

# Dow-Jane and Dow-Jones: Negotiating an integration of the informal and formal economies in Africa

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## **Abstract**

*The central argument of this paper is that one of the ways of striving towards alternative economic futures is to recognize the important contribution of Dow-Jane<sup>1</sup> to the mainstream economy. The bone of contention is that although Dow-Jane (taken here to represent the female economy popularly termed informal economy) is one of the most lucrative and important economic institution necessary for the functioning of the 'formal' economy, she is still neglected, put in a black-box of the informal economy and in this way rendered invisible. The paper thus analyses ways in which Dow Jane can be interlinked to Dow Jones (formal economy) in order to strive for a more interconnected economic liberty. It is further argued that it is through promoting such economic liberties coupled to the emerging political liberties that a more consolidated and sustainable future can be envisioned.*

**Keywords:** *Dow-Jane, female economy, informal economy, economic integration, social meaning of money, social meaning of trade*

## **Introduction**

Africa is continuously witnessing paradoxical developments that are putting the notion of an all embracing unified democracy to task. For instance, instead of democratic participation characterized by various political liberties, we are witnessing a coexistence of democratic institutions with older, pre-democratic political forms. This is evidenced by the restoration of traditional councils and chiefdoms, for example in Southern Africa,

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<sup>1</sup> *Dow-Jane (which is a re-fabrication of the Dow Jones industrial average – an Index of the prices of shares in the 30 most important companies on the New York stock exchange) stands for the 'female economy'. It symbolizes the importance of the female (informal) economy which despite this importance is still invisible and a neglected component of the mainstream economy.*

Central and parts of Western Africa, namely Guinea Bissau (Buurs 2004, Cardoso 2005, Nyamnjoh 2002). Instead of more secular institutions, there is an increase of religious based movements, which are engaged politically and offer a critical space for discussion in a non fundamental (or at times fundamental) way (Achieng' 2004, Mamdani 2001). On the other hand, whereas economic liberties presuppose an increased level of scientific and technological knowledge, industrialization and general economic wellbeing of the majority of a country's citizenry, we are witnessing an exacerbating number of societal groups on the margins of these developments. Indeed, as has been pointed out, a vibrant economic institution coupled to a functional political one are important if a society is to raise its different but interconnected levels of deprivation (Olukoshi 1996, 2002). Conversely, the tendency in many of African economies has been to separate, in dualistic terms, the formal economy meaning the official, taxable and profitable economy, from the informal. The latter is taken to mean the underground, criminal, tax evading, non-profitable and hugely illegal economy mostly associated with women's trading activities. Lachenmann (2001) and Kobou (2003) have to a large extent analysed how this important economic sphere, still continues to be ignored in the formal economy, despite its important contribution and inter-linkage to the latter. The necessity of understanding the logic on which this essential but still marginalized informal (female) economy is built on is what the article at hand explores.

The paper is built on three levels. At the first level, I seek to clarify some of the analytical concepts used. These are the local economy and its various interpretations like the informal economy, the female economy, marginal economy or illegal trade. I argue that a fuller understanding of the local economy can be achieved by moving from a dualistic interpretation of the formal and the informal. This can be done, for example, by looking at how the formal and the informal economy interact. It is at this point of interconnection that an all encompassing and thriving local economy can be conceptualized. To do this, we have of necessity to look at localized knowledge on the meaning and interpretations given to economic institutions. I argue that Dow-Jane's economic logic is based on a different logic than the economic knowledge generated in the formal economy. To illustrate this, I present an empirical case study of trade in second hand clothes (*mitumba*) which is usually combined with the sale of food crops in many rural markets in Kenya. The analytical emphasis lies in showing that in the female (informal) economy, money and trade are given a social meaning and are not viewed in purely economic terms. I postulate that it is through understanding these different interpretations that an effective dynamic policy for a lucrative national and regional economic integration could be teased out. At the second level, I seek ways in which the above conceptualizations can contribute to national and regional integration. Here, I argue for a co operation and integration of the informal economy into the formal. In light of the foregoing, the paper concludes by proposing that to aim at regional integration, a strong area and national economic integration has to first occur. This

is by opening up Dow-Jones' sphere (formal economy) by way of co-operating with Dow-Jane. This can be achieved by recognizing Dow Jane's economy not as marginal, or operating outside the dictates of the market (formal) economy but rather as following a different logic which has to be critically thought about and made to feature in the mainstream economy.

