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## INFORMAL URBAN ECONOMY IN THE LAKE CHAD BASIN

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The Lake Chad basin is a turning point between Cameroon, Chad, Niger and Nigeria. In this region of precolonial trade and migrations, N'Djamena the Chadian capital is the major town. The informal sector or the sector of small urban activities little or not at all controlled by State, as far as the Cameroon section of this basin is concerned, seems to have specific characteristics. Contrary to the rest of the country where it is carried out by natives and developed to meet the local consumption, here it is extroverted not only by the origin of its human resources, but also by the destination of its services. It is also basically made up of commercial activities and concerns less products of local microenterprises than imported goods. The reasons, implications and prospects of this unusual situation are examined in this paper.

Key Words: Informal Sector, Lake Chad Basin, Cameroon Section, Extroversion.

Many studies have been carried out on the informal sector related both to its definition and to its delimitation criteria. We will not come again across these general features here. The development of this sector is growing in importance in Africa as population increases and as the standard of living deteriorates. This importance can be observed not only through the number of inhabitants involved in it but also through the amount of services rendered to a growing population. In general this sector is more developed in big towns than in small.

The Lake Chad basin stretches on four countries and comprises the far north of Cameroon, the west of Chad, the south east of Niger and the north east of Nigeria (Figure 1). In this region, N'Djamena appears as the biggest city. The other localities are of modest size. Towns of this region share not only the exploitation of the Lake Chad resources - mostly fish - they belong to the same borderland and, last but not least, their informal sector seems to have specific characteristics. What are they? Why is it so? What could be their implications on the regional economy and their prospective? Before analysing these characteristics, the context has to be presented.

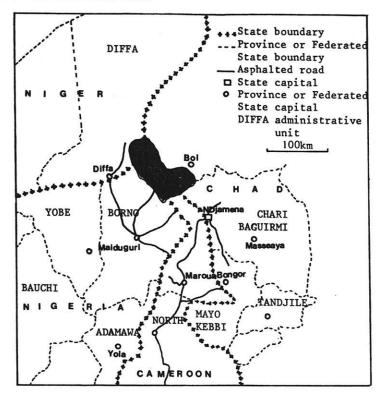
#### 1. Towns of the Lake Chad Basin

During the precolonial time the Lake Chad basin as terminus of two Saharan routes namely Tripoli-Njimi and Cairo-Njimi was very often visited by Arabs and Berbers in search for gold and slaves. It was also a region of high population migration following the rise and fall of several Sudanese empires.

Nowadays the region is a turning point between Cameroon, Chad, Niger and Nigeria. It is therefore a transnational zone in which populations and goods from different countries get across each other (SIMEU 1994a). In this region of precolonial trade and migrations, N'djamena the Chadian capital is the major town. With a little

more than 300 000 inhabitants, it has for many years suffered from a civil war. During that time trade was the only activity in the whole country which appeared deeply dependent on Nigeria for its manufactured goods, its oil and building materials. The present economic crisis does not seem to facilitate a guick recovery.

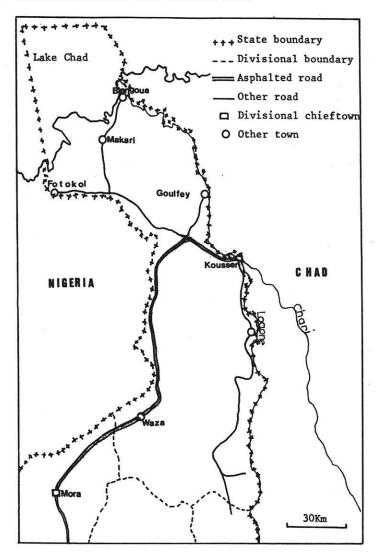




Apart from N'Djamena, other towns are of less importance. As far as the Cameroon section of the Lake Chad basin which coincides with the Logone-et-Chari division is concerned, Kousseri appears with its 53 173 inhabitants (1987), as the most important town. Though located some 1600 km from Douala the Cameroonian main port, it is at the same time well linked to the rest of the country by a good communication infrastructure and geographically very close to N'Djamena. Situated along the Logone river, it faces the Chadian capital across the river at 200-500 m. Like in N'Djamena, urban activities here have been greatly disturbed by the Chadian civil war. Other towns of the Logone-et-Chari division are of less importance. Their economy is very close to that of rural centres. However they singularise themselves by their specific locations (Figure 2). Blangoua and Makary with respectively 8671 and 5228 inhabitants in 1987 are very close to Chad, Niger and Nigeria. Fotokol (6401 inhabitants) is near to Nigeria whereas Goulfey and Logone-Birni (4955 and

5529 inhabitants respectively) are close to Chad. Consequently they are populated both by Cameroonians as well as by people from neighbour countries. So if towns in this section of the Lake Chad basin remain different as far as population size, urban and commercial equipment and administrative status are concerned, they share the same particular location - close to a neighbour country - and therefore have their economy greatly influenced by the outside world. With the present market integration they stand as satellites for the Nigerian economic pole (Egg and IGUE 1993).

