
Symptom of Crisis or Engine of Development? The Mauritanian Informal Economic Sector¹

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All societies benefit and suffer from informal economic activity. Regardless of the level of state involvement in the economy, the informal sector provides employment for a significant number of the unemployed and underemployed. Although each international financial crunch of the last twenty-five years has reinvigorated the debate over its role, the informal sector is not new. Informal economy finds its roots in the oldest, most basic economic arrangements known to man.

The notion of an informal economy implies a degree of independence from a formal economy linked to the state. Current interest in the informal economy stems from a fundamental question of state-society relations: what role should the state play in the governance of economic activity? The rise of modern states created a formal apparatus to regulate and tax economic relations for the benefit of the state. However, this system has tended to benefit the social strata controlling the state. As modern states continue to gain control over the peoples they govern, semi-autonomous economic activity has also grown, not only providing jobs that the state does not have the capacity to create but also operating outside of the range of state control.

During the debt crises of the 1980s, all nations became increasingly aware of the need to shift the foundations of economic development away from foreign aid and towards economic self-reliance. The ultimate goal of informal sector studies is to reduce debt by increasing domestic savings. To this end, research has been directed towards informal savings and other unfamiliar financial circuits. As part of the late 1980s effort to reduce the debt in the poorest African states, French President Mitterand canceled Mauritania's public debt. At the same time, the French Cooperation Ministry announced plans to finance an extensive two-year study of the informal sector. Experts wished to determine whether the informal sector could provide the needed savings for investment.

Officials of the Mauritanian government estimate that informal economic activity comprises between 20 and 40 percent of the Gross National Product, compared to estimates of between 4 and 10 percent in the United States.² According to unpublished official government statistics, one quarter of the active population of Mauritania works in the informal sector. Most experts agree, however, that the figure is probably much higher. In the capital Nouakchott, according to government officials, a full 90 percent of jobs are informal ones.³ Outside of the capital, a 1988 joint French-Mauritanian study of

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urbanization in three “typical” secondary cities surveyed 1005 heads of households, confirming that the informal sector is the largest, most important sector.

Head of Household Survey ⁴

	Rosso	Kiffa	Aioun
Unemployed	24%	37%	37%
Formal Sector	34%	22%	24%
Informal Sector	38%	36%	35%
Agro-pasoral	4%	5%	4%

Thus, in these three towns, informal sector workers who were heads of households averaged 54 percent of the employed workforce. This figure does not include the 33 percent unemployed, most of who probably engage in undeclared informal sector activities. Nor does it include many non-heads of household who are even more likely to work informally. These considerations put the figure at between 87 percent and 95 percent of the working population. Most of the above interviewees mentioned engaging in “occasional” (i.e., informal) economic activity outside of their regular jobs.⁵

Even more astonishingly, service sector statistics count 3,700 industrial or service sector enterprises, of which 97 percent have fewer than twenty employees and three-quarters are concentrated in Nouakchott. The government considers over 99 percent of these service sector enterprises informal. Experts agree with economist Maiten Bel that the informal sector is the fastest growing element of the economy.⁶

This article asks the key question: is the startling growth of the informal economy a symptom of world financial crisis, or could the sector itself be an engine of development? Is the informal sector part of the solution to Mauritania's worsening debt crisis, or is it part of the problem?

Redefining the Mauritanian Informal Economy

A. The False Dichotomy

A vast array of definitions exists for the informal economic sector, each with its particular rationale and limitations.⁷ The twentieth century notion of an informal sector springs from nineteenth-century European modernism.⁸ Analysts and economists, struck by the great disparities between industrializing European societies and non-European ones, presented “modern” economies featuring large capital-intensive commercial enterprises as inherently superior to “traditional” economies exhibiting only small-scale, labor-intensive entrepreneurship.

In an effort to distance themselves from this pejorative, dualist discourse, the World Bank and the International Labor Organization have chosen to speak in terms of the “formal” and “informal” economies.⁹ But the Eurocentric dichotomy remains. The “informal sector” is still seen as a shadowy economic backwater.¹⁰ “Informal economy” is often used as a synonym for “black market,” or to describe the murky, mysterious, and misunderstood “local African” economic cultures that do not fit “European” rational ideals.¹¹

The division of the economy into formal and informal sectors is fraught with difficulty. As Overseas Development Council economist Joan Nelson warns, the informal sector is not clearly separable from the formal sector:

Our understanding of how various economic activities are really organized and operate are not particularly helped, and may be hampered, by the conceptual dichotomy.¹²

As soon as we separate the two, we lose sight of complex interrelationships between all actors and activities in the economy. This is especially true in the case of Mauritania, which exhibits a “tangled web of dependency relationships, allegiances, and alliances” that confuse the Western eye.¹³

The formal sector is typically defined within this dualist approach as including “public agencies and private enterprises that are medium or large in scale and . . . fairly capital-intensive”: factories, hospitals, the largest hotels and stores, banks, universities, and government agencies. They are government-regulated, but generally work in protected or semi-monopolistic markets.¹⁴ In Mauritania, it follows that since the state is small, the formal sector is small. According to officials at the Planning Ministry, of a population of approximately 2.5 million, some 60,000 Mauritians work in the “modern” sector. Aside from the National Mining Company (SNIM), which employs some 4,000 people, the formal sector in Mauritania comprises only fifty-eight public and parastatal enterprises employing an average of twenty employees each.¹⁵

However, it is important to note that the formal sector hires and fires many temporary informal workers. These include “seasonal” dock hands in the fish industry, who don’t enjoy the contractual benefits of regular employees; unpaid, child mining “apprentices;” and “formal” workers laid-off from the mining industry who are rehired as temporary, “informal” labor.

By contrast, the informal sector is defined in the literature as including a wide variety of small-scale, labor-intensive activities, most often involving “small family firms” of three to ten people.¹⁶ But in Mauritania, recent research has shown that individual self-employed artisans, tradesmen, and vendors outnumber small family firms more than three to one.¹⁷ The average size of an informal enterprise is only two persons.¹⁸ More importantly, millions of hours of artisanal production and services performed by women (often for other women) are overlooked because surveys and studies do not consider economic activities taking place in the home.¹⁹ For example, while definitions of the informal sector include domestic servants, studies and surveys decidedly ignore them.

Theory states that the characteristics of the informal sector include high competitiveness, low government regulation, low incomes, and little advancement.²⁰ Such theories hold relatively true in Mauritania for “classic” informal sector jobs—mint-sellers, car guardians, or water-porters—that operate in public places. But so many exceptions exist that the theory must sooner or later be discarded. For example, women who sell the *mehlefa*, the colorful national dress of Moorish women, are neither highly competitive nor subject to stiff competition. Rather, they cater to a very specific, wealthy clientele at non-competitive prices. Minibus operators are subject to increasing regulation by the government and often try to influence government actions through their Federation of Drivers. Successful wholesalers have generally high incomes and are involved in a profession that is very difficult to enter and therefore non-competitive.²¹ Finally, large numbers of employees advance from low-paying informal sector apprenticeships to formal sector jobs.

The significance is not that the Mauritanian informal economy is different from the sectoral norm, but rather that the formal-informal conceptual dichotomy breaks down when applied to real life. Economist Maiten Bel claims that it is impossible to estimate the size of the informal economic sector in Mauritania, not only because the work is undeclared, but also because the jobs themselves are difficult to categorize.²²

To avoid the limitations of most standard theory, one Mauritanian researcher's definition avoids specific references to competition, to influencing the government, to incomes, or to potential for career advancement. Ould Cheikh defines urban informal sector enterprises as having one or more of the following characteristics:

- low capital: no bank accounts or loans
- low technology: no high levels of energy consumption
- fewer than ten people involved
- extra-legal, extra-administrative nature
- no fixed hours or days
- low level of education of everyone involved
- ambulant or semi-permanent nature.²³

While his definition is closer to the Mauritanian reality, it misses those portions of the informal economy with higher levels of state interaction, higher or comparable levels of capital and incomes, not to mention those with fixed hours and days, such as the informal workers in the formal sector.²⁴ For example, 10 percent of informal sector workers outside of the three largest cities earn more than double the minimum wage.²⁵ Cheikh admits that his criteria fail in the same way as the standard criteria.

When, sector by sector, the dualist divide begins to blur, it makes more sense to talk about the informal aspects of the entire Mauritanian economy. Better still, the truest portrait of the Mauritanian economy would highlight the "Mauritanian-ness" of economic relations. In the context of the relative scarcity of money and economic disparities

between rich and poor, the Mauritanian informal sector redistributes a great deal of wealth through informal linkages and networks to the poorest members of society through informal services, gifts, remittances, alms, and myriad other channels, thereby guaranteeing survival and welfare. The success of this redistributive system, along with Muslim *morés*, is often given as the reasons for the extremely low crime rate.²⁶

In Mauritania, as elsewhere, formal and informal, rich and poor, and rural and urban areas are intimately connected across conceptual divides. Formal sector industrial workers are linked economically and socially to the informal sector and redistribute a great deal of their wealth. Extensive links exist between the urban poor and other socioeconomic strata.²⁷ For example, visiting relatives or strangers, especially those traveling from city to village, are expected to leave large cash gifts to assist their hosts in financing the obligatory visitor's feasts. To avoid any awkward moments, visitors are expected to pass the money via children.

