development role. More striking still is the fact that in their own self-perception, NGOs themselves are now convinced of their ability to redress the shortcomings of the state. Yet another element of surprise is that the NGO concept and phenomenon should have become stamped on the collective consciousness of everyone without questions having been posed as to their exact definition. Suddenly the NGO label in the African region has become a symbol of pride and a label of consideration. But what, in essence, is an NGO? Let us look at the question by focusing on two key words: organisation and non-governmental.

By organisation, in the Weberian sense of the word, we mean the functional organisation of a group of legal persons who come together by mutual agreement and whose statutory regulations are binding only on those who join on their own initiative. Essentially, such an organisation is an association as described in the 'Loi Francaise' of July 1 1901 (which applied in Africa's 'francophone countries), whose vocation is to work towards the accomplishment of actions of general interest for the members or for others outside their membership. The term non-governmental is self-explanatory, implying an associative organisation which is not owned by, and operates legally and administratively outside the sphere of the state. These two aspects of NGOs, in themselves, highlight nothing that is particularly specific. From traditional groupings aimed at socio-economic solidarity and mutual assistance to modern socio-professional organisations, one can say that the formation of associations is not a new phenomenon, even if their labelling as non-governmental is a recent discovery. So, what might possibly account for this current, almost suspect, interest in non-governmental organisations?

Our personal opinion is that the sudden propulsion of NGOs to high visibility in African development and among development agencies is in response to three more or less related objectives - ideological, political and strategic.

2.1.1. From the ideological viewpoint

As we have stated earlier, the NGO concept entails nothing that might differentiate these groupings from any other associative organisation with set objectives. Besides, especially in

the francophone countries, NGOs have no definition other than that conferred by law on any association of legal or corporate entities working towards the common good. It may be said, in that regard, that the social goal of NGOs is not to carry out commercial, revenue-generating activities. The most salient characteristic of NGOs may be taken as being the moral and material undertaking to pursue altruistic ends. This choice of ideology underpins two other philosophical concepts so dear to NGOs, viz voluntarism and altruism. In practice however, these two concepts give rise to controversy because many NGO actors often mistake one for the other. If we consider voluntary action to mean the decision of a person who, of his own free will, has chosen to make sacrifices for the good of others and for any other ideological reasons, nothing indicates that such a choice is devoid of self-interest in whatever form. Voluntary action is meaningless unless it seeks to remedy an unsatisfactory situation, in the overall interest of everyone. This underlone of altruism is probably the reason for the new-found interest in NGOs by development agencies with regard to projects, in preference to state structures which tend to misappropriate the bulk of aid resources, leaving little for the intended programmes at grassroot level.

The notion of being not for profit, on the other hand, is much more insidious. In common usage, it describes any act or service rendered without obligation and free of charge. The absence of obligation is easy enough to understand but the gratuity of services rendered inevitably raises the question as to the capacity of NGOs to offer such services. Anyone familiar with African NGOs will wonder at this insistence on cultivating a philosophy which, because of their limited resources, they will be hard pressed to apply. Because voluntary work implies an undertaking to act in the interest of others at no cost to them, and since every action is undertaken at a cost, one wonders whether African NGOs fully grasp the difficult balance between these two philosophical ideas to which they are so attached?

The reasons for the emergence and persistence of these two notions in the life of NGOs can be explained historically. It is generally acknowledged that the first NGOs in Africa were set up and managed by religion-based agencies to carry out specific training activities (school, professional, literacy, family economy, agricultural development and most particularly, management of emergency situations). These were activities carried out within the context of the philanthropic approach to development which was of capital importance to these religious institutions. These religious institutions could internally generate the resources they needed to enable their field staff to operate, in order to help disadvantaged communities. For them, material remuneration was not a major objective. Hence this propensity by NGOs to extol voluntarism as an ideal and to adopt it as the anchor principle of their intervention strategy.

But given the far-reaching changes that have taken place, is it still possible to uphold these twin moral exigencies? Without doubt, voluntary action is even more necessary today, given the current situation of abject poverty and environmental degradation in which African countries find themselves. Indeed, one can assert that voluntary action must become the way of life of Africans, if they are to pull themselves out of this quagmire of endemic under-development. While this need clearly underlines the importance of organisations which use voluntarism as a philosophical tool of development intervention, do African NGOs, on the

other hand, have at their disposal the means to apply the philosophy of their mission? So far, that is hardly evident. Besides, advocates of the "not for profit" stance no doubt forget that, in the North, philanthropic actions have been possible through heavy financial support from men, women, foundations and enterprises wealthy enough to fund NGOs without necessarily expecting any returns from them. In other words, sustainable voluntary action is possible only where the cost is directly underwritten by the service NGO or institution practising voluntarism (e.g. the religious NGOs) or, indirectly by someone else. Against the background of dwindling external resources, the long-term viability of NGOs voluntarism will present them with increasing ambiguity and contradiction, especially given the legendary poverty of Africa's NGOs. They would therefore be wise to reassess the relevance and appropriateness of making voluntarism the guiding principle of their intervention. A poor NGO cannot be a credible provider of service and support to the poor. Given the sheer enormity of the tasks to be accomplished, any NGO in the African context would require to own or have access to huge resources to be effective. It is not a matter of chance that the pioneer NGOs were initiated by people who were either wealthy or were influential enough to mobilise resources, particularly funding.