### **After Five: the market in the evening and categorizing Dow Jane's economy**

Selling on the street starts from 5.00p.m to 10.00 p.m. This is exactly what *soko ya jioni* literally, the evening market means. Traders believe that after five it is difficult for the municipal council guards (*askaris*) to catch up with them. This however has proved not to be the case as the representatives of the State have taken to chasing the traders from the street after five. They confiscate their items and many times put them behind bars pending jail if one is not bailed out in time. In this street market, trading items are displayed either on the ground along the pavements outside shops. Clothing items are usually hang on the metal grills that frame many of the shops as a form of enhanced security. There is a discernible spatial separation of traders on the street by the type of articles they offer for sale. Traders in vegetables, fruits and grains occupy one side of the street. Next to them are traders in fish and prepared foods. Here there is a predominance of women. On the street adjoining the latter, you have traders in household items, hardware and plastics. These are predominantly male. Next to them are traders selling all types of clothes. They occupy three streets, all adjacent to each other. Here again the spatial separation is noticeable. Whereas the traders selling all types of clothes lying in piles on the ground known as *kua kua* are predominantly female, the ones hanging their clothes on the grills protecting the glass windows of the shops are predominantly young men selling *kamera*<sup>2</sup> (Taken from participant observation Feb. 2001 at the Eldoret market in Achieng' 2004)

The World Bank estimates that the informal economy generates 40 percent of the GNP of low-income nations and 17 percent of the GNP of high-income ones. In Africa, the informal economy contributes significantly to the Gross National Income (GNI), to income generation of the majority of citizens. This is in addition to its contribution to the formal economy. According to data from the World Bank work on bench-marking business regulations, the size of the informal economy as a percentage of Gross National Income (GNI), ranges from under 30 percent in South Africa, the continent's largest economy, to almost 60 percent in Nigeria, Tanzania and Zimbabwe. The average size in sub-Saharan Africa (SSA) is 42.3%. It contributes to enlarging the middle class in the

2 Two categorizations given to second-hand clothing are *kamera* and *kua kua*. Clothes that are given a mark-up are referred to as *kamera*. That is, clothes that are washed, ironed and all kind of repairs done. They are furthermore hung out on grills as a mark-up of quality, style and/or brand. For *kua kua*, this kind of mark-up does not exist. They are furthermore piled up on the ground.

Continent. The article draws a correlation between working in the informal economy and being poor. It argues that average incomes are lower in the informal economy than in the formal sector. As a result, a higher percentage of people working in the informal economy, relative to the formal sector, are working poor (The African Executive: 2009). The puzzling question is therefore, why is it that despite its contribution to the formal economy in terms of Gross National Income (GNI) those in the informal economy are still categorized as poor?

Literature abounds on what is meant by the informal economy. The case study above is not only illustrative of a characteristic informal market but also depicts the kinds of economic engagements found in this market. In brief, the informal economy is associated with economic activities which are not captured in the national (formal) economic counts (Kobou 2003). From small income generating activities, backstreet trading activities, to the importation of bales of clothes, perfumes, electronics, vehicles, the trans-border trade in food crops, cars parts, small arms and minerals, to female sex work. This economy is further associated with women (Mupedziswa and Gumbo 1998). Nonetheless, Structural Adjustment Measures and an increased unemployment rate since the 90s has seen a burgeoning of men engaged in informal market activities (Meagher and Yunusa 1996).

