Social Security in Senegal's Informal Sector: The Complexities and Contradictions of Senegal's Attempts to Extend Its Social Benefits System

Thesis submitted in fulfillment of the Requirements for the History Departmental Honors Program at Rutgers University

By Brian Poucher

Advisor: Professor Barbara Cooper

History Honors Director: Professor James Masschaele

April 11, 2008
# Table of Contents:

**Acronyms**  
3

**Introduction**  
5

**Section 1**  
7

The Development of the Code du Travail and the imagined worker class  
7

Urbanization, the Informal Economy, and the Rise of the *Grandes Fortunes*  
12

Structural Adjustment and Market Liberalization  
16

Senegal’s Statutory Social Security System and Mutual Health Organizations  
19

Labor Unions in the 1990s – Formal Sector Unions and the role of UNACOIS  
22

**Section 2**  
24

Accounting for Diouf's Initiatives: Existing Theories – Lécuyer and Ndiaye  
25

**Section 3**  
30

Other Explanations – International and Political Pressures  
30

**Section 4**  
36

The Initiatives in Practice – The Attempt and the Outcome  
36

**Section 5**  
41

Accounting for Failure – Ndiaye and other known theories  
41

**Section 6**  
44

Other Explanations – *Volonté Politique* and an Alternative Path  
44

Evolutionary Vocabulary and the Informal Sector  
57

**Summary Observations and Conclusion**  
61

**Reference List**  
65

**Interview List**  
70
Acronyms:

ADEPME: Agency for the Development and Training of Small to Medium Enterprises
BOAD: West African Development Bank
CFA: French Community of Africa (Currency)
CNAM: National Office of Health Insurance
CNTS: National Confederation of Senegalese Laborers
CSS: Social Security Office
DST: Management of Labor Statistics
FWA: French West Africa
IFAN: Institut Fondamental d'Afrique Noire (Research Institution)
ILO: International Labour Organization
ILO-STEP: Strategies and Tools against Social Exclusion and Poverty
IMF: International Monetary Fund
IPM: Health Insurance Institution
IPRES: Senegal Old-Age Pension Insurance Institution
MHO: Mutual Health Organization
NGO: Nongovernmental Organization
OECD: Organization for Economic Cooperation and Development
PDS: Democratic Party of Senegal
PS: Socialist Party
RoSCA: Rotary Saving and Credit Association
SAP: Structural Adjustment Policy
SME: Small to Medium Enterprise
SSA: Social Security Agency
UN: United Nations
UNACOIS: National Union of Senegalese Traders and Industrialists
UNCM: National Union of Chambers of Trade
UNSAS: National Union of Autonomous Trade Unions of Senegal
VAT: Value-Added Tax
WIEGO: Women in Informal Employment: Globalizing and Organizing
Introduction:

Over half of the world’s population has no statutory social security. In many developing countries a large portion of this population works in what is called the urban informal sector, an economy that is not officially recorded and does not generate tax revenue for the state. This thesis is an examination and analysis of a set of government initiatives that began in 1996 that were intended to expand Senegal’s formal social security programs to cover workers in the informal sector. Specifically I have studied the political, cultural, and economic impetuses that caused the government to undertake this expansion, why these initiatives eventually failed, and the startling similarities between the original debates over labor and social security in the 1940s in French West Africa (FWA) and these more recent initiatives.

Through library research, archival research, and interviews with journalists, government officials, and informal sector workers, an intriguing picture has emerged. The initiatives were the indirect product of a host of conflicting forces: pressure from international organizations, controversies in Senegal’s social security agencies, unrest among former government employees laid off in the wake of structural adjustment policies, and the political ambitions of Senegal's two most prominent politicians – Abdou Diouf, the leader of the Socialist Party (PS) and President of Senegal from 1980 to 2000, and Abdoulaye Wade, the leader of the Democratic Party of Senegal (PDS) and President from 2000 to the present.

Given the contradictory elements contributing to the initiatives' creation, it is perhaps not surprising – despite this eclectic coalition of forces – that it failed. Note in particular that the traditional workers in the informal economy – artisans, displaced
farmers, underemployed fishermen, market women – do not seem to have had a significant role in the formulation of these initiatives. Reasons for their failure include the top-down decision-making structures of the involved labor unions and organizations, informal sector labor unions' desire to remain hidden from the government tax net, general distrust of the government, and a lack of political will to carry the initiatives further. In addition, Senegal’s history of gender-biased decision-making regarding labor and reform blinded organizations and officials implementing the initiatives to the growing phenomenon of tontines and Mutual Health Organizations (MHOs). These grassroots organizations based upon area and occupational solidarity provided social protections to its members and, unlike the government-implemented initiatives, were being created by informal sector workers themselves. My analysis will shed light on previously under-studied aspects of these initiatives and will provide suggestions and analyses for future social policy-makers and researchers.

The breakdown of the sections is as follows: the first section outlines colonial discourse in French West Africa, the development of the informal economy and the rise of the *grandes fortunes*, structural adjustment policies. It also gives a broader definition of Mutual Health Organizations and describes the labor union landscape in the 1990s. The purpose of this section is to give the necessary background information in order to understand the larger economic and political context in which the initiatives took place. Section 2 examines existing theories about why Senegal’s government undertook the initiatives. In Section 3, I will examine the various conflicting and contradictory forces that Diouf confronted during the mid-1990s and how they affected his decision to undertake the initiatives. Section 4 gives a description of the initiatives themselves as
well as progress reports into the early 2000s when they disappeared from public view. Section 5 examines some general problems that governments face in extending social security to the informal sector and outlines existing theories about why Senegal’s initiatives failed. Section 6 provides my own analysis of the reasons for the initiatives' demise: Senegal's government's lack of political desire to successfully expand social security to the informal sector and the dismissed possibilities that lay in the growing grassroots MHO movement.

Section 1

The Development of the Code du Travail and the Imagined Worker Class

In his book, *Decolonization and African Society: The Labor Question in French and British Africa*, Frederick Cooper explores the posing of the labor question in colonial Africa: the development of a wage worker class in the minds of colonial officials, labor unions and their efforts to receive labor rights and social security, and how British and French post-World War II imperial progressivism influenced these debates. One subject that he explores is the development of a wage-based economy, what European officials called a "modernized" economy, which they differentiated from the primarily agricultural and "backward" village-based life that had existed for the vast majority of Africa. During the 1930s, much of the debate concerning African workers was regarding whether the African was capable of being a "wage worker," and if the creation of an African proletariat was a positive or negative development. French colonial thinking during the 1940s reflected anxiety about "detribalization," the process of an African leaving his village to work and live in an urban environment, thereby severing all ties to his village
of origin. It was believed that substantial numbers of uprooted and "detribalized"
Africans were dangerous to society and that any rapid changes to African culture would endanger "the very basis for social and political stability" (Cooper 1996, 53).

A reason behind this thinking was that colonial officials were convinced that Africans were incapable of successfully keeping a job based upon wages or a contract; Africans were believed to be innately lazy and to have a strong antipathy towards structured work. One labor official noted that one had to take into account "'the slowness of the evolution of indigenous mentality'" (Cooper 1996, 103). Since a detribalized African could not be repatriated back to his rural origins, the only solution to this societal degradation was to develop "an urban infrastructure capable of socializing and acculturating a new generation to a European vision of urban society" (Cooper 1996, 139). During the 1940s and 1950s, the idea that severance of rural ties and networks was irreversible played a key role in European thinking about the labor question. The idea of a detribalized African shows up again and again in labor and social security discourses.

After World War II, both British and French Africa discourses on labor in their colonies shifted. Whereas before World War II the detribalized native was dangerous and undesirable, by the late 1940s he was something to be cultivated. France wanted to assimilate the tribal native into a stabilized urban-worker force. This work-force, in turn, would create a productive and "modern" economy, one modeled after the European economy. French colonial discourse took this rhetoric further, declaring that French West Africa (FWA) was part of the Greater France and that African subjects were French citizens. As Cooper describes, "The 'worker'- who might be entitiled to certain rights- was envisaged against the 'mass'- which was dangerous and backward- and against 'traditional
society,' whose cultural backwardness necessitated the intervention of colonial powers in the first place" (Cooper 1996, 265). France's rhetoric about African workers having the same rights as French workers was more about France justifying its colonial holdings in an increasingly anti-colonial international atmosphere and appeasing labor unions than about the morality of giving labor rights and social protection to Africans. France "was caught between the politics of keeping the empire and politics of exploiting it"(Cooper 1996, 290). These ideas and their links with the 1996 initiatives will be discussed in Section 3.

Cooper studies how African wage-laborers themselves used this rhetoric, by organizing labor unions in the 1930s and massive strikes during the 1940s, to demand rights like labor laws and social security such as "accident insurance, unemployment compensation, retirement pensions, the right to organize, [and] free and universal education" (Cooper 1996, 265). These efforts culminated in the passing of the Code du Travail by the French Assemblée Nationale in 1952. The Code du Travail gave workers many rights and privileges, including the "right to a weekly day off and paid holidays…certain standards of safety and sanitation…medical care" and the groundwork which would eventually lead to the creation of a family allowances system in 1956 (Cooper 1996, 296).

More important than the rights it provided, the Code du Travail clearly defined where the threshold between a wage-laborer and the rest of African society would fall. In other words, it defined who was entitled to receive social protection and labor rights and who was not. A worker was defined as someone 'who has engaged himself to put his professional activity at the disposition of another person, physical or moral [i.e.
corporation], public or private, in a manner so as to exercise it for hire under the direction and authority of the latter" (Cooper 1996, 294). It designated what Cooper calls an "imagined worker class" in the minds of French colonial officials that needed to be, according to a 1944 labor study, "identifiable" and "findable" (Cooper 1996, 185-186). Subsequent debates over social security and worker rights would be centered on this threshold and the imagined worker class it had created; its language would reverberate in informal sector discourse during the 1990s in profound ways. I will return to this issue in Section 6.

The shift of "discourse on labor onto territory which both the colonial administration and the majority of the labor movement could accept, isolating those who refused to work within the frame," excluded the vast majority of Africans who still lived in villages and took part in subsistence agriculture (Cooper 1996, 289). It permitted colonial officials to ignore the "immensity of African agrarian life" which remained a mystery to them and it enabled them to concentrate their efforts on stabilizing a wage worker class upon which they placed their hopes of development (Cooper 1996, 295).

