

## **Livelihood Strategies in African Cities: The Case of Residents in Bamenda, Cameroon**

**Nathanael Ojong\***

### **Abstract**

This paper analyses the livelihood strategies of residents in the city of Bamenda, Cameroon. It argues that the informal economy is not the preserve of the poor. Middle income households also play a crucial role. Informal economic activities permit the middle class to diversify their sources of income as well as accumulate capital. It examines the role of class in the informal economy and analyses the impact of policy on those involved in informal economic activities. The paper reveals that formality, informality and policy are intertwined, thus making livelihood strategies in cities complex.

**Key words:** *City, Livelihood, Bamenda, Informal, Income*

### **1. Introduction**

After independence, Cameroon enjoyed relative prosperity until 1985. From 1970 to 1985, its economy grew annually at over 8 per cent (Page, 2002, p.44). This growth was mostly due to the boom in the exportation of cash crops. In 1977, cash crops made up 72 per cent (71.9 per cent) of exports while oil was 1.4 per cent (Page, 2002, p.44). This situation changed in the 1980s as a result of oil exploration. In 1985 oil made up 65.4 per cent and cash crops 21.4 per cent of exports, with government getting high royalties from international oil companies developing the field (Page, 2002, p.44). During this period, public sector employees enjoyed very good wages. However, this relative prosperity was not to last for long as trade started to decline in 1985 as a result of the fall in commodity prices, coupled with a decline in oil revenue. External borrowing and reserves held abroad permitted the government to push back any sort of reform until 1987, when President Biya announced some budget cuts (Geschiere and Konings, 1989). However, this measure failed to remedy the situation as deficits continued to rise, and by 1989, the government had no option but to enter into a structural adjustment agreement (Van de Walle, 1990). Although the specifics of Structural Adjustment Programs (SAPs) differed, four basic elements were always present: currency devaluation, the reduction in the role of the state in the workings of the economy, the elimination of subsidies in a bid to reduce expenditures, and trade liberalization (Riddell, 1992). With this agreement in place, Cameroon had to adopt neo-liberal policies which meant the liberalization of the economy and cuts in public expenditure. Instead of laying off civil servants, the government lowered the retirement age and stopped recruitment into the public service. Pay cuts were introduced in 1991 (7 per cent) and 1993 (30 per cent, at first and later 50 per cent)

---

\* PhD candidate at the Development Studies Unit, Graduate Institute of International & Development Studies, Geneva, Switzerland. He holds a BSc (Political Science) and MA (Development Management). He has carried out research work on social economy at the International Labour Organisation. He is co-author of the ILO's 2011 edition of The Reader "Social and Solidarity Economy: Our common road towards Decent Work". He can be contacted at [nathanael.ojong@graduateinstitute.ch](mailto:nathanael.ojong@graduateinstitute.ch), Graduate Institute of International & Development Studies, Geneva, Switzerland

and out-station allowances cut by 50 per cent. Then in 1994, there was a 50 per cent devaluation of the CFA Franc in return for \$114 million credit ratified by the IMF (Page, 2002, p.44). Putting an end on recruitment into the public service was a serious blow in terms of formal employment since the government was the main provider of formal jobs<sup>1</sup>.

Because Cameroon is a highly urbanized country by sub-Saharan standards (World Bank, 2002), these policies had negative effects on the huge urban population. It is worth noting that the country has seen its urbanization level increase from 35.7 per cent in 1985 to 56.1 per cent in 2010 (UN-HABITAT, 2011). The urban population had to develop livelihood strategies to enable them deal with changing times and economic pressure. The notion of ‘Livelihood strategies’ refers to “the mix of individual and household strategies, developed over a given period of time that seeks to mobilize available resources and opportunities” (Grown and Sebstad, 1989, p.941). The informal economy has been a platform where several of these strategies are displayed. In fact, it is a vital source of income generation. The “informal economy is one way of pointing to how people devised their own means of survival and sometimes of prosperity in the urban markets that spring up spontaneously to meet their needs” (Hart, 2010, p.152). As with other developing countries, the informal economy in Cameroon is very vibrant. According to Cameroon’s National Institute of Statistics [NIS] (2011, p.4), the informal economy is now the greatest provider of jobs, since about 90.4 per cent of workers operate there as shown on Table 1 below.

**Table 1: Breakdown of employment in Cameroon**

Sector	Percentage
Public sector	4.9%
Formal private sector	4.7%
Informal non-farm activities	35.2%
Informal agriculture	55.2%

Source: NIS (2011, p.11)

One area which has received little attention in the livelihood strategies debate in the country has been an analysis of informality, class, straddling and policy. The leading writers on Cameroonian cities (such as Njoh, 2011; Page, 2003; Ngnikam et al, 2002) have not focused on this sector. Here lies the purpose of this paper. The paper analyses the activities and role of the lower and middle income strata in the informal economy. It examines the implication of local government policy relating to informal economic activities on the different population segments. It argues that informality, class and policy are intertwined.

The rest of this paper is organised as follows. Section 2 provides the conceptual framework to guide our analysis. Section 3 outlines the research methodology. Section 4 focuses on the analysis of the results and findings, paving the way for a discussion of these results.

## 2. Conceptual framework and related literature

Lewis (1954) dual economy model regarded the small-scale, traditional sector as reserve of surplus labour, a temporary disequilibrium phenomenon which will disappear over time. Thus, at first, the informal economy was regarded as a minor phenomenon and something that was essentially static; there was no notion that it might grow. This view has been challenged by the growth and persistence of the

informal economy. It is a permanent, not a short-term phenomenon; and is a feature of modern capitalist development, not just traditional economies, associated with both growth and global integration (Chen, 2007). As long as there is formal economic analysis and the partial institutionalisation of economies around the world along capitalist lines, there will be a need for such a concept as the informal economy (Hart, 2010). The concept of the informal economy has been discussed widely (Hart, 1973; De Soto, 1989; Portes et al, 1989; Servet, 1995; Rogerson, 1997; Guha-Khasnobis et al, 2005; Servet, 2006; UN-HABITAT, 2008).