A cross section of literature has defined the informal economy from the performance and business acumen point of view. Amponsem (1994) and Rono (1998), for example, differentiate the informal from the formal economy thus: Those involved in the formal economy use more dexterity, proficiency and effective management of the business in order to succeed, and expand. On the other hand, those involved in the informal economy have less business management skills. At the level of employment, those involved in the informal economy prefer to maintain a smaller number of employees who are relatives, friends or someone known to them to assist in running the business as opposed to the formal economy where one hires a worker than engage the services of kin and affine. At the level of profit accumulation and investment patterns, those involved in the formal economy inject back to business in order to expand or “upgrade” it whilst those in the informal rarely do this if at all.

In a nutshell, one can conclude that the economic logic followed in the informal trading activities is not similar to the one followed in the formal economy. Consequently, of analytic importance would be to, firstly, explore the alternative economic logic that the informal economy is hinged upon. Secondly, it is important to quiz out why it is that despite the informal economy being a lucrative one, “upgrading” in terms of business expansion, profit accumulation and investment, is not forthcoming? Lastly, how inter-linkages between the informal economic activity to the formal proceeds or could proceed forms a further analytic exploration. It is at this juncture that the concept of local knowledge furthers the agenda, i.e. what knowledge do we have of how people (women) understand their economic institutions?

## Reinterpreting Economic Institutions through Knowledge Interfaces: Localized Knowledge and the Social Meaning of Trade

Diawara (2000) defines local knowledge from the point of view of power struggle. He postulates that because society has different social groups, what is taken as knowledge depends on who has the power of definition of *the what* and *the how*. Following Geertz 1983 and Hobart 1993, he asserts that social groups receive knowledge from outside but refashion it in a new way to fit their contexts. In a nutshell, different social groups appropriate knowledge differently.

Localized knowledge can thus be taken to mean how groups reinterpret knowledge by appropriating it, fitting it to their socio-cultural context and producing a *mélange* of knowledge (not similar to the first one and not entirely different from the latter). For economic institutions, it entails understanding how economic processes and actions are given meaning by different local actors in different contexts. Taking this as the point of departure, then it will be agreed (especially from the policy point of view) that uni-linear understanding and fit all solutions will not form part of the panaceas for the current socio-economic discrepancies facing the continent. A good example to bring these different understandings of economic institutions to the fore and consequently analyze how existing economic policies can seek to orient themselves to different situations is by analyzing the meaning that money and trade is given in Dow Jane's economy. This analysis will be done by looking at the social meaning of trade, which, principally is risk avoidance through diversification of activities. *The case study that follows illustrates this point.*

Case study two, excerpt taken from Achieng' (2004) on the sale of second hand (*mitumba*) clothes.

The majority of women started off as street vendors, peddlers or petty traders. Through saving on what they got each day from their sales or through help from the next of kin, usually (the brother), they put financial resources together to start off with the *mitumba* business. Some of the women started off by pooling financial resources together in groups of three to five. They then bought a bale of clothes, shared it out, and then from returns again pooled together bought two bales etc. In time, many were able to go it alone, by becoming medium wholesalers or medium retailers. Still another group was able to finance their business by combining it with other businesses, for example, combining the sale of *mitumba* with the sale of illegal brew *chang'aa*<sup>3</sup>, or the sale of vegetables. The very successful ones such as Mama Chege opened up 'illegal'<sup>3</sup> stalls like video watching stalls or hairdressing stalls in Langas. As such therefore, trade was financed through a diversification of activi-

3 *I have put illegal in quotation marks as the women operated these stalls without licenses from the town council, a prerequisite to engage in any form of trade.*

ties, where returns on one trade would be used to finance the other. This did not serve only to increase the income and thereby upgrade in terms of expanding business, but also served as a form of security mechanism. When one trade did not do well, the other was appealed to, to chip in for the slack one.

