

## **A DESCRIPTIVE ANALYSIS OF THE RIGHTS OF WORKERS IN THE INFORMAL SECTOR IN CAMEROON**

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### **Abstract**

Cameroon's economy is increasingly being dominated by the informal sector, which for a long time had been uncoordinated. At the practical level, despite the setting up of a structure (the Integrated Support Project for Informal Sector Actors) which is out to protect and promote the rights of informal sector workers in Cameroon, the said rights have not experienced any significant or substantial improvement. It is against this bleak background that this article proposes some solutions aimed at remedying the situation so as to upgrade the status, integrity and welfare of informal sector operators in Cameroon. The said proposed solutions or recommendations will not only improve the economic and financial capacity of informal sector operators, it will also promote the creation of decent jobs in the informal sector as well as boost the economy of Cameroon, since most of the workers of this economy are in the private sector.

**Keywords:** Rights of workers, Informal sector, Cameroon, job creation, Integrated Support Project for Informal Sector Actors.

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## 1. Introduction

Considering that Cameroon is experiencing serious economic crisis which has severely affected the labour market, many Cameroonians have resorted to survival means in the informal sector. Initially, this endeavour was not coordinated and streamlined because of the contemptuous impression Cameroonians, especially public authorities, had about the informal sector. Recently, there has been an increasing interest in the activities of this sector by the Cameroonian Government and informal sector actors themselves. To this end, the contractual, organizational, training and social security rights of these actors have been brought to the limelight especially at the theoretical level or the level of publications.

## 2. Definition of the Informal Sector

The economic fabric of a country's economy comprises the formal and informal sectors. In principle, the former is that section of the economy whose activities are regulated by the government whereas the latter is that part of the economy which operates clandestinely or on the fringes of the law. The aforementioned description of the informal sector is corroborated by a specialist in informal sector issues. He states that the concept of informality deals with the nature of informal activities, that is, activities which cannot be controlled and registered or which are not controlled by labour inspection laws.<sup>1</sup>

However, this definition of the informal sector has been substantially watered down by recent developments in many economies due to the huge contribution made by the informal sector to the progress of the economies concerned. To this end, the informal sector in Cameroon can now be ascribed formal attributes since it is gradually being formalized by the conspicuous presence of the State through institutions such as the Integrated Support Project for Informal Sector Actors

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<sup>1</sup> Jonas Tchakoa, "The Role of the Informal Economic Sector (IES) in African Urban Economics During Economic Crisis and Liberalisation: The Case of Yaounde City" in Kengne Fodouop and Alain Metton (eds), *Economie Informelle et Développement dans les Pays du Sud à l'Ere de la Mondialisation* (2000), p. 82. Yaoundé: Presses Universitaires de Yaoundé.

(PIAASI) and the National Employment Fund (NEF). Furthermore, at the international level, the International Labour Organization (ILO) is also seriously involved in the formalization of the informal sector for the benefit of the world economy and the protection of the rights of the informal sector workers. In a nutshell, this formalization process of the informal sector involves, *inter alia*, its removal from the confines of clandestine activities by granting it formal sector characteristics such as the promotion and protection of the rights of workers, the rational organization of the sector, etc.

### **3. Historical Considerations**

Historically, the Cameroon Government started taking the informal sector very seriously at the end of the 1980s when many State-owned and private corporations were closed down because of mismanagement and an acute economic crisis. In this connection, structures such as the National Employment Fund, Women Empowerment Centres (WECs), the Support Programme for Rural and Urban Youths (PAJER-U) have been set up. This institutional breakthrough at the public level culminated in the creation of the Integrated Support Project for Informal-Sector Actors which is the only State institution responsible solely for informal sector issues. At the private level, bodies such as the National Street Vendors' Association (ANESCAM) and the National Association of Operators of the Informal Sector and of the Fight Against Poverty in Cameroon (ANOSILP) were set up. All these structures are an epitome of the importance of the informal sector and by extension, the rights of its actors or workers. They operate within the confines of a well-defined legal and institutional framework.

## **4. Framework of Informal Sector in Cameroon**

### **4.1. Legal Framework**

In Cameroon, there are some laws and decrees which govern the informal sector. These laws and decrees grant formal characteristics to the informal sector. They deal with a variety of domains such as the motorbike business, gambling activities, and the bar business. As concerns gambling activities, the

Cameroonian Government thought it wise to regulate them through a decree.<sup>2</sup> This decree deprived these activities of a very significant part of their clandestine or informal nature. It went a long way to protect the rights of the stakeholders involved thereby granting them some recognition.