During the early 1970s, there was concern about the relatively low rate of economic growth, third world poverty and unemployment in the cities. Cities were growing rapidly and there was no corresponding increase in formal jobs for city-dwellers. There was the concern that people were piling into cities without anything obvious to do there. That was the context in which Keith Hart made his famous contribution on the informal economy in Accra, Ghana. He said that there was no 'urban unemployment' malaise and argued that city-dwellers were not 'unemployed'; they had something doing although often for low and erratic returns (Hart, 1973). Several studies (ILO, 1972; Sandbrook and Arn, 1977; Gerry, 1987; Potts, 2007, Obeng-Odoom, 2011a) acknowledge its role in job creation. Some informal economic activities include urban agriculture, home-based beauty parlours, and food processing, vehicle and motorbike repairs, house construction, taxi-driving, portering, street hawking, mobile shoe mending and petty trading.

The informal economy finally became a concept following the International Labour Organisation (ILO) Kenya Mission Report on informality. The report referred to it as the 'informal sector'. So the idea of an 'informal economy' could be said to have a double provenance reflecting its two sides, bureaucracy (development administration) and the people (ethnography) (Hart, 2010). According to the ILO report, informality was widely characterised by (a) ease of entry; (b) dependence on indigenous resources; (c) family ownership; (d) small-scale operations; (e) labour-intensive and adaptive technology; (f) skills acquired outside of the formal sector; and (g) unregulated and competitive markets (ILO,1972). While most of these characteristics remain valid, further research over the past three decades has expanded the concept to include activities that were not part of the original definition (UN HABITAT, 2006). These studies seek to include the whole of informality, as manifested in industrialized, transition and developing economies and focus on the nature of employment in addition to the characteristics of enterprises (Chen, 2007). To economists, the informal sector can be regarded as activities involving unreported income from the production of legal goods and services (both monetary and barter transactions), that is, all economic activities which would be taxable if reported to tax authorities (Schneider, 2002).

The terms 'informal economy' and 'informal sector' have often been used interchangeably. However, those against the use of the 'informal sector' argue that informality is not restricted to a single sector of economic activity. By interpreting the relationship of the informal sector to the formal sector in a dualistic manner and by focusing on the mutually exclusive characteristics, we lose sight of the unity and totality of the productive system (Breman, 1976). Hart (1973) stressed that informal economic activities in Accra transcended the primary, secondary and tertiary sectors of the urban economy. Also, whereas the informal and formal economy were previously considered to be two distinct economic sectors without direct links to one another, empirical studies show that both are in fact linked to form a continuum of economic relations (Chen, 2007). Production, distribution and employment relations

tend at some point on the continuum, to fall between entirely formal relations and entirely informal relations, with workers and units moving along the continuum in varying degrees and often operating simultaneously at different points on the continuum (UN-HABITAT, 2006). Thus, the distinction is not clear cut as one sector may have some features of another, just as some workers may work in both sectors at the same or different times (Obeng-Odoom, 2011a).

The Multiple Modes of Livelihood (MML) approach captures the interplay between the formal and informal economy. It enables a better understanding of the livelihoods of individuals and households engaged in both the formal and informal economy. The MML approach is a framework which captures the diversified means of raising extra income through acquisition of additional jobs, not only on the part of the unemployed but also by those with fixed salaries (Mustapha 1992; Musyoki and Orodho 1993).

The basic argument of the MML approach is that macro level economic changes across Africa have created a favourable environment for people of all social and economic background to diversify their sources of income (Owusu, 2007). This has been largely due to the devastating effects of neoliberal economic reforms on the livelihoods strategies of various segments of the population including salaried employees (Kaseke, 1998). Also, the limited job creation potential of the private sector in Africa, coupled with employment freezes, and retrenchment in the public sector reduced employment opportunities in the formal sector (Lourenco-Lindell, 2004). Hence the prevalent practice in several African cities is for people of different socioeconomic backgrounds to rely on multiple sources of income to ensure survival/accumulation. Consequently, the informal economy has become an avenue for 'part-time' employment for formal sector employees and a source of additional income for many with full-time employment in the formal sector (Owusu, 2007). Multiple livelihood strategies have become a way of life in several African cities, and therefore, the distinction between those who are employed in the formal and informal economy has become more blurry and complex (Rogerson 1997). This absence of a demarcation between the formal and informal economy has also been noted in Cameroon (Niger-Thomas, 2000) where the prolonged period of economic and social upheaval explains the straddling between the formal and informal divide (Niger-Thomas, 2000). MML is a useful tool to organise analysis of the informal economy. It is within that framework that this study is cast.

### **3. Research Setting**

The research was conducted in Bamenda, the capital of the North West Region. It has a total surface area of 22.9 km<sup>2</sup> with a population of 269, 530 inhabitants, according to the 2005 population census. It is located at a cross route, linking cities in neighboring Nigeria (such as Calabar and Enugu) to the economic and capital cities of Douala and Yaounde respectively (Nyambod, 2010). Bamenda is an interesting case study because its government is simultaneously capricious in its interventions and limited in its capacity to govern. The local government is not well funded and has limited resources, but at the same time it does have a history of authoritarian intervention – for example raids on the market and petty business activities outside designated market places, driven partly by the ability to raise local revenue through this kind of taxation. At the national scale, Cameroon's political stasis is mirrored by a much extended period of economic stasis. The city is made up of Bamenda I, Bamenda II and Bamenda III sub-divisions with the city council headed by a

government delegate. The councillors are elected while the government delegate is appointed by the head of state.

The informal economy is the most important source of livelihood in the city. It is heterogeneous. It includes motorbike taxi riders, mobile food vendors, farmers, dressmakers, tailors, woodworkers, auto mechanics, carpenters, and paid domestic workers. In the case of motorbike taxi, this informal economic activity developed in response to poor transport facilities and road networks in Cameroon (Konings 2006). Motorbike taxi is a pervasive form of transport in urban areas. It provides employment to thousands of people especially those aged between 18 and 35 years. At present, it remains a male-only economic activity. This sector is largely made up of unemployed youths who couldn't get a job in the formal economy or private sector after completing some form of education. There are currently over 5000 motorbike taxi riders in Bamenda. These riders can be divided into two groups: the first is made up of riders who own a motorbike while the second is made up of those who hire motorbikes. In Bamenda, those who hire a motorbike give the owner 3,000FCFA (6USD) each day<sup>ii</sup>. Here we see the involvement of the lower and the middle income strata of the population. The latter own several motorbikes which they lease to the former.