The above mentioned case study shows that in the informal trade, the mode of accumulation does not necessarily mean where and from whom money is acquired. It rather means how money is spread. Geschiere and Konings (1993) and Lachenmann (1999, 2001) call these the articulation of modes of accumulation. The light word here is engaging in different economic activities (diversification). The logic behind is that when one activity does not function, then another activity is appealed to. In this way, where different investment patterns are engaged in, the risk of not having anything is avoided. The different activities act as forms of safety nets.

An excerpt of an interview with Mama Wairimu taken from Achieng' (2004), reinforces this observation.... She says "...

I do not do this just because I want to earn a bigger income, maybe yes, but for me it is security. I know that if I do not succeed here, I will not completely sink. There is somewhere else I can draw from. In this way I still depend on myself. It is a lot of work but for me it spells independence, if something goes wrong, I will not run again to my brother I will see myself out of it..." (Interview with Mama Wairimu 10<sup>th</sup> November 2001)

This observation calls attention to the different investment patterns that women in the informal economy engage in. The challenge is how to integrate the diversification of activities in the informal sector into the formal economy. The suggestion is how to offer market opportunities and linkages in a more decentralised and liberalised manner rather than to provide loans or micro-finances which create insecurities (Mupendziswa and Gumbo 1998, Randriamaro 2002). A step in this direction would be to look at the stock market or investment in government bonds and how the diversity of economic activities in the informal sector can be integrated whilst still maintaining the independence of the latter. Information dissemination on how formal markets operate is of crucial importance. I return to this point later. Suffice to note that research and dialogue between sociologists and economists in this direction is still a missing component.

## The Social Meaning of Money: Negotiating Social Security

### *The elusive pricing system in Dow Jane's economy*

The economic dictates of the market indicate that when one buys goods in the market, the price is inclusive of the quality of material, the brand, the labour costs (cost of production), transportation, a mark-up, usually Value Added Tax and the profit (what one gets on the good after deducting labour, time and overhead costs). A true cost is hence calculable. The profit accrued on an item/items can also be calculated. In the following discussion the use hypothetical calculations is averred to. The reason for this is that no standardized economic calculation could be used, as the interviewees all used different calculations in their pricing system. The dominant trend in pricing is thus presented. Two categories of traders are discussed. These are the women and the young men. The term 'elusive' has been adopted in the analysis to depict the ambiguity with which the informal market operates. It also serves to pinpoint the difficulty, which the formal economy would have if it integrates the informal but following the formers' terms.

In the *mitumba* trade many of the women interviewed expressed that in a month when sales are good they can earn what they consider a turn-over of Ksh.2, 500 – Ksh.3, 500. They consider sales as bad when they earn in a month less than Ksh.2, 000. Sales are especially high when a woman sells most of her goods as *kamera*<sup>4</sup>. This is because she sells quickly and obtains a higher turn-over. This means that she can buy more bales. When she sells nothing to the *kamera* and most of the items have to be traded off as *kua kua*, then she earns a lesser turn-over, the clothes stay for a long time and she cannot order more bales. A woman trader gets either a lower or higher turn-over depending on how she bargains or how she employs sales strategies. Sales are therefore highly contingent.

This highly contingent nature of trade the women operate with is what the young men try to avoid by specializing in *kamera* clothes. The young men have here an advantage of not only choosing quality clothes and therefore ensuring a quick return on sales, but one also minimizes the risk of having to deal with leftovers that are not saleable on the market. For example, an interview with Dick yielded the following observations...

Dick: I go to the market to choose every Friday when the lorries come....

My question: every week to get new items?

Dick: Yes, every week. Look, I take about 20 pieces of good quality clothes, pay

4 *Kamera and kua kua are two categorization of second hand clothing. Kamera clothes sell well as they look newer (are better off in quality), a mark up is added on them, for example, these clothes are washed and ironed. Minor tailoring repairs are also done to them. Moreover; the young men combine the styles, different colours, and hang them out. In this way they sell expensively but quickly as they are attractive to the customers.*

100 for each<sup>5</sup>. For example, I can take a trouser suit for ladies. I pay a 100, after washing, ironing and adjustments, I end up paying 150. At the market when a customer approaches me, I will start with 2 times the original price (Ksh.300). I know that the customer will bargain. It is normal to bargain. So I will go a bit lower by 50 or 20 shillings. So on a good day (end of month) I can sell a trouser suit from Ksh.250 – Ksh.280...(Interview with Dick 6<sup>th</sup> June 2001).