The words "he" and "himself" are used deliberately, as the worker class that colonial France had imagined was entirely male. Cooper noted that “the gendering of the African worker was so profound it was barely discussed” (Cooper 1996, 266). All of the debates and discourse taking place in French West Africa “assumed a male worker” (Cooper 1996, 266). This was contrary to the reality in much of Africa that women often provided important supplementary income to the household budget. For example, Lisa Lindsay examines the historical case of a Yoruba-speaking community in Nigeria where women had a long tradition of “market trading and financial independence” (Lindsay
However, as men became associated with the stable wage worker class and with steady paychecks, they came to regard themselves as the primary breadwinners of their families (Lindsay 2003, 150). Labor unions used this breadwinner discourse to argue for the necessity of a statutory family allowance system and salary increases. According to this argument, since wives and women did not contribute to household incomes, the male "breadwinner" should be given a family allowance in addition to his salary so he can provide for his family. This kind of gendered thinking played an important role in the context of the 1996 initiatives.

Cooper also shows that the labor movement and the development of labor unions played a key role in winning labor rights and social security for African workers. Labor unions in the 1940s, particularly those in Senegal, displayed a remarkable ability to present a united front to colonial officials. A general strike in Senegal in January of 1946 "clinched the argument over whether Africans were really capable of acting like workers and convinced officials and business that an effective system of industrial relations had to be brought to Africa" (Cooper 1996, 187). By the post-war period, labor unions had made themselves a major voice in business-government relations.

Labor unions were able to gain a powerful voice because the first labor union leaders were mainly évolutés, Western educated Africans who were familiar with the French labor apparatus' and government; they knew how to effectively articulate their goals and demands in the kind of language the French administration recognized (Cooper 1996, 228). Although the leadership of these early unions was primarily made up of évolutés, the bulk of the union membership was made up of less educated wage workers: railroad, miner, civil service, and manual workers. Similarly, the labor unions of the
1990s were led by Western-educated businessmen: in his book *Democracy in Senegal: Toquevillian Analytics in Africa*, Sheldon Gellar states that "although not necessarily run by aristocrats, [these labor unions] were essentially elitist organizations working primarily in French and using Western-inspired concepts and rules of operation" (Gellar 2005, 100). Despite this similarity in the make-up of their leaderships, there were many differences between the labor unions of the 1940s and 50s and those of the 1990s. By the 1990s the labor union landscape was much more diverse, fraught with inter-union tension and unions representing different groups and interests. The labor union landscape in the 1990s will be discussed in more detail later in this section.

**Urbanization, the Informal Economy, and the Rise of the Grandes Fortunes**

After gaining independence in 1960 there was a brief post-independence feeling of hope and vitality as new governments were formed and new leaders rose to meet the new challenges posed by independence in an increasingly interdependent world. However, as time passed there was a growing sense of despair and dependence as corruption, food shortages, and declining prices precipitated a financial and economic crisis that was exacerbated by a lengthy drought that spanned the mid-1980s (Adedeji 1990, 11).

In the face of widespread rural poverty, there began a mass rural exodus in the 1970s as people migrated to the cities in search of work. As the urban population grew, so did the problems of its management. Many people squatted in makeshift slums that lacked adequate access to sanitation, housing, and utilities. In this environment the need for employment and income as well as the need for cheap goods and services grew. In
order to fulfill these needs, people began to create their own businesses and markets. The number and ubiquity of these businesses grew and became known as the informal sector.

The informal sector generally exists outside of any government intervention or regulation such as labor protections, licensing, certification, quality control, data collection, and most importantly, tax collection. It is a hard-scrabble economy created out of dire need and sustained in the absence of alternative means of earning a living. In the United States, one thinks of the phrase, "under the table." It often includes illegal immigrants who work unofficially for an employer. There are no official contracts and no official records of transactions or payments. In general, informal economies are characterized by ease of entry, fiercely competitive markets, labor-intensive jobs, skills acquired outside the formal school system, and reliance on indigenous resources (Maes 2003, 40). It has grown increasingly complex and today encompasses everything from making household furniture and kitchenware, repairing watches, radios, and televisions to cooking, operating restaurants, making clothes, shoes and accessories, changing and lending money, and transporting goods and people (M. Ndiaye 2002, 19).

Statistics on the size of the informal economy vary. According to a 1998 action plan published by Senegal's Ministry of Labor, in 1996 the informal sector included 2,529,773 workers (République du Sénégal, Appendix). Another source states that as of 1991, the informal economy in Senegal made up 58.7% of the working urban population with approximately 400,000 workers in the artisan sector alone (M. Ndiaye 2002, 26; Lécuyer 2002, 173). Clearly, the informal sector plays an important role in Senegal's economy.
In Africa, the informal sector is not necessarily illegal, but it does fall outside the "regulations that govern the establishment and functioning of enterprises," including "regulations such as labor, fiscal, and environmental, that [businesses] are expected to comply with" (Canagarajah and Sethuraman 2001, 4). Specifically in Senegal, the government under Leopold Sedar Senghor, the President of Senegal from 1960-1980, did little to stop the rapid growth of the informal sector during the 1970s and 1980s. As Thioub, Diop, and Boone discuss in their article, "Economic Liberalization in Senegal: Shifting Politics of Indigenous Business Interests," the rapid growth of the informal economy during this time period served the government in two ways. Firstly, it "helped people to cope with inflation and the economic recession that set in at the end of the 1970s" (Thioub, Diop, Boone 1998, 70). Secondly, it created a large pro-regime political base, largely made up of a growing class of successful informal sector businessmen. The growing class of successful informal sector businessmen came to be known as the grandes fortunes (Thioub, Diop, Bonne 1998, 75). However, up until the development of the informal economy and the grandes fortunes during 1970s and 1980s, foreign-owned monopolies had dominated Senegal's formal-sector industry, commerce, and banking (Thioub, Diop, Boone 1998, 67). In the face of these foreign monopolies, successful indigenous businessmen had had to maintain close ties with the government, receiving "licenses, loans, commodity important quotas" in order for their businesses to flourish.

The growing number of grandes fortunes signaled a major shift in Senegal's economy. The grandes fortunes, used their growing economic clout to forge strong bonds with the rapidly growing population of urban informal sector workers who owned small to medium enterprises (SMEs). The grandes fortunes would import goods in mass
amounts and sell them to SME owners who would in turn sell them in the local market place. Many SME owners and informal sector workers relied on the supply of goods that the \textit{grandes} fortunes provided; without these supplies, their businesses would collapse and they would fall into poverty. Thus, to SME owners, their relationship with their \textit{grande fortune} represented a means to avoid the poverty and destitution that were associated with the effects of the economic crisis and liberalization policies of the government.

The relationship between the \textit{grandes fortunes} and SME owners in the informal sector represented the patron/client relationships that Robert Fatton Jr. describes in his article "Clientalism and Patronage in Senegal." Fatton quotes James C. Scott to describe how client/patron relationships "cut vertically across class lines," and represent "a certain distribution of the spoils of political power" (Fatton 1986, 62). In the case of the \textit{grandes fortunes}/SME owner relationship, the \textit{grandes fortunes} were the patrons, supplying their clients, the SME owners, with the means of their economic survival. However, the patron/client relationships between the \textit{grandes fortunes} and SME owners and informal sector workers were not only based upon "credit and business relations," but "family and religious ties" as well (Thioub, Diop, and Boone 1998, 75-76). Personal ties made these relationships important and symbiotic in the eyes of informal sector workers and SME owners because of the importance placed on personal relationships and networks in Senegalese culture.

At the same time, however, these relationships denied informal sector workers any significant upward economic mobility. The SME owners and informal sector workers were reliant on the imported goods that the \textit{grandes fortunes} supplied. If he so desired, a
grande fortune had the power to cut off a client from their economic resources. Thus, these patron/client relationships kept many informal sector workers anchored in their economic status, but at the same time provided them with their means of survival. As Fatton states, the patron/client relationship offers a “heaven in a heartless world,” but at the same time was a form of exploitation that “reinforced the existing structures of wealth and privilege” (Fatton 1986, 62-63). Thus, the grandes fortunes represented an important power structure that was outside of the state's influence. The role of the grandes fortunes and their clients will be discussed in the labor union portion of this section and in section 3.

Structural Adjustment and Market Liberalization

After World War II, many industrialized countries and philanthropic organizations, particularly the United States and institutions like the Ford Foundation, invested large amounts of money into developing countries for construction and development projects (Sutton 2006, 45). However, beginning in the late 1960s, there was a sense of "donor fatigue." Donor countries were becoming frustrated and disillusioned by lack of economic and social progress in developing countries, Senegal among them, despite their contributions (Ekbladh 2006, 29-30).

As international organizations and donors became increasingly frustrated while confronting the economic downturn and the effects of globalization, they decided on a change of strategy. Neo-liberal reform became the foundation of many international organizations' development efforts. Structural adjustment embodied the rhetoric of liberalization, the idea that less government spending, subsidies, and tariffs meant a more
active and innovative economy. This rhetoric prompted international lenders to force
borrowing governments to institute budget cuts resulting in the downsizing of
government and public institutions. Reforms were predicated on the assumption that in
order to compete at a global level, governments needed to foster healthy economic
competition. By decreasing tariffs and government subsidies, the protective barriers that
surrounded much of the economy would be broken down, particularly in agriculture,
jump-starting economic development and entrepreneurial imagination. Led by the
International Monetary Fund (IMF) and the World Bank, international organizations
placed pressure on the governments of African countries to institute structural adjustment
policies (SAPs). If developing countries refused to make significant policy changes, they
were cut off from aid money.

In their article, "Economic Liberalization in Senegal: Shifting Politics of
Indigenous Business Interests," Thioub, Ibrahima, and Boone describe how a reluctant
Senegalese government adopted SAPs in the mid-1980s and continued liberalization
policies into the 1990s. These policies culminated in the liquidation of the Ministry of
Commerce in 1990 and the devaluation of the CFA, Senegal's currency, by half in

The effects of structural adjustment and the CFA devaluation on Senegal's
economy are controversial. Market liberalization further opened up markets that had
previously been dominated by state-owned and foreign businesses that had the backing of
the government. Structural adjustment imposed "significant new limits on the regime's
ability to forge and maintain clientelist controls over Senegalese business interests…and
[destabilized] the position of the most politically privileged businessmen" (Thioub, Diop,
and Boone 1998, 72-73). Liberalization policies fueled the rise of the *grandes fortunes*. In the late 1980s, as Senegal's formal private sector lost thousands of jobs and industrial activity declined by 20% due to the structural adjustment and liberalization policies, the *grandes fortunes* rose to fill the economic gap that had been opened (Thioub, Diop, and Boone 1998, 71-72). Sheldon Gellar also notes how liberalization policies loosened "the state's tutelage over the economy and associational life," which allowed for a blossoming of new kinds of grassroots associational organizations (Gellar 2005, 100). I will return to these issues in Section 6.