At any rate, it would seem that donors find the NGOs' weak ideological and philosophical posturing convenient for two reasons. Firstly, it allows them to link their own agenda to the commitment of communities and associations to local self development. Secondly, it offers a means of involving the communities themselves in the mobilisation of resources for their own development, so that donors actually provide less resource for their local partners than they appear to.

2.1.2. From the political viewpoint

We would like to re-state that the first two decades of the development of independent Africa were steered by African states and their agencies, with massive technical and financial input from Western governments. Today, the joint responsibility for the state's developmental failure is not acknowledged by the Western partners who, at the time, were the incontestable pilots without whose input many of the African development programmes could not proceed. Let us not forget the droves of technical advisers, (French, German, Belgian, American, English and other Westerners) who monopolised the positions of responsibility in the gargantuan development projects prepared by them. All this underlines that, for over a decade after independence, many policies and development programmes in African countries were formulated, directed and managed by outsiders. This was certainly more so in the francophone African countries. Today however, it seems that African states alone are to blame for the fiasco of development. The ubiquitous technical advisers of that period are in no way responsible, after all they were "merely helping their African clients" who ought to have assumed their leadership roles. The current impasse in African development has made Western partners and multilateral aid institutions to distance themselves from all responsibility concerning African developmental failure. This is why the overrated promotion of NGOs role in the present dynamics of African development seems to us to be part of a strategy of placing all the blame on African leaders instead of sharing it with their Western accomplices. Wouldn't it be interesting to know why the mere fact of working within an NGO makes Africans more effective development agents than

working within the state structure? By focusing attention on seeking new actors in the NGOs, our erstwhile partners are trying to make Africans out as the sole culprits. This is all the more glaring when one considers that those who recommend that public administrators be sidelined are themselves, for the most part, civil servants in their countries or in multilateral institutions. Thus, from the political viewpoint, the cult of the NGO is only a way of laying the blame squarely only at the African doorstep.

2.1.3. From the strategic viewpoint

We are traversing a period of financial difficulties throughout the entire planet. The donor countries of the North are obliged to adapt to this new economic situation. Recourse to the NGOs as the avenue for channelling international development funding is therefore part of a strategy of withdrawal from their obligations to African countries. Depending on the colonial past, these obligations can be quite constricting. It is understandable then that these Northern countries should use the Breton Woods institutions as the intermediary through which to impose structural adjustment policies on African countries, without this impacting directly on their bilateral cooperation relations. This acts as a sort of shield, to temper requests for funding and reduce the public deficit. Within the framework of strictly bilateral cooperation however, NGOs can be used to prune the volume of public development aid without anyone being the wiser, since their demands are not exorbitant. The policy of state disengagement in Africa, advocated and secured by donors in the form of conditionalities, fits this purpose perfectly.

In this connection, NGO involvement in the North as in the South, remains a strategic and political stake for international aid, in their search for alternative method for poverty alleviation.

It is one thing to recognise the role which civil society organisations like NGOs can or should play. It is quite another matter for them to actually possess the tools necessary to confront the harsh reality of underdevelopment. The faithful supporters of NGOs are convinced that they possess enormous potential which merely need to be better exploited for NGOs to assume an anchor role in the development process. The sceptics, on the contrary, see this as misplaced expectations, considering that the very nature of NGOs and their limited resources will constrain achievement of their set objectives. Both views deserve greater study to determine with precision the expectations one can objectively place in African NGOs in the light of the crisis situation which has become a permanent feature of the entire continent.

2.2. NGOs as an Asset

A lot has already been said and written in praise of NGOs within the context of a new approach to grassroot development. They are thought, in particular, to offer a comparative advantage in many respects over the state's own intervention agencies. We shall limit ourselves to the following:

2.2.1. *The advantage of proximity*

Because of their size and probably also because of their limited resources, NGOs cannot, and do not aspire to cover extensive geographical areas; this self-limitation, voluntary or otherwise, also applies to their areas of intervention. Such realism is only natural since, as we stated earlier, civil society organisations evolve primarily to address specific needs, generally within a localised area. This, at any rate, was the case with the pioneer NGOs who intervened only in response to an emergency and basic needs, when and where necessary. In other cases, NGOs confine their areas of intervention within the limits of resources available to them. This targeting of their action makes the NGOs closer to the beneficiary communities and enables them to provide aid commensurate to the latters' expectations. The current attempt by NGOs to extend their scope of intervention is born of two imperatives. The first is the need to be seen as having a national coverage, which enables them to intervene at any point within the national territory. Second is the fact that the operation of many NGOs is tied to their ability to secure external funding. Predictably, they tend to intervene in the donors' areas of preference. Because they are under no obligation to provide national cover, NGOs can limit their activities to smaller areas, allowing them closer proximity to the communities. This is a particularly salient feature of local NGOs, i.e. those which have opted to operate within the area where they are established.