A calculation of the turn-over earned by Dick on a single sale might be:

$$\frac{(\text{Selling Price} - \text{Buying price}) \times 100}{\text{Buying price}} = \frac{(250 - 150) \times 100}{150} = 67\%$$

Dick earns a turn-over of 67% on one item

**A calculation of the overall turn-over might be:**

20 pieces of particular items <sup>1</sup>(in one week) x 150 = 3,000 (buying price)

20 pieces X 250 = 5,000(selling price)

Turn-over per week = 2,000

The sum above is hypothetical. It is also rare that all articles will be sold in one week. Sometimes one only goes to renew his depleted supply.

Whereas women earn Ksh.3,500 a month in turn-over, the young men earn Ksh.8,000 a month in turn-over on *kamera* clothes. It is again for this high margin in turn-over that the process of upgrading is easier for the ones engaged in specialized trade. The most obvious question to be asked is, why do the women not engage in the sale of *kamera* clothes, especially because it brings in a higher turn-over? It is argued that this question can be answered best by looking at the social meaning that women give to money. For the women, money is not viewed in its purely economic terms. Money is used reciprocally, for example, to lend to each other and in this way cushion each other against risks of various kinds. Money is further extended as credit to relatives of friends in need. Money is invested in people and not saved in the banks. In this way, it is diversified through lending to different persons, or by injecting it in a variety of activities. Money is thus spread. The spreading of money and the absence of banking it (savings) or injecting back into business clearly shows that Dow Jane's economy does not follow the economic logic of market economies. Dow Jane's economy is more embedded in society<sup>6</sup> and supports

5 *In the trade, the young men buy clothes from wholesalers and thereafter affect a mark up. This is for example, laundry, dry cleaning charges, repairs. Brokers usually charge Ksh.50 – 70 per piece. With the mark up considered plus transportation charges an item can amount to Ksh.100. The highest he can pay on an item of clothing is Ksh.150.*

6 *The embeddedness of the economy in society is a theoretical stand point of economist following the substantivist school as propounded by Karl Polanyi (1940) and latter taken up by Granovetter (1992) and several other feminist economists (Catagay and Elson 1995). African feminists have also been at*

societal relations through negotiating alternative risk avoidance and social security mechanisms. This is the societal linkage of such an economy.

It seems that the key elements in understanding how Dow Jane's economy could be interlinked to the formal economy is through the principle of diversification, which involves the spreading of economic activities and money. This means that loans or micro-finances and the associated high interests is avoided. The concept of 'facilitation' is thus of importance in the process of interlinking the informal to the informal economy. For Dow Jane's economy, this facilitation will mean not only market integration in a non hegemonic manner but also facilitating the successfully meeting of the needs of both reproduction and production and offering a cushion against further risks. The existing dynamics require much more fluid, middle range institutions with an ability to quickly adapt to changing conditions. Which these middle range institutions are/could be is still a research question that begs further analysis.

On going developments depict a revived emphasis in bringing the state back in, in tackling the question of economic liberties. This has been epitomised by the formation of regional economic institutions, the one en vogue being the New Partnerships for Africa's Development initiative (NEPAD). This initiative stresses the need for sound economic management, partnership at the regional and global levels, as well as political liberties as preconditions for a sustainable development. It further claims that strengthening the capacity of the state is a critical aspect. Hence the state is allocated a major role in promoting and regulating economic growth and development (NEPAD Document 2001).