Liberalization and structural adjustment programs came with a high social price as well. As Lucy Creevey, Richard Vengroff, and Ibrahima Gaye show in their article "Devaluation of the CFA Franc in Senegal: the Reaction of Small Businesses," the devaluation in 1994 and inflation in the subsequent two years caused the costs of commodities, imports, "necessary components, tools, and fuel, to say nothing of food," to sky-rocket: "The CFA devaluation…has been blamed for causing extreme suffering in the poorer segments of the economy" (Creevey, Vengroff, and Gaye 1995, 670). Consequently, many of the changes undertaken in structural adjustment programs were highly unpopular. People viewed structural adjustment, especially the January 1994 CFA devaluation, as a betrayal by the government: "most Senegalese equate reforms with layoffs, inflation, and a decrease in spending power" (M. Ndiaye 2002, 43). In theory, the much needed social development and protection that the majority of Senegal's population lacked would automatically follow the economic growth created by structural adjustment (Adedeji 1990, 15). However, these protections never materialized. Workers in the informal economy, by definition, do not pay any formal social security...
contributions to social security organizations. If informal sector workers enjoyed a great deal of autonomy, it is also true, as Lécuyer notes, that they "enjoy no social protection at all, and domestic standards are not applied because the State is unable to ensure that they are respected," and as a result only 14% of Senegal's working population is covered by the formal social security system (Lécuyer 2002, 53).

This lack of protection left Senegalese workers particularly vulnerable in the rapidly changing and poorly regulated global economy. By the mid 1990s, international organizations such as the International Labour Organization (ILO), were expressing deep concern about the social injustice this lack of protection seemed to represent. In order to successfully meet the challenge of integrating their economy into the global marketplace, Senegal needed to foster a healthy social environment where people could afford to take entrepreneurial risks and cultivate business growth. One way to insure a healthy social environment is to have a social security system set up for working men and women.

Senegal's Statutory Social Security System and Mutual Health Organizations

In America, social security is basically a government pension fund that is taken out of a person's paychecks over their working career. Senegal's statutory social security system, by contrast, is contribution based. This means that every month a contribution is paid by each formal sector business to the social security institutions. Each individual

---

1 The ILO is an organization founded in 1919 that promotes labor opportunities, equality, "freedom, security, and human dignity" and has created international labor standards, worked to extend social protection to the informal sector and to find solutions to the social costs associated with globalization (ILO, 2008).

2 According to the International Labour Organization's Working Party on the Social Dimensions of the Liberalization of International Trade Progress Report on the Country Studies of the Social Impact of Globalization, there are "four 'social pillars' [which] can provide a meaningful contribution to a successful globalization process: -equality of access to education and training; a well-functioning safety net; labour regulations that combine the need for adaptability with that of protection; the observance of core labour standards" (ILO: Governing Body 1999).
employee does not pay separately; the business owner gives one contribution in the name of all of the employees under his or her hire. Contributions to the social security system are compulsory for all employees and employers (U.S. SSA 2007, 1). Once an employee reaches the age of sixty, he or she can apply for social security and get a monthly check based upon their age and financial situation.

In Senegal there are three organizations that administrate three different parts of the social security system. The Social Security Fund (CSS) was originally founded in 1956 but got its current name and responsibilities in 1975; The Social Insurance Institute for Old-Age Pensions in Senegal (IPRES) was founded in 1958, but got its current name in 1975. The Sickness Insurance Institutions (IPM) was founded in 1975. A board of directors administrates the three organizations. Although the government has a spot on the board of directors and plays an administrative role, the CSS was given general autonomy in 1991 (Diop 2003, 18-19). The rest of the board is made up of other formal sector businesses that utilize the social security services.

In the context of this thesis, the term social security will be used with a broad definition in mind. Some of the ideas in this definition include financial coverage or insurance of possible catastrophes or medical incidents for workers, coverage for families with children, sickness and maternity benefits, work injury, survivor benefits, temporary and permanent disability benefits, workers’ medical benefits, dependents’ medical benefits, family allowances, and old-age pensions (U.S. SSA 2007, 1-5).

Outside of the statutory social security system there was a marked growth, beginning in the late 1980s, of small organizations that provided social security to its members. These organizations were based upon community or occupational solidarity
and were "situated in the informal financial sector" (Maes 2003, 49). The general idea of these organizations was, as Wouter Van Ginneken describes in his book, *Social Security for the Excluded Majority: Case Studies of Developing Countries*, "the provision of mutual support through the pooling of resources based upon the principles of insurance, help being extended to those in need within the overall framework of certain basic regulatory conditions" (Ginneken 1999, 20).

There are many variations of these organizations, which will not all be enumerated here. However, some examples include RoSCAs, also known as tontines, mutual health organizations (MHOs), cooperatives, and micro-insurance schemes. A RoSCA is a "rotary saving and credit association:" an organization generally serving a neighborhood or group of people with the same occupation. For example, a group of market-women selling peanuts in a city. Each member pays a monthly premium and each month a different member of the RoSCA receives a sum of money which he or she can use to pay medical expenses like buying needed medicine or paying for a hospital visit. A cooperative is simply a self-financing organization considered to be a mutual aid group (Maes 2003, 47-48). Microinsurance schemes are community-based organizations "that seek to create a network to link multiple small-area and occupation-based units into larger structures that can reinforce (social health) insurance" (Maes 2002, 48). In contrast to a cooperative and a RoSCA, a microinsurance scheme is an organization that brings together several smaller self-help organizations to support each other.

For the purposes of this thesis, the broader term Mutual Health Organization (MHO) will be used when referring to these kinds of organizations. It is important to note that MHOs are closely related to the savings and credit mutuals and micro-financing
schemes that have been successful in many developing countries since the 1970s. They use many of the same loan mechanisms, such as the RoSCA, as their organizational framework and are based upon community and occupational solidarity as well. MHOs are simply new adaptations of the ideas behind savings and credit mutuals to fill people's social security needs as well as their economic or business ones. In section 6 I will discuss the potential role of MHOs as an alternative to attempting to expand the statutory social security system.

Labor Unions in the 1990s – Formal Sector Unions and the role of UNACOIS

The labor union landscape during the 1990s was marked by high levels of both inter-union and governmental-union tensions. There were a large number of unions representing different segments of the formal sector workers. Many of these labor unions had government ties and were officially registered with the Ministry of Labor. Their names and addresses can be found on the Ministry of Labor’s website (Ministère de la Fonction Publique, du Travail, et des Organisations Professionnelles). Despite these ties to the government, labor unions like the National Confederation of Senegalese Workers (CNTS), a labor union created in 1969 by government loyalists, and the National Union of Autonomous Syndicates of Senegal (UNSAS), the labor union for utility workers, were showing overt militancy against privatization and "unpopular economic measures imposed by the government's structural adjustment programs" (Gellar 2005, 101).

Although they did show a united front on some issues, they had disagreements as well. For example, CNTS was campaigning in Senegal's legislative Assemblée Nationale for the creation of a National Office for Medical Insurance (CNAM), which would
combine the three existing social security organizations (IPRES, CSS, and IPM, see above), into one organization. Diouf supported this idea, however, most other unions, including UNSAS and CSA, rejected this unification because they believed it would simply "sanction those who are accountable for the poor management" that had plagued the IPM already (Thiam 1995c). This dispute was fueled by a statistical report that was released in March of 1995 showing management problems within IPM. In the context of this increased militancy among formal sector unions, Abdou Diouf met regularly with labor union leaders during the two years preceding his announcement of the social security initiatives in May of 1996 (Fall 1995).

Outside of these formal sector unions, the National Union of Senegalese Commercialists and Industrialists (UNACOIS) was the largest labor union representing the informal sector and had a powerful influence in the labor world during the 1990s. Its leadership was made up the grandes fortunes who had gained power and prominence during the 1970s and 1980s, and its membership was made up of the SME owners and informal sector workers who made up their clientage. UNACOIS fought throughout the 1990s in favor of "extreme liberalization," the dismantling of state-owned enterprises and lowering import customs. These aspects of liberalization and SAPs were in favor of the grandes fortunes business strategy. With lower import customs, they could cheaply import larger amounts of goods that they could then sell to their clientage. The grandes fortunes, much like the évolués leadership of the 1940s labor movement, were able to effectively articulate their demands to Senegal’s government and thus had a powerful
voice in many developments during the 1990s.\footnote{Further research should be done on the makeup and development of UNACOIS. Although UNACOIS is often classified as a "labor union," they had a significant impact and voice in politics during the 1990s and into the 2000s. See Thioub, Ibrahima, and Diop's article "Economic Liberalization in Senegal: Shifting Politics of Indigenous Business Interests," for a review of UNACOIS's role in the 1990s.} This voice was to play an important part in the failure of the social security initiatives.

\textbf{Section 2}

It was against this backdrop that on May 1, 1996, Abdou Diouf, the president of Senegal, made a momentous declaration on the occasion of the annual International Labor Day festivities. During his address to labor unions and employer organizations, Diouf stated that:

\begin{quote}
[A] challenge which we must take up is that of extending social protection to what is known as the informal sector. The contacts which have already been established are very encouraging, and I call on the Minister of Labour and Employment (MTE) and on the Senegal Old-Age Pension Insurance Institution (IPRES) and the Social Insurance Fund (CSS) to take all of the necessary initiatives to meet the challenge of integration in this field. (Lécuyer 2002, 172)
\end{quote}

Diouf's speech was the first public announcement of a set of initiatives in which efforts were made to expand the statutory social security system that covered most of the formal economy to the informal economy.

What prompted these programs? How does the imagined worker class and the social laws created in the 1940s and 1950s figure into these new initiatives? Liberalization rhetoric demanded that governments cut budgets and lower expenses, not undertake a campaign to expand a government program. It is with these contradictions in
mind that we now turn to the various catalysts that prompted Diouf to undertake these efforts.

**Accounting for Diouf's Initiatives: Existing theories – Lécuyer and Ndiaye**

In the ILO-published *New Forms of Labour Administration: Actors in Development*, Normand Lécuyer lays out the many challenges that modern labor administrations face in the midst of a changing global context; he addresses the rising levels of education, changes in information technology, the privatization of production, globalization of trade, and the changing role of the state as well as the development of the informal sector (Lécuyer 2002, vii-viii).

He presents a set of twenty-seven case studies that show some of the ways that labor administrations have been able to adapt to the challenges posed by globalization. Lécuyer explains that the purpose of this section is not to "offer a set of recipes to be faithfully copied," but "to underpin our analysis with specific information, with proven experiments and with 'good practices' that we were able to identify, though without passing any value judgments on them" (Lécuyer 2002, 3). Lécuyer uses information gathered mainly through Senegal's labor administration and social security organizations to describe Senegal's initiatives, why they happened, and what happened in order to give an objective example of what has been tried.

