Cross-cultural Management and the Informal Economy in Sub-Saharan Africa: Implications for Organization, Employment and Skills Development

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Abstract

The informal economy has grown in importance within sub-Saharan Africa, yet there are debates about its role within national economies that appear not to take cognizance of the interests and the weak power base of those working within the informal economy. The current article argues that a cross-cultural perspective should be taken in understanding the geopolitical context of informal organizations, the power relationships involved and how the contributions and future of skills development, employment and organization within the informal and wider economies can be better understood and researched. It initially alludes to the informal sector being closer to local communities, and more appropriate to developments in Africa, but draws on Postcolonial Theory to better understand the nature and role of such organization within an interface of structural and phenomenological influences that question the nature of the 'indigenous' as an artefact. Some of the parameters of research in this area are drawn within this work while recognizing that further development is needed in both theory and methods. The article thus attempts to lay the foundations for a cross-cultural conceptual framework leading to a methodology that can inform both practice and policy in this neglected but important area.

Key Words

Cross-cultural Management, Sub-Saharan Africa, Skills and Employment, HRM, Entrepreneurship, Informal economy.

Introduction

Critics of Western and colonial influences in sub-Saharan Africa have argued that institutions, including the firm, were imposed on African communities and continue to remain separate from community culture and traditional institutions (Ayitter, 1991; Dia, 1996). To support this assumption Jackson (2004) has reported African employees feeling that they are stepping out of their culture when they go into work in the morning, and stepping back into their own culture when they go home at night. If Western-style work organizations are contrary to local cultural norms, others claim that entrepreneurial activity is dampened by traditional African culture, making it difficult for entrepreneurs to develop and prosper in African communities (Dondo & Ngumo, 1998), and presumably to construct different types of organization. Yet, Jackson et al (2008) point to the Western inflection these authors put on entrepreneurship as 'a highly individualistic, wealth seeking activity, rather than a community-based activity… they see communal and collective values as a barrier because these encourage conformist behaviour and discourage individualistic wealth creation' (p. 402). However, Mbigi (1997: 32) asserts that in 'Afrocentric cultures and tribes, individual entrepreneurship is encouraged, nurtured, harnessed, celebrated collectively and highly respected, almost to the point of canonisation', while Wild (1997) provides much evidence and examples in the 1990s and before of entrepreneurial activity and success in Zimbabwe. It is also the very nature of strong family and community bonds and networks in African societies that provide leverage for success in entrepreneurial activity within the informal economy (Khavul, Bruton, & Wood, 2009).

There is no doubt that much of the entrepreneurial activity in sub-Saharan Africa is within the informal economy, as is employment and skills development. Barratt Brown (1995) believes the informal or 'second economy' to be huge, working in parallel and often in cahoots with the formal sector, normally 'concerned with petty production, using very simple, labour intensive techniques with a minimum of capital' (p.207). The objectives of the current article are to:

- explain why the informal economy in sub-Saharan is important, particularly to the development of skills and as a provider of employment, yet under-researched at the level of the individual, the firm and their communities;

- show the connections between policy and attitudes towards the informal sector, which appear not to be well informed by research and often not helpful to the development of contributions towards employment, employability and skills development, as well as to longer term sustainable human development;

- make the case for cross-cultural research and its contributions towards understanding the appropriateness, as well as the effectiveness, of local practices such as traditional apprenticeships within the informal economy;

- provide initial guidelines for research in this area which attempts to overcome some of the problems of representation of those working in the informal economy, as well as their agency in effecting the way they are researched and represented in policy decisions.

In doing this, this work seeks to develop a cross-cultural conceptual base from which methodology can be developed, and to point to a research agenda that can inform both practice and policy. To achieve this it is necessary to take a cross-disciplinary approach. Much has been written on the informal economy in the economics, sociology, and development studies literature, yet at organizational level within the management literature there is a noticeable dearth. Similarly, the conceptual base draws on theories that have been developed outside management studies and HRM, although more recently applied to organization and management studies (e.g. Jack and Westwood, 2009).

The first part of this article discusses the importance of the informal economy within sub-Saharan Africa, and particularly its contribution to employment and skills development. It also discusses the impact of policy on the informal economy together with the often negative perceptions from governments, policy makers and the formal sector. Although the current work draws examples from sub-Saharan Africa, this may have parallels in other regions of the world.

The second part of the article takes a more conceptual approach as it attempts to provide a critical re-reading of previous work, mainly looking at this through the lens of Postcolonial Theory. In doing so it provides a tentative cross-cultural methodological base from which an informed research agenda may be developed. In view of the lack of empirical research on the informal economy at the level of community, organization and individual, and the contribution that this sector makes to livelihoods, employment, training and skills development, this is the main scholarly contribution that this works attempts to make: to stimulate informed and critical research in this area, and to develop a literature on the nature and contribution of the informal economy within management studies and HRM.