A number of criticisms have however tailed this new initiative. The most prominent one being that such regional economic institutions still lack a social anchor that can ensure that the proposals made are moved from the realm of the pro forma and technocratic (Olukoshi 2002:2). Indeed a number of studies have critically analysed such initiatives with the aim of bringing forth the discrepancies perpetuated (Adésinà 2002, Obi 2002, Toure 2002). For example, Randriamaro (2002), in her article on NEPAD and the challenges of financing for development in Africa from a gender perspective decries several issues not addressed by the policy framework. She laments NEPAD's forgetfulness of the Structural Adjustment Policies (SAPs) such as increased sales tax and privatisation of public assets, a decline in access to credit and productive resources among small farmers, micro and small enterprises as a result of reforms in fiscal policy, cuts in public spending in social services and a shift in the cost burden to communities, family arrangements and individuals, especially women, which has contributed to massive capital flight, de-industrialisation and increased poverty levels (Randriamaro 2002:6) not to mention retrenchment, joblessness and loose of livelihoods (Tshikata and

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*the forefront of showing how in African contexts, the economy cannot be dis-embedded from society and culture (Tshikata 2004)*

Kerr 2000). These have in turn exacerbated levels of violence, conflicts and displacement (Achieng' 2005). Indeed, Mbilinyi (2000) warns of the impending disaster in accepting Poverty Reduction Strategy proposals without soundly and critically understanding what local communities are living through, their coping strategies and how these efforts can be supplemented without necessarily introducing other liabilities.

The glaring truth is that we cannot move back to a 'developmental' or welfare state model nor can we rely on purely market forces as panaceas for an African economic and sustainable development. Already, economic restructuring has shown its gnawing sides necessitating us to move from the essential criticism of the policies to finding mechanisms for 'correcting' some of these deficiencies and institutionalizing processes that counter against a further back drop. It is thus important to put across critical and strategic analytical questions and conceptualize on some way forward.

A case in point could be to pose probing and critical research questions and bring forth socially embedded analysis on the forms of inter-linkages that exist or could exist between the state and the market. Hence, the analysis of the capabilities of middle range social economic institutions, what is known in other quarters as third sector groups (Anheier 1990) in social provisioning of goods and services and deliberating on mechanisms for social security (understood as safety nets for avoiding risks). The debates on entitlements and the negotiating of redistributive justice are paramount.

Furthermore, an integrated localized knowledge on economic institutions into conceptualizations of how national and regional economic integration could occur is critical. As an instance, although literature acknowledges the need for linkages between rural and urban markets, there are hardly concerted analysis showing how trans-local networking and information sharing for market intelligence proceeds at various levels. Faced with such a dire lack of analysis, economic policies have proceeded without in-depth appreciation of certain lived realities.

Concomitantly, there is need for the formation and diversification of third sector groups, which mediate between state and markets. These third sector groups could act as 'brokers' of how a dynamic, societal emergent economic liberalization and regulation should to occur. They could as an example, have as their tasks, offering marketing opportunities, market linkages, price regulations, mediate against state co-optation or state tokenism. Invariably, apart from seeking autonomy and diversification, they should also offer a space for independent criticism of state bureaucracies by spelling out where state should not interfere and where the state can contribute. Third sector groups, which offer critical spaces for the exercise of voice by the society, could come up with concepts on how common goods and just redistributive mechanisms in society especially for marginalized groups can be enacted. In this way, risks of varied kinds are avoided as social security mechanisms and social provisioning at different societal level is ensured.

This can be looked at in several interconnected dimensions:

- Legalization, regularization and protection of many underground trading activities in order to make them visible e.g. importation of second hand cars which meet a certain minimum, legalization of sex work, legalization of selling on the streets but at various nodal points that are accessible and legalization of cross border trade. In doing this however, regularization and specialization should be thought about. Here third sector groups have a crucial role to play in debating about regulations that are “people near” or “produced by society itself”. This is what is meant by protection. The state comes in only to maintain the order agreed upon. This order should moreover not be static but forever dynamic to capture the ever-changing realities, that is, policies that show more dynamism. Specialization will also mean that certain markets will offer certain goods. In this way, a redistributive and regulatory mechanism is put in place whereby capturing of lucrative goods by a few, crowding out or over crowding is regulated. Entry to the different specializations should also be enabled. This is, for example, through subcontracting. Here urban markets can offer openings to rural ones through subcontracting for instance supplying large supermarkets with fresh vegetables, fruits and flowers, etc. In this way, rural markets will provide the much needed job opportunities and thus contain human flight to towns. Paradoxically, making such activities visible would mean capturing by state bureaucracies but this is again where the third sector groups will come in as protectors.
- Recognition and institutionalization of activities hitherto understood as marginal, informal and clandestine: Making Dow Jane’s activities visible would mean upgrading them from there clandestine nature into recognized trading activities and then debating about institutionalization and more especially the issue of entitlement as access and control over activities and resources in the market. The more clandestine Dow Jane’s activities are seen to be the more removed from rights and access to resources, thus further removing them from crucial decision making capacities, in for instance, accessing investment opportunities and in accessing necessary information. The non recognition and non institutionalization of activities hitherto understood as marginal, informal or clandestine also hinders the process of market inter-linkage at various nodal-points e.g. rural-urban market inter-linkage, or cross border market inter-linkage through crippling state regulation, harassment and bureaucracies. Furthermore, local products are not recognized as more and more imports are allowed in the pretence that the latter are of better quality as they are produced abroad. This means that diversification of local activities through spreading it and facilitating entry is hampered by unhealthy competition from outside of the same products that can be upgrading to meet international standards. Coupled to this are crippling state bureaucracies

and policies. The multiplier effect is that trade curtailments are formed with trade barons controlling, in a hegemonic manner, strategic resources in Dow Jane's economy. By removing this economy within reach of such resources necessary for upgrading, the economy is further marginalized from mainstream economies. In this manner, upgrading, in the sense of market entry and expansion and sufficiently meeting the needs of reproduction and production, is not achieved.

- Facilitating information dissemination on how the market is functioning through decentralization of what the formal markets: Randriamaro (2003) posits that in the research carried out by the Gender and Economic Reform in Africa program (GERA) in Cameroon and other African countries, it was found that financial sector reforms have not improved rural women's access to financial resources. This is because of unnecessary control. To augment this point, Mupendziswa and Gumbo (1998) in their study on structural adjustment and women informal sector traders in Harare, Zimbabwe point out the ineffectiveness of a social dimension fund set up to cushion exposed groups to the social costs of adjustment. The two cases are illustrative of how bureaucracy and hiding of information destabilizes Dow Jane's economy.
- A further example is the stock markets which are still a realm of the formal market and research on how to de-bureaucratize it has hardly been done. Ndiaye (2004: 74) shares concomitant views that by decentralizing the stock market from being a realm of not only the formal markets but also the informal, more market opportunities and information exchange will occur. By bringing stock markets and government bonds to the informal markets, 'dirty' money is washed in the country, investment is made in the country thus avoiding capital flight. In this manner, domestic capital flows are encouraged. Certainly, a multidisciplinary research between sociologists and economists is called for to investigate how the language and the working of the treasury, the banking sectors, government budgeting and fiscal policies can be broken down and communicated to the rest of the population. It also means facilitating dialogue between policy makers and research communities.
- Regional integration through consolidating capabilities, forms of co operation and transforming contradictions: What we are currently witnessing is that regional economic integration is still not occurring. The NEPAD example quoted above is a living example of such policies that although might offer a starting point, are still far removed from their social contexts. Of necessity therefore is to start finding the essential societal anchor (Olukoshi 2002) or to analyze how economy is/can be embedded in society. Of importance is thus to first understand the micro social economic processes and see how they are interconnected/not

connected to the macro economic structures and what is produced in such a context (that is the middle range socio-economic institutions or ways of doing). Where such mechanisms are already in place, these should be consolidated (through institutionalization) and processes moved forward through support at different levels. Indeed, we are witnessing a sporadic mushrooming of efforts strewn all over with little co-ordination of activities or dialogue occurring amongst groups to share inputs and experiences. Through forming alliances and/or coalitions among different third sector groups and civil society organisations, then the situation will be better understood and more reflections undertaken in a consequential manner.