In his description, Lécuyer gives two principal reasons that Diouf undertook these initiatives. Firstly, Lécuyer proclaims that the initiatives were a reaction to the decline of Senegal's traditional social security in the face of urbanization: a social security that was "peculiar to itself, which was based upon people's and family solidarity," rather than "a
legally organized social security system" (Lécuyer 2002, 171). According to Lécuyer, there was a need to reproduce the traditional social security system that protected people in rural areas. His point is correct insofar as the urban exodus has greatly affected the traditional system. This system of solidarity was, and is, perceived to be in decline; one employee that I interviewed at the National Union of Chambers of Trade (UNCM), a labor union based in the artisan sector that supported the initiatives, remarked in an interview that "the youth, they have a different way of thinking…they are becoming more and more egotistical. This is an affront to cultural development…It's not viable" (A-3 2008). In his opinion, urban youth are changing and the values of solidarity and kindness that were essential parts of Senegalese culture are becoming degraded. He goes on to describe how this type of individualist thinking will lead to people becoming like animals in the forest, rather than humans (A-3 2008).

This theory is by no means new, and in fact, had been perpetuated by government officials and researchers since the 1940s and 1950s. As discussed in Section 1, French colonial officials during the 1940s and early 1950s believed that detribalization, the process of an African moving from his rural village to the city and becoming a wage worker, was rending the social and moral fabric of African society (Cooper 1996, 169). Colonial officials made the assumption that detribalized Africans "were losing access to the presumed capabilities of 'tribal' societies to sustain them" (Cooper 1996, 222). In fact, the belief that this decline was real caused colonial France to focus "on social security and protection: on being sure that workers could support families and that, over a working life, society could support them" (Cooper 1996, 222). Hence the creation of the Code du Travail.
During the 1960s and 1970s, Westernization was blamed for the decline of this social security system. By the time the 1980s and 1990s had rolled around, globalization was seen to be the new culprit for the decline of traditional forms of social protection. Lécuyer brings this narrative of decline full circle with his declaration that Senegalese solidarity and social networks were again being destroyed by urbanization.

Experts and government officials have been discussing the negative effects of this decline for fifty years, but these consequences have yet to be fully realized. Urbanization and globalization have forced people to create new networks based upon new surroundings and complex social identities, but social solidarity has not been destroyed. In his article, "Resource of Intersection: Remaking Social Collaboration in Urban Africa," Abdou Maliq Simone examines the shifting "boundaries that divide work, religion, politics, geography, and economics," which make developing social stability and cohesiveness in urban Africa so difficult (Simone 2003, 513). He describes how individuals struggle to create new forms of social solidarity in the midst of these constantly shifting boundaries. However, he goes on to give several examples of new forms of social solidarity being created in these urban contexts. In particular, he examines how, despite difficulties, women and young men in Pikine, a neighborhood of Dakar, were assembling themselves "into surprising, yet often dynamic, intersections outside of any formal opportunity" (Simone 2003, 523).

The same employee at the UNCM who worried over the corruption and social degradation of the new generation described the continuation of social solidarity as well: when a Senegalese person "finds someone who has a problem, his conscience does not permit him to pass [the person in need] by…if he can't solve the problem himself, he
needs to find someone who can…This is the situation in the informal sector" (A-3 2008).

For example, an artisan at the village artisanal in Dakar, an open air market where artisans sell their wares, describes how "if someone is sick and he does not have a lot of money…[the community] gives it to him…it's not a problem" (I-1 2008). Although the artisans have no form of statutory social security, they have a support system based upon the trust and solidarity that exists in their community.

Senegal's government acknowledges the continued existence of social solidarity as well. An action plan published by the Ministry of Labor in 1998 states that one of the points for possible improvement is building on the "strong and secure networks of solidarity" that already exist (République du Sénégal 1998, 42). The MHOs discussed in section 1 are an example of Senegal's system of solidarity being reformed in new contexts in order to meet new needs.

In terms of being a catalyst to the government for the creation of the initiatives, the perceived destruction of the traditional social security system that Lécuyer describes is not as important as he presents it to be. It is true that globalization and westernization had created new obstacles and challenges to Senegal's traditional forms of social protection, but they had not caused its destruction. Indeed, Diouf was aware of the continued existence of traditional forms of social security and its importance to the poor. So why did he ignore its existence by attempting to extend a statutory social security system rather than working to cultivate this system that was already in existence? I will return to this question in Section 6.

The second factor that Lécuyer identifies to account for the undertaking of the initiatives is pressure from people laid off from formal and public sector businesses as a
result of structural adjustment programs (Lécuyer 2002, 172). In his thesis, "Senegal: The Economic Reforms and the Influence of the Informal Sector on the Economic Reform Process," Modiene Ndiaye briefly mentions Senegal's attempts to extend social security to the informal sector. He too, attributes the catalyst for the initiatives to "workers forced from the formal sector into the informal sector as the result of layoffs and business closures, mainly in the wake of structural adjustment programs" (M. Ndiaye 2002, 26).

 Granted, many government organizations and state-owned enterprises were dismantled over the course of the early 1990s. This created a major shift in the work force, injecting a large number of public workers into unemployment or the informal sector. These people were educated and articulate, so it would make sense that they would try to retain the social protection they had as employees of the government or a formal sector business. But under what organization or labor union would they be able to voice these concerns to the government in an effective way? Consider the landscape of labor unions as previously discussed. Unions representing formal sector workers were struggling to get Senegal's statutory social security system to work effectively in the formal sector. Even if fired workers maintained ties with their former unions, they would not be trying to convince the government to extend the statutory social security system to the artisan sector. Additionally, UNACOIS, the principal labor union representing the informal sector, was fighting Diouf's government throughout the 1990s to remain outside the statutory social security system. Contrary to Lécuyer and Ndiaye's claims, I was not

---

4There are several sources by different authors with the last name of Ndiaye. In parenthetical citations I differentiate between them using their first initial i.e. (M. Ndiaye 2002) or (I. Ndiaye 1998a) etc.. In the body of the thesis I will often refer to Ndiaye without a first name or initial. In these cases I am referring to Modiene Ndiaye, author of "Senegal: The Economic Reforms and the Influence of the Informal Sector on the Economic Reform Process."
able to find any evidence showing this portion of the population voicing their position in any significant way.\textsuperscript{5} 

Lécuyer and Ndiaye's analyses of the historical and political context of the initiatives make some valid points. However, since most of the information used to write *New Forms of Labour Administration* was gathered in 1998, Lécuyer did not have the vantage point of seeing the initiatives' eventual demise. In his thesis, Ndiaye briefly mentions Senegal's efforts to extend social security to the informal sector. He too analyses what caused the government to undertake these initiatives and presents his own reasons for their failure. However, neither Lécuyer nor Ndiaye were writing their analyses with a complete montage of the events that were unfolding, and neither were writing with the purpose of providing a deeper historical analysis. Their theories do not provide a complete answer to why Diouf decided to undertake these initiatives when he did.

\textbf{Section 3}

\textbf{Other Explanations – International and Political Pressures}

Ndiaye and Lécuyer neglect to consider how labor unions, the larger political dynamic surrounding Abdou Diouf, and the continuous pressure from international organizations played a role in his decision to undertake the initiatives. In the two years leading up to Diouf's 1996 speech, Senegal's political landscape was changing. Diouf faced increasing challenges from other political competitors, notably Abdoulaye Wade.

\textsuperscript{5} Further research should be done on this topic. I never conducted a systematic search of newspapers besides *Le Soleil*, the government-owned newspaper. It is possible that these laid off workers were voicing their opinions in independent newspapers like *Sud Quotidien* or *Wal Fajdiri* or writing letters directly to the government. However, neither Lécuyer nor Ndiaye cite primary or secondary sources backing up their claims.
Wade had been a familiar figure in Senegalese politics since the 1960s. He had lost presidential elections to Abdou Diouf in 1983, 1988, and 1993 (African Elections Database 2007). He was the founder and head of his own political party, the Senegalese Democratic Party (PDS), which was gradually gaining more seats in the Assemblée Nationale. Wade had become the Minister of State in 1995 as part of an alliance between the PDS and the Socialist Party (PS), the political party, headed by Diouf, that had held the presidency since independence (Le Soleil 1995). With increasing success, he was pushing for "cooperative initiatives" between the government and labor unions, privatization to attract foreign investment, and for the state "to create conditions for the creation of jobs and growth." He was consistently portrayed in newspapers as a symbol of unity and change. The name of his political coalition, of which the PDS party was the head, was the "Sopi Coalition." In Wolof, the language spoken by the majority of Senegal's population, this means "Coalition of Change." Newspaper articles with titles like, "The African Debt Crisis: The Solutions of Monsieur Wade," "Mr. Abdoulaye Wade, Minister of the State: 'Facing the danger that menaces us,'" "Wade: Africa should take charge of itself," and "Wade at Thiès: The 10 Commandments of the PDS," were common during the mid-1990s (Thiam 1996; Faye and Isoard 1996; Amath 1996a; Amath 1996b). Wade went so far as to initiate meetings with UNACOIS in his efforts to unify Senegal's social actors (M. Ndiaye and Mbodj 1995). Wade came to represent the possibility of change and hope for a Senegal that was racked by an economic crisis that extended back to the 1970s and that was struggling with the difficulties of liberalization policies and globalization.
Meanwhile, "recognizing the declining popularity of the PS, Diouf sought to present himself as above the political fray and the representative of the people rather than a single political party" (Gellar 2005, 88). In many ways, Diouf was presenting himself in similar ways to Abdoulaye Wade. During this time period, Diouf consistently called for partnership with the labor unions and met with them consistently through 1995 and 1996 (Le Soleil 1996a; Le Soleil 1996b; Le Soleil 1996c). Despite these positive efforts, as President, he was getting blamed for the rising prices and hardships associated with the structural adjustment policies. Especially after the controversial devaluation in 1994, Diouf was seen by many as a pawn of the international organizations advocating liberalization policies.