Why the Informal Economy is Important

Based on ILO figures, Verick (2006), writing for the United Nations Economic Commission for Africa, estimates the average size of the informal economy as a percentage of gross national income (GNI) in sub-Saharan Africa as 42.3 percent. This ranges from under 30 percent in the continent's largest economy, South Africa, to almost 60 percent in Nigeria, Tanzania and Zimbabwe. Again, basing his figures on those reported by the ILO in 2002 he estimates that as a percentage of the labour market in sub-Saharan Africa the informal sector represents about three-quarters of non-agricultural employment, and approximately 72 percent of total employment in sub-Saharan Africa (78 percent if South Africa is excluded). After Chen (2001) he also reports that 93 percent of new jobs created in Africa during the 1990s were in the informal sector. He suggests this reflects the impact of globalization, economic reforms and competitive pressures on the labour market during this time (Verick, 2006).

He also discusses Xaba, Horn and Motala's (2002) findings, reporting for the ILO, that show that informal employment in Kenya and Uganda exceeded that in the formal sector; in Zambia 43 percent of urban employment was estimated to be in the informal economy; in

Mozambique 30-40 percent of urban households were dependent on the informal economy; and, in Ghana an estimated 89 percent of the labour force was employed in the informal sector. Also drawing on ILO (2002) figures Verick (2006) concludes that within sub-Saharan Africa the share of informal employment varies considerably: from 8.8 percent in Zimbabwe to 94.1 percent in Mali[1].

Yet the ILO figures produced in 2002 suggest that the informal sector is dominated by trade-related activities. Services and manufacturing only appear to account for a small percentage of informal activity. In Angola, Nigeria, South Africa and Uganda, the majority of informal sector workers are in retail trades, mostly self-employed. In total, this accounts for 70 percent of informal workers in sub-Saharan Africa, with the remainder in wage employment. Street vending is particularly prevalent on the continent. For example, in Benin, (using figures from 1992, quoted in Charmes, 1998) street vendors represented 80.7 percent of all economic units surveyed in urban areas with women making up over 75 percent of vendors (Verick, 2006).

Within the informal economy Barratt Brown (1995) points out that wages are low and irregular, that it provides goods and services mainly for low-income consumers and 'not necessarily on a small scale', and frequently involves women as the entrepreneurs: as many as half the total number. He also suggests that it is due to the existence of such a large informal second economy that low income families can defy the implications of such low recorded GDP per capita figures and actually survive.

Yet an image is often portrayed of those operating within the informal economy as wilfully avoiding governmental regulation and constraints, including avoiding paying taxes within the formal economy, as 'a form of social disobedience' (reported in Barratt Brown, 1995). Yet another view is posited by Lindell (2010) which sees such informality as tantamount to

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[1] However, Adams (2008) warns of the dangers in comparing such statistics across countries because of the different definitions used for informal activities and what is included. For example, Mali includes agricultural employments, which is not included in other countries.

marginalization, and those operating in the informal economy as doing so because of poverty and marginalization rather than through choice.

Views posited in the 1970s, when the informal economy was apparently 'discovered' by the international development sector, suggested that as economies grew and developed in regions such as sub-Saharan Africa, so workers in the informal economy would be absorbed in the formal economy. Yet as a report for the Swedish International Development Assistance (Becker/SIDA, 2004) pointed out, the informal economy appears to be expanding and permanent. This report argues that reasons for the growth in the informal economy include the following factors:

- *Limited absorption of surplus labour*: the formal economy and agriculture has had only limited capacity to absorb labour, particularly with an increase in job seekers

- *Barriers of entry into the formal economy*: high costs and government regulations, together with corruption in granting permits, land titles and business start-ups has discouraged people to go formal.

- *Weak institutions*: formal institutions have failed to provide training and education as well as the necessary infrastructure, thus contributing to reliance on the informal economy.

- *Redundancies*: Structural adjustment programmes in the 1980s and 1990s giving rise to a shrinking of the public sector and closures of uncompetitive business have led to redundant workers seeking others ways to survive.

- *Capital is favoured over labour*: global integration favours companies that can move easily across borders, yet lower skilled workers cannot easily migrate. Thus global trade and investment patterns disadvantages labour while privileging capital.

- *Demand for low-cost goods and services*: rural to urban migration together with increased demand for low-cost goods and services has boosted the informal economy.

- *Uncommitted or unaware governments*: often governments have ignored the informal sector, expecting it to die out. This has largely left it unfettered, and it has been able to grow.

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- *Economic hardship and poverty*: migration forced through poverty and the impact of the HIV/AIDS pandemic have increased the numbers entering the informal economy to survive.