Mauritania's Muslim traditions provide other sources of uncounted income. The vast social safety net assured by alms-giving and hospitality to strangers goes unnoticed in economic analyses and household income surveys. In Islamic societies, very few people go without food. Redistributive practices mean that in Mauritania there is far less begging than in other Islamic countries. Social services such as elderly care and childcare, which are monetized in Western countries, are covered informally by traditional Islamic practices. The traditional health and educational functions of religious leaders and Koranic teachers are not counted in consumption and income but are vital to the functioning of the society. There is strong growth in the religious education sector, partially encouraged by the government's desire to increase literacy. These aspects of the cultural economy are not included in any survey.

Furthermore, in countries with strong nomadic traditions such as Mauritania, a highly mobile population blurs distinctions. Informal sector surveys miss the importance of the fluidity of relations between urban and rural areas and the back-and-forth flows of labor and capital. While Mauritians and their foreign counterparts see the informal sector as essentially an urban phenomenon, informal credit and capital redistribution systems reach deeply into the country's most remote corners. Rural survival strategies other than migration—such as informal savings associations—are as much a part of the informal sector as they are of the "traditional" sector. The informal sector has both a strong presence in and close ties to rural Mauritania.²⁸

B. From Traditional Economy to Informal Economy

Certain aspects of informal economy, such as barter and the employment of "informal" domestic servants, date back to antiquity. Livestock, agricultural products, traditional handicrafts, slaves, and property rents have traditionally been paid for almost entirely in-kind. Other aspects of informal economy derive from the disruptive experiences with European mercantilism and colonialism.²⁹ European traders along the western and southern borders of the country gradually introduced a cash nexus. Monetization of the economy helped bring about the disintegration of Moorish social structure.³⁰

The colonial economy monetized the livestock trade and established markets in the interest of raising tax revenues for the central administration. Moreover, the colonial creation of employment opportunities in Senegal, particularly in peanut production, along with the repeated abolition of slavery in Mauritania, drew slaves and serfs away from their traditional Moorish and African patriarchs.³¹ The European presence also created a demand for imports. "Customary payment" gifts to tribal leaders to guarantee the safety of trade often included imported "guinea fabric," which now constitutes, ironically, the "national dress" of Moorish women. New interactions also increased the demand for expensive goods to suit the lifestyles of both rural and urbanizing Moors, such as the trend toward *bazan* fabric for men's luxury *boo-boos*, which are becoming absolutely *de rigueur* for adult men who desire a minimum degree of social status in Nouakchott.

Devastating droughts and continuous urban transformation furthered the disintegration of traditional Moorish society. During the worst droughts of 1968-1973 and 1983-1984, large segments of the population moved from rural areas to roadside sites to procure food aid and economic sustenance. Nearly a million refugees followed food aid to Nouakchott, making it the largest refugee center in Africa. There and elsewhere, the droughts led to increased sedentarization and urbanization wherever food was available. These growing market towns represented new centers of wealth and power and alternate paths to success.³² However, new, urban livelihoods had to be created. It is interesting to note that the series of devastating droughts changed attitudes toward work among the "leisure" classes. Significant numbers of impoverished Moors entered the labor force not only with no experience but also with no skills.

Identifying occupations becomes difficult when workers move from their traditional roles in search of new employment. In Mauritania, sectoral migrants do not identify themselves by their new professions. In the 1988 urbanization study, 104 of the 106 respondents who identified themselves as farmers had their primary (and often only) source of income from non-agricultural jobs.³³ It is a Mauritanian tradition to identify oneself by professional caste—for example, businessmen and government ministers alike identify themselves as "metal-smiths." This means that a great many people who consider themselves farmers or herders have neither farms nor herds, but work in various informal sector jobs. Most informal sector jobs, even when they "pay" well, are not considered worthy occupations.

The high mobility of the Mauritanian population seems to baffle and mislead European and Mauritanian economic researchers.³⁴ Initial urban migration is almost always considered temporary; the construction of shanty-towns and informal networks attest to a lack of urban commitment on the part of many of the people who are perceived as urbanizing or urbanized. According to the 1988 urbanization study, most uncomfortable urbanites guard the illusion that they will return to the rural way of life if rain and ecological conditions permit.

Nevertheless, the increasing durability of urban housing and changes in traditional attitudes indicate that more and more migrants are coming to the city to stay. Informal urban job placement networks are highly sophisticated, so that at least 10 to 20 percent of

urban migrants now arrive with a job already lined up for them. This is as true for the informal sector as it is for the formal sector: many migrants in the fishing and mining sectors arrived in the mining town of Zouerate or the coastal fishing city of Nouadhibou knowing where they would work. Half of the three hundred families questioned in Rosso for the 1988 survey had at least one member of the family who had migrated to another city. Over 40 percent of the émigrés from Rosso, Kiffa, and Aioun had left for Nouakchott.³⁵

The Mauritanian household is difficult to define. The number of people living under one roof is in constant flux, and many Mauritians don't eat or sleep under roofs at all.³⁶ Household spending research reveals that surveys do not account for 30 percent of household income.³⁷ The 1988 urbanization survey estimated household annual revenues (salaries, remittances, and rents) at 81,716 ougias (UM) or between 13,600 and 16,350 UM per person.³⁸ When expenses were estimated, however, the results were quite different:

Average household annual expenses for:

Food Products:	
purchased daily	92,270 UM
purchased weekly	16,904 UM
purchased monthly	1,285 UM
Water	10,280 UM
Charcoal	12,152 UM
Butagaz	292 UM
TOTAL	143,480 UM

Thus, not including expenses for housing, transportation, clothes, or health, estimates of annual expenses exceed estimates of annual revenue by 70 percent! These figures suggest higher revenues than officially accounted for by salaries, rents, and remittances.³⁹

The great bulk of work goes unpaid in Mauritania, because it occurs within kinship networks.⁴⁰ For example, the largest labor sector in Mauritania is child labor.⁴¹ At least 44 percent of the population are under fifteen years of age, and over 50 percent are under eighteen.⁴² This unpaid or minimally-paid labor force irrigates, plants, and harvests crops; transports food; guards and tends animals from before dawn to often past 11 p.m.; fishes; does domestic work, baby-sits, seeks water and wood at great distances and carries it home; produces charcoal; performs metal, wood, leather and jewelry work; makes bricks, builds houses, fixes plumbing and machines, installs electricity, paints houses, sews, washes, and runs restaurants and shops, all for virtually no wage.

Bonded labor practices mean that families "rent" children for domestic work and pay them room and board (and sometimes new clothes), in addition to paying a "symbolic price" to their parents. Other than food, shelter, and clothing, the children usually receive

nothing for their labor.⁴³ Child labor is a carryover from the traditional economy into the informal economy.

C. Mauritanian Informal Activity, International Organizations, and the State

In Mauritania, the bulk of economic activity goes uncounted in national statistics.⁴⁴ Informal sector revenues are portrayed internationally as intentionally hidden from governments. The Organization for Economic Cooperation and Development (OECD) describes the sector as composed of those activities which "should normally be included in the GDP, but which in practice risk being omitted due to the fact that one or more of the parties involved tries to hide them from the authorities."⁴⁵ The reality is more complex.

Most economic activity goes unrecorded, unacknowledged, unnoticed, or, sometimes, deliberately concealed. Whatever the reason, it is unaccounted for in GDP. In Mauritania, small-scale commercial activity typically goes unrecorded. This can be explained in part by the 20 percent literacy rate. Unacknowledged transfers include, for example, capital transfers between unmarried men and women. The majority of women's and children's labor is passed over by statistics-gatherers.⁴⁶

Mauritanian businessman Isselmou Ould Mohammed defines the "subterranean" economy as non-declared legal goods and services, illegal goods and services, and concealed income. The problem with this definition, as he points out, is that it presupposes a state large and powerful enough to keep track of this economic activity and predisposed to do so. The Mauritanian government and the World Bank are now fully aware that a great deal of economic activity is unaccounted for and that GDP statistics are at best very rough estimates. The resulting problem is that economic growth is underestimated, while unemployment and inflation are overestimated.