In addition to countering Wade's political mobilization, throughout the 1990s Diouf was dealing with problems and controversies surrounding the government social security organizations themselves. In January of 1995, 19 employees were fired from IPRES for "large mistakes." The workers were represented by UNSAS, which began to organize a strike and called for "worker solidarity." IPRES responded with a communiqué a week later calling UNSAS's planned strike "illegal" and renewed their faith in the "director-general" of IPRES. The controversy culminated in an unsuccessful strike by UNSAS before eventually falling out of public view (Seye, 1995).\(^6\)

Other events contributed to the social security organization's poor reputation during this time as well. In March of 1995, a study was published by the Direction of Labor Statistics that showed poor management and overall incompetence of IPM (Thiam 1995a). The study, conducted by the Division of Labor Statistics (DST), covered the

\(^6\) According to a separate article, this strike was also part of UNACOIS's campaign against the TVA (see below) (Thioub, Diop, and Boone 2006, 78-79). However, this aspect of the strike was never mentioned in Le Soleil. Investigation of independent newspapers during this time period could prove useful.
period from 1983-1988 and argued that the IPM spiraled into debt because of "poor management, weakness of resources...[and] limitless expenses." The article described the "precarious financial equilibrium" that led to a "lack of confidence between the IPM and suppliers," and that led banks to "classify [the IPM] in the category of high risk clients" (Thiam 1995b). As if this were not enough, in February of 1995, "a vast network of people" creating false diplomas was uncovered by the Division of Criminal Investigations. People would simply print out certificates, write a false name on the certificate, and use them to collect scholarship money (Mbdj A. 1995). These events contributed to a further loss of confidence by the population in both Senegal's social security system and the government in general (Mbdj I. 1995). With these events still fresh in the mind of the public, the social security organizations needed a way to gain back the public’s confidence.

In addition to these domestic pressures, Diouf faced complicated and often contradictory pressures from outside Senegal. In March of 1996, less than two months before the social security initiatives were announced publicly, the United Nations revealed the Special Initiative on Africa, a multi-agency effort that was to allocate 25 billion dollars of aid to Africa over ten years to "accelerate the development of Africa" through the funding of health and education programs. According to an article published in the French newspaper Le Monde, the UN wanted to support Africa's continuing development through "the ingenuity and dynamism of an enormous informal sector" (Le Monde 1996). Unlike many previous development plans for Africa, the Special Initiative on Africa was intended to provide funding to programs that were "developed in close consultation with African governments themselves" (Haq 1996). Given the emphasis the
UN placed on the dynamism of the informal sector, supporting programs created by African governments, and a windfall of potential financial support, Diouf seized the opportunity to invest in the expansion of social security to the informal sector.

Another complexity added to the factors that pushed towards these initiatives was Senegal's ambivalent relationship with liberalization and structural adjustment policies (SAPs). In particular, it was Abdou Diouf's personal ambivalence towards SAPs that prompted him to support social security expansion. He expressed his own frustration with the ideas behind market liberalization, describing them as "'the cold and pitiless logic that commands the global markets'" (Sylla 1995). This attitude was found elsewhere as well. For instance, in March of 1995 an article called "Studies of the World Bank rejected" describes a set of studies meant to "trace a new incentive plan for pre-existing businesses in the aftermath of the devaluation in order to restore competitiveness to the national economy" (Thiam 1995e). They were rejected because "the experts of the World Bank [did] not take into account local capacities, knowledge, and realities when making their studies" (Thiam 1995e). Abdou Diouf's ambivalence towards liberalization rhetoric combined with financial encouragement from the UN and the ILO helped create the impetus to undertake the social security initiatives.

In addition to these other internal and external pressures, Abdou Diouf and his regime were under increasing pressure from international organizations to bring the informal sector into the tax net. During the 1980s, as Senegal was showing uneasiness about structural adjustment policies and the government was facing a fiscal crisis, the World Bank and the International Monetary Fund increased their pressure on Diouf to institute taxes on businesses in the informal sector. In 1989, the government attempted to
extend the application of the value-added tax (VAT), a tax paid to the government based upon a retailer's estimated profit, to the informal sector. After failing, the government tried again in 1991 with a new system that would force "even the smallest scale retailers to pay a forfeitary, lump-sum" tax, and then once again in 1995. Each attempt to institute such taxes was successfully fought off by informal sector traders led by UNACOIS and the grandes fortunes (Thioub, Diop, and Boone, 72-73).

From this perspective, the extension of the social security system appears to be an effort by Diouf to reach out to the informal sector. The principal reason that informal sector businesses, especially wealthy ones, did not want to be registered with the government was because of taxes. However, by offering social protections, Abdou Diouf was making it more attractive for the informal sector workers and businesses to become a part of the formal sector. By the same token, the fights between the government and the informal sector over inclusion in the tax-net created bitterness. This bitterness made the social security initiatives seem more like a ploy to capture the informal sector in the government's tax net rather than a reconciliatory gesture.

As a theatrical gesture, proclaiming that social security and the informal sector will be "integrated" is powerful. It was a way that Diouf could curry favor with the majority of the urban working population, present himself as a positive reformer on the international stage, and stem the growing political momentum of his principal political rival, Abdoulaye Wade. At the same time, the initiatives can be understood as a manifestation of Diouf's ambivalence towards liberalization policies and a result of encouragement from external international institutions like the UN. Finally, they had an
indirect role in a concerted effort to bring the informal economy into the government's tax net.

Section 4
The Initiatives in Practice – The Attempt and the Outcome

The result of Diouf’s lofty speech on the 1st of May in 1996 was a one-day conference held between IPRES, CSS, the Ministry of Labor and Employment, and various artisan labor organizations in Dakar on May 22, 1996. The conference was sponsored by the Friedrich-Ebert Foundation, a private, non-profit organization that "subscribes to the ideals and fundamental values of social democracy and of the international labor movement" (La Fondation Friedrich-Ebert 2005), the International Labour Organization’s Regional Office for Africa, and the UNCM. During this conference, the representatives laid out an initial plan of action. A journalist who attended the conference said "it was very positive." They were working on "how to make the system perform better, how to make the system better, how to make the system more open… [and] how to stretch [it] to the informal sector" (F-8 2008).

This plan had several important aspects. The end goal was to create a voluntary contributory fund that workers could sign up for in return for certain social protections. Workers would sign up for the program, receive a national identity card, and would then pay a monthly contribution to either IPRES or CSS. In return, they would get the social protection and benefits for the program(s) that they had signed up for. The benefits that were proposed during the conference included prenatal allowances, maternity allowances, family allowances, coverage of industrial accidents and occupational diseases, coverage
of medical and surgical care, pharmaceutical and incidental expenses, hospital costs, and the supply, repair and renewal of prostheses and orthopedic appliances” (Lécuyer 2002, 174-175). The workers would have a window of eight days each month in which to pay their contributions. If they failed to pay for two consecutive months they would lose their coverage until they paid again, and after six months they lose it permanently (Lécuyer 2002, 175).

Some of the proposed ideas for social security were the same in 1996 as they were in 1946. Under colonial rule, the French "would issue cards, giving rights to certain social security measures to people whose work presents a character of permanence sufficient that they believe it useful to establish a contract…It favors permanence of work, at least seasonal stability of labor, repaying that stability by the advantages of Social Security” (Cooper 1996, 185-186) Although the French officials were dealing with flow and ebb of seasonal labor to the cities rather than a very large, permanent urban population, the approach to the issue as well as the factors bringing the issue to the limelight are strikingly similar.

Senegal's efforts of 1996 to bring social security to the informal sector specifically targeted the artisan population of the informal sector. This choice makes sense for two principal reasons. The first was the large size and economic importance of the artisan sector. As of 1990, the artisan sector represented 18% of the working population and accounted for approximately 10% of Senegal's GDP (Sarr 1996). The word "artisan" in governmental legal terms encompassed a large number of occupations from textile and clothing manufacturing to wood carving (Ministère de l’Industrie et de l’Artisanat 2005). By having such a broad population, their efforts could potentially have
reached a large number of people. However, this was a curse as well as a blessing. One of the major "factors in the success of contributory mechanisms...[is] the existence of an association based on trust (group cohesion)...". This group cohesion existed in the artisan sector, but primarily in the context of many smaller sub-groupings of different actual jobs that fall legally under the term "artisan." According to law, "artisanal activities are categorized into certain categories," including "manufacturing of food products and beverages, textile, clothing, and leather working, working with wood and vegetable matter, manufacturing of metal products, machinery, and equipment, and repair services" (Ministère de l’Industrie et de l’Artisan 2005).

Despite the word artisan encompassing many different kinds of jobs, the artisan sector in general was highly organized. The artisan sector had large and organized unions like the UNCM that were believed to be capable of informing their members of the social security program on a large scale. This makes administration and integration into a social security program easier than it would have been in a less organized segment of the informal sector. In theory, artisan sector trade unions could have been "intermediary organizations that [worked] on behalf of the informal sector workers" (Ginneken 1999, 32). Trying to extend social security to the entire informal sector at once would have been unthinkable, but targeting a defined and relatively well organized sector gave the government a chance of success.

In addition, the choice of applying the initiatives to the artisan sector had consequences in gendered terms. Traditionally, the artisan sector was dominated by men. By choosing the artisan sector, the government made a choice to ignore the important and undeniable role that women play in the informal economy (Trager 1987, 240; Simone
2003, 520). More importantly, this choice reflects a disjuncture between the initiatives and the reality that women are in charge of the majority of medical expenditures, usually in the form of prenatal care, infant care, and sick childcare. In the insurance system designed for the initiatives, men were the ones who would have received the prenatal, maternity, and family allowances. Rather than giving these allowances directly to the women or wives who would have used them and on whom they would have had the greatest effect, they were given to the male worker. An obvious problem with this design is that it creates an extra channel that the family allowance needs to go through before reaching the hands of the person who is actually going to spend it for its intended purpose. This increases the likelihood that a portion of that money would disappear before reaching its destination.

When such a significant amount of the benefits directly affected women and wives, why did the government target a specifically male sector of the informal economy? There are two reasons for this. Firstly, by offering a new service to the artisan sector, which was large and plays an important role in Senegal's economy, Diouf was reaching out to a new potential political base. It has been shown that political participation is lower for women (Patterson 2002, 495). Since men are more politically active than women, Diouf made a politically intelligent move to offer a new service to the male-dominated artisan sector, a potentially large voting group. Secondly, this choice reflects the continued unconscious gendered thinking that had persisted since the 1940s when men were first being associated with a worker class and regarding themselves as the primary breadwinner of the family. As described in section 1, Senegal's existing social security system was constructed with the idea of a primary breadwinner in mind as
well. The family member with social security coverage, usually a male, received allowances in addition to their salary. He could then give whatever amount of money needed to his wife for childcare or medical expenses. The government's choice to target the male-dominated artisan sector for the initiatives was simply a continuation of this gendered thinking in regards to social security and labor.