2.2.2. *Greater grassroots involvement*

Since they are established to address specific needs, NGOs obviously take great pains to listen to the expressed wishes of their host communities. Their willingness to involve the people goes beyond the mere resolve to outshine government civil servants. It also has to do with their work ethics. Being an outgrowth of civil society, NGOs must seek a certain legitimacy within the context in which they live and operate. To succeed, they absolutely must enjoy the confidence of the community. More so as their survival is inextricably tied to the community's perception of their usefulness, and the tangible results of their actions on the ground. NGOs, by virtue solely of being an offshoot of the civil society, cannot but be proponents of grassroots participation. In reality, the level of such involvement is dictated by the objectives of the programmes and the supporting donor, as to whether they are for the short or medium term. Grassroot participation may take any of the following forms:

- encouraging the population to support or accept objectives already defined by the NGO or its funding partner;
- gathering a few members to conduct an opinion survey on the problems encountered within that community with a view to defining applicable action;
- obtaining financial and /or material participation of the beneficiary community at any stage of a project;
- arranging for some members of the community to make representations to the official or traditional authorities in the area, to facilitate an on-going action or decision-making process;
- organising meetings of residents or representatives of the beneficiary community to monitor or evaluate the results of a programme or project etc..

Clearly, the notion of involvement is multi-dimensional. It can apply to the sum of measures required for an entire action, by way of in-depth analysis of the problems within a given community, the strategic choices necessary, design of development programmes and projects, planning, provision of organisational capacities, strategic management of initiatives, arbitration, monitoring and supervision/evaluation. In the same way, participation may be limited to only a few aspects of any of the elements above. Irrespective of an NGO's real capacity to achieve grassroots participation, one can legitimately assert that civil society organisations are naturally in favour of community involvement in the development process. This is all the more true when one considers that unlike the state, they cannot resort to coercive action to pursue their objectives. NGOs must work with greater conviction and hone their institutional and organisational capacities to make grassroots participation an effective feature of their intervention strategies. It would be interesting to know how far African NGOs are aware of, understand and apply the African Charter on Popular Participation in Development adopted in Arusha (Tanzania) in February 1990.

2.2.3. A flexible approach

Generally, organisations spring up in reaction to a specific situation. This is either in response to an isolated need or problem, or as part of an action with a longer-term objective. This utilitarian vocation might explain the flexibility with which NGOs approach their objectives. Adapting to circumstances is not only the surest way of responding to demands and addressing needs but, for NGOs in particular, it is the strategy that best allows them to seize opportunities as soon as they come along. For these same reasons, in carrying out their actions, NGOs need to evolve procedural, and in particular, administrative norms that would be more flexible and more easily adaptable to different needs. Proximity presupposes a personalised approach to problem-solving and these are all the reasons adduced by admirers of NGOs to buttress their arguments that NGOs are closer to the disadvantaged and more sensitive to their needs.

2.2.4. An innovative spirit

Rightly or wrongly, NGOs are credited with having an innovative spirit, both in their approach and in their technological appropriateness. Without undue exaggeration, it can be said that the nature, ideological and philosophical options of NGOs leave them little choice but to be inventive, as they strive to win the trust of their target communities and funding partners. The state on the other hand, has a moral and political responsibility to address all the problems of the nation at roughly the same time. This requires the state to evolve mass strategies and solutions to satisfy the demands of a maximum number of people. Given this obligation to provide broadly uniform services to the citizenry, it is often too much to expect the state to apply selective solutions to the different components of the national community.

By contrast, NGOs are under no such obligation to tackle everyone's problems at the same time. Moreover, their context of existence is precisely to pick up where the state leaves off, either for want of resources, incompetence, corruption, or simply because of venturing out of its usual sphere of operation. In the normal apportioning of responsibilities, the state would provide public services on a national scale while civil society organisations should be more concerned with resolving the specific problems of given communities. In this regard,

not only do they have the possibility of devising personalised solutions but they will find themselves called upon to apply novel methods and alternative techniques in response to specific situations. At this point, the need becomes very compelling to redefine the state's role within its assigned areas of action and those outside its range of intervention, and to determine the nature and scope of functional relations that should exist between the state and civil society organisations in general and NGOs in particular.

The above points underline the fact that NGOs do indeed offer tangible benefits which need to be exploited and, in other cases, reinforced.

2.3. But, equally real illusions

However, although NGOs clearly possess qualities which they would do well to optimise, they nevertheless need to improve their performance in other areas where their shortcomings are all too glaring. These limitations can be grouped as follows:

2.3.1. No global vision of development

Grassroot organisations and NGOs capable of defining a coherent vision of their own actions are few and far between. This is because very few of them have:

- a strategic plan detailing policy, the mission's medium and long term objectives, intervention strategies, etc.;
- an action plan specifying, for a given period, priority areas of intervention, operational goals, expected results, impact indicators, funding modalities;
- a reliable monitoring/evaluation arrangement for regular assessment of the impact of their action in relation to set objectives within their long-term horizon.