Figure 2 Cameroon Section of the Lake Chad Basin



## Characteristics of the urban informal sector in the Cameroon section of the Lake Chad basin

#### 2.1 Structure of the urban informal sector

Productions and services proposed by the informal sector are generally extremely diversified. Three main branches are easily distinguishable. They are handicraft production, trade activities and services activities.

Exception made to tourist towns like Maroua, the main town of the Far-North province, where handicraft tends to be an important branch of the informal sector, in other towns, it is generally marginalized. In these towns like in many others all over sub-Saharan Africa, trade and services are the dominating activities (SCHNEIDER 1993). Figures drawn from KENGNE (1991), show the following structure of small road activities in Yaoundé:

- handicraft production: 13,7%

trade: 59,8 %services: 26,5 %

In Maroua the proportion of persons involved in handicraft activities should probably be higher than that of Yaounde. Whereas the dominance of trade and services tends to be typical of the informal sector in general, the Kousseri small activities are based mainly on trade. Very few handicraft activities are carried out here. Repair work and other services like hair dressing, shoe polish or nails cutting are also limited.

In a recent investigation on the local private sector in Kousseri (SIMEU 1994b), the general structure of population activities was:

- informal commercial activities: 31,5 %

- agriculture: 35 %

- small activities: 12,5 %

- other formal activities: 21 %

What is important to notice is that even at the general level of the town's activities, trade is still important. Small trade here is based mainly on imported goods (pharmaceutic products, cosmetics, etc.), oil products and building materials. It is also based on agricultural products such as tomatoes, vegetables grown up in winter, yams, fruits and on fish.

In the other towns of the Logone-et-Chari division, the structure of the informal sector is slightly different from the one of Kousseri. Although trade is still the dominating activity, there are more agricultural and agro-pastoral products on the market than manufactured goods. These are cereals, goat, sheep, fish, gum, firewood and date palm nuts. Products of local microenterprises such as smithy and basketwork are more present here. This is probably the result of a greater influence of the rural environment (SIMEU 1993). Because producers and consumers are almost the same, the volume of exchanges in these towns is relatively low.

## 2.2 The origin of workers

The informal sector or the sector of small urban activities little or not at all controlled by the State (DE MIRAS 1987), is in general, mostly carried out by natives or by immigrants from surrounding rural environment. This can be verified through many examples. In 1976-1977, 98,2 % of town dwellers involved in handicraft originated from Maroua and surrounding regions (MAINET and PABA SALE 1982). In Garoua, we emphasised on the fact that people involved in the informal sector in 1982 were recruited inside the town among the marginalized population made up of new or old immigrants from the entire northern province, that is the present North, Far-North and Adamaoua provinces; whereas some directly come from their native villages (Mandara mountains, Diamaré or Adamaoua), other transited through a small town before (SIMEU 1985, 1989). In another study in Yaoundé (KENGNE 1991), origins of workers involved in the informal sector were:

- Yaoundé and surrounding regions' ethnic groups: 31 %

Bamiléké: 50,4 %

- Ethnic groups of the rest of Cameroon: 11 %

- Foreigners: 7,5 %

Here Bamiléké come first. In fact, although originated some 260 km far away from Yaoundé, the country's capital city it has to be pointed out that people of this ethnic group represent almost half of the city total population. They also have completely monopolised the entire trade system in the capital. These examples contrast violently with the situation prevailing in the Cameroon section of the Lake Chad basin. In Kousseri, informal activities in general are largely influenced by Chadians. This is obvious not only for trade but more specifically for technical activities. In 1982, they owned, as stated by PABA SALE (1982), 82 of the 111 stands existing in the five streets situated south of the market. According to the same source, Chadian wives represent 62 to 74 % of various vegetables retailers in samples of 92 and 94 respectively. Still in Kousseri, a survey carried out in 1989 by the divisional office for Labour and Man Power on 31 joinery's microenterprises and their workers showed the following nationalities (Table 1).

Table 1 Nationality of workers in joinery's microenterprises

State of origin	Owners	Other workers	Total workers	Percentage
Cameroon	10	20	30	39,5
Chad	16	16	32	42,1
Central Africa	2	2	4	5,3
Other nationality	3	7	10	13,1
Total	31	45	76	100

It appears that the leading group of workers in these joineries as in many other technical works are not composed of Cameroonians but of foreigners and especially Chadians. Foreigners are numerically more important not only as owners but also as workers. This domination of foreigners in informal technical branches is not as such as in trade were natives are relatively well represented. In Kousseri Cameroonian young people of 10 to 15 are very early initiated to cola and many other commodities' trade. Among them, a good number are later involved in the urban informal sector. In fact, trade for natives is the easiest way of gaining money.

In the other towns of the division, the market holds only once a week. At that day, people from several origins, but mostly natives found themselves on the market sailing at the same time agricultural products and commodities imported from or through Nigeria. Among them, many are ambulant.