After the initial May 1996 conference, there was an advertising and educational campaign from July 1996 to September 1998. Several regional offices were set up to administer the program. By 2002, a "Family Allowances and Protection against Industrial Accidents" had been established by the CSS, but IPRES was still conducting a "feasibility study" on "Old-Age Pension Insurance" and "Sickness Insurance" programs (Lécuyer 2002, 171). In a few areas, the programs achieved modest success. An article in March of 1997 showcased the success in the "village artisanal," a market in Dakar where artisans sell their wares to tourists, including wooden statues, metal carvings, clothes, cloth, and Senegalese jewelry. In this area, approximately 100 of the 1000 artisans working in the village received coverage from the CSS through the programs designed in the initiatives. Despite the difficulties, the CSS set itself a goal of integrating 4500 artisans in the region of Dakar (Le Soleil 1997). By September of 1998, Le Soleil published another update on the initiatives revealing that 500 artisans had signed up for the CSS programs (I. Ndiaye 1998a). In December of 1999, the CSS held a seminar, organized by a small informal sector organization and the Friedrich-Ebert Foundation, to educate artisans on receiving social security (Tall 1999). As of 2002, approximately 1000 workers had signed up for the program out of an estimated 158000 permanent workers in the targeted artisan population.
Overall, the attempt failed on several levels. One out of one hundred and fifty-eight is a dismal fraction of the target population. This does not even include the mass of people in the informal economy that are not artisans, artisans that aren't registered with UNCM, or the estimated 242,000 people who are not part of the permanent artisan labor force but who were still involved in that segment of the informal sector.

Section 5

Accounting for failure – Ndiaye and other known theories

Why did these programs end in failure? Since Lécuyer gathered his information in 1998, he did not analyze the eventual demise of the initiatives. However, Ndiaye writes that "the efforts were not successful because the informal sector feared being identified and controlled by the government," and that "the funding of these benefits would have been secured partly or totally from taxes on employees of the informal sector; informal sector employers perceived this as a government trap or a ploy because the cost of receiving these benefits seemed too high relative to the benefits" (M. Ndiaye 2002, 27). These analyses make sense, especially in light of the controversies that had wracked the government social security organizations.

As Ndiaye implied, public confidence was a key problem for the initiatives. Despite being known as one of the most stable democracies in Africa, Senegal's government had been plagued with fraud and corruption. In their paper, "Determinants of Customs Fraud and Corruption: Evidence from Two African Countries," David Stasavage and Cecile Daubree show how under-declaration, misclassification and tax evasion have been chronic methods of fraud in imports in Senegal (Stasavage and Daubrée 1998, 12-
14). In 2002, Forum Civil, a civil society organization conducted a survey of 396 enterprises and 1,227 "important people," that said that 63.9% of businessmen and 55% of individuals agreed that customs officials were corrupt. With this kind of reputation, including the public's negative opinion of structural adjustment and the devaluation, it is impossible to expect people, especially the urban poor who had bourn the brunt of the social costs caused by structural adjustment, to trust the government with the social protection of themselves and their families.

Additionally, Senegal faces many of the same challenges that most developing countries face in extending statutory social security systems to the informal sector. For example, many workers in the informal sector are illiterate. As one journalist I interviewed described, “many people in the informal sector can neither read nor write. If they could…they would take a [social security] declaration immediately, fill it out and hand it in” (F-8 2008). Any registration forms or accounting they would need to do in order to sign up for the CSS’s social security program would be extremely difficult. In Senegal, French is the language of the government and education; however the majority of the population in the informal sector speaks Wolof and has had little schooling in French. Although lack of education was inherently a major obstacle to extending social security to the informal sector, it is part of a larger and longer-term set of problems than any mistakes that the government made while attempting to implement the 1996 social security initiatives.

---

7 Ndiaye discusses this article in his thesis. However, the URL in his bibliography was no longer functioning. His bibliography entry reads as follows: “Wal Fadjiri” newspaper of May 16, 2002. Available at: www.walf.sn/actualite/index.CFM?articles_num=9460 (Ndiaye 2002, 49).
Of more immediate importance was the fact that Senegal’s government has, thus far, been unable to imagine a social security system that fits the needs of informal sector workers. For example, one employee at UNCM I interviewed argued that informal sector workers should be able to make daily or weekly contributions instead of being forced to make monthly contributions. He explained that if payments were smaller and made every day or every week, then people could make their payments. Although they would be paying essentially the same amount of money, by paying it in smaller amounts it would be more manageable. The initiatives clung to the idea of monthly payments that were often too large for informal sector workers with small incomes to pay.

The government's lack of insight into the needs of informal sector workers is evident in other ways as well. An Maes points out that "many people in the informal sector seek protection against the high costs of death, in the sense that organizing a funeral and all the additional ceremonies during the time of mourning costs an enormous amount of money in comparison with other social risks and obligations" (Maes 2003, 44). This has proved true in my own personal experience. During a research trip to Senegal for this thesis, I learned that the grandfather of the Senegalese family I was lodging with had recently died. A Senegalese friend explained that it would be more meaningful to give any contribution towards lodging as assistance in covering the funeral ceremonies. The government did not account for these kinds of specific needs of informal sector workers. Informal sector workers did not want to enter a system that did not provide them with the social protections which were most important to them.

8 An article in the Le Soleil from September 1998 after the 1st artisan received payment has a chart breaking down the monthly expenses of the CSS's program including a "daily contribution" column. This would lead one to believe that perhaps the CSS had the wisdom to offer a daily payment program. However, the article makes no mention of this option, and an employee interviewed at UNCM expressed frustration that the programs did not offer a daily payment option (I. Ndiaye 1998b).
Section 6

Other Explanations – *Volonté Politique* and an Alternative Path

Maes and Ndiaye's explanations for the failure of the initiatives ring true; however there are other dimensions that they do not explore. In many ways, the eventual failure of the initiatives was a product of the reasoning behind their conception. They were not conceived with the desire to extend social security to the informal sector, but as a reaction to both domestic and international pressures. Diouf was looking for a political solution to Wade's rising political stardom and was caving under the conflicting international pressures that confronted him. The initiatives were a temporary solution to political problems, not a genuine attempt to alleviate the social vulnerability of Senegal's informal sector in the face of globalization and structural adjustment.

As I argued above, the World Bank and the IMF were busy pushing for the continued structural adjustment policies, and, along with UNACOIS, the dismantling of state-owned businesses and monopolies. They were not concentrating on the social problems that structural adjustment was causing. A journalist I interviewed who wrote during the mid-1990s noted:

> The government had an opportunity with this conference to put in place [social security] for the informal sector, but they didn't do anything. Same with the World Bank during this time. [Social security in the informal sector] interested [the ILO] and an organization like the Friedrich-Ebert Foundation, but this did not interest many people. That is why today, from 1996 to the present, there is nothing. (F-8 2008)

The statement says much about the atmosphere in which the initiatives were conceived. Although the ILO and Friedrich-Ebert Foundation have continued their efforts
to provide social protection to the excluded majority through seminars and offshoot organizations like Strategies and Tools against Social Exclusion and Poverty (STEP), organizations like the World Bank and the IMF created confusing and conflicting pressure on Senegal's government.

The same journalist suggested that if there had been a real desire for the initiatives to succeed in the upper echelons of the government, there would have been real "concrete" action. He used the phrase, "volonté politique;" political will or desire to describe this idea. He stated that "it's a problem of volonté politique. You say to yourself, I have an objective. It's necessary that I realize it; to protect my workers in the informal sector. For me, [the problem] is the absence of volonté politique" (F-8 2008). As I suggested above, Diouf created the initiatives as a means of presenting himself to the public as a figure uniting Senegal. However, once Wade won the 2000 elections, this was no longer a factor. Although pressure to bring the informal sector under the government's tax net continued (Thioub, Diop, and Boone 1998, 80), Wade did not need to use the initiatives as a way to present himself in a particular way.

Many Senegalese have felt that Wade has not lived up to their expectations once in office. Gellar describes how upon election "Wade broke many of his campaign promises and adopted a personal style of governance that tarnished his image as one of Africa's greatest fighters for democracy" (Gellar 2005, 89). Many Senegalese appear to share these sentiments. During a visit to Senegal in the fall of 2006, one man expressed his frustration at Wade for seeming to put all of his efforts and government money into building bridges and highways and trying to impress foreign countries instead of fixing roads that are falling apart and supplying the population with running water and
electricity. Once the initiatives did not have the political will of the head of state behind them, they fell apart. Wade could continue the government's tradition of ignoring the informal sector's social vulnerability.

The limited coverage that the conference and initiatives received in the press is telling about the government's commitment to their success. Diouf's initial speech during the 1996 International Labour Celebrations announcing the initiatives was covered on the front page of *Le Soleil* and continued for several pages (*Le Soleil* 1996b; *Le Soleil* 1996c). The original article announcing the seminar which read, "A regime of social protection for artisans," was two paragraphs long and was at the bottom-left hand side of page eight (Nd., 1996). A slightly longer article appears two days later, but the initiatives received basically zero press coverage until the appearance of several articles on some of the first artisans actually receiving social protection in 1998 and 1999 (I. Ndiaye, 1998; Ibrahima Ndiaye, 1996). After the initial fanfare, the initiatives received limited coverage and, beyond his initial speech, Diouf played little role in their development. This lack of public attention is an indicator of the low priority of the initiatives for the government and the press.

On the other hand, the artisan sector in general received extensive press coverage during the mid-1990s. The government was placing a strong emphasis on micro-financing and savings and credit mutuals. For example, the government was working with the Friedrich-Ebert Foundation and UNCM in January, five months before the social protection initiatives, to offer the means and education to create savings and credit mutuals to the artisan sector (Samb and I. Ndiaye 1996). These efforts received more publicity and were more successful than the social security initiatives. In June of 1996,
Senegal's government hosted a conference with the West African Development Bank (BOAD), UNCM, and several ministers and high officials. The plan was to invest over 4.5 billion CFA for the creation of an Organization and Trading of Artisans to provide credit to artisans, and to fund follow-up examinations of these efforts. At the conference, the Prime Minister, Habib Thiam, restated the government's support of the artisan sector and emphasized the "necessity of a good execution of this new project" (Le Soleil 1996d). This was only two weeks after the government's conference on its social security initiatives.

Unlike the social security initiatives, the savings and credit mutuals and micro-loans to artisans in the informal sector have continued to the present with high levels of success. They have resulted in the creation of permanent governmental organizations dedicated to providing savings and credit to the artisan sector under the Ministry of Artisans and Air Transportation and the Agency for the Development and Training of Small and Medium Enterprises (ADEPME). As a journalist I interviewed noted with frustration, "there are the savings and credit [mutuals]. The State wanted to help this sector…This sector has known the most extraordinary growth in Africa" (F-8 2008)! Perhaps if the government had given the social security initiatives the kind of attention that was given to savings and credit mutuals, they would have had a greater chance of success.