NGOs and their supporters sometimes tend to assume that because development is a good objective, good intentions alone suffice, especially as long as actions are established with grassroots participation. NGOs do not take the time to scrutinise closely their own vision of development before pitching it against that of their partner communities. Yet, there can be no real development except where all the protagonists share the same vision of the present and the future. In fact, this is the main condition for making strategic choices and deciding which of the many priority objectives should receive preference.

In spite of their desire to play a meaningful and effective role in a sustainable process of transforming societies, NGOs unfortunately continue to act as if development were limited to executing programmes à la carte, the sum total of which would automatically engender the expected qualitative changes. Alas, this attitude is being compounded by the current orientation of international development cooperation, whereby the "micro" is seen as the guarantee of success, the underlying reasoning being that development has failed in Africa because the major programmes were too ambitious. Today, all development partners and international NGOs remain firmly convinced that micro projects should be at the vanguard of poverty eradication efforts. Worse still, the so-called major sectors are chosen beforehand, first by the donor country, then by the NGOs who are assured of subsidies only by streamlining their own programmes/projects with the donor-selected sector. In a ricochet effect: African NGOs wishing to maintain partnership links with their Northern counterpart

are also obliged to operate only in sectors for which such subsidies are earmarked. How honest are NGOs (irrespective of origin), when they declare that their programmes have been drawn up solely in response to the wishes of the population themselves? How can a shared vision of community development be possible when one section of the partners involved has already set target sectors of intervention, objectives and even donor expectations? In the end, because of these constraints, NGOs are forced against their will to embark on a "modular development" Yet development encompasses a complex series of mutations so interdependent that one can legitimately question the efficacy of an excessively sectoral approach. Now more than ever, NGOs need to reflect on their method of approach: should they concentrate on integrative programmes or should they "flirt" from sector to sector depending on funding opportunities? This immediately raises the related question of their institutional capacity to influence pre-established schemes.

2.3.2. Poor institutional and organisational capacity.

Given the aspiration of NGOs to be meaningful development actors and the high expectations donors have of them, they need first and foremost to constitute themselves into a force which all their partners would have to reckon with. This means that they must develop an institutional base that is just and credible, which presently, is far from being the case. In many countries, it is common to find networks which exist in name only and are more often than not, enmeshed in power tussles. Very often, the role of these collective associations is not explicitly stated and it is not clear what services they actually render to member grassroot organisations. Their constituent texts reel out the same old hackneyed phrases: to represent members in dealings with government authorities and internationally, to defend the members' material and moral interests, give backing to members in negotiations for funding, training, etc. etc. In reality however, the chief executives of these associations spend most of their time junketing about, ostensibly to represent their members, to whom they do not bother to report on their return. They sometimes use the opportunity of their travel for narrow organisational and personal benefits. Such apex organisations are frequently dysfunctional because they quickly form themselves into development NGOs, entering into direct competition with their members for action and fund mobilisation programmes. Where then is their validity, which rests, in theory, on providing services to members, and in particular to work out a platform for consultation, joint action and synergy of intervention strategies? This institutional weakness also accounts for the inability of NGOs to wield any influence in the definition and orientation of national development policy, resulting in the failure to integrate their programmes within a macro development framework.

It is equally a matter of regret that lack of unified action at the institutional level prevents national NGOs from articulating more positive rules of engagement with their Northern counterparts or even with the principal donors. Here again, African NGOs are conspicuous by their overt or covert wars of influence which often lead to group networking under the banner of different development partners. Even though networking is not in itself a bad thing, the fact that its existence undermines the formation of a common front by national NGOs is highly regrettable. Such fragmentation is often born of a legitimate and

understandable concern to group NGOs according to areas of interest or subject areas for greater effectiveness. Viewed from this perspective, the action is commendable. Unfortunately, lurking beneath is the desire of certain Northern partners to extend their network of influence and so legitimise their own actions within the country. The phenomenon is so prevalent that in many countries, NGOs hoard information in order to avoid competition from any quarters. Sometimes Northern NGOs use these networks to blackmail those in the South who do not embrace their vision or policy. In such cases, funding becomes the bait and constitutes the largest common denominator of division, putting paid to any possibility of a common front by national NGOs. Inter-network wrangling eventually aggravates the unfair competition among NGOs and deepens the atmosphere of suspicion. As a result, most NGOs opt to work alone and to give away as little information as possible regarding funding sources, possibilities for partnership and action, etc.