The fact that a large percentage of the population's economic activities remain uncounted and untaxed means that specialists disagree in their assessments of the status of the Mauritanian economy.⁴⁷ Agriculture and livestock have declined precipitously in the wake of the drought and the disintegration of traditional activities. But, according to the World Bank's Nouakchott office, the sale of cattle is not included in GNP. When herd size drops, the statistics imply that cattle have been consumed when, in fact, they have often been sold informally in Senegal or Mali.⁴⁸

According to an expert at the World Bank, the Mauritanian government relies on taxes for over 90 percent of its revenues. State regulation of public enterprises far exceeds its regulation of the rest of the economy, so taxes fall most heavily on the formal sector. Public enterprises have a hard time paying their debt, owing in 1986 about 25 percent of the public external debt. Clearly, the public sector is very weak and needs constant outside support.

In Mauritania, wealthy commercial agents often have monopolies over the imports of a particular product line. The argument for these exclusive import-export concessions is that the state relies heavily on this important sector for revenues.⁴⁹ Since there is very little productive industry to be taxed, and virtually none to be subsidized against international competition, the cheapest way for countries like Mauritania to earn revenues is to staff

border posts with customs agents and collect duties. This method is much cheaper than complicated income taxes for informal sector companies that do not keep records—or even have addresses! Exclusive concessions allow the government to keep a much closer eye on transactions and tax them more efficiently. In 1990, duties were cut to discourage black market trade.

Minimum taxes on formal sector industry and commerce have been raised, from 1 percent to 1.5 percent of revenues. This hike in the minimum flat tax, or *Impôt Minimum Forfaitaire* (IMF), may be one of the reasons for a perceived flight of businesses into the non-taxpaying informal sector. The daily newspaper *Chaab* makes frequent references to "businesses without addresses" that manage to escape paying taxes. The small size of the state means that the administrative costs of trying to regulate small informal firms are prohibitive.⁵⁰ Measures such as market taxes and property taxes administered by strengthened municipal authorities may have picked up some of the financial slack. Municipalities, unlike the national government, can afford to tax locally on a daily or monthly basis at marketplaces or residences.⁵¹

Meanwhile, formal income taxes were reduced by 30 percent to encourage people to pay them, and taxes were lifted on the purchase of tools. Tax incentives to keep people from migrating to the city have been largely unsuccessful. Since 1973, all taxes on livestock have been suspended. But the sale of large quantities of livestock during the droughts to large new livestock businesses meant that the intended beneficiaries of the tax break have for the most part already sold their cattle and migrated to the city.⁵²

D. Towards a Redefinition

The preceding discussion has pointed out several problems with the formal/informal dichotomy. They include:

- roots in ethnocentric European modernism
- failure to account for webs of dependency relationships
- insensitivity to: redistributive customs, formal sector hiring of informal, workers, varying levels of involvement with the state, varying income levels
- general inability to describe real-life economic phenomena.

Furthermore, each sector has its "informal" and "formal" aspects. If nothing else, just the way that the informal sector is taxed reveals the problems with the formal/informal distinctions. To compensate for definitional deficiencies, we must simultaneously look at the formal aspects of the informal sector—when it attempts to regulate itself and conduct relations with the state—and the informal aspects of the formal sector in its attempt to liberate itself from the confines and inadequacies of the state.

Though we cannot precisely define the informal sector, we can rename it. The Mauritanian "informal" sector is mobile, dynamic, entrepreneurial, and firmly embedded in every aspect of the Mauritanian economy and culture. It is so essential to the economic life of the country that the negative connotations of the term "informal sector" have prompted

French economist and Mauritania specialist V. Turbat to rename it the "civilian popular economy."⁵³ In a country of sparse resources and strong social interrelations, the development of the informal economy should be seen as an economic evolution of collective coping strategies in the absence of a strong state.

*Informal Construction, Urban Services, Transport, Banking, and Commerce*⁵⁴

A. Shantytown Financing: Informal Construction and Real Estate

The rapid growth of the urban agglomerations of Mauritania has been well documented. As one government official points out, unplanned shantytowns "grow twice as fast as planned quarters" with little or no effective government input.⁵⁵ These shantytowns are called *kebbes*, from the Hassaniya word for "garbage dump." According to government estimates, more than half of Nouakchott's 1.1 million inhabitants squat in tents and shacks. These structures are used not only for housing but also for "invisible" (i.e., informal) businesses such as laundry services, dyeing, and hairdressing.

Urban squatters have often invaded government land in an attempt to gain eventual land title. Structures erected on invaded land fly Mauritanian flags symbolizing the occupier's quest for legitimate title. Even when a land title is acquired, building permits are extremely difficult to obtain.⁵⁶ Edward White's urbanization report emphasizes the anarchic nature of urban development and the bureaucratic hassles involved in obtaining title and building on urban plots.⁵⁷

Until very recently, lack of capital was far more prohibitive than bureaucratic hassles. Informal construction workers are rarely paid entirely in cash, but rather with a combination of cash and kind, the latter consisting typically of sugar, tea, and rice. As estimated by a Mauritanian economist, the price of a shack is now between 50,000 and 80,000 UM, up from 15,000 to 18,000 UM in 1985. This figure includes the cost of wooden packing crates, scrap plywood, and corrugated scrap metal sheets for roofing. Patchwork tents made from rags are estimated at 14,000 UM, up from 4,000 UM. This includes not only the costs of the cloth and sewing, but the barbed wire or wooden fencing separating one tent from another.⁵⁸

The financing of shantytown construction reveals the ingenuity of the informal sector. Shanty construction requires the work of both carpenters and metal-smiths. Some construction workers manage to acquire small amounts of capital with which to purchase building materials when the customer cannot afford them. Portions of many construction projects go unpaid for lengthy periods, resulting in a virtual "loan" by the construction workers to customers.

In Nouakchott, many new structures are in cement, since a small cement structure, even when erected overnight, looks permanent enough for local officials not to tear it down. But the cement structures cost well over 200,000 UM and often much more than 350,000 UM. These more expensive constructions are a worthwhile investment, because they increase the possibility that the occupant of the land will win title to the plot. Many of these new small structures are located in areas where there is an impending land allocation.

An interviewee revealed that the capital for more expensive constructions comes from formal sector salaries, successful informal business profits, or rural savings—often resulting from cattle sales for cash.

The poorer squatters can also accumulate capital through successive occupations. Many squatters who are allotted land by the government become engaged in real estate speculation by selling the land and then moving on to find a new place to squat in an unallocated area.⁵⁹ The money from these sales goes into the building of new cement structures. Some individuals and families have squatted several times, and others squat in more than one place simultaneously. The entire household often does not move into the structure until new land allocation appears imminent.⁶⁰

The informal construction sector is a dynamic, growing industry, and is becoming competitive with the formal construction sector. Rather than suffering from zoning and real estate anarchy, it creatively seeks opportunities to profit from anarchy, turning disadvantages into advantages.

B. Exponential Growth in Informal Urban Services

The largest and fastest growing source of employment in Mauritania is the urban service sector, which government officials claim to be 99 percent informal. Electric and water utilities are provided by the informal sector. Squatters commonly obtain electricity through the illegal tapping of power lines or buried connections from electrified houses. In some cases, officials “look the other way” because the tapper has a “connection” at the electric company. Similarly, in the *kebbes*, water is sold at between 100 and 200 UM per barrel by informal donkey cart water peddlers.⁶¹ Nevertheless, the government is increasingly able to provide utilities to new quarters of the city.⁶²

Other urban service providers include sidewalk food preparers, roaming salespeople and hawkers, auto mechanics, carpenters, *de luxe* launderers, and machine repairers and troubleshooters. Many formal sector workers have part-time work in the informal sector. One Wolof-speaking plumber, who works in a formal sector job for about 50,000 UM a month, moonlights in the informal sector for much greater sums of money than he wished to reveal. Meanwhile, his wife earns 30,000 UM a month as a domestic servant for a French family. None of this extra revenue is taxed.⁶³ One should note that apprenticeships from within the kinship group dominate the manufacturing, construction, and artisan sectors. Apprenticeships start at six or seven years of age for both boys and girls; Moorish girls of certain castes traditionally start earlier in leatherworking apprenticeships.

Informal restaurants are thriving throughout Mauritania. These are often located in peoples’ homes, with no sign on the door, and are known simply by reputation. City people on business in town or young professionals such as teachers often eat at them. One informal restaurant in Kiffa caters almost entirely to a European and American clientele, such as Peace Corps Volunteers and development workers.

C. Government and Informal Sector Relations in Public Transport

Unable to muster the large capital investment necessary for development of a municipal bus system, the Mauritanian government "liberalized" urban mass transit in 1987, recognizing the *de facto* preponderance of Nouakchott's 99 percent informal commuter service, which employed over 5000 people.⁶⁴ The ever-present green and yellow vehicles on the major boulevards of Nouakchott serve a vital role, in terms of both urban transport and employment.

A ministerial decree assigns the regulation of the transport sector to the Ministry of Equipment and Transportation. But a full 80 percent of the budget of the Ministry is exerted in clearing and keeping sand off of the countries' paved highways. Lack of public investment and bad management, according to a government official, has crippled the public bus system, despite the fact that fares remain slightly cheaper than the private minibuses.

The government has complained that the informal sector fleet size was unstable due to seasonal fluctuations and the fact that most of the fleet was unregistered and 35 percent of it improperly insured. In 1990, for the first time, the government solicited suggestions from vehicle operators as to how best to improve the system. To demonstrate its concern, the government has tried to increase its regulation of certain aspects of the transport sector. The government began a campaign against vehicles without proper legal status, challenging the *de facto* autonomy of the private operators. Relying on a 1976 law and subsequent government decree, policemen severely disrupted traffic for several days. One government newspaper article suggested that this was due to vehicles unregistered with the social security system, while another article the same week said that the massive stoppage was for uninsured vehicles.⁶⁵ Other rules have been newly enforced, such as inspection of the vehicles every five years and an interdiction against foreigners operating vehicles.

The debate over fare hikes on major routes revealed increased government regulatory muscle. The increased price of fuel and other inflationary pressures prompted the drivers to request an increase sanctioned by the Ministry. Just prior to the fare hike, a government newspaper article hailed the "proliferation of minibuses that have ameliorated the transportation problem."⁶⁶ Shortly after the announcement of fare hikes, students were threatening to go on strike to demand a return to the lower fares. In order to curtail student political activity, the government reacted quickly by decreeing that students bearing valid student cards would only pay 10 UM per trip. This unilateral action undermined the price-setting authority of the Federation of Drivers.

The informal transport system sector is thus a dynamic response to the government's inability to provide commuters with mass transit. A great deal of private savings is invested in this productive sector. While "privatization" originated in recognition of a "transportation crisis," the rapid development of the sector occurred in an environment of low government involvement. Increased government regulation and control of fares may be a successful way to increase badly needed revenues for the government in the form of taxes. It may also be part of a long-term plan to nationalize the

service. But increased regulation has already created a new fleet of unregulated "pirate" taxis. For the sector to continue to be a mobilizer of private savings—an "engine of development"—the government will have to avoid the temptation to supercede the authority of the Federation of Drivers and instead allow them more control over fare-setting. Only then will more drivers respect the rules and register their vehicles properly, which will in turn generate more investment and government revenues.

D. Ingenuity in Informal Banking, Savings, and Credit

Savings in traditional Mauritania were not generally in cash but in kind: livestock, gold, slaves, and land. Among nomadic Moors and Peuls, livestock, wealth, and savings were synonymous. Loans in the current decade usually in the form of lent livestock or land. The modern cash economy has introduced the widespread granting of credit. Most Mauritians do not have the capital needed to obtain a formal loan from a bank.

Informal savings associations, a longstanding tradition among Pulaar, Soninke, Wolof, and Bambara women, are called *caisses*. Collective savings are used for childbirth, economic hardship, and even travel to the rural areas to visit family. The travel support network can fund up to 500 UM per trip home in some associations. They form a social support network for divorcées and unemployed single mothers. There also exist the so-called "tontines," money pooled periodically and turned over to the winner of the drawing.

Savings associations finance thread, cloth, and skirt production in the home. Profits are used to buy sewing machines and expensive fabrics. One informant spoke of Haratine men and women forming new informal savings associations with daily contributions of 20 or 30 UM. Unfortunately, these savings are rarely used for investment in productive activities, but rather as a social safety net.

Cooperatives are becoming increasingly involved in savings and loan activities. One agricultural cooperative in Atar keeps three months of profits from the harvest in a common fund for the purchase of seeds and gas for a motorized water pump, after which profits are split equally among the members. Members who arrive late or miss work pay a fine that pays for food and drink for those who do work.

Mauritanian merchants extend huge amounts of credit to their customers. Their expertise in this area led to their great success in Senegal and other neighboring counties as merchants. A shop owner must be able to determine exactly to whom to grant credit, how much to grant them, and when and how to exact payment. Merchants are predisposed to extend greater amounts of credit to friends. Some Mauritians with credit problems buy goods on credit through intermediaries who are friends of the owners. For this reason, shop owners don't always know who all of their customers are.

Door to door vendors in urban areas such as Kiffa or Nouakchott sell all their wares on credit, extending a great deal of credit to households. These vendors are known by the North African appellation *beycheck*, meaning "tomorrow," which is theoretically when the next portion of the payment will be made. They pass by all the houses in a particular area every day. Those who purchase fabric or dishware pay back approximately twenty UM per day for these goods over a long period of time. In Kiffa smalltime

traveling salesmen and door-to-door salesmen are called *tayvay*, a name derived from what was once their principal product of sale, tea (or *âtay* in Arabic). *Tayvay* extend a great deal of credit in a similar way for small purchases.

Some employees are never paid in full, but are "credited" with a great deal of back pay against some future payment date. A story is told in Nouakchott of a Haratine who managed a Beydan's—or "white" man's—store for two years without ever collecting his salary. One day the Haratine asked for his pay, so the two sat down and calculated his back pay for the two year period. On completing the calculation, they realized that the back pay was worth more than the whole shop, so the shop owner simply gave him the shop. Naturally, the Haratine is now much more successful than his former employer was.

E. Strategies for Survival and Success: Commerce and Trade

According to one interviewee, every large Mauritanian family has at least one *commerçant*, or trader. In addition, most working Mauritanians engage in some form of commerce "on the side." One of the strongest links between the formal and informal sectors is the fact that so many formal sector workers engage in informal trading and selling.⁶⁷

In 1981, the government tried to eliminate many small vendors by imposing stiff taxes, but of late it has switched to a policy of supporting them. Examples of secondary informal sector activity abound. One teacher in Kiffa owns and operates a clothing stall at the central market; another, a vegetable stall. A third who works nights at home as a seamstress owns a cheap eatery run by her sister. Another teacher sells mint at the market after school. In the 1988 urbanization survey, nearly all the wives of soldiers and police had small shops on the side. Laborie also mentioned the absence of data on occasional sales and frequent gifts of agricultural produce.⁶⁸

The commerce sector is full of Horatio Alger stories. Some individuals in the informal sector successfully save significant sums of money. One informant spoke of a woman who worked as a mint-seller and fish distributor. Fish sellers typically work out special deals with owners of vehicles to transport them and their fish. This particular woman transported fish from the coastal fish market to a downtown clientele. Having started with nothing a few years before, she constructed a home on property in downtown Nouakchott she had originally bought for 800 UM (then \$10).

Most Mauritanians consider the commercial sector one of the best paths to success. Popular lore has it that Abdelahi Nuweiga, one of two most successful businessmen of Mauritania, started as a milk seller who expanded into transport, then shops, then banking, then the creation of a large construction company, EGB. These stories help promote the informal sector.

Yearly revenues from commerce usually range between 10,000 and 75,000 UM, although a fair number of informal vendors claim little or no income from their activity. This suggests that for some people commerce is a pastime more than a profit generator. In 1991, one in five merchants were earning more than 150,000 annually (12,500 UM monthly) and 5 percent over 500,000 UM annually (or some 42,000 UM monthly).

Informal trade can be very lucrative or simply a survival strategy. On the one hand, one fish salesman buys airline seats to fly in lobster and shrimp from Nouadhibou and sells door to door to a very exclusive clientele. On the other hand, Tuarag refugees, escaping repression in Mali, can be found selling milk on the outskirts of Nouakchott.⁶⁹ Also, Rosso and Nouakchott merchants were earning far greater sums than Kiffa or Aioun merchants were.⁷⁰

Shop managers who sell goods at a slightly inflated price when the owner is not supervising their work provide another example of informal sector sales. Sometimes there is an understanding between the customer and the salesperson that the extra amount is for the salesperson, but this is not usually the case. Stories abound of people returning to buy a good in a shop and finding that when the owner is present the price is half as much as before. These practices are relatively easy to conceal in an economy where there are great seasonal price fluctuations. Other poorly paid shop managers sell goods on the side, sometimes with the tacit consent of the owner, in order to “compensate” for unpaid wages.

Some sectors of the economy are highly non-competitive in the Western sense, in that there is very little price competition. Such is the case with the *mehlefa* merchants of the central market. These businesses generally cater to a high-status clientele. In the salons of the second floor of the central market, woman merchants seem to entertain all day long in their shops with very little money changing hands.

The prices of their goods are generally higher, sometimes ten times as high, as items of identical quality in the Cinquième market. A typical veil costing 4000 UM in the central market costs less than 1500 UM in Cinquième. Each visit to a shop is a chance for customers to socialize more than purchase, paying off part of their debt with each purchase. Much of the selling, which relies heavily upon credit, does not take place in the shops but in homes, at weddings, and at other large social gatherings.

One male interviewee described a secretary at his place of work as having a *mehlefa* shop on the side. She would politely persuade her formal sector colleagues to visit the informal sector shop. When they did, said the informant, they would feel obliged to purchase 15,000 UM or more worth of clothing at an inflated price out of friendship to her. The advantage is that the credit terms between “friends” extend more or less indefinitely, and she can convince them to pay up or buy more at the place of work.⁷¹

A large percentage of luxury imports to Mauritania are fraudulently imported, including foods (such as high quality oil from West Africa), clothes (purchased with reserves of foreign currency in Parisian bank accounts and traded locally for ougias at a 20 percent premium), alcohol, and machines. Various schemes have been devised to circumvent customs duties, including paying off officials and using diplomatic privileges. As a result, the Mauritanian government has reformed fiscal policies several times in the last few years to discourage black market importation. Customs duties on butter and cheese were subsequently lifted.

Black market export activity exists to varying degrees. In some cases it is purely informal, as with the cross-border cattle trade. Other products moving south include those

controlled by the formal sector, such as tea, rice, and sugar subsidized by the Mauritanian government which are then sold on the black market south of the border. There is a black market in coffee through Mali. There are large amounts of African and North African fabrics in the market in Kaedi that are said to arrive on the black market, though no one seemed to know from where. There has been a black market in grain provided to the refugee camps along both sides of the Senegal River.

The border problems with Senegal since 1989 have shifted legal and illegal trade patterns toward Las Palmas. To finance black market import schemes, an informal currency exchange exists for this kind of importation. The going rate for the dollar, depending on the amount traded, is between 90 and 120 UM, which is generally consistent with the 20 percent premium for transfers in Paris against local ougiyas. Black market currency specialists work in Nouakchott, Nouadhibou, Los Palmas, and Paris—wherever trade activity with Mauritania takes place.

One way this happens is for people leaving foreign countries to turn over foreign exchange in exchange for a piece of paper, which is then used to claim ougiyas at the black market price on return to Mauritania. Nevertheless, it seems that non-specialists conduct a large amount of illegal currency exchange. Purchases with the foreign currency include not just luxury products, but manufacturing and agricultural equipment as well. Non-declared traders who travel frequently between Las Palmas and Nouakchott may still be able to declare and pay customs duties, according to current financial laws, on many goods bought with illegally exchanged currency. Internal black markets also exist, selling certain commodities at other than government-controlled prices. There is a notable black market for gasoline, which in one regional capital is sold at four times the government price by the local police chief.

There has been a noticeable rise in the number of people raising rabbits, chickens, and even goats inside their houses and in urban contexts, surely in reaction to the rising price of food. State cooperatives like the rug workshop in Atar have an informal component. Looms and tools are lent to rug makers so that they can manufacture a certain number of carpets for informal, untaxed, private sales.

Rapid Informal Economy Growth and Development Praxis

Relief and development can disrupt national economies. For example, foreign relief from 1983-6 created a "drought boom" in the capital, especially for trained Africans from other countries. This dried up in 1987, causing more economic misery. Free food competes devastatingly with local food production. Development projects such as Food for Work and the U.S. Embassy Self-Help Fund create a great deal of labor which is not paid for in cash, and is thereby untaxed and unaccounted for in national statistics, as well.

The requirements of "modern" development schemes can also push the economy to shape itself into forms consistent with development goals but inconsistent with local practice. For example, the U.S. Embassy Self-Help Fund encourages tribal groupings to transform themselves into cooperatives. This change is sometimes merely cosmetic, as

when local "big men" force others to sign forms stating that they are a cooperative. In addition, the funding is only available to land-owning cooperatives. Cooperatives that procure land on a traditional land tenure basis (meaning fixed tenure in exchange for a portion of harvest) are excluded from consideration. This is true of the Batha Vallejit Tawaz agricultural cooperative in the region of Atar. To qualify for a loan, the self-help coordinator suggested that the cooperative acquire private land. In this way, development uproots traditional land practices.

Food for Work, on the other hand, is an example of a modern form of economic exchange, which falls back on a traditional practice: payment in kind. Labor-intensive community projects are paid for with oil, milk, bread, sorghum, and other foodstuffs, while the aid program pays for the projects. Still, these programs can wreak havoc on local food production and distribution as well as other aspects of local economies.

How should the Mauritanian government treat the rapid growth of the country's informal economy? Before 1989, the only government initiative in the informal sector was a training program for market women to work as janitors. The government employed a great deal of women in this manner. According to Mauritanian officials at the Planning Ministry, one of the greatest needs in Mauritania is the creation of trained manpower. The departure of tens of thousands of skilled Senegalese in 1989 created an enormous manpower deficiency in the Mauritanian economy hardly assuaged by the arrival of less skilled migrants from Guinea, the Gambia, and Sierra Leone.

After the 1989 return of some 400,000 Mauritians expelled from Senegal, the Mauritanian government recognized that a large percentage of them had been working in the Senegalese informal sector. In response to the crisis, FIRVA programs for the Mauritanian informal sector trained at least 10 percent of those repatriated. Training occurred in "professional training centers," or CFPP, financed by the Union of Development Banks, or UBD.⁷² While in Nouakchott most people were trained in handicrafts, in Nouadhibou they were trained for 2000 new jobs in "artisanal" fishing.⁷³

According to officials at the Ministry of Plan, programs for repatriates are currently being expanded to include all of the urban poor. The ultimate goal of investment in the informal sector is to create "flexible" employment and reduce dependence on the 80,000 African nationals still living and working in Mauritania. Since approximately 40 percent of informal sector enterprises were created within two years of the 1991-2 national survey, and nearly 60 percent within four years, the "temporariness" of informal sector employment appeals to the Mauritanian government.⁷⁴

The general consensus is that the informal economy plays an important role as an economic cushion and safety net for the problems of underdevelopment. The sector provides jobs outside of the economic mainstream for economically marginal groups, including women, children, and the elderly. Untaxed, unreported work can also be beneficial in the sense that it provides cheap labor, jobs, and lower prices for the consumer.⁷⁵

Anti-informal economy analysts point out that informal activity deprives the state of important potential revenue, therefore preventing the creation of public sector jobs,

public financed corporations, and a different set of public goods and services for consumers. Some economists, such as Isselmou Ould Mohamed, claim that the informal sector is a significant drain on resources that undermines the state. According to him, even if the informal sector serves an important role as a short-term economic shock absorber, in the long term it should not be supported because of its negative impact on development of the state and therefore the society at large. Still, certain aspects may be tolerable, such as community service projects, neighborhood initiatives, and local entrepreneurship. One Mauritanian author has called the informal sector "a pot-pourri full of good intentions." For him, it is but a patchwork solution which exists to the detriment of the state and, ultimately, of society.

Government-informal sector relations must be managed intelligently for the state and the society to benefit. This means ceding more authority to self-regulating private initiatives like the transport sector. Rather than a symptom of crisis (as the informal sector may well be in Paris or Marseilles), the informal sector in Mauritania is simply a sign of a state too weak to regulate and efficiently tax an economy that is still largely traditional. To become an engine of development, the informal sector has to benefit from more government contributions in realms like education and training, as well as a concerted government effort to cooperate with "informal" entrepreneurs.

Many analysts around the world see informal sectors as essentially a kind of defiance of individuals vis-à-vis the state. Their analyses are replete with references to the subterranean economic or political structures just waiting to flourish if somehow the heavy hand of the state would whither away. But countries like Mauritania, which rely heavily on the export of precious resources in relatively raw form and strict control of import-export licensing to guarantee income from customs duties, cannot afford to regulate economic activities in a Western way. Most of the economy must therefore operate semi-autonomously or even very independently from the state. The informal economic sector must perform state-like functions, must auto-regulate, and must create, where needed, its own "informal state" to supplement the activities of the formal state.

With a closer examination, informal economic relations are not as anarchic as they may first appear to economists and other observers. They are simply economic relations born of necessity and ingenuity, situated in a culturally-specific time and place, and part of an evolution towards the kind of nation and state envisioned by the participants in the society. In areas of weak state control, the informal economy best expresses the pursuits, desires, culture, morality, self-image, and imagination of people engaged in repairing their communities and improving their own lives in innovative ways.

It is morally and politically abhorrent that governments have not made the decisions necessary to end the historical and systemic violations of economic, cultural, civil, social, and political rights of huge sectors of humanity who struggle, survive, and die in varying conditions of impoverishment and repression. It is also in violation of international human

rights law. Governments, however, are not the only ones to blame. Other powerful political and economic actors, including intergovernmental financial and commercial institutions such as the World Bank (WB), International Monetary Fund (IMF) and World Trade Organization (WTO), and ‘private’ entities, such as multinational companies, banks, and financial investment institutions, are often just as guilty as states, if not more so in certain cases. Human rights activists should increasingly focus their attention on all rights and all actors, not just a limited few.

Impoverishment Is Not ‘God-given’ or Natural

Since World War II, systematic violations of overlapping human rights—in the form of malnutrition, hunger, and disease—have killed many more people than a combination of all the wars and repressive regimes that have violated political and civil rights. According to the 1997 Human Development Report, “17 million people in developing countries die each year from such curable infectious and parasitic diseases as diarrhea, measles, malaria, and tuberculosis.”⁷⁶ Many more people struggle and survive in subsistence conditions. Even by World Bank estimates, over 3 billion people ‘survive’ on a daily income of US \$2 or less.⁷⁷

Yet death and suffering due to impoverishment have rarely been investigated, analyzed, or denounced as human rights violations that result from political, legal, and economic decisions made by a host of national and global actors. Acting with (sometimes complete) impunity, many governments and other powerful groups deny any responsibility for the impoverishment to which they contribute, directly or indirectly. Intergovernmental institutions such as the WB and IMF argue that their economic development policies and programs have nothing to do with politics, human rights, or the environment. This is false. Economics and development work have *everything* to do with human rights, political decision-making, and the environment.

All Rights

Until recently, most human rights work has focused on a limited range of political and civil rights to the exclusion of other political and civil rights, and of virtually all economic, social, and cultural rights.⁷⁸ This work has largely ignored the fact that international human rights law enshrines a broad range of rights without necessarily assigning greater value to some than others. Much human rights work has avoided analyzing and denouncing the vicious cycle that often exists between repression, or systematic violations of certain political and civil rights, and impoverishment, or overlapping violations of numerous rights. An all-too-common scenario is that impoverished people educate themselves about their rights. They then organize and work to end the systemic rights violations that characterize their lives. The state, often with the support of private sector interests and foreign governments, responds with repression in order to preserve the undemocratic, unjust status quo.

While human rights groups may investigate and denounce the use of repression, they have rarely investigated and denounced prior economic, social, and cultural rights violations or the wide range of actors who contribute to these violations. While governments and entities such as the WB and IMF lament social upheaval and repression, they have refused to accept any responsibility for the links between the economic development policies that perpetuate and worsen impoverishment, and the resultant repression.

All Actors

Most human rights work has been aimed at holding only states accountable for rights violations—political and civil, for the most part—that occur within their borders. Yet the actions of other states, as well as interstate and private actors, often contribute directly and indirectly to human and environmental rights violations, both in their home countries and abroad. States can and should be held responsible for repression in a second country when the first state is providing funds, weaponry, and/or training to repressive police, military, and paramilitary forces in nations where violations of political and civil rights occur. Agencies such as the IMF, WTO, and WB contribute to rights violations when they oblige governments of dependent, perhaps indebted nations, to impose political, legal, and economic programs in their countries that merely perpetuate or increase violations of the rights of their own citizens. Private actors such as multinational banks and companies also undermine respect for rights around the world, whether by providing support to repressive regimes or by violating labor and environmental rights in their operations.

Holding other political and economic actors accountable does not negate the responsibility of governments and other local actors, but rather focuses attention on and apportions responsibility to all actors who contribute directly and indirectly to violations. Moreover, while attention must be focused on the policies and programs of the WB, WTO, and IMF, the governments of the U.S., Japan, Britain, France, Germany, Canada, and Italy, among other nations, deserve similar scrutiny because they actually set the policies of the intergovernmental institutions. There is clearly an ‘agency’ relationship between these institutions and the major power-holding, decision-making nations that determine their policies and actions.

A Rights Approach to Impoverishment and Repression: Entitlements and Accountability

All persons are entitled to full respect of all their rights: they have the right *not* to live, survive, and die in impoverishment, let alone under conditions of repression. The other side of this equation is that all governments and other powerful actors have obligations with respect to what they do: they must be held accountable for policies and actions that contribute to rights violations and environmental destruction.

A human rights approach to impoverishment and repression makes it clear that rights violations are neither inevitable nor natural, but arise from the deliberate policies and actions of a wide range of local, national, and international actors. In its demand for accountability, the human rights movement exposes the hidden priorities and power structures that underlie and lead to violations. Thus, addressing all rights in terms of their economic, political, and social contexts, and holding all actors accountable, constitute critical steps towards challenging the conditions that create and tolerate impoverishment and repression across the globe.⁷⁹

Notes

¹ Most of the information for this paper came from approximately 400 informal interviews with officials, development workers and economic actors in Mauritania. The interviews were conducted between 1990 and 1999. I would like to especially thank Iselmou Ould Mohamed, Abdel Wedoud Ould Cheikh, J. Laborie, Diana Stone, Mara Tekach-Ball, Ambassador Twadell, officials of the Planning Ministry, the World Bank, UNICEF, Oxfam, Afrique 70, both Mauritanian labor unions, and, especially, David Leege, one of the most talented development workers with whom I have had the pleasure to work. I must add that I hope this article challenges the formulations of the widely-read economic consultant Michael Fairbanks, who postulates that inferior cultures and lack of entrepreneurial ken are the reasons for African economic stagnation, an approach that I would call a dubious “African inferiority” thesis.

² In developing countries, the informal sector accounts for 10 to 50 percent or more of GNP (*Colloque: Pratiques Informelles Comparees: Les Fondements de la Non-Legalite*, Nouakchott: n.p., 1989. The *Colloque International*, held 7-9 December 1988, was the first and last symposium held in Mauritania about the informal sector. The symposium proceedings, which are unpaginated, are held at the University of Nouakchott.) “The informal or non-organized sector of the economy plays an increasingly important role in African economies because it contributes to employment, GDP, income distribution, and job training/apprenticeships” (Mauritania, Office National de la Statistique, *Enquête sur le Secteur Informel à Nouakchott, Nouadhibou et Kaédi, Volume 1: Caractéristiques des établissements des secteurs; Commerce, Services et Artisanat*, July 1994: 4).

³ In 1981, a government study of economic activity on parceled-out lands in Nouakchott counted 2,449 shops, 353 laundry services, 207 restaurants, 57 barbers and hairdressers, 105 carpentry shops, 267 tailors, 67 telephone operators, for a total of 4,452 informal sector businesses (Interview with Isselmou Ould Mohamed and Planning Ministry officials). The 1991-1992 study surveyed 18,000 informal enterprises in the three largest urban areas, recognizing that it was a fraction of the total (Mauritania, *Enquête*, Vol. I: 6).

⁴ Interview with French economist J. Laborie, conducted by author, in Nouakchott, autumn 1990. Rosso is located on the Senegal River and is the main transit point to Senegal. Kiffa and Aioun are a southern market towns surrounded by pasturelands, where transhumance (seasonal, nomadic pasturing of livestock) and trade are the dominant economic activities. To aggregate the statistics, I followed Mauritanian conventions by defining the formal sector as all administrative personnel, public sector construction workers, armed forces, police, teachers, and nurses. In this study, the informal sector was been defined as small-scale shopkeepers and vendors, artisanal and informal industrial workers, musicians, hairdressers, laundresses, and other small-scale service sector workers.

⁵ Laborie interview.

⁶ The mining sector has declined significantly since 1960 in terms of contribution to GDP from 24 percent in the period 1960-1970 to less than 15 percent today. Sectors exhibiting growth during the same period

included fishing (2 percent to 9 percent), industry (9 percent to 12 percent), and services (24 percent to 41 percent).

See also Maiton Bel, "L'économie mauritanienne," *Mauritanie, Entre Arabité et Africanité, Revue du Monde Musulman et de la Méditerranée* 54 (1990): 141-148.

⁷ These include definitions based on size, such as fewer than five, fewer than ten, or fewer than twenty-five employees; or taxation, such as firms that don't pay social security taxes or other kinds of taxes.

⁸ The formal/informal dichotomy is based on European progressive ideals that distinguished between the modern and the traditional. In fact, in most current analyses, including official government publications, the term "modern sector" is used as the opposite of "informal" sector, and at the same time "informal" and "traditional" are used interchangeably. This is very problematic, however, as one can distinguish between "traditional-informal" and "modern-informal" enterprise.

⁹ Joan Nelson, *Access to Power* (Princeton: Princeton University Press, 1979): 24. This dichotomous description extends to other related dualisms, including the distinction between capital-intensive and labor-intensive industry, between the regulated economy and the unregulated one, and between structured and unstructured.

¹⁰ Perhaps the economic equivalent of Joseph Conrad's African "darkness."

¹¹ Here I would refer to the "neo-colonial," sweeping dismissals of non-European cultures as unable to foster innovative wealth creation by such luminaries as Michael Fairbanks, author of *Ploughing the Sea*.

¹² Nelson, 399.

¹³ H Gohldensohn, *The Mauritanian Bureaucracy*, Doctoral Dissertation (Cambridge, MA: Harvard University, n.d.): opening pages.

¹⁴ Nelson, 24-25. The formal sector is usually corporate. Diplomas and credentials are often needed, making it more difficult to get a job. Also, labor unions function exclusively in this sector.

¹⁵ The number of employees in the mining sector has declined from 6500 to below 4000, due to the drop in the international price for iron. Formal businesses exploit natural resources such as iron and fish, build large infrastructure projects such as the Nouakchott port, and control important sectors of the economy such as electrical production and the sale of sugar.

¹⁶ Interviews with experts, such as Abdel Wedoud Ould Cheikh, and Nelson, 26: "The labor market in the informal sector . . . is comparatively easy to enter, in the sense that little or no formal education is required. . . . It is often further assumed that most informal sector jobs offer little prospect for advancement."

¹⁷ 75 percent in the three largest cities—Nouakchott, Nouadhibou, and Kaedi—and 82.1 percent in eleven large towns (Mauritania, *Enquête* Vol. 1, 12, 13; and Mauritania, *Enquête sur le Secteur Informel en milieu Urbain (2ème Phase), Volume 4: Caractéristiques des établissements des secteurs: Commerce, Services et Artisanat*, January 1997: 23).

¹⁸ It is 2.5 percent in the three largest cities. Only 7.7 percent of informal sector businesses outside of the three largest cities employ two people or more. Mauritania, , *Enquête* Vol. 4: 27, 28; and tables, Mauritania, Office National de la Statistique. *Enquête sur le Secteur Informel en Milieu Urbain (2ème Phase), Volume 5: Emploi dans les secteurs Commerce, Services et Artisanat*, January 1997: 33.

¹⁹ Despite the fact that they surveyed tens of thousands of locales, this lack of research into "home" economics is lamented in Mauritania, *Enquête*, Vol. 5: 40.

²⁰ Nelson, 26. "Regulation by and assistance from the government is minimal, and informal sector firms and workers rarely try to influence government actions or policies affecting their livelihood. . . . But productivity and wages are low, and income often fluctuates sharply from week to week or day to day."

²¹ Extensive research in a broad spectrum of developing urban economies has proven decisively that organized labor does not necessarily earn more than informal sector workers do. See Dipak Mazumdar, "The Urban Informal Sector," *World Development* 4, No. 8 (1976): 655-679; Nelson, *Access to Power*; Richard Sanbrook, *The Politics of Basic Needs: Urban Aspects of Assaulting Poverty in Africa*, (Toronto:

University of Toronto Press, 1982). In Mauritania, 35 percent in the informal sector earn less than minimum wage and 90 percent earn less than 1.9 times minimum wage. It is fair to say that about 10 percent earn more than most formal sector workers (Mauritania, *Enquête*, Vol. V: 87).

²² Interview with Abdel Wedoud Ould Cheikh and Isselmou Ould Mohammed, conducted by author, 1990.

²³ Abdel Wedoud Ould Cheikh, "Note sur le Travail des Enfants en Mauritanie," in *Al-Wasit* (Nouakchott: Centre Régional de Recherches Scientifique, 1988): 79. Based on interviews with Ould Cheikh and other economists, 1990.

²⁴ This includes, respectively and by way of example, informal transport, informal employees in the formal sector, and wholesale distributors.

²⁵ Mauritania, *Enquête*, Vol. 5: 87. Thirty-five percent earn less than minimum wage; the average earnings are 20 percent higher than minimum wage.

²⁶ On the down side, since there are so few productive enterprises in which to invest, a great deal of the redistributed wealth is immediately consumed.

²⁷ Varying degrees of isolation of the urban poor in shantytowns and ad-hoc jobs must be studied in the context of these linkages so that we can understand political and economic marginalization.

²⁸ As a result of the strong rich-poor and rural-urban linkages discussed above, we must avoid the widespread tendencies to marginalize the informal sector conceptually by classifying it as traditional, poor, or urban, as its modern, cross-class, and rural characteristics and linkages are examined further.

²⁹ In the productive sectors, French colonization had virtually none of the significant impact on infrastructure that it had in neighboring Senegal, Algeria, and Morocco. At independence in 1960, only forty to fifty Mauritians were employed in the colonial commercial fishing company in Nouadhibou. (Bel, 141.) Nouadhibou is the northwestern economic capital of Mauritania, with access to some of the richest fishing grounds in the world.

³⁰ This is well documented in the United States Agency for International Development (USAID) Rural Assessment and Manpower Surveys and in the works of French economist Maiten Bel and historical anthropologist Pierre Bonte. The major impact of French colonial policy was the neutralization of tribal conflict and monetization of the economy. Central administration eliminated the raid—*ghazzawat*—and banditry that provided much of the income and power base for warrior "Hassani" tribes of the pre-colonial era. Nevertheless, *ghazzia* cattle raids have resurfaced in modern form all along the Senegal River basin.

³¹ This created the nation's largest "ethnic" group, known as "haratine," or descendants of "freed slaves."

³² The destabilizing effects of long periods of drought and the Saharan conflict are well documented.

Agriculture and livestock have declined significantly since 1960 in terms of contribution to GDP, from 8 percent and 33 percent in the period 1960-1970, to 4 percent and 19 percent in 1984-1988, respectively. Employment in agriculture has fallen from 90 percent to 65 percent of the population (Bel, 147).

³³ Laborie interview.

³⁴ There is no mention of this in the 400 pages of documentation for the Informal Sector survey of 1991-3. See Mauritania, *Enquête*, Vol. 1 - 5. The vast majority of adult Mauritians have lived in a variety of regions of the country as transhumants or labor migrants. In this country of strong nomadic traditions even urban professionals, returning to the countryside to visit parents and relatives, often have very vague regional destinations. One highly-educated professional on vacation in the region "south of Kiffa" revealed that after several days he finally "found" his family "in a tent seven kilometers south of the city," which was nice because, unlike on other visits, this time he was close enough to Kiffa to seek daily food and supplies. Many people in Nouakchott have several addresses, and circulate from house to house for both social and economic reasons. Members of this "floating" urban population conserve strong ties with their regions of origin. Many return home to participate in seasonal work, such as the *guetna*, or annual date harvest.

³⁵ One émigré in six from Kiffa was in the Middle East. It is important to note here that in the Mauritanian context, the division between producers and consumers is sometimes difficult to establish.

For example, according to Isselmou Ould Mohammed, much produce is auto-consumed or bartered and therefore not counted as income. The non-monetary economic relationships of rural production and services illustrate the transition from “traditional” to “informal” economy.

³⁶ “Households,” nonetheless, can be seen to include between five and ten people, with Moorish households tending to be smaller than non-Moorish ones. Moors are the Arab-speaking Mauritians that trace their roots back to the Arab and Berber migrants to the Western Sahara region. Other ethno-linguistic groups include Pulaars (found throughout West Africa), Soninkés (found also in Mali and Senegal), Bambaras (also found chiefly in Mali), and Wolofs (Wolof is a national language of Senegal). Half of Soninké households in the survey number more than eleven people (Laborie interview).

³⁷ Since income generation and consumption are collective, and households often include workers from a wide variety of sectors, household incomes fluctuate far less wildly than individual incomes. But economic research is suspiciously viewed as a determinant of the level of food aid for that area; therefore, people have a tendency to underestimate their incomes. But more importantly, due to the fact that household budgets are not written down, income slips through the cracks of economic analyses.

³⁸ By comparison, a 1980 USAID report estimated Mauritanian average annual income at 16,411 UM in Nouakchott, 10,028 in Rosso, 5,280 in Kiffa, and 6,432 in Aioun. Both sets of figures help explain accelerated migration to Nouakchott. United States Agency for International Development, “Rural Assessment and Manpower Surveys (RAMS),” Unpublished reports, (Nouakchott: USAID, 1980). The January 1999 exchange rate is US\$1=169.88 ouguiyas.

³⁹ Survey participants estimated 47 percent of revenue from salaries, a figure considered high compared to other potential income. The survey neglected to analyze non-monetary household revenues and expenses.

⁴⁰ Nearly 60 percent of informal sector employees are related to the owner, 45 percent are from the immediate family. Mauritania, *Enquête*, Vol. 5: 41. The development of a non-family based, cash economy is relatively new everywhere. In the United States, it wasn't until the late 18th century that the first non-family corporations were formed, and the early 20th century that children began to leave the workplace and most companies were non-family-owned. Because so many of our modern economic notions are based on the assumption of a highly complex adult worker cash economy, it is little wonder that we have trouble applying supposedly “universal” economic “principles” to Africa.

⁴¹ Officially, 20.5 percent of informal sector workers are under twenty years old. Mauritania, *Enquête*, Vol. 5: 33.

⁴² Ould Cheikh, 83. A crucial source of cash for Mauritanian families lies in the remittances from the 400,000 Mauritians abroad. A 1988 study of urbanization estimated that they sent an average of 900 francs per month per person, or approximately 12,500 UM (Laborie interview). Remittances from Nouakchott to the regional capitals accounted for a large percentage of income in those areas, often in excess of exceed 4000 UM per person per month (Edward White, “Report on Urbanization,” U.S. Embassy, Nouakchott, Mauritania, 1989, 59. White was a former embassy intern).