#### 2.3 Destination of products

With a limited population size - less than 60 000 inhabitants in 1987 - Kousseri does not seem to be the main destination of trade and services generated or arriving in the town. The fact that half of the estimated sixty thousand persons who cross the N'guely bridge towards N'djamena every morning, return to Kousseri in the afternoon reveals the importance of exchanges between the two towns (PABA SALE 1982). Although some of them are just walkers or are from outside Kousseri, a big proportion are involved in the local informal sector. This importance of exchanges can also be viewed on the Logone river through which a heavy boat traffic carrying drinks and rice leaves Kousseri every day to N'djamena. It therefore appears that most of the services and products offered by the informal sector in Kousseri are mainly destined for N'djamena, the Chadian capital city which is also a big market. Contrariwise products in small towns are destined mostly to local consumers. Blangoua is however an important centre for collecting and redistribution of agricultural and agro-pastoral products.

Contrary to most of the towns where the informal sector reflects the characteristics of the surrounding rural environment, here it reveals specific features. This is an unusual situation as far as Cameroon towns are concerned.

# 3. Some reasons for *understanding* the urban informal sector in the Cameroon section of the Lake Chad basin

This unusual situation of the urban informal sector in Cameroon can be attributed to four main reasons. The first one is the presence of a huge number of Chadian refugees in Kousseri (SIMEU 1994a). At the beginning of the 1980s, following the civil war in Chad, many fugitives found refuge in this town. Very rapidly, they got integrated in the local population and did not hesitate in getting involved in the informal sector, the easiest job opportunity at that moment. With time, they found

themselves more dynamic in this sector than the natives and today, they largely control it.

The second factor is the proximity of N'djamena, the Chadian capital city situated just half a kilometre away. With its over 300 000 customers and a higher purchasing power, it is a more attractive consumption market than Kousseri. It is therefore the preferential market of the informal sector in the Cameroon section of the Lake Chad basin.

Thirdly the structure of the informal sector made up here mainly of commercial activities is the result of the proximity of the Nigerian economic pole. This is a big production market from which natural, agro-pastoral and agro-industrial products such as mangoes, yams, eggs, maize flour, milk, butter, sugar, oil etc. are exported at low prices to Cameroon. Not all of these products are automatically made in Nigeria, some of them come through reexportation. Moreover exchanges are not limited to neighbour regions. Some originate far away, from south or west Nigeria (EGG and IGUE 1993). To have an idea on the level of prices, oil was sold five times lower in Nigeria than in Cameroon before monetary devaluation in January 1994.

Lastly, the existence of good communication infrastructure also facilitate external influences on the Kousseri urban informal sector. It is easy to get from Nigeria to Chad through Kousseri and vice versa.

## 4. Implications and prospects

The fact that the urban informal sector in the Cameroon section of the Lake Chad basin is extroverted and made up mainly of commercial activities have several implications. The first one is the increase of external influences through exportations and the number of foreigners involved in the informal sector, on the national economy and more specifically, on the informal sector. Exportations from Nigeria to N'Djamena through Cameroon have negative effects both on the national industry as well as on the agriculture. On the industrial sector, it reduces sales and jobs and sometimes it results in the close down of some units (for example Sodeblé, the wheat factory in Ngaoundéré). On the agricultural domain, it weakens the local production and can lead to food insecurity or dependency. In fact, during the dry season, there are serious problems of foodstuffs in Kousseri. Another implication of this extroverted informal economy is that it benefits mainly to foreigners. It has very little or no effect on the municipality's budget and therefore on the town's development.

In this context, what can the Cameroon section of the Lake Chad basin expect from its informal sector? With the increase of the present economic crisis it is almost obvious that young Cameroonians who for now are not seriously attracted by the informal sector will get more and more involved in it. From this attitude, Kousseri town dwellers and municipality could expect more benefits from the informal trade even if it is still destined mainly to N'Djamena.

Anyway the future of this activity depends very closely on the evolution of both the economic situation in Nigeria and on the political climate in Chad. If for monetary, political or any other reason, prices are no more competitive in Nigeria or Chad breaks again into war, the structure of the informal sector could rapidly be transformed. Could this be at the benefit of Cameroon national products? Its hard to say. Nevertheless, this activity would be affected here. In another point of view, a significant change in Cameroon tourist policy can also boost the production of local micro-enterprises and therefore have positive effects on the national economy.

#### 5. Conclusion

It appears from this study that contrary to other regions, the urban informal sector as far as the Cameroon section of the Lake Chad basin is concerned, is extroverted not only by the origin of its human resources, but also by the destination of its services. It is also composed mainly of commercial activities made up more of imported goods than of products of local microenterprises. This is the result of the presence of a huge number of Chadian former refugees now completely integrated in the Cameroon sector of the Lake Chad basin, and the location of the region at the intersection of two big economic poles which for the first determines the destination of services and for the second, the structure of the informal sector.

The main implications of this unusual aspect of the urban informal sector are that it weakens the national economy and more specifically the modern sector and accentuate the Cameroon economic dependency. With the increase of the economic crisis, the involvement of more Cameroonians in the urban informal sector in this region is expected and therefore a greater benefit from this activity.

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