Street food vending is another important informal economic activity in Bamenda. This activity is predominantly a women's livelihood strategy (Fonchingong, 2005). These women are usually assisted by their children. Children who go to school assist their mothers when they come back from school, during weekends and school holidays. It is a home-based activity. Food preparation is done at home and then transported to where the customers are based. These activities are concentrated in market places and along the Commercial Avenue. Here again, we have two categories: some street vendors have makeshift stalls situated along areas with a high concentration of customers. The second category is made up of those who are actually mobile, providing a door-to-door service. Mobile food vending is labour-intensive and time consuming. The price per dish varies from 200 FCFA (0.4 USD) to 500 FCFA (1 USD). This economic activity is attractive to the poor because it requires little capital for business start-up. Urban agriculture is another major informal economic activity in Bamenda. People cultivate crops next to their houses, around office buildings and along the edge of roads. Urban farmers cultivate crops for household consumption and income generation. Women are the main players in this field and are usually assisted by other household members. Common crops cultivated include Irish Potatoes, beans, maize, yams, and vegetables.

#### **4. Data collection and methods**

Data for this study were collected through semi-structured interviews. Interviews were conducted with 38 individuals involved in diverse informal economic activities in Bamenda. In addition, we conducted interviews with an official from the Taxation Office in Bamenda and an official from the Bamenda City Council. Apart from the two officials mentioned above, the rest of the interviewees were chosen using a stratified random sampling. Bamenda is administratively divided into three subdivisions – Bamenda I, II, and III. Within these three subdivisions, we randomly selected individuals for this study. Observations were used to augment the interviews and thereby permit better understanding of the functioning of certain informal economic activities.

Data collection took place from January to May 2011. We personally conducted the interviews. To ease the data collection process, appointments were made with the

selected interviewees on periods most convenient for them to have the interview. The interviews had both quantitative and qualitative themes. The interviews covered demographic and socio-economic characteristics; livelihoods strategies; local government policy and their implications.

Our analysis is based on data from the above-mentioned 40 interviews. Data collected were coded and analysed quantitatively and qualitatively. We used descriptive statistics such as percentages, tables and frequencies to interpret data gathered.

## **5. Results and Analysis**

The analysis focused on two main aspects. The first deals with the socio-economic characteristics of respondents. The second analyses some informal economic activities of urban residents, including straddling the formal/informal divide and the role of the middle class in the informal economy.

## **6. Socio-economic characteristics of urban residents**

Table 2 presents the socio-economic characteristics of the urban residents interviewed. The aim was to determine the socio-economic standing of these residents. This is necessary because we cannot discuss their livelihood strategies without knowing their socio-economic background.

**Table 2: Socio-economic characteristics of respondents**

Characteristic	Number	Percentage
Gender of respondents		
Male	18	47.4
Female	20	52.6
Total	38	100
Age		
20<30	4	10.5
30<40	7	18.4
40<50	8	21.1
50<60	11	28.9
60>	8	21.1
Total	38	100
Level of education		
Primary	22	57.9
Secondary	10	26.3
High school	1	2.6
University	2	5.3
None	3	7.9
Total	38	100
Marital status		
Single	3	7.9
Married	32	84.2
Widowed	3	7.9
Total	38	100
Number of Children		
0<5	18	47.4
5<10	20	52.6
Total	38	100
Sources of income		
Non-farm	22	57.9
Agriculture/livestock	16	42.1
Total	38	100

Source: Author's Fieldwork, 2011.

Table 2 shows that women play an active role in the urban economy. That is, “the sector in urban areas that deals with work, production, demand, and supply of goods and services” (Obeng-Odoom, 2011b, p.385). They constitute 52.6 per cent of informal urban economy residents interviewed. Apart from their role in the urban economy, they also play an active part in the household economy. Their involvement in the ‘urban economy’ permits them to be better positioned to make significant contributions regarding production and consumption within the household.

As concerns age, majority of those interviewed (28.9 per cent) are between the ages of 50 to 60. The minority (10.5 per cent) are between the ages of 20 and 30. While 21.1 per cent of respondents fall under the 40 and 50 years age group, those in age band of 60 and above constitute 21.1 per cent as well. Finally, 18.4 per cent of our respondents are between the ages of 30 and 40. In our sample, all those respondents who fall under the 20 and 30 years age group are men who are single and without children. This reflects a growing trend in most African cities whereby men marry later

in life (Mensch B et al, 2005). Lack of financial security and high cost of living in cities are possible explanations.

A huge proportion of our respondents (57.9 per cent) have just primary education and 26.3 per cent have secondary level education. Just one person (2.6 per cent) received a high school education while 5.3 per cent indicated that they received university education. Finally, 7.9 per cent of our respondents do not have any formal education. It is argued that this generally low educational attainment increases the likelihood of low household income because such people get low paying jobs, usually in the informal economy. The level of education attained also affects a person's livelihood strategies. *Ceteris paribus*, the livelihood strategies of a person with lower educational attainment level is different from that of a person with higher educational status.

In this study we divided the sources of income into two categories: non-farm and agricultural activities as shown in Table 2. About forty-two per cent (42 per cent) of respondents get their income from agriculture and livestock while 57.9 per cent of respondents derive their income from non-farm activities. Agricultural/livestock income comes from the sale of crops (such as yams, Irish Potatoes, Sweet Potatoes, maize, vegetables, and beans) and livestock (goats, pigs, chickens). Some non-farm economic activities include motorbike taxi service, petty businesses, food vending and tailoring.