As regards the bar business, the Cameroonian Government protected it by issuing a decree.<sup>3</sup> To some extent, it indirectly and directly provided legal recognition to especially the proprietors of small drinking spots which do not have any streamlined management techniques and a well defined framework for the protection of the rights of their workers. Lastly, one of the landmark formalization processes in the informal sector in Cameroon is that of the motorbike business. This formalization process is governed by an elaborate decree.<sup>4</sup> This decree grants a very formal nature to motorbike business by *inter alia*, providing the terms and conditions to be fulfilled in order to become a commercial motor biker and the sanctions to be meted out to defaulting commercial motor bikers.

#### **4.2. Institutional Framework**

Recognizing the invaluable contribution of the informal sector to Cameroon's economy, a series of institutions, as aforementioned have been set up to promote and protect the sector. At the Government level, they are, among others, the National Employment Fund, Women Empowerment Centres, the Support Programme for Rural and Urban Youths and the Integrated Support Project for Informal-Sector Actors. At the private level, they include the National Street Vendors' Association, the National Association of Operators of the Informal Sector, and of the Fight against Poverty in Cameroon.

The National Employment Fund provides training to jobseekers in both the formal and informal sectors. It funds projects in these two sectors. In this connection,

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<sup>2</sup> Decree No. 81/497 of 23 November 1969.

<sup>3</sup> Decree No. 73/659 of 22 October 1973.

<sup>4</sup> Decree No. 2008/3447/PM of 31 December 2008.

informal-sector activities such as the weaving of baskets and the mending of shoes are financed by the said fund. Women Empowerment Centres provide training and job opportunities to Cameroonian Women in the informal sector. These centres are of paramount importance since the informal sector in Cameroon is mainly manned by women. The Support Programme for Rural and Urban Youths is one of the structures set up by the Cameroonian Government to alleviate poverty. It deals with the self-employment of youths by providing funds for self-employment projects.

Contrary to the above-mentioned State institutions handling informal sector issues in Cameroon, the Integrated Support Project for Informal Sector Actors (PIAASI) was set up to handle the said issues in specialized and rational way. PIAASI has set up regional branches all over Cameroon for the purpose of realizing the aforementioned objectives. Its objectives are, namely:

- To develop the potentialities for job creation in the informal sector;
- To take social-protection measures as well as design appropriate rules and regulations to guide informal-sector activities;
- To set up a revolving system for funding micro-projects;
- To organize the poor to be involved in income-generating activities;
- To enable informal-sector stakeholders to form common initiative groups.

Lastly, there are non-governmental institutions which defend the rights of informal sector operators. One of these institutions is the National Street Vendors' Association which is out to ensure that street vendors operate on the basis of decent working conditions. Furthermore there is the National Association of Operators of the Informal Sector, and of the Fight Against Poverty in Cameroon. This body came into the limelight in the wake of the recent wanton destruction of informal sector businesses in Yaounde by the Yaounde Government Delegate. It defends the rights of informal sector workers in a vocal and radical way.

## **5. Assessment of the State of the Informal Sector in Cameroon**

### **5.1. Contractual Rights**

Most informal sector workers in Cameroon do not work on the basis of a contract. This situation is quite evident in family businesses and other small businesses. For instance, most of the proprietors of these businesses do not acknowledge, especially at the contractual level, the payment of the minimum guaranteed salary (28.416XAF) which is obtainable in Cameroon's private sector, thereby contravening the provisions of the Minimum Wage Fixing Convention.<sup>5</sup> Furthermore, other vital contractual aspects such as social security rights are completely discarded by most owners of informal sector businesses.