- *More women entering labour markets*: outside agriculture the number of women entering the labour market is increasing. Particularly where access to the formal economy is denied to women, including the right to own land, more enter the informal economy where many women own or run micro-enterprises, yet rarely entering the formal economy as entrepreneurs.

The informal economy appears therefore to be important to Africa and to its future development, a factor recognized by the World Bank (Kenyon/World Bank, 2007), although this has largely been in connection with how activity in the informal sector can be formalized (perhaps in line with what Potts, 2009, has termed a 'dualist' approach or more recent Modernization Theory). Yet it may well have been a result of World Bank/IMF imposed SAPs, economic liberalization, and retreat of the state that left huge gaps to be filled by local initiatives as well as survival strategies as suggested by Cheru (2002), in areas including shelter, employment, law and order, transportation, refuse collection, trade and household credit supply, claiming that the informal sector 'constitutes a dynamic and enduring force that has shaped African cities' (Cheru, 2002: 48). Moreover, he asserts, that this sector also represents 'an alternative society, with parallel social and religious institutions alongside the official ones (p. 48-9).

Hence communities so constructed represent 'socio-political entities, with their own rules, forms of organization and internal hierarchies, constituting a node of resistance and defiance against state domination' (p.49). Cheru also appears to place the informal sector firmly within the realms of civil society organizations, and contiguous with the 'voluntary sector'. Certainly self-help groups such as savings clubs, which give informal access to finance, appear in parallel with trade and industry within the informal sector (Barratt Brown, 1995).

In suggesting that it is a way of resisting and even politically challenging state predatory rule and its capacity to repress individual initiative, Cheru is giving some credence to Dondo & Ngumo (1998) claim that Africa dampens entrepreneurial activity. Yet a distinction can be made between the post-colonial legacy of state and formal institutions and organization, and community-based activity and organization. The informal sector is simply different to the formal sector. It is community based.

It is Cheru's (2002: 49) assertion that 'a closer look at the informal sector in Africa provides a glimpse of what could be achieved if Africa's economies and financial policies were more attuned to the continent's everyday realities'. This assertion underlines the current work, with this paper presenting the conceptual and methodological underpinning. He attests to 'a high degree of participation, accountability and commitment, as well as a sense of obligation, in informal-sector activities' (Cheru, 2002: 49). His assertion that there is a high degree of order, despite the apparent chaos, in the informal sector, is further amplified by Lindell (2010) who points to alliances between informal and formal organizations, between informals and trade unions, and in the growing internationalization of informal economy associations.

Of relevance to the further methodological development of the current work are the growing importance of national networks such as the Zimbabwe Chamber of Informal Economy Associations (http://www.zciea.org), the Alliance for Zambian Informal Economy Associations (http://www.wiego.org/institutional-members/aziea.php) and as well as the international alliances within which such organizations are increasingly grouping, such as Streetnet International (http://streetnet.org.za). As will be discussed, much empirical work in this area is based on secondary sources, or on informants not directly working in the informal sector (even those that seek to take an anthropological approach such as Fadahunsi, 2000). Empirical research should be representative of those working in the sector, and researchers should work closely with such associations. Hence, Khavul et al. (2009: 1220) put it thus:

> 'Economic informality is central to the world economy, but it remains largely unexamined, particularly in the family business literature. Informal businesses are

difficult to study, but this does not absolve business researchers from attempting to do so especially in parts of the world such as Africa where they are the predominant organizational form'.

The current paper begins to set out how this might be achieved through developing a conceptual base, and methodology that could assist in developing research in this area. Why this is important to policy is now discussed.

Informality and Policy

In discussing the nature and role of the informal sector Potts (2009) places policy in the swing between dualist and non-dualist assertions over the years. Debrah, 2007, similarly reviews the distinction between 'marginalists' who regard the informal sector as peripheral to economic development, and 'structuralists', who contend that it is a repository for alternative and enduring forms of economic activity. According to Potts (2009) the former takes the view that the informal sector is backward, and needs to be brought into the formal sector, or removed completely (a view, she warns, that is again currently being adopted in South Africa). In the 1970s, she adds, there was a far more positive, ILO led, attitude towards the informal economy as something to be encouraged and developed as a model of entrepreneurial and economic activity. However, the 1980s heralded a new dualist approach and attempts to break up the informal economy in countries such as Kenya (1980s), Zambia (1990s), and more recently in Zimbabwe for example in 2005 in the notorious Operation Murambatsvina, 'Clear out the trash/Restore order' (Potts, 2009). Yet Debra (2007) also reviews the position that both these assertions attract criticism, and that the informal economy is always associated with marginal activity and survival strategies. It is typified by under-protected employees often being exploited by the formal sector with the complicity of the state, and exists as a sector because of the inadequacy of the state to provide sufficient employment and a situation of over supply of labour. Hence this is unemployment disguised as employment, where real growth can only be achieved by the implementing of

macroeconomic policies designed to expand the formal sector, significantly reducing reliance on the informal sector (Debrah, 2007).