Most respondents (52.6 per cent) have between five and ten children. About forty-seven per cent (47 per cent) have less than five children. Domestic labour contributes to the growth of the informal market economy because reproduction and care in households ensure the production and productivity of the labour power that keeps the informal economy operating and growing (Kabeer, 2003). Domestic labour is of great importance especially in agriculture and other informal economic activities such as food vending. In the case of food vending, the input of the girl child is vital. Studies conducted in urban Cameroon (Fonchingong, 2005) and urban Zimbabwe (Muzvidziwa 2000) show the vital input of the girl child in support of women's informal economic activities.

There is a relationship between these socio-economic characteristics and livelihood strategies. Which are some of these livelihood strategies? How are they carried out and who are those involved? This is the thrust of the next section.

## **7. Livelihood strategies**

With these socio-economic characteristics of the respondents in mind, we shall analyse some of their livelihood strategies. Our analysis shall focus on two key areas: urban agriculture and the shipping container business activity.

### ***7.1. Urban agriculture***

Urban agriculture is one of the informal economic activities which generate income for urban residents. It constitutes part of the landscape in many African cities. Research on this topic has been carried out in many African cities (Eberhard, 1989; Gdadegesin, 1991; Maxwell, 1995; Mbiba, 1995; Mlozi, 1996; Page, 2002). In Cameroon, 70 per cent of the population depends on agricultural and pastoral activities for their livelihood (World Bank, 2011, p.3).

In our study, 42.1 per cent of respondents are involved in urban agriculture. Agriculture is seen as a major source of livelihood. It ensures food security at the level of the household and serves as a source of income through the sale of crops. Those involved in agriculture are divided into two categories: the first cultivate crops

on private land while the second farm on public land. Ninety five per cent of our respondents belonged to the first group. Observations and discussions with respondents revealed that belonging to these categories also had to do with class. The poorest who do not have sufficient private land cultivate crops on public land while the not-so-poor usually rent a piece of land. This distinction has got several implications. Those who cultivate on public land do not farm on a continuous basis. This is because farming is done on a piece of land they have no claim on, therefore it can be stopped at any time by the authorities. Farming on a continuous basis in such areas relies on the discretion of the relevant authorities. In most cases, only seasonal crops (maize, beans and Irish Potatoes) are planted, reflecting the uncertain environment. Also, the farm sizes are smaller. On the other hand, those who cultivate crops on private land have relatively larger farm sizes and do so on a continuous basis as captured in the statement of this respondent:

We plant cassava among the yellow yams; then when we harvest the yellow yams the cassava remains. So we can't lack cassava, we harvest the cassava, sell it and pay our njangi<sup>iii</sup>. When we finish harvesting the Yellow Yams, we plant Sweet Yams in the farm. In one farm we have Irish Potatoes, Yellow Yams, Sweet Yams and cassava, even Sweet Potatoes. So in a week, you decide what you will harvest from that farm to sell. Then you know that this week I have to harvest Yellow Yams, next week I harvest Sweet Yams. So you decide how to manage it. Then within the week, I can harvest cassava, sell it and buy salt, oil for my household.

Because farming is done on private land, such people are able to cultivate a variety of crops. This is not the case with those who farm on public land. Cultivating a variety of crops on a continuous basis not only increases income generated but also ensures a regular flow of income from this source. In the end, the poorest generate lesser income when compared with the not-so-poor.

Among those involved in urban agriculture, 43.7 per cent are males while 56.3 per cent are females. This shows that agriculture is dominated by women. More women are involved because they are the main providers of food in the household. Also, women prefer farming because the work pattern is flexible and demands less capital. This flexibility enables them to perform other household activities. Fifty per cent of those involved in food production are also involved in livestock rearing. By so doing, they diversify their sources of income. The respondents also mentioned that it was a way of spreading risk. If there is a bad harvest then they can generate income from livestock.

All those involved in urban agriculture are either married or widowed. On average, they are 52 years of age. The fact that those who are single and fall under the 20 and 35 years age group are not engaged in urban agriculture is revealing. It suggests that respondents, those who fall under this age group consider urban agriculture as 'traditional' and not 'urban'. Second, those who are single in this study do not have children to take care of whereas those who are engaged in urban agriculture all have children. The average number of children per household is four. Having more people to feed constrains the married and widowed to be involved in agriculture in order to reduce household expenditure on food.

Urban agriculture as a form of livelihood sometimes causes tension between urban residents and city authorities – in our case the Bamenda City Council. This conflict is caused by the fact that people also cultivate crops by the edge of roads and around public offices. Here the quest by urban residents for survival runs into conflict with the desire of 'order' by the city council. Urban residents use a discourse of livelihood, the city council authorities claim urban agriculture makes cities dirty and untidy. A press release in 2009 banned urban agriculture, especially along major

streets, encouraging city dwellers to plant flowers and ornamental trees instead. Planting flowers and ornamental trees makes the city look beautiful and ‘modern’, but it does not put food on the table for the urban poor who depend on urban agriculture as a source of livelihood. In view of the vital role of urban agriculture, the city council authorities have resorted not to outrightly ban such activities. A compromise has been to allow people to continue with urban agriculture but not along the edge of roads, in front of public offices and along major streets. Compromise remains the best option since “there seems to be no possibility of halting urban cultivation, given its economic value to urban residents” (Mbiba, 1994, p.200). Therefore the city council authorities have to continue controlling this economic activity as well as making compromises where possible.

Urban agriculture is not the only informal economic activity which runs into conflict with the interest of city council authorities. The shipping container business is another informal economic activity which causes tension between both parties.

### ***7.2. The shipping container business***

Generally, a shipping container is known for its transportation and holding capacity but in Bamenda, it is renowned for its business potential. Bamenda has become a ‘city of shipping containers’ because of the influx of these containers into the city. These containers were transformed and used for various economic activities such as off licenses, restaurants, grocery shops, cyber cafes, computer services centres, and hair salons. According to a city council official, there were more than 700 containers in the city. Unlike other informal economic activities, the main players in this business area were middle class residents.