### **5.2. Organizational Rights**

For any structure or business to succeed, it needs streamlined and rational organization. Despite some laudable endeavours from ANESCAM, ANOSILP, PIAASI, WECs, NEF, etc, a lot still has to be done in the informal sector in Cameroon. Most informal sector operators or workers are not members of informal sector associations and are not provided with organizational skills. This state of affairs partially justifies the disorder prevailing in the informal sector in Cameroon and the frequent harassment of the stakeholders concerned. To crown it all, the Cameroon Government has done very little in ensuring that necessary and appropriate measures are taken so that workers and employers of the informal sector may freely exercise their right to organize themselves.<sup>6</sup>

### **5.3. Social Security Rights**

The informal sector in Cameroon makes a mockery of these rights. Social security benefits such as old-age benefits, family benefits, etc, are not part of the informal sector vocabulary in Cameroon. This situation flouts the provisions of the International Social Security Association (ISSA) Constitution especially as

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<sup>5</sup> Article 1 (1) of the Minimum Wage Fixing Convention [(C131) /1970].

<sup>6</sup> Article 11 of the Convention on the Freedom of Association and Protection of the Right to Organize [(87)/1948].

regards old-age benefits.<sup>7</sup> In other words, the said situation places informal sector workers in a precarious state since they cannot benefit from the social security rights enjoyed by their counterparts in the formal sector.

#### **5.4. Training Rights**

These rights are very important in vocational circles, especially in the informal sector, a sector in which they enable both the employer and employee to update their skills through pre-employment training, on-the-job training, and post-employment training. These trainings include various aspects of skills development such as sensitization campaigns, in-services, seminars, conferences, etc, which are aimed at stepping up the financial and managerial empowerment in the informal sector.

Beside a few structures like PIAASI and NEF which have been organizing a few sensitization campaigns, seminars, and training sessions in some regions in Cameroon at the level of the informal sector, most of the actors of this sector are deprived of training opportunities. They operate or work in a less streamlined and an unprofessional manner because of a conspicuous lack of adequate vocational training. This situation grossly violates the convention on Human Resources Development, a convention which highlights, *inter alia*, vocational training and guidance.<sup>8</sup>

### **6. Recommendations**

#### **6.1. Short Term Recommendations**

In the short term, the rights of informal sector actors could be improved in several ways. This could be done by the State, informal sector associations, and informal sector actors themselves. Informal sector institutions and workers have a major role to play in improving on their current situation. They could devise short term coping strategies so as to brave the hurdles they are now experiencing. To this

<sup>7</sup> Constitution of the International Social Security Association (ISSA), <http://www.issa.int/aiss>, accessed November 2009.

<sup>8</sup> Article 3 (2) of the Convention on Human Resources Development [(C142) /1975]

end, the example of Swazi domestic workers could be emulated. These workers, who, in practical terms, are not protected by legal systems of labour, have adopted many coping strategies in the cities in which they work in order to take care of their families and protect their dignity.

The State could ensure that the contractual rights of those working in the informal sector as guaranteed by the 1992 Labour Code are enforced.<sup>9</sup> It could also ensure that seminars, sensitization campaigns, etc, involving informal sector actors are regularly organized by its institutions working in the informal sector so as to continuously empower these actors both financially and economically. Lastly, it could ensure that the social security rights of actors in this sector are respected. This could be done by State Inspectors who must be in constant touch with the sector for inspection purposes.

## **6.2. Long Term Recommendations**

In the long term, the rights of informal sector operators could be better protected and promoted through the setting up of effective institutions and the restructuring of some existing ones, including the protection of the rights of informal sector workers in their agenda. These structures could exist both at the public and private levels.

At the public level, the State could restructure the National Social Insurance Fund (NSIF) to enable it to take into consideration the social security rights of informal sector workers. Furthermore, new institutions such as an institution for informal sector training, implementing a programme similar to the Joint Initiative on Priority Skills Acquisition (JIPSA) Programme in South Africa could be created. Lastly, a Department for Informal Sector Activities could be set up in municipal councils for the organization of the informal sector and skills development training for its workers.

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<sup>9</sup> Cameroon Labour Code (1992)

At the private level, employers and employees of the informal sector could ensure that it is well organized through the setting up or restructuring of viable and resourceful associations which could better organize and streamline activities in the sector. In this connection, the capacity of bodies such as ANESCAM and ANOSILP as well as any future informal sector body should be built substantially by international non-governmental institutions such as Women in Informal Sector: Mobilizing and Organizing (WIEGO). This institution is a global network of activists, researchers, and policy makers concerned with the improvement of the status of women in the informal sector. Informal sector associations with a well-built capacity would have the ability to set up the viable and resourceful associations needed to energize the informal sector in Cameroon.