⁴³ Other urban children sell cigarettes, candies, and cosmetics to develop their own microcapital. “Street kids” help out in markets, hotels, restaurants, cinemas, supermarkets, pharmacies. Tens of thousands of them hit the streets every day looking for odd jobs. Some create jobs for themselves as self-appointed car guards for rich people and foreigners. School attendance decreases the size and work-hours of this work force, but school attendance is still very low in Mauritania.

The condemnation of child labor stems from the Western ability to assure that children be in school. The problem is that the educational and economic infrastructures in Mauritania are not yet such that all children can attend school. In the meantime, many are acquiring a technical education in the informal/traditional sector as apprentices. Condemnation of child labor is therefore a somewhat hollow one.

⁴⁴ This is the case for many African countries.

⁴⁵ OECD, quoted in the *Colloque International*.

⁴⁶ Almost 80 percent of informal sector workers are male, according to the 1993-4 survey, but this is largely because to be counted an informal business needed a locale, a place of business, "not the home." Mauritania, *Enquête*, Vol. 5: 40. Some economic activity is concealed, to avoid taxes or customs duties, as with the cross-border black markets.

⁴⁷ The World Bank's GNP per capita places Mauritania 35th to last on its list of nations, slightly ahead of Indonesia and Yemen. Mauritania's relatively small population and high level of aid and exports relative to population can largely explain this. On the other hand, UNDP's human development report indexes Mauritania at 8th lowest in the world, a figure based on life expectancy, literacy, and purchasing-power-adjusted real GDP; the seven other least developed nations are all in close proximity to Mauritania.

⁴⁸ The head count (but not sale) of a herd may be included in official statistical estimates. Statistics gathering, according to a Mauritanian economist, varies widely between the central bank, the Statistics Office of the Planning Ministry, and World Bank. Nevertheless, while the balance of payments report of the Mauritanian Central Bank includes an entry for "unregistered" business activity, the column has been empty for several years.

Nothing has been written on how aggregate statistics are determined by these organizations. The category "economically-active population" in Mauritania is not well defined. The official cut-off is fifteen years of age, and this does not include many productive activities like domestic clothes manufacturing.

⁴⁹ The United States Information Agency claims that poor new countries suffer from economic distortions that result from the countries' inability to supply goods. United States Information Agency, *Economie Internationale*, (Washington, D.C.: USIA, 1989): 212.

⁵⁰ This is in sharp contrast with Latin American countries where it makes more sense to talk about the informal economy as being defiantly extralegal. In Latin America, the economies are highly differentiated, statistical work is extensive, and the legal apparatus formidable. There, the highly sophisticated legal system is designed to limit high-profit economic activity to a few people.

⁵¹ Municipalities tax "informal" shops periodically. Boutique owners or vendors with stalls, stands, or just goods spread on the ground often must pay flat taxes on a daily or monthly basis. Women spice sellers at Nouakchott's central market—mostly Arabic-speaking "Haratine" descendants of "freed slaves"—pay either 10 or 20 UM per day. Tourist handicraft vendors pay 500 UM per month to set up a table in the arcades along Avenue Nasser, the main boulevard of the capital city. An informal survey at the roadside market at Toujounine revealed that vendors of *mehlefa* and other woman's products pay 400 UM monthly, vegetable merchants 500 UM monthly, and butchers 750 monthly plus 100 UM daily to the municipality. These merchants pay virtually no other taxes.

A successful tax is the new tourist tax in Ouadane and Chinguetti, Mauritania's main tourist destinations.

⁵² City businessmen who bought large quantities of cattle during the drought, hire (informal sector) herders for large agglomerations, of cattle, often nearer the cities, increasing urban migration.

⁵³ V. Turbat, "The Civilian Popular Economy," Unpublished paper, (France: Université d'Orléans, 1990): 3.

⁵⁴ All figures in these case studies are drawn from the *Colloque International*, unless otherwise noted.

⁵⁵ Cited in White.

⁵⁶ In an effort reminiscent of the infamous Egyptian bureaucracy or the movie *Brazil*, a land owner must obtain "six official stamps of approval from the local *prefet*, Sonolec, the Bureau d'Hydraulique, the Bureau d'Habitat et de l'Urbanisme, the Laboratoire Nationale de Travaux Publique, and the local municipal authority. Obtaining the stamps is a complicated and repetitious process requiring detailed architectural plans, safety codes, and urban planning maps that must be consulted at each step. A visit to any one of these six offices will reveal queues of impatient land-owners and real estate speculators who must often wait for days." Ibid.

⁵⁷ Ibid

⁵⁸ Informal construction workers include women specializing in tent construction and carpenters and metal-smiths for building shanties. Tent builders are typically low-status Moors. [According to the *Colloque International*, 58 percent of the women were of Znaga origin, or originally of a tributary caste, and 42 percent were of low-status Maraboutic and Haratine origin.] Sixty percent of tent builders were over 40 years old, and most were widowed or divorced. Most tent builders learned their craft from their mothers. In general, these women have little or no capital to work with, and sell their labor at 8000 UM per 4m x 6m tent (up from 2,500 in 1984). A tent of this size takes about ten eight-hour days to construct. Most tent builders earn less than 20,000 UM per month from their occupation. Many are aided by their daughters, who can thus be considered apprentices in a family business. This activity is outside the scope of the massive 1991-2 government survey of 18,000 urban informal enterprises. Carpenters usually begin as apprentices for a few years, during which they save enough money to buy tools, such as hammers, vises, and rulers. They typically work out of a small one-room office attached to a courtyard or workshop, with an average of about two apprentices. They are generally paid on completion of construction, earning about 24,000 UM per month. When large numbers of Senegalese lived in Nouakchott, training in this sector was largely father to son, but as one Mauritanian bureaucrat lamented after the 1989 expulsions, "The Senegalese left without training anyone."

⁵⁹ Land is sold for as much as \$4000 to \$5000, according to White.

⁶⁰ This incentive for real estate speculation may explain why there was so little protest to the forced relocation of squatters from the Sixth District to the districts of Arafat and Peta.

⁶¹ Water is a very precious commodity in the Sahara.

⁶² Certain trades requiring electricity are not represented outside of cities.

⁶³ With the exception of a 2000 UM residence tax. (Interview with author, 1990).

⁶⁴ This number does not even include the thousands of affected jobs in supporting industries. The STPN, or National Public Transport Company, has existed for fifteen years, but has never even begun to meet the high demand for transportation in the capital city. The STPN owns and operates the large buses that handle a tiny fraction, less than 1 percent, of downtown traffic.

⁶⁵ *Chaab*, June 20 and 26, 1990.

⁶⁶ *Chaab*, August 1990.

⁶⁷ While "boutiques" are the most common informal commercial enterprise in ten of fourteen largest towns and cities (Mauritania, *Enquête*, Vol. 5), this is dwarfed by the number traders, in this barter economy, with no "locale."

⁶⁸ There is not enough data to discuss illegal services and trade, such as prostitution and the black market.

⁶⁹ Parastatal enterprises like SONADER (Agriculture), CSA (Food), and SONIMEX (Marketing) control very little of the economic activities that they are supposed to have monopolies over. CSA is designed to stabilize grain prices, keep up food stocks, monitor production deficits, and market food. Apparently, it does none of these very well. ("Mauritania Country Profile," distributed by US Embassy in 1990.) The "Country Profile" laments that there is a lot of private trade in wheat and flour. The "Country Profile" goes on to say that there is no data on domestic production marketed by private traders as compared with the CSA or the extent of grain trade across (and around) the Senegal River outside the control of Sonimex.

⁷⁰ Laborie interview.

⁷¹ In the Cinqième market, by contrast, purchases are made with cash for the entire amount (Interview with author, 1990).

⁷² "Reinsertion" programs helped over 60,000 repatriated Mauritians. (*Chaab*, 1990.)

⁷³ The number of fishing sector jobs was tripled from 1000 to 3000! (*Chaab*, 1990.)

⁷⁴ Mauritania, *Enquête*, Vol. 1: 16; Mauritania, *Enquête*, Vol. 4: 23.

⁷⁵ This assumes that capital is not available for mass production.

⁷⁶ United Nations Development Programme, *Human Development Report 1997* (New York: Oxford University Press, 1997), 28.

⁷⁷ *La Jornada*, 2 February 1998, 18.

⁷⁸ In recent years, women and indigenous peoples have made significant advances in having systemic violations addressed (albeit not yet fully or properly) by a growing range of human rights institutions. Women's and indigenous organizations put forward important critiques of the narrow focus of traditional human rights work, pushing it to overcome biases and move towards addressing 'all actors,' and 'all rights.'

⁷⁹ This paragraph is adapted from "Unleashing Human Rights to Address Global Poverty," by Chris Jochnick, legal director of Center for Economic and Social Rights (www.cesr.org).