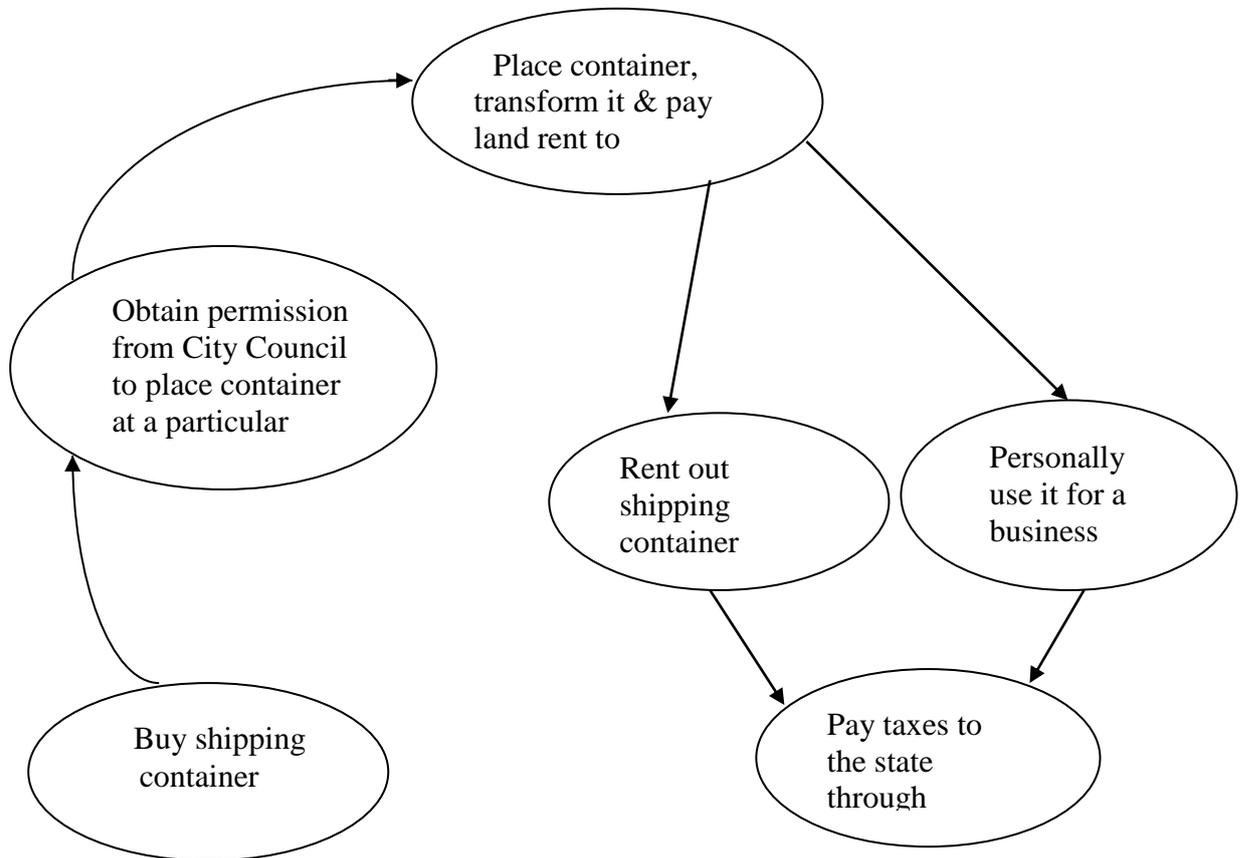
The middle class as used in this study refers to individuals with per capita consumption levels of \$4-\$20 per day. Those who fall within this range are divided into two categories: the ‘lower-middle’ class with per capita consumption levels of \$4-\$10 per day and the ‘upper-middle class’ with per capita consumption levels of \$10-\$20 per day (African Development Bank, 2011). In Cameroon, the ‘lower-middle’ class accounts for 8.6 per cent of the total population while the ‘upper-middle’ class accounts for 7.5 per cent (African Development Bank, 2011, p.23). In terms of residence, middle class households tend to reside in bigger and more permanent houses equipped with modern amenities. As concerns asset ownership, this class is typically associated with the widespread ownership of major durable goods such refrigerators and automobile. They are better educated, have salaried jobs or have small businesses, have smaller family sizes and are more geographically concentrated in urban areas or along the coasts (African Development Bank, 2011). All those (5.3 per cent) involved in the shipping container business in our study have a university education.

Rapid urbanization in Bamenda has led to a shortage of business premises to be used for business activities. People migrated from the rural areas to the city in order to ‘urbanize’ their way out of poverty. The middle class saw this shortage as an opportunity to start an informal economic activity – buying shipping containers and transforming them into business premises. Those involved in this activity were civil servants and private sector workers. This is not surprising considering the huge capital required to start this economic activity. The middle class was well positioned to play an important role in this area because they could easily have access to credit which could be used to finance this business activity. According to a city council official, a person needed between 2.5 million (5,154 USD) and 3 million FCFA (6,184 USD) as

start-up capital. This amount includes the cost of buying the container, roofing, flooring, partitioning it inside as well as making the metal doors and windows.

The functioning of this business activity as shown on Figure 1 is a good illustration of straddling the divide between formality and informality, the involvement of the lower and middle class and the government.

**Figure 1: Functioning of the shipping container business**



Why did the middle class straddle between the formal and informal economy? Apart from the shortage of business premises, other factors led to an increase in demand for shipping containers. One of such factors had to do with security. Shipping containers are more secure because they are made of metal. Those operating their businesses in these containers did not have to worry about robbery at night. This meant reduced cost as there was no need to recruit a night guard.

This increase in demand made this economic activity profitable for the middle class. Once a container was partitioned, a container owner could charge rent between 30,000 FCFA (62 USD) to 40,000 FCFA (82 USD) per room on a monthly basis, depending on the location of the container. Assuming that a container is partitioned into two rooms, each requiring 30,000 FCFA (62 USD) as rent per month. The owner gets 60,000 FCFA (124 USD) as rent on a monthly basis and 720,000 FCFA (1,484 USD) yearly. Most of these containers were rented by the lower class since their little financial resources does not permit them to buy one. Therefore, they played an important role as clients to the middle class. In fact, without them there would not have been an increase in demand for shipping containers. The middle class raised capital from their formal jobs which were then used for the informal shipping container business. This highlights the interdependence between the formal and informal economy. Thus straddling the formal/informal divide was necessary because it encouraged accumulation. It also gave the middle class the opportunity to diversify their sources of income.