This isolationist and individualistic tendency at national level quickly becomes apparent at the regional level, despite the many meetings and conferences held. Regional workshops organised and funded entirely by African NGOs are not common. Even when financed by donors, such forums merely serve as a platform for them to air their concerns rather than to map out reliable and efficient cooperation strategies between Southern NGOs. It would be valid to assert that institutional capacity building in African NGOs remains a source of concern at both national and regional level, notwithstanding the plethora of national and regional networks, each dependent on external assistance to operate. All this goes to show that even between and within NGOs, the problem of institutional validation deserves closer examination and appropriate action.

2.3.3. *Inadequate professionalism*

State structures usually accuse NGOs of lacking the expertise required to succeed in certain areas where they have chosen to intervene. There is a certain amount of truth in this seeming generalisation, and this for a number of understandable reasons.

First, it must be recognised that the state, at least until recently, has always had the resources to deploy personnel drawn from various fields and of a very high technical and intellectual calibre. However, as senior government officials increasingly fall victim to the demands of structural adjustment programmes, NGOs are being confirmed in their new status as the alternative source for a new class of managers for so-called sustainable development.

Because donors are seeking new partners, NGOs now loom large in development programme and projects at local and national levels. This however calls for adequate manpower mobilisation and provision of equipment crucial for their mission, areas in which NGOs are manifestly inadequate. Moreover, managing a development programme demands a culture and attitudes which not everybody is familiar with. The majority of NGO leaders lack prior, specialised training in the areas they rush to work in. Consequently, strategic planning for such programmes is left to consultants who feel responsible only for their consultancy ideas, and not for the practical results they lead to. Furthermore, unlike

government departments who must answer to the nation and thus the people, NGOs have responsibility only for ad hoc activities executed as part of localised projects whose lifespan depends on availability of funds. The wear and tear on overused temporary staff, coupled with rapid turnover of permanent staff leave many NGOs unable to build the stable and enduring institutional base to improve their performance. Yet, it is on the basis of these shortcomings that NGOs are considered as being inexpensive development actors. Candidly speaking, many African NGO leaders regularly ponder the consequences of this inadequacy of professional knowledge on the long-term availability of human resources for the continent's sustainable development.

In the final analysis, "non-governmental" is not always synonymous with guaranteed success. Within the present problematic context of development in Africa, what matters most is to be able to take advantage of available human potential both within the public administration and civil society organisations. Each has its own quota to contribute to the execution of the major aspects of national development. To extol the expertise available in the private sector at the expense of the public sector is to fail to treat Africa's institutional and capacity challenge with the seriousness it deserves.

2.3.4. Chronic dependence on external funding

A well-known saying has it that "Money is the root of all evil". Pragmatically speaking, the disappointment felt by the North and the principal multilateral donors is mainly because funds meant for international development have not been judiciously utilised, especially by the governments of beneficiary countries. As a result, instead of developing their own capacities to continue to fund their development, these states have been reduced to a state of chronic dependency on Northern taxpayers, to the point where the latter have become more exigent with their respective governments. Under pressure from their taxpayers, donors have been forced to tighten their purse strings. In this context, structural adjustment policy programmes have become the preferred instrument for regulating the funding demands of requesting countries. In the same vein, it was necessary to curtail the state's role in the conception and management of development programmes, in order to ensure greater civil society involvement through their representatives.

While arguably, NGOs have an important role to play in realising current development visions, the question nevertheless arises as to the extent to which they can continue to enjoy credibility within the context of a predominant informal sector in Africa.

3. NATURAL DUPLICATION BETWEEN NGOs AND THE INFORMAL SECTOR

This question deserves close attention, particularly in view of the fact that NGOs demand a legal status whereas their natural area of activity is largely within the informal sector. What should be their objective within the sector and what concrete activities should drive such an objective? These are the issues which we shall address in this section.

3.1 A common origin

Before elaborating on NGO contribution to the promotion of the informal sector, we stress that both are an integral part of civil society. Each human society possesses an intrinsic capacity to structure and regulate itself in response to any problems that may appear in the course of its evolution. Thus, alternative organisations spring up as soon as the need arises, without having been pre-programmed. Similarly, to meet its subsistence needs, every society engages in a particular economic model for the production of goods and services necessary for its maintenance and reproduction. This is the conceptual framework that justifies the existence of NGOs as an organisational form of civil society, and the informal sector, as an economic model of human survival. This duality of civil society however gives rise to a number of shared characteristics: potential for innovating and a permanent need for autonomy from, and distrust of regulation.

As we have pointed out earlier, the development process in Africa was for a long time characterised by the predominance of the state and its agencies at every level of national life. This situation encouraged the citizen to look up to the state as the authority, the purveyor of solutions to his every problem. Consequently, the earliest civil society associations saw their mission as being to strengthen solidarity among their members and, in certain cases, to act as pressure groups to focus government attention on measures needed to promote their constituencies. They hardly ever thought to assume the role of development advocates and agents.

The overbearing state culture was further developed with the emergence of single party political systems where every association in whatever form had to embrace the ideology of the ruling power. Everything had to be conceived and executed within the state's party structure and in the name of the state. The economic and cultural spheres were not spared, with every sector controlled by the state and the party, as both exercised the sovereign right to decide the institutional and legal framework within which society functioned. The informal sector was very much in the background.