Previous failures, frustrations, and corruption also contributed to the lack of effectiveness of these programs. Popular frustration with the government rose as people noted its inability “to provide them with jobs and meet their basic needs” (Adedeji 1990, 16). The resulting increase in poverty and hardship from structural adjustment and
liberalization policies fueled people’s dislike and distrust of Senegal’s government. Why should a person trust a government that, from their point of view, has failed to provide a safe and stimulating economic and social environment to live in? As described in Chapters 1 and 2, Senegal faced an economic and fiscal “crisis” that the government had failed to alleviate that began in the 1970s and was showing no signs of slowing down in the mid-1990s. This reputation created a catch-22. One reason that the initiatives were created was to regain people's confidence in Senegal's government and its social security programs. However, the lack of confidence the initiatives were intended to assuage ended up contributing to their failure.

In addition, the social security system designed at the initial conference invited suspicion in and of itself. As discussed in section 4, someone who did not pay his or her contribution for two consecutive months would lose their social security coverage and after six months, would lose it permanently. Since no refund policy was spelled out in the design of the program, any money that an informal sector worker had already contributed would be irretrievable. For example, if an artisan signed up for the social security program and paid contributions for ten months, but then had financial difficulty was unable to pay for three months, he would not only lose the coverage that he had been paying for, but after three more months would be unable to get that money back at all.

Another suspicious aspect of the implementation of the initiatives involved the timing of the advertisement of the social security programs. As mentioned in section 4, after the conference in 1996 there were education efforts meant to advertise the government's proposed voluntary contributory scheme through "chambers of trade and groups operating on a national basis." These efforts lasted from July 1996 to September
In addition to the scandals and mismanagement of the existing social security system discussed in section 3, there was an ongoing debate among formal sector labor unions that had begun in 1991 over creating one unified social security organization (Thiam 1995c; S. 1991). This unification did not come to pass as the labor unions continued feuding over the feasibility studies and whether unification should be undertaken when "IPM is incapable of assuring efficient coverage to their members" already (Thiam 1995d). The energy put into dealing with the feuding labor unions took attention away from making progress on extending the social security system to the informal sector. As one journalist I interviewed described, "the government has other preoccupations… they pass all of their time thinking about the formal sector because in the formal sector, there are a lot of problems…for the government, it's necessary to find solutions to the system that [already] has problems before thinking of another system" (F-8 2008).
Ironically, Senegal's government did not fix the problems that plagued its existing social security system, but attempted to expand it to the informal sector anyway. However, this decision did have its advantages. The 1996 initiatives, conference, education, and programs were set up on a national level. This is good in that it had the possibility of having an effect on a large audience. Targeting the national level provided an ambitious test case for the possibilities of extending social security to the informal sector. On the other hand, this centralized top-down approach went against the increasing emphasis on grassroots or bottom-up construction of reform efforts. Sheldon Gellar describes however, that in spite of a flourishing democratic tradition and of grassroots associations in Senegal during the 1990s, he "saw donors designing projects without consulting the people they were intended for and creating new organizations that quickly faded away after the project was over because they were not compatible with traditional modes of organizing" (Gellar 2005, 103; Gellar 2005, x). This design-flaw applied to Senegal's 1996 initiatives. The top-down nature of the organizations involved did not bode well for a set of initiatives that called for cooperation and trust on the grassroots level in order to succeed.

For informal sector workers to place a large portion of their modest incomes into a program that does not have any immediate benefits requires a lot of trust. The organizations that were involved in the initiatives did not inspire this kind of trust. All of them had a top-down construction that paralleled the hierarchical structure of labor organizations in the informal sector. Gellar asserts that although "many of the national-level urban-based civil associations disseminated democratic norms and values, most are still dominated by Senegal's Western-educated elite… they directly touched only a small
fraction of the population." Although they were "claiming to be the voice of the
Senegalese people, these elite based organizations did not emanate from local grassroots
communities" (Gellar 2005, 102).

UNCM is a prime example of this construction. UNCM is a large trade union in
the artisan sector founded in 1977 by law. According to their website, their mission and
vision is to "insure the representation, of national and international partners working to
train and perfect artisans," yet the organization is not known at large in the artisan sector.
After looking up their address online and getting a taxi to the general vicinity, it took me
two hours of wandering around and asking people for directions in order to the office.
The majority of people had never heard of it and those that had, only had a general idea
of where its offices were located. Although UNCM has regional offices throughout
Senegal, by definition they are an organization that was imposed from the top-down.
They were created solely by a law, rather than emerging out of efforts among the general
artisan sector.

This top-down construction applied to all of the organizations involved in the
social security initiatives. Although both the CSS and IPRES had been privately managed
since 1991, they still received direction from the Ministry of Labor. Despite having the
advantage of being large national or international organizations, all of the organizations
involved, Friedrich-Ebert, UNCM, CSS, IPRES, and the Ministry of Labor had the
disadvantage of being out of touch with the majority of the groups of people they were
trying to help; they did not have the necessary connections with the general artisan
population to expand the existing social security system to the informal sector in any
meaningful way. This top-down organizational construction was not conducive to
creating the "trust and group cohesion" that was necessary for the successful implementation of the initiatives (Ginneken 1999, 31).

The disconnect between these organizations and the artisan sector is exemplified by an informal sector worker who worked in the Village Artisanal in Dakar and had never heard of UNACOIS or UNCM. He even seemed to get upset when asked again if he had heard of any of these organizations. "The government doesn't help us" he said with exasperation. When asked what the term social security meant to him, he replied, "I don't understand," and needed the example of what he did to take care of himself when he got sick in order to understand what I was asking him about (I-1 2008).

In addition to the government's lack of genuine interest in making the initiatives succeed and the top-down construction of the organizations involved, the government had been unable to imagine innovative solutions that fit the particular needs of informal sector workers. Ironically, however, a possible innovative solution to the social vulnerability of Senegal's informal sector was well under way by 1996, but overlooked by the organizations and government that proposed the initiatives. The Mutual Health Organizations (MHOs) and tontines described in Section 1 being created during this time period were not only cousins of the savings and credit mutuals that the government supported, but were well-known and documented.

Particularly in Senegal, these types of organizations at the grassroots level have been in existence for some time. A MHO in Fandène, a village outside of the city Thiès, was founded in 1989. It has 2,096 beneficiaries who are covered for outpatient care, hospital treatment, and midwife services (ILO: STEP 2000). Over 20 MHO's have been extensively documented in rural and urban areas, often showing high levels of success.
Some labor unions, like UNACOIS, even offer their members the possibility of joining or creating an MHO in their communities. Overall, "informal sector workers are increasingly setting up their own schemes in order to meet their priority social security needs" (Ginneken 1999, 20).

Internationally, the early and mid-1990s was a time when MHOs and programs in support of MHOs were flourishing. India is often used as an example of a state with a flowering MHO community (WIEGO). Mali, Senegal's neighbor to the East, had just passed a law in February of 1996 to foster the creation of health mutuals. According to an ILO paper on MHOs published in 1998, Senegal was "in the process of drafting, discussing, or studying the introduction of...legislation specifically pertaining to mutual organizations" (ILO: STEP 1998, 12), but that legislation never came to be. Instead, MHO's have "tended to register under the laws governing the registration of associations, cooperatives, or social welfare organizations" (ILO:STEP 1998, 12).

An unexplored possibility would be for the labor administration and social security organizations to work in conjunction with informal sector workers to provide a solid support framework that would offer educational programs and resources on how to design a MHO. Van Ginneken supports this idea when he calls for a "rapid increase in coverage…through setting up social insurance schemes directly financed and managed by informal sector workers" (Ginneken 1999, 20). Although there are nongovernmental organizations (NGOs) that do this, there needs to be more nationally based efforts coordinated by the government. As a journalist who covered labor unions and social security throughout the 90s stated, "it's necessary for a lot of education efforts [directed at informal sector workers]…to unite them, train them, and teach them...it's necessary to
show them the benefits of social security. If someone showed them the advantages, they would want to come" (F-8 2008).

As discussed, MHOs were simply a new variation of the savings and credit mutuals which were already popular and successful in Senegal and had significant government support. Perhaps the government could have set up an organization or government institution underneath the Ministry of Family, Feminin Entrepreneurship, and Microfinance or the Ministry of Health and Prevention. This institution could offer services and seminars on how to create and maintain an MHO and offer small loans to interested communities and organizations.

Informational pamphlets and guides could be published describing where and how to find the resources and skills necessary to start an MHO. There are already self-help books that are published to help people start new businesses. For example, the Friedrich-Ebert Foundation publishes a Guide for Young Job Searchers and Job Creators which gives information about resources and possibilities for job researching, training, and finding business start-up loans (Hempel 2004). Interspersed through the guide is a comic strip which tells the tale of two young men attempting to create a new business using some of the resources described in the rest of the book. Similar books and pamphlets could be designed to help people start up MHOs and could then be sold at a low price or given out to interested groups and communities.

This type of organization or effort would require funding and trained personnel, but it would go hand in hand with the increasingly large emphasis placed on grassroots or bottom-up construction of reform efforts, exemplified by RoSCAs and MHOs, as well as Senegal's efforts to cultivate savings and credit mutuals. Van Ginnekin writes how the
"emphasis on 'top-down' policy design has to give way to 'bottom-up' and participatory approaches" (Ginneken 1999, 29). Senegal's vibrant MHO movement embodied these ideas. They were deeply rooted in Senegal's tendency towards community and family solidarity and represented a way that older support strategies were being reformulated to fit the new needs and new spaces of an increasingly urban Africa.

Moreover, because of their bottom-up construction, MHOs were outside of the patron/client power structure that kept many informal sector workers tied to their low economic status. Due to their design, power in an MHO is spread horizontally over all of its members. If one of the members decides to "skip town" and leave with their share of the money, they cannot return to that area again because they will have irreversibly severed their family and kinship ties. Due to the high value and important placed on these ties in Senegalese culture, this is unlikely to occur. Each member in an MHO has power, but because their economic, cultural and social lives are so intertwined with the other members, it is unlikely that they would abuse that power. Instead, the group cohesion that exists among the members fosters cooperation and trust.

The advantages of trying to set up an MHO support network are obvious. Van Ginnekin writes that they "have the advantages of cohesion, direct participation and low administrative costs" (Ginneken 1999, 23). Perhaps, if the government had tried this approach, the initiatives would have had a better chance of success. Instead of trying to impose a system that already had many problems, they would have been working in tandem with an existing grassroots system that fulfilled the needs of informal sector workers. In a sense, the government could have ridden a wave towards bringing social
security to the informal sector that was already beginning to roll, but instead decided to
swim in the opposite direction by trying to extend the flawed existing system.