Salient issues that could be taken into account as points for reflection are:

- a. Redistribution from above: Through redefining what the state ought to be responsible for or not responsible for, taking into account the different social groups and their capability at providing for themselves or not providing for themselves. It will imperatively mean looking at where co-operation can occur and where pure support ought to be provided. For example, a strong principle of subsidiarity (Anheier 1990) could be thought out. Subsidiarity entails the smallest unit possible helping itself. Only when the smallest unit cannot maintain itself, then a larger unit comes in to offer the needed assistance (Anheier 1990). In an economy, it would mean that an area's economic potentials should be supported and awarded the necessary opportunities to maintain itself. Only where it cannot provide for itself, then a bigger unit can be interlinked to provide what is missing. To give a concrete example, a rural area rich in vegetables can be subcontracted to supply several chains of super markets in the urban area with fresh supplies. This would mean looking very strategically at the potentialities of each smallest unit up to the national level. Needless to say, regional co operation cannot occur without a strong national inter-linkage and critically evaluating a nation's potentiality and where co-operation and reciprocity is needed. Thus there is need to first support local markets but then open up to regional markets, where deficiencies in local markets are envisaged.
- b. Redistribution from below: Looking at the social economic micro processes and deliberating on how societal groups are providing forms of safety nets for themselves in other words shock absorbing mechanisms. This would be with the aim of either further supporting such acts by protecting them from crippling state bureaucratic measures and finding ways of upgrading these through institutionalizing such everyday actions.
- c. Redistribution at the meso-level: Looking at the interconnection of the micro processes and macro structures, it will mean being vigilant at redefining and

interpreting policies in such a way that they reflect the modes of action of society. This would mean a vibrant and dynamic policy environment and the formulation of middle range institutions (third sector groups acting between the sphere of the state, markets and society) with capacities to quickly adapt to changing realities. At this level it is necessary to debate on how synergies and forms of alliances and co-operation can be formed, by whom, offering what and why.

A special problem in the making of lucrative and sustainable economic futures is the one of the legacy inherited by young people. The social phenomenon being momentarily experienced is an increased feeling of social alienation by young people. For example, there is a marked increase in violent “sub-cultures”. A good example is how young men are forming different groups and the new displays of masculinities that come along with these. The *Mungiki* youth movement in Kenya or the *Mai Mai* in DR Congo are cases in point. The analytical question to be asked here could be why there are such heightened feelings of alienation and which institutions might be put in place to regress the increasing levels of anomie? A further analytical question would be the place of young women as the lowest status group in society. With such new displays of masculinity evident through increased militancy, are young women rendered more vulnerable, are they being instrumentalised in a ‘new’ way or are they gaining a voice in their own right? How can Dow-Jane’s economy offer mechanisms for alleviating these forms of alienation?

## Conclusion

The paper set out with the task of analyzing how Dow Jane’s economy could be integrated into the formal economy. Several arguments have interlaced the discussion. In a précis form these are: that to strive towards alternative, lucrative and sustainable economic futures, political liberties should be accompanied with well thought out economic liberties. Building on empirical case studies, the ensuing discussion demonstrated how the informal economy could be integrated into the formal economy. The social meaning of money and trade was extensively discussed with a view to offering alternative thinking not only on how legalization and specialization of activities in Dow Jane’s economy could occur but also how protection, recognition and institutionalization of this economy could proceed. The paper further called for multidisciplinary research and an enactment of the missing dialogue between sociologists and economists on the one hand and policy makers and the research community on the other hand. A number of suggestions on the forms of engagement such a critical but missing dialogue could adopt were explored at length in the analysis that the paper offered.

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