But the dual catalysts of economic crisis and democratisation combined to release the energies of the civil society, necessitating a redefinition of the roles of all the players concerned. Consequently, the state now freely acknowledges its limits and people's organisations gain an awareness of their power and obligations. The present period features the emergence of myriad forms of associations which take the bold step of venturing into the realm of development programme implementation, hitherto the sole preserve of the state.

NGOs in particular now call themselves "development NGOs", to distinguish themselves from all other traditional associations promoting mutual assistance and solidarity. In this role of development actor, many NGOs have taken laudable initiatives in almost all facets of development. Increasingly, their focus of attention has shifted from philanthropic or social assistance programmes to transformation of communities. The citizens too are becoming disillusioned with the "life-giving state" and are striving to take control of their own destiny. Small economic activities spring up in the artisanal sector and the distribution of commonly used consumer goods. Often, the imaginative capacities of individuals give birth to a wide range of services. An example is the motorcycle-taxis in Benin, which demonstrates the civil society's capacity for innovating suitable coping mechanisms which are within the reach of the ordinary citizen. In turn, this mode of transport has spawned a permanent, all-night market, where young mechanics offer emergency repair services to riders in need. This sector of activity has therefore evolved its own arrangement designed to guarantee that the owner of the motorcycle-taxi can work uninterrupted throughout the day.

It is well-known that the civil-society jealously protects its independence from state agencies. This applies even more forcefully to NGOs who seek collaboration with the state, but demand recognition as specific organisations with autonomy of action. The same is true of operators in the informal sector in urban and rural areas alike. Hence their reluctance to see their activities constrained within a strictly regulated framework.

A natural interdependence no doubt exists between the informal sector, as an "economic mode" and NGOs as "alternative development actors" within civil society.

3.2. NGO contribution to promotion of the informal sector.

It is common in several African countries to come across programme/projects purporting to promote the informal sector and which are sponsored by multilateral or bilateral donors without it being evident what form this support should take. Often described as "development" or "promotion" programmes, it is often difficult to determine if their aim is to perpetuate or to curtail growth of the sector. This is a very important point, in the light of our earlier reference to the danger which the informal sector poses for a country's long term development. On the other hand, we have also said that the informal sector is a spontaneous reaction to the states's incapacity to provide a buoyant economy that will benefit the vast majority of the population. Being a "necessary evil", how can endogenous development actors, notably NGOs, be useful to the informal sector and for what purpose? In this regard, we should like to propose three areas of actions which NGOs might wish to include in their intervention strategies.

3.2.1. The culture of self-development as a catalyst for development

We have already stated that the activities of NGOs and actors in the informal sector are born of a spirit of voluntarism. Thus, they must begin by being self-reliant, using the meagre resources available to them. This demands a new conception of development and it is here that NGOs should come into their own.

One of the essential duties of NGOs working with communities is to assist the population to plan their activities in the long term. This means that NGOs must be able to make these communities accept a shared vision of development, an indispensable ingredient of true grassroot development.

Now that local NGOs claim to be the representatives of the society within which they operate, they can reasonably be expected to safeguard the place of the populace as key development actors. Emphasis should no longer be on merely carving a place for grassroot and community groups in development. Steps must be taken to ensure that they are closely involved in the process of analysing the problems confronting them, that they are allowed to make strategic choices, identify applicable measures, mobilise necessary resources and, above all, organise themselves to ensure that the action plans adopted do in fact achieve these ends. Self-development demands an idea of development which is that of the communities concerned, any external intervention occurring only in response to explicitly stated needs or requests. In return, NGOs themselves must be in a position to conform to this internal dynamic, which means that they must apply a human resource policy that will enable them to help meet the manpower requirements of grassroot initiatives without usurping their legitimate role as players and beneficiaries of their own vision. In a manner of speaking, NGOs henceforth have a responsibility to help communities to design their own dreams instead of helping them to actualise other people's dreams, as has so far been the case. Hence the absolute need for them to arm themselves with strategic development plans.

3.2.2. Support to organisational capacity building

The grassroot development so earnestly sought by donors implies an ability on the part of these communities to perform the fundamental tasks expected of them. The much talked about development partnership implies that local leaders are capable of defining orientations, that they can ensure project acceptability by the majority of the community, and succeed in getting them to be involved in the collective management of decisions taken. In particular, local involvement should be critical during:

- diagnosis of the general situation of the community
- analysis of constraints/assets and the strength/weakness of the environment
- fixing of priorities and short, medium and long term objectives
- programming of actions to be undertaken
- definition of alternative institutional , organisational and structural strategies
- mobilisation of resources (human, material and financial)
- emplacement of mechanisms for monitoring/evaluation.

It is to be hoped that, being support agencies, NGOs will prove to be better- positioned than anyone else to help the informal popular initiatives in these areas, particularly in view of their added advantage of familiarity with the terrain. Their intervention strategy must have training and consultancy services as the core of their action. At any event, one can safely say that until the communities assume full control for the fundamental decisions concerning the development of their environment, it will be difficult to talk of sustainable human

development. That in essence is the major challenge facing NGOs seeking to prove their ability to succeed where the state has failed.

3.2.3. Support to development of entrepreneurship

We have already talked about the capacity of actors in the informal sector to take initiatives which are sometimes truly original. At the same time, we have underlined the limitations inherent in the informal economic culture. In particular, economic activities within the informal sector tend to be inward-oriented as a way of side-tracking what is usually considered as administrative intrusion. Yet, development of enterprises presupposes the forging of an institutional and legal framework which offers guarantee and security to actors and transactions alike. Thus, to be successful, an enterprise must necessarily be open to its wider environment (local, national and international), by being based on existing public regulation, such rules being conducive to an enabling environment for national development. Any decision to support development of entrepreneurship by definition implies a resolve to make economic activities less informal in as many sectors as possible. Otherwise stated, it will be necessary, progressively, to de-emphasise the importance of the informal sector in the national economic system. Apart from the role which the state must play in this direction, the major effort must come from the sectoral actors themselves, aided, as far as possible, by the NGOs as the preferred proximity partners. Two key areas of action deserve mention here:

Promotion of micro enterprises

While acknowledging the potentially eminent role of NGOs in initiating and developing micro enterprises in the informal sector, we must not fail to warn the leaders of these organisations against the temptation, unfortunately now common, to transform themselves into enterprises. It is quite common to hear NGOs describe their activities in terms suggestive of the NGO as an enterprise in the sense of a place where factors and activities are combined for the lucrative production of goods and services. Yet, these same leaders like to proclaim, forcefully, that NGOs are associations of voluntary actors working towards the common good rather than for profit. These are two perfectly distinct functions not to be confused, and their combination at any rate is unthinkable under any functional legal arrangement.

There is therefore a need to emphasise that NGOs can provide support to initiators of revenue-generating activities without these activities being considered part of the objectives of the NGOs. This confusion gives rise to conflicts and uncontrolled action liable to tarnish the image of NGOs as support agents. It is important to note that whereas one cannot find an NGO in the North listed in their countries' register of companies as an importer or exporter, in Africa, many a donor claims to help NGOs to produce and export agricultural or artisanal commodities, in a manner rather akin to that of an economic operator or enterprise in the formally legal sense.

Beyond this clarification however, it is clear that NGOs can indeed help nascent informal sector initiatives to identify business opportunities, assist them to prepare required technical

and financial documentation, and put them in contact with persons and institutions likely to be useful to them.

- **Promotion of Cooperative-type enterprises**

Because of its origin, the cooperative stands out as the form of enterprise most accessible to the poor and its legal status makes it the most appropriate to shape and steer the informal sector. Fundamentally, the dual nature of the cooperative associative group and enterprise makes it one of the most favoured economic operators of civil society, encompassing as it does, the voluntaristic philosophy dear to NGOs. It is therefore easy to understand the utility of promoting cooperative enterprises within the informal sector, not only to afford the less privileged a means of satisfying their economic and socio-cultural aspirations, but in particular, to provide an effective leverage for the gradual and smooth transformation of the informal sector. The choice of the cooperative formula is not a fortuitous one. Its constitution requires fewer legal procedures and it is a type of enterprise adapted to all professional sectors.

NGO intervention may also serve to correct a number of past errors which have tended to portray cooperatives as a tool of the state. That is due largely to the fact that, in the immediate post-independence Africa of the 1960s, cooperatives were massively used by governments as part of their agricultural development policies. They were particularly active in providing back-up for certain export crops such as coffee, cocoa, cotton, groundnut, etc. Governments used cooperatives as a state mode of mobilising peasant farmers and securing needed external financing. At the same time, they carried out some other less lucrative but more cost-intensive functions, such as primary collection of products and farm-management. The increased state involvement in the management and objectives of these cooperatives was responsible for the lack of popular interest and participation in this type of enterprise.

Today however, given the financial crisis in which a single individual stands less chance of mobilising the necessary funding for investment, people are beginning to rediscover the advantages of collective action. Cooperatives are becoming increasingly apparent in various sectors of human activity, particularly in the fields of savings and credit mobilisation for viable activities, housing, transport, health, etc. This resurgence is ample proof that cooperatives, when conceived and managed in accordance with appropriate guiding principles, can serve as an effective tool for poverty eradication by promoting the spirit of entrepreneurship.

Conclusion: What policy for the informal sector?

Our reflection on this matter leads us to the conclusion that a potential synergy of action exists between the informal sector and NGOs. We should like to recall our earlier statement that the informal sector is an economy of emergency and survival for the vast majority of the population in Third World countries. Its importance makes it necessary to define a concrete policy for the sector, and it is pertinent in this regard to underscore the following three observations:

⇒ firstly, it is dangerous for the long term development of poor countries to encourage expansion of the informal sector. Being informal implies a significant or near total absence of official regulation. Within the context of an increasingly global economy, it is doubtful whether the modest performance of the informal sector can give African countries the necessary residual economic strength to withstand the cut-throat competition which weak economies are bound to find increasingly fiercer;

⇒ nevertheless, it would be irresponsible, given the present circumstances, to advocate a precipitate eradication of the informal sector. That, in essence, would be tantamount to destroying the means of existence of about 80% of the population of sub Saharan Africa;

⇒ consequently, development actors have an obligation to continue their efforts to increase the entrepreneural capacities of the informal sector, thereby affording it the means to progressively dismantle itself and give way to a more structured and successful economy able to hold its own against the competition at national, regional and international levels.

NGOs have a sizeable role to play in this process. It will be in their interest to assume their role of technical and/or financial intermediaries within communities. This implies that they will be equally capable of forging fruitful partnerships with donors and with the state. The objective of NGOs in this regard will in no way be to seek to replace either the state or the funding sources. On the contrary, they should, more than ever, strive to become credible civil society actors, with a critical quality control role in the dynamics of sustainable human development.

NGO/CBO PROJECT WATCH

Information on the 'Centre Béninois pour le Développement des Initiatives à la Base' (CBDIBA)

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MISSION

To provide support to rural organisations, particularly women groups, in the quest for effective self-development.

ACHIEVEMENTS TO DATE

- Establishment of 34 village savings and credits schemes (CAVECA) with a membership of 11,636 members and mobilised credit of FCFA 143,259,280 ($250,000)
- Provision of FCFA 53,934,985 (US$95,000) credit for the scheme and for revenue-generating activities by women's groups.
- Provision of 20 kerosene tanks in 20 villages.
- Construction of a training centre with a capacity of 111 seats.
- Initiation of two waste collection and management projects at Bohicon and Dogbo.
- Construction of a maternity centre and 5 public lavatories at Assanté.
- Construction of three storage silos.
- Construction of the headquarters of the Zogbodomé Producers Union.
- Construction of 13 culverts
- Organisation of a three-week tree planting drive code-named "Operation One Woman, One Tree" as part of the environmental protection programme.
- Training of 58 officers within the framework of the legal education and legal assistance programme.
- Training of 285 persons in cooperatives administration and management.
- Organisational support to farmers towards the establishment of the Federation of Unions of Producers, Benin (FUPRO/Bénin) and assistance to women's groups towards the creation of the National Council of Bénin Rural Women (CONAFERBE).
- Establishment of a 50 hectare farming school already under cultivation.

ACTIVITIES IN PROGRESS

- Organisation of a two-week campaign to mobilise rural savings.
- Refresher courses for paralegal officers.
- Assistance to rural organisations in the cultivation and marketing of cashew nuts

- Establishment of 8 new CAVECA at Za-kpota and Zagnanado and refresher courses at the 495 selected centres.
- Organisation of an exchange visit to Mali.
- Self-appraisal and external evaluation of CBDIBA activities since its inception.

OBJECTIVES AND PLANNED ACTIONS

- Refocusing of CBDIBA interventions on progressive self-development of women's groups
- Continued assistance to women in efforts to establish and manage micro enterprises.
- Continued organisational support to rural organisations.
- Intensification of training at the grassroots particularly through distance learning.
- To provide 50% of financing for the operation of CBDIBA through self-generated funds by the year 2005.

Readers' reaction welcome

Reactions or comments to the issues raised in this essay are welcome from readers.
Such contributions are likely to be published under a section titled *"Reader's Comments"* in future editions if:

- **they focus in a precise and clear manner on one or more specific issues raised in the essay**
- **they do not exceed ten (10) lines in typewritten format**

All readers' contribution should be sent to the attention of

Bolaji Ogunseye
either at IIED London
or
at ISPEC in Cotonou using either of the addresses on the back cover of the publication.

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African NGO Networks

African NGO Networks Programme

The **African NGO Networks Programme** of **IIED** supports capacity development of NGO networks, grassroot associations and federations in Africa. The programme strategy involves undertaking collaborative initiatives with local, national and regional network structures. Where it does not exist, the programme encourages coalition-building among individual groups and networks, thereby facilitating a collective, institutional response to common challenges. The underlying aim is to enhance NGO relevance and "client-responsiveness" to communities, people's organisations and grassroot development efforts.

The programme aims to assist in enhancing NGO knowledge of sustainable development issues and challenges, and strengthen their institutional capacity to respond. It also works to facilitate a positive NGO engagement and influence with governments and other key actors in African development.

Currently based in Cotonou, Republic of Benin, in West Africa, the programme also provides occasional support services to NGOs, networks and grassroot associations in a number of operational areas. These include documentational support (small-scale publication of basic working materials, French to English translation of programme documents, brochures, small reports, etc.), review of, and input to NGO programme designs and strategies, project and programme evaluations. When feasible, it helps to facilitate NGO workshops and seminars.

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