This booming informal economic activity was not to last for long as the newly appointed Government Delegate to the Bamenda City Council took a decision to take off all shipping containers in the city as part of his “keep Bamenda clean” project. According to press release No. BCC 1042/RA/GS/ VOL .1/5 of April 16, 2009, container owners were given until October 12, 2009 (later extended to January 16, 2010) to remove their containers or else it will be removed by the city council. It is paradoxical because these container owners had received permission to use the containers from the same city council (as illustrated on Figure 1) which later ordered them to be removed. The removal of these containers by the city council actually started immediately after this deadline. In our case, a policy is usually scrapped especially if it affects the influential segment of the population due to their ‘power’. In this case, the influential middle-class, backed by support from the lower-class was unable to stop the execution of this policy. There are some possible explanations to why this policy was executed irrespective of massive opposition to it from different segments of the population. The Government Delegate to the Bamenda City Council was appointed by the head of state, thus he is not directly accountable to the population who if given the opportunity, would have sanctioned him through the ballot box. Some city councillors were opposed to the policy because it was against the interest of their constituency. Another possible reason for its execution was the forthcoming visit of the head of state to the city later that same year. Hence the city had to be ‘cleaned’ and secured. According to a city council official, these shipping containers posed a security risk. Therefore, it was the right time to kick off the long term plan of transforming Bamenda into a modern city.

Different groups felt the impact of this policy in different ways. These groups include: the central government, local government (city council), container owners and container renters. The policy had an impact on the central government through the loss of revenue from taxes. This policy led to the closure of several business activities, some of which actually paid taxes to the central government through the Taxation Office in Bamenda. A respondent who was using a shipping container to operate her

baby care business was paying an annual tax of 40,000 FCFA (82 USD) to the central government. The city council got revenue especially from owners of shipping containers located around the Municipal Stadium. However, because of the policy, the council lost some revenue.

The next group affected by this policy was landowners who rented out land to the owners of shipping containers. The container owners in our sample paid between 10,000 FCFA (21 USD) and 15,000 FCFA (31 USD) as monthly rent to landowners. The policy led to a loss in this income for the landowners. It is worth noting that some landowners had about five shipping containers on their land, so assuming that each container owner paid rent worth 15,000 FCFA (31 USD) per month, the landowners lost a total yearly income of 900,000 FCFA (1,855 USD). This loss in income paradoxically had a positive element because it pushed the landowners to build better business premises. We noticed the construction of business premises throughout the city, most of them being not less than three-storey high. This means that in the long run, landowners will experience an increase in income from rent.

The fourth group affected by the policy to remove shipping containers from the city was the owners of these containers. They constituted the core of this business activity, therefore were seriously affected. The immediate effect was a reduction in their total household income. Because of their middle class status, they had alternative sources of income. That is, the policy of eviction meant a reduction in income instead of a lack of any source of income. For instance, one of our respondents owned a shipping container while her husband was managing an enterprise which supplies equipments to medical laboratories. This decrease in total household income was also accompanied by a loss of financial autonomy since she had to depend on her husband. Furthermore, owners of shipping containers who took loans to buy and transform containers had to use income earned from other sources to continue their loan repayment.<sup>iv</sup> Some owners moved their containers to neighbouring municipalities such as Tubah and Bafut so as to continue earning some income. However, income generated there was lower when compared with that in the city. The loss of income caused some of them previously classified as belonging to the 'upper-middle' class to be relegated to the 'lower-middle' class.

Unlike the container owners, a significant proportion of those who rented these shipping containers for their business activities were the poor – the lower class. For some, this was their only income generating activity. According to an official at the city council, such people have returned to their respective villages. It is worth mentioning that this region already had an underemployment rate of 69.7 per cent among males and 81.9 per cent among the female population (National Institute of Statistics, 2010, p.7)<sup>v</sup>. So this policy has worsened the precarious condition of many households. The loss of the sole source of income means that households have to adjust expenditures. The immediate effect is a change in consumption and dietary patterns whereby households have to opt for cheaper and less nutritious substitutes (Moser, 1996). This, in turn, exposes children to numerous diseases; diseases whose treatment further erodes the little income. Once such vulnerable people have exhausted the little income available, they start to borrow from friends, relatives and informal credit groups. Later, they become unable to repay money borrowed because they do not have any income generating activity. The end product is over-indebtedness.

The policy of the city council also had general implications. The removal of over 700 shipping containers from the city led to an acute shortage of business premises. This was because business premises had not been constructed to accommodate those

who had been evicted. Construction of business premises by landowners effectively started after the removal of shipping containers. Thus, it will take some time before things return to the pre eviction state. The inability to get new business premises partly explains why some people returned to their villages. Also the removal of containers is likely to increase the number of unemployed people. High urban unemployment might lead to an increase in criminality. On a more positive note, this policy has created the opportunity to press the urban development reset button. This is an opportunity for the city council to develop a more efficient and inclusive sustainable city that fulfills the promise of development for the residents of Bamenda.

## **8. Conclusion**

The informal economy as a concept has evolved ever since it was first coined in the 1970s. Its growth and persistence has proved that it is not a minor phenomenon. Some refer to it as the 'informal sector' while others term it as the informal economy. To the former, it is a sector made up of unregistered businesses involved in the production of legal goods and services whose income is unreported. The latter argue that informality is not restricted to a single sector of economic activity. To those in this group, the formal and informal are dynamically linked to constitute a continuum of economic relations. Yet, the widely held view is that the informal economy plays an important role in job creation. In addition, people are also involved in multiple modes of livelihoods which permit them to have several income streams. In looking at livelihood strategies, few studies focus on the role of class and policy in the informal economy, which explain why we carried out this study in Cameroon.

Our study shows that urban agriculture remains an important livelihood strategy for residents in the city. Those involved are from the lower class. Within this class, there are those who cannot afford to rent a piece of land to cultivate so they farm illegally on public land. Others rent a piece of land and cultivate a variety of crops. Those in the first group cultivate mainly for household consumption because of the small farm size while farmers who rent private land cultivate crops both for household consumption and the generation of income. However income generated is still used for consumption smoothing within the household. The policy of the city council has not been in favour of urban agriculture but considering its economic value to the city residents, the local authorities have resorted to making a compromise. This means the continuation of urban agriculture but not along the edge of roads, in front of public offices and along major streets.

Unlike urban agriculture, those in the middle class are involved in the shipping container business. Our study shows that the middle class became involved in this informal economic activity because it gave them the opportunity to diversify their sources of income as well as accumulate capital. The middle class provided capital for business start-up while the lower class made the business flourish through their diverse informal economic activities. But this informal economic activity flourished as a result of the capricious attitude of the city council. These findings show that sometimes informal economic activities flourish as a result of favourable or tolerant local/national policies. This informal economic activity came to an end in Bamenda when the local government adopted another policy aimed at removing these shipping containers from the city. Our study shows that different segments of the population were affected in different ways as a result of the policy to end this informal activity. Unlike in other interventions, the middle class was seriously affected because those individuals who owned shipping containers belonged to this class.

These findings show that the informal economy is not the preserve of those at the bottom of the pyramid. Formality and informality are not mutually exclusive – we have a scenario of a ‘spaghetti bowl’ where formality, informality, class and policy are intertwined.

### **Acknowledgement**

The author is grateful to the editor and reviewers of *African Review of Economics and Finance* for their helpful comments on an earlier version of this paper.

### **Notes**

1. Formal jobs have the following characteristics: they are regulated and protected by existing legal frameworks; pay taxes; and there is the existence of explicit contracts between employers and employees.
2. The exchange rate used throughout this paper is 1 USD = 485 FCFA.
3. ‘Njangi’ is the local name for informal savings and credit groups. These groups are very common in urban and rural Cameroon.
4. Commercial banks and other financial institutions benefited from the policy to remove shipping containers from the city. This is because landowners had to take loans so as to construct permanent business premises.
5. Underemployment as used by Cameroon’s National Institute of Statistics (2011) concerns workers whose remuneration is lower than the minimum monthly wage of 28,500 FCFA (57 USD), assuming that the person works 40 hours per week.

### **References**

- African Development Bank. (2011). ‘The Middle of the Pyramid: Dynamics of the Middle Class in Africa’, Market Brief April 20, AfBD: Tunisia.
- Breman J. (1976). ‘A Dualistic Labour System? A Critique of the ‘Informal Sector’ Concept’, *Economic and Political Weekly*, Vol 11, no. 48, pp. 1870-1876.
- Chen M. (2007). ‘Rethinking the Informal Economy: Linkages with the Formal Economy and the Formal Regulatory Environment’, DESA Working Paper No. 46
- De Soto H. (1989). *The other path: The invisible revolution in the Third World*, Harper and Row, New York.
- Eberhard R. (1989). *Urban agriculture: the potential in Cape Town: the economies of small vegetable gardens in Cape Town*. Working Paper 89/E3, Town Planning Branch, City of Cape Town.
- Fonchingong C. (2005) ‘Negotiating livelihoods beyond Beijing: The burden of women food vendors in the informal economy of Limbe, Cameroon’, *International Social Science Journal*, Vol 57, no. 184, pp.243-253.
- Gbadegehin A. (1991). ‘Farming in the urban environment of a developing nation – a case study from Ibadan metropolis in Nigeria’, *Environmentalist* Vol. 11, no. 2, pp.105- 111.
- Geschiere P and Konnings P. (eds). (1989). *The Political Economy of Cameroon – Historical Perspectives*, Conference Proceedings, African Studies Centre, Lieden.
- Gerry C. (1987). ‘Developing economies and the informal sector in historical perspective’, *Annals of the American Academy of Political and Social Science*, Vol. 493, pp.100-119.

- Grown C and Sebstad J. (1989). 'Introduction. Towards a wider perspective on women's employment', *World Development*, Vol. 17, no. 7, pp.937-952.
- Guha-Khasnobis B, Kanbur R, Ostrom E (eds). (2005). *Linking the Formal and Informal Economy: Concepts and Policies*, Oxford University Press, Oxford.
- Hart K. (1973). 'Informal Income Opportunities and Urban Employment in Ghana', *Journal of Modern African Studies*, Vol. 11, no.1, pp. 61-89.
- Hart K. (2010). *Informal Economy*. In: Hart K; Laville, J-L; Cattani, A (eds), *The Human Economy: A Citizen's Guide*, Polity Press: Cambridge, pp 142-155.
- International Labour Organisation. (1972). *Employment, incomes and equality: A strategy for increasing productive employment in Kenya*, ILO: Geneva.
- Kabeer N. (2003). *Gender mainstreaming in poverty eradication and the millennium development goals*, Commonwealth Secretariat: London.
- Kaseke E. (1998). 'Structural adjustment programmes and the problem of urban poverty: An African perspective', *International Social Work*, Vol. 41, no. 3, pp.311-20.
- Konings P. (2006). 'Solving transportation problems in African Cities: Innovative responses by the youth in Douala, Cameroon', *Africa Today*, Vol. 53, no. 1, pp.35-50.
- Lewis, W. Arthur (1954). 'Economic Development with Unlimited Supplies of Labor', *Manchester School of Economic and Social Studies*, Vol. 22, pp. 139-91.
- Lourenço-Lindell I. (2004). 'Trade and the politics of informalization in Guinea-Bissau'. In: Hansen, K and Vaa, M (eds) *Reconsidering informality: Perspectives from urban Africa*, Nordiska Afrikainstitutet: Uppsala.
- Maxwell D. (1995). 'Alternative Food Security Strategy: a household analysis of Urban Agriculture in Kampala', *World Development*, Vol. 23, no. 10, pp. 1669-1681.
- Mbiba B. (1995). 'Classification and description of urban agriculture in Harare', *Development Southern Africa*, Vol. 12, no. 1, pp. 75-86.
- Mbiba B. (1994). 'Institutional responses to uncontrolled urban cultivation in Harare: prohibitive or accommodative?', *Environment and Urbanization*, Vol 6, no. 1, pp.188-202.s
- Mensch B, Singh S and Casterline J. (2005). Trends in the timing of first marriage among men and women in the developing world. In: *The Changing Transitions to Adulthood in Developing Countries: Selected Studies*, National Academies Press: Washington, DC, pp.118-171.
- Mlozi M. (1996). 'Urban Agriculture in Dar-es-Salaam: its contribution in solving the economic crisis and the damage it does to the environment', *Development Southern Africa*, Vol. 13, no. 1, pp.47-65.
- Moser C. (1996). 'Confronting crisis: a comparative study of household responses to poverty and vulnerability in four poor urban communities', *Environmentally Sustainable Development Studies and Monographs Series No 8*, Washington D.C.: World Bank.
- Mustapha A. (1992). 'Structural adjustment and multiple modes of social livelihood in Nigeria'. In: Gibbon P; Bangura, Y and Ofstad, A (eds), *Authoritarianism democracy and adjustment: The politics of economic reform in reform in Africa*. Seminar Proceedings no.26, 188-216, Nordiska Afrikainstitutet: Uppsala.

- Musyoki A and Orodho J. (1993). 'Urban workers in the informal sector and economic change in Kenya in the 1980s'. In: Gibbon P (ed), *Social change and economic Africa*, 106–33, Nordiska Afrikainstitutet: Uppsala.
- Muzvidziwa V. (2000). 'Food vending: Adaptation under difficult circumstances', *Journal of Social Development in Africa*, Vol 15, no. 2, pp.69–91.
- National Institute of Statistics. (2011). *Youths and labour market in Cameroon in 2010*, NIS: Yaounde.
- National Institute of Statistics. (2010). *Statistical Yearbook*, NIS: Yaounde.
- Ngnikam E, Rousseaux P, Tanawa E. and Gourdon R. (2002). 'Multicriteria analysis for environmental assessment of solid waste management systems in tropical african cities : Case study of Yaoundé, Cameroon', *Journal of decision systems*, Vol 11, no. 3, pp.479 – 498.
- Niger-Thomas M. (2000). 'Buying Futures'. *The Upsurge of Female Entrepreneurship Crossing the Formal/Informal Divide in South West Cameroon*, Leiden: University of Leiden, Research School CNWS.
- Njoh A. (2011). 'Citizens participation and sustainability: Lessons from Cameroon', *Development*, Vol. 54, no.3, pp.376-383.
- Nyambod E. (2010). 'Environmental Consequences of Rapid Urbanisation: Bamenda City, Cameroon', *Journal of Environmental Protection*, Vol. 1, pp.15-23.
- Obeng-Odoom F. (2011a). 'The informal sector in Ghana under siege', *Journal of Developing Societies*, Vol.27, no.3, pp.355-392. Obeng-Odoom F. (2011b). 'Developing Accra for all? The story behind Africa's largest millennium city', *Development*, Vol. 54, no.3, pp.384-392.
- Owusu F. (2007). 'Conceptualizing Livelihood Strategies in African Cities: Planning and Development Implications of Multiple Livelihood Strategies', *Journal of Planning Education and Research*, Vol. 26, pp. 450-465.
- Page B. (2002). 'Urban agriculture in Cameroon: an anti-politics machine in the making?' *Geoforum*, Vol. 33, pp. 41-54.
- Page B. (2003). 'Communities as the agents of commodification: The Kumbo Water Authority in the Northwest Cameroon', *Geoforum*, Vol. 34, pp. 483-498.
- Portes A, Castells M, and Benton L (eds). (1989). *The Informal Economy: Studies in Advanced and Less Developed Countries*, John Hopkins University Press, Baltimore, MD.
- Potts D. (2007). 'The State and the Informal in Sub-Saharan African Urban Economies: Revisiting debates on dualism', *Crisis States Working Paper Series*, no. 2, London School of Economics and Political Science.
- Riddell B. (1992). 'Things Fall Apart Again: Structural Adjustment Programmes in Sub-Saharan Africa', *The Journal of Modern African Studies*, Vol 30, no. 1, pp. 53-68.
- Rogerson C. (1997). *Globalization or informalization? African urban economies in the 1990s*. In: Rakodi C. (ed), *The Urban Challenge in Africa: Growth and management of its large cities*, United Nations University Press, Tokyo.
- Sandbrook R and Arn J. (1977). 'The Labouring Poor and Urban Class Formation: The case of Greater Accra', *Centre for Developing Area Studies*, McGill.
- Schneider, F. (2002). 'Size and Measurement of the Informal Economy in 110 Economies Around the World,' *Discussion Paper, Monitoring, Analysis and Policy Unit, Private Sector Vice-Presidency, The World Bank, Washington, D.C.*
- Servet J-M. (2006). *Banquiers aux pieds nus : La microfinance*, Odile Jacob, Paris.

- Servet J-M. (1995). Epargne et liens sociaux. Etudes comparées d'informalités financiers, AEF/AUPELF-UREF, Paris.
- UN-HABITAT. (2011). Cameroon: Country profil, UN-HABITAT, Nairobi.
- UN-HABITAT. (2008). State of African cities 2008: A framework for addressing urban challenges in Africa, UN-HABITAT, Nairobi.
- UN-HABITAT. (2006). Innovative policies for the urban informal economy, UN-HABITAT, Nairobi.
- Van de Walle N. (1990). The politics of non-reform in Cameroon. In: African Governance in the 1990s Objectives, Resources and Constraints, The Carter Center of Emory University, Atlanta, Georgia, pp. 53-80.
- World Bank. (2011). Time For The Lion to Wake Up? An Economic Update on Cameroon, World Bank, Washington, DC.
- World Bank. 2002. Upgrading of Low Income Settlements. Country Assessment Report, World Bank, Washington, DC.