With Senegal's history of MHO activism, its social security racked by
controversy, and an obvious solution to the top-heavy structure of organizations
participating in the initiatives, the question begs to be asked; why would the government
not try and integrate this existing and growing MHO phenomenon into a government
effort to extend social security to the informal sector? The answer lies in the gendered
terms in which Senegal's government thought about reform. MHOs, as well as savings
and credit mutuals, have traditionally been associated with women. Women had used
RoSCAs as a means of circumventing the high-entry barriers that they faced in entering
the informal market. Indeed, there is research and evidence that points towards women
being primary innovators and actors involved in these kinds of bottom-up organizations
(Simone 2003, 519-523).

Consequently, despite their growing importance to the informal sector, in the
minds of Senegal's government, the MHO movement was something that was created and
managed by women and therefore intrinsically not a worthy medium in which to pursue
major policy shifts. The government had been thinking about labor, power, and reform
with only men in mind since the 1940s and 50s. The male as the breadwinner, and
therefore the beneficiary of social security coverage, had been firmly entrenched in the
minds of the government. To incorporate the MHO movement into the initiatives would
have required the government to conceptualize the worker class and gender in new ways.
However, as we shall see, Senegal's government's conception of the worker class was
deeply embedded in “evolutionary metaphors” that excluded women and the informal sector.

**Evolutionary Vocabulary and the Informal Sector**

As was discussed in Section 1, many French colonial officials used evolutionary metaphors to describe how “the problem of the African worker could be separated from the problem of the [traditional] African” (Cooper 1996, 198). Colonial officials saw the change of a backward rural African to an African worker as an evolutionary process. This kind of evolutionary thinking persists today. A Labor Inspector who works for the Ministry of Labor I interviewed applied evolutionary terminology to the informal sector: "It is true that one can begin to move the informal sector to evolve towards the formal sector when the means are sufficiently solid" (G-6 2008). His use of the verb "evolve" is reminiscent of Colonial France's efforts to create a modern wage-worker class out of traditional and backward Africa. This man's frustrations with the informal economy were not based upon racism and he was not worried about the "slowness of the evolution of indigenous mentality." However, he is still describing a linear trajectory implying a threshold, a point of economic evolution, where a business or worker becomes part of the formal sector.

In order to receive social protection, workers and their businesses need to "evolve" to a certain point. They need to reach a certain threshold of fiscality where they are "sufficiently solid" in order to be considered a part of the formal sector. Criteria for passing this threshold include being officially registered with government organizations and having the financial stability to regularly pay taxes and social security contributions.
This mindset places the responsibility of marching in step with the government's social security and tax system on the shoulders of the informal economy workers. Some agree that the responsibility should be on the informal sector workers. For example, a man who had spent part of his career in the informal sector, but had grown frustrated with its inefficiencies and had moved to the formal sector, had his own views on why the initiatives failed. In his opinion, the problem is the nature of the informal sector itself: "the informal sector does not respect social relations" and that it is a "sector that does not have accountability" (C-7 2008). By social relations, he was referring to the obligatory connections between the government and a business: paying social security contributions and paying taxes, among others. He implied that it is the responsibility of the workers to make contributions to the social security organizations in order to receive social protection in return. In other words, it is the inadequacies of the informal sector that prevent it from receiving social protection. In his opinion, the informal sector businesses should "evolve" into a structured business by following labor codes, paying taxes, registering with the necessary government agencies, and paying social security contributions (C-7 2008).

He continues, "Everyone that works…who uses workers [managers or business owners] should declare their workers. It's the law! When one does not respect the law, they are informal" (C-7 2008)! This man's attribution of the failure of the initiatives to the informal sector itself may have merit; however, there are several factors that prevent many informal sector workers from making the "evolutionary" jump to the formal sector. Firstly, paying regular social security contributions and taxes is a difficult task for someone barely scraping above the poverty line. The vast majority of informal sector
workers do not have a stable disposable income to put towards social security contributions or to pay taxes. As an employee at UNCM stated, "The conditions of fighting against poverty don't permit them [informal sector workers] to save. What they make, they use to live" (A-3 2008). So, because an informal sector worker cannot pay those contributions, he has not reached the threshold of being a part of the formal economy. Since he is not part of the formal economy, he does not receive social protection.

Secondly, the vast majority of workers in the informal sector do not record their transactions and do not receive a regular income (Maes 2003, 44-45). For example, if a tailor runs a business making clothes, one month he may make more than he needs to eat and for daily living expenses, but the next he may barely make enough to eat. The first month he would have enough to pay for a contribution for his social security but the second he would not. What's more, if a worker is in good health, it makes more sense to put the little money he has towards more pressing items like food and shelter. In the words of the same journalist, "A gentleman who works in the informal sector, he needs to send his child to school, he needs to eat. He has several duties…When life is easy, you do not need a social security system" (F-8 2008).

In addition to the high level of poverty for the majority in the informal sector, there are a large number of bureaucratic hoops involved in becoming recognized as a formal business. In his thesis, Modiene Ndiaye quotes a study done by Foreign Investor Advisor Service (FIAS) to show how an aspiring entrepreneur needs to prepare 12 documents and submit them to 13 public agencies and wait three to twelve months to finalize all procedures (M. Ndiaye 2002, 55). Someone who is financially struggling
would not invest that kind of time and effort into becoming a part of the formal economy when the benefits of being in a social security program are measured against the difficulty of paying regular contributions and taxes.

Finally, informal sector workers also face the difficulties of rising above the restraint and controls inherent in their patron/client relationship with the *grandes fortunes*. The fiscal stability required to reach the formal economy threshold is partially controlled by the *grandes fortunes*. As discussed in section 1, many informal sector workers and their businesses rely on their connections with *grandes fortunes* for supplies and resources. Therefore, the ability for their businesses to grow is, in part, controlled by the patron/client power structure. Indeed, as Fatton states, “patron/client relationships have reinforced the existing structures of wealth and privilege” (Fatton 1986, 63). Despite some placing the responsibility of becoming a part of the formal sector on informal sector workers, there are powerful factors preventing them from making the “evolutionary” jump to the formal sector.

The use of evolutionary vocabulary is a trend that began with the original labor debates in the 1940s. It implies a power structure whereby those that have passed the evolutionary threshold into formality/wage labor are worthy of receiving social protection and labor rights. Yet there are many factors inhibiting the ability of informal sector workers to reach that threshold; poverty and economic hardships, bureaucratic barriers, and the restraints imposed by the patron/client power structure. In terms of gender, the focus upon male artisans suggests that the government never viewed women as having achieved the kind of "evolved" state necessary to merit social protection.
Summary Observations and Conclusion

Over the course of conducting research for this thesis, several theoretical patterns emerged for me. These patterns concerned the design and structure of the informal-formal dichotomy paradigm that marks the way that much of the current research, policy-making, and public population view Third-World economies. The struggle for inclusion in the umbrella of social protection has its roots in French-speaking Africa and the struggles of labor unions and international dynamics during the 1940s and 1950s; as Cooper describes, "The dichotomy of informal–formal, like that of market–non-market or modern–backward, arose out of the struggles of a colonial state and labor movements trying to seize control of institutions and of discourse" (Cooper 1996, 466). The use of evolutionary vocabulary marks the continuing development of these dichotomies.

As I suggested in Section 1, the Code du Travail defined a threshold between modern, or wage workers, and the traditional labor that made up most of Africa. This threshold still carried enormous weight in 1996 when Senegal's government undertook their efforts to expand the statutory social security system to the informal sector. Although the Code du Travail itself has been updated and changed on multiple occasions, the threshold that was created in 1952 between those who received social protection granted in the Code du Travail and those who did not still carried weight in 1996. The difference lay in the naming of the two imagined bodies on either side of the threshold. In 1996, these polar opposites were called formal-informal and were based upon the workers' relationship with the government. In colonial discourse in the 1940s and 50s the two bodies around the threshold were modern–backward and based upon racist ideals, but
still based upon how the government imagined the worker. In neither case was the imagined worker a woman.

The implications of the continued existence of this imagined class who are entitled to labor rights and social protection are paramount. Working solely within this paradigm has made policy-makers blind to innovative possibilities that arise from structures in the imagined domain that lay below that evolutionary threshold. Just as colonial officials isolated agricultural workers who that fell below the threshold they had created, in 1996 Senegal's government brushed aside the innovative possibilities being created at the grassroots level among informal sector workers, especially women.

Without a large enough impetus creating a "political desire" to shift the threshold of eligibility between the informal and formal sectors, it has remained, and still remains, the deciding factor for who receives formal social protection and benefits. The impetus to shift that threshold, which occurred momentarily in 1996, was created by a convergence of often contradictory international and domestic pressures that led Abdou Diouf to try to implement a series of bold, but in many ways ill-advised initiatives. Whatever humanitarian intentions lay at the base of Diouf's decision to implement these initiatives, gender-biased decisions as well as a lack of genuine "political desire" to solve a social problem marred the initiatives from their conception. Like many leaders in power, Diouf was concentrating on finding solutions to his immediate political problems. These included appeasing international organizations that were often making unfair demands, but whose help he needed, and seeking a way to gain back some kind of legitimacy for his regime that was rapidly coming to an end.
Just as the government had chosen the artisan sector, a sector dominated by men, as the subject for the social security initiatives, they chose to ignore the idea of expanding the already growing MHO trend. Granted, just as women are exceptions in the artisan sector, there are MHOs that have been formed and managed by groups of men. However, like an inversion of the masculine artisan sector, the idea and image of MHOs and RoSCAs had become associated with women. Just as agricultural workers in the 1940s and informal sector workers in 1996 fell below the evolutionary threshold that defines who receives social protections, the gendered terms that the worker class was thought about made the MHO movement inherently below the evolutionary threshold.

In retrospect, the primary research I conducted in Senegal was done in gendered terms as well. I conducted no interviews with women. In fact, in the organizations where I did my research, UNCM, Friedrich-Ebert Foundation, IFAN, Ministry of Labor, Ministry of Economy and Finance, UNACOIS, and artisan markets there were very few women to interview. Since women had played such a small role in the implementation of the initiatives, virtually no women had direct knowledge about them.

The MHO movement that was taking hold during the 1990s was a break from the imagined worker class and male breadwinner paradigms whereby those workers who received social security was defined by a threshold originally created by colonial officials in the 1950s. The innovation that the MHO provided was that it not only broke out of the imagined worker paradigm, but it ignored the gendered terms that Senegal's government thought in and bypassed the patron-client relationship that the grandes fortunes and UNACOIS had come to represent.
This grassroots phenomenon is where policy planners should be looking towards in the future. The social vulnerability that the majority of informal sector workers face cripples their ability to be innovative actors in Senegal's economy. By supporting the creation of a system that they condone as opposed to trying to impose one from the top-down could be a first step towards breaking down the long-held notions that the threshold between the informal and formal sector should be the deciding factor in who receives social protection.
Reference List:


d'état:"Faisons face au danger qui nous menace." *Le Soleil*. May 23.


Interview List:


