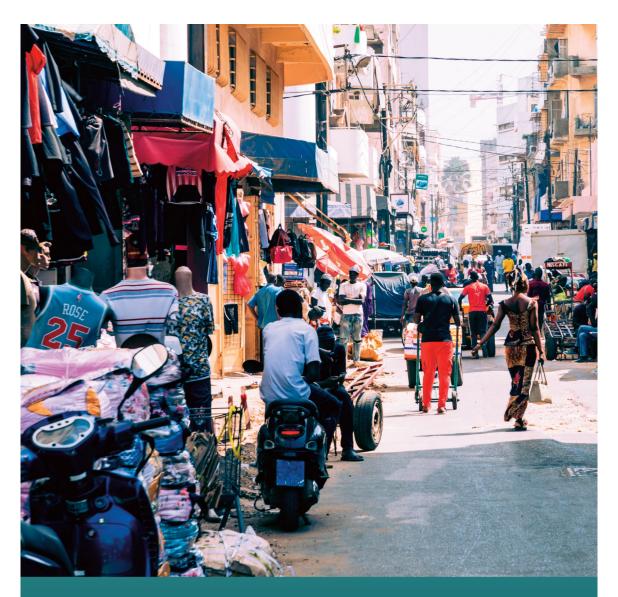
Table of Contents

Figures, tables, and appendices		vii
List of contributors		XV
List of acronyms		xvii
Foreword Arjan de Haan		xix
Preface		xxiii
Chapter 1	Overview and Summary Ahmadou Aly Mbaye, Stephen S. Golub, and Fatou Gueye	1
Part I	Comparative Analysis of the Informal Sector in Francophone Africa and Elsewhere: Measurement, Causes, and Effects	
Chapter 2	Conceptualizing the Informal Sector: Analysis and Application to Francophone Africa Ahmadou Aly Mbaye and Fatou Gueye	21
Chapter 3	Informal Sector Value Chains: Evidence from Case Studies Ahmadou Aly Mbaye, Stephen S. Golub, Fatou Gueye, Yves Momo Ngapgho, and Dominique Sébastienne Salla	43
Chapter 4	The Informal Sector in Francophone Africa: Dominant Characteristics, Scope, and Trends from Our Survey Data Jean-Jacques Ekomié, Fatou Gueye, Dominique Haughton, Ahmadou Aly Mbaye, and Ibrahima Tall	79

Chapter 5	Characteristics and Consequences of Informality: African Firms in Comparative Perspective Dominique Haughton, Jonathan Haughton, and Ahmadou Aly Mbaye	103
Chapter 6	The Failure of Structural Transformation in Francophone Africa and the Rise of the Informal Sector Nancy Claire Benjamin and Ahmadou Aly Mbaye	137
Chapter 7	The Role of Labour Market Regulation in Deterring Formal Employment, with a Focus on Senegal Stephen S. Golub, Ahmadou Aly Mbaye, and Hanyu Chwe	159
Chapter 8	What Policies Can Support Small Informal Businesses in Africa? Ahmadou Aly Mbaye, Félix Zogning, and Fatou Gueye	189
Part II	The Informal Sector in Central Africa, with a Focus on Cameroon	
Chapter 9	The Informal Sector in Cameroon: Practices and Productivity Nancy Claire Benjamin, Fatou Gueye, Dominique Haughton, Ahmadou Aly Mbaye, Romain Tchakouté, and Joël Maturin Tinga Yepdo	209
Chapter 10	Cameroon's Informal Cross-Border Trade Stephen S. Golub and Georges Kobou	233
Chapter 11	Road Infrastructure, Corruption, and Cross-Border Trade: The Case of the Mamfe-Ekok Road Linking Cameroon and Nigeria Stephen S. Golub, Ahmadou Aly Mbaye, Dominique Sébastienne Salla, and Marina Tsikouras	269
Chapter 12	Gender and the Labour Market in Cameroon Jacques Charmes and Rosalie Njonkam	285
Index		311



Formal and Informal Enterprises in Francophone Africa

Moving Toward a Vibrant Private Sector

Edited by Ahmadou Aly Mbaye, Stephen S. Golub, and Fatou Gueye

hile the duality of African economies is well recognized in economic literature, only a few comprehensive studies have examined the formal and informal economies using the same instruments. The research presented in this book uses a unique dataset carefully collected on both formal and informal firms, and an analytical approach based on a continuum of formality/informality characteristics, to analyze both private entrepreneurship and employment. Focusing on Francophone Africa, with particular emphasis on Benin, Burkina Faso, Cameroon, Gabon, and Senegal, the book also includes comparisons with other countries in Africa and in developing regions. The formal economy is shaped by institutions largely determined by their French colonial legacy, reflected in traits such as stringent labour market regulation. This, coupled with weak governance and high factor costs, prevents firms from growing and, thereby, incentivizes informality. Meanwhile, the informal sector is the major source of income and employment, typically accounting for about half of aggregate output and 90 percent of employment. Informal firms embody traditional economic practices, nurtured by deeply entrenched customs and wellestablished kinship networks, often spanning national borders. The book sheds light on some important and previously understudied aspects of the sector, using case studies, surveys and original data, and interviews. It also makes well targeted policy recommendations, taking into account firm heterogeneity and differentiated responses to various policy stimuli.

This book is recommended for undergraduate and graduate students studying economic development in Africa, and economics researchers at universities and think tanks.

About the editors

Ahmadou Aly Mbaye is a Professor of Economics, and former Dean of the Faculty of Economics and Management, at the University Cheikh Anta Diop (UCAD). Stephen S. Golub is Franklin and Betty Barr Professor of Economics at Swarthmore College. Fatou Gueye is an Associate Professor of Economics at UCAD.

This book makes a novel and significant contribution to the understanding of informality in Africa. It generates a unique dataset on the wide spectrum of formal/informal firms to understand how the two sets of firms cooperate or compete in various value chains and how this interaction shapes jobs and productivity. It also explores the barriers to firm growth and recommends compelling policy options to address them.

— Brahima Coulibaly, Vice President of Global Economy and Development, Brookings Institution

This book is an important contribution to the economic literature on the informal economy. It provides a nice peek inside the black box of the informal firms in Francophone Africa and their complex interactions with formal firms. It spotlights 'large' informal firms thriving in a weak institutional and governance environment, especially in resource-rich countries. A must read for every policymaker, specialist, and student of development worldwide.

— Albert G. Zeufack, Chief Economist for Africa, The World Bank