Yet surely this is simply a restating of the dualist approach. Although Debrah's (2007) main concern is the provision of employment within the informal sector, the policy debate and the nature of the sector is one of significance to the current concern, which postulates that this sector represents institutions and organization that are more aligned with African communities, and emanate from local cultures (notwithstanding that local cultures and institutions are themselves both products and part of socio-economic and environmental circumstance such as poverty and scarcity of resources, and indeed co-interact).

A prominent policy concern in the current work is the failure of 'modernizing' development strategies to work in sub-Saharan Africa, and the apparent inappropriateness of organization and people management which have been introduced successively during colonial and then post-colonial or neo-colonial times within the formal economy (Jackson, 2004). Although hypothesizing three main 'ideal type' organizational forms (post-colonial; post-instrumental or Western; and, African renaissance or humanistic), Jackson (2004) failed to identify in his research organizations that could be described as reflecting African indigenous approaches in the formal sector (with the possible exception of Afriland First Bank in Cameroon which was working directly with local, often informal, entrepreneurs). It is more likely that such organization is to be found in the informal sector. Supportive of this assumption is also Jackson and Haines' (2007) and Jackson's (2009) work in the local NGO sector in South Africa that indicates that CBO/NGO organization is closer to and sometimes more appropriate to employees' community culture.

Notwithstanding the criticism muted above of the low wages and marginalization of employees in the informal sector (which of course needs more detailed and first hand research, implying methodological development), it could also be assumed that, as perhaps with fledgling CBOs that seek resources from the formal national and international structures

(Jackson, 2011; Claeye and Jackson, 2011), when organizations in the informal sector become more aligned with the formal sector they in some respects begin to lose their 'authentic' localism and indigenous basis and even legitimism: for example, their status as an authentic part of their community.

In sum, this current work seeks to develop both concepts and methodology that can further examine the nature and role of the informal sector (dualist and non-dualist assertions: Potts, 2009; Debrah, 2007), and how this affects its assumed roles in development in general, and in the nature of employment and skills development (Debrah, 2007) (as well as wealth development and its social role), and how this is connected with policy and human development in sub-Saharan Africa. It seeks to further develop the propositions that:

1. The informal sector is more aligned with local culture and institutionally more reflective and supportive of organizational members' cultural identities, and therefore appropriate to community stakeholders in the way it does business, and the nature of employment (but also mindful of its purported exploitative and/or marginalizing facets in line with dualist and non-dualist assertions); and,

2. As organizations in the informal sector scale up and/or seek resources in and with the formal sector, and/or as they seek formal membership of national/international associations, they compromise their authenticity/localism in conforming to the requirements of Western-style exigencies, becoming less appropriate to community needs (but also mindful that they could become more appropriate to community needs through the advocacy of national and international associations such as Streetnet International).

3. The tensions between the informal and formal sectors, and the connections and alliances between them represent both conflicts and resistance that lead to various cultural spaces that can be analysed and understood in order to better formulate policy and skills development.

Jackson (2004) has berated the lack of cross-cultural analysis and understanding in much of the published work devoted to organization and management in sub-Saharan Africa, while maintaining that cross-cultural working is fundamental to everyday organizational and community life in this region. Conceptually, the current work seeks to develop a cross-cultural framework for studying the informal sector as a product and part of local communities, in interaction with local, national and international influences and stakeholders, involving power dynamics (for example, within the international development project). Methodologically, it takes account of these power dynamics that both shape the nature of academic research on sub-Saharan countries and other 'developing' regions, and the need to give 'voice' to local and indigenous approaches to organization, employment and skills development. Specifically it explores ways in which first hand data can be drawn by providing opportunities for often marginalized voices, particularly those of women in the informal sector, to represent themselves through such as visual ethnographic methods (e.g. Pink, 2001).

If the World Bank's policy of bringing in 'informals' to the formal economy (Kenyon/World Bank, 2007), and recent South African government policy is inappropriate, how should the informal sector develop, and/or what can the formal sector learn from the informal sector in terms of organization, employment and skills development?

Informality, Employability and Skills

It is obvious from the discussion above that the informal economy is both significant and important in sub-Saharan Africa. Adams/World Bank (2008), points to a trend for people with higher levels of education to enter the informal sector as a career of choice. Although education levels in the informal sector are often still lower than in the formal economy, these rising levels of education are producing higher levels of income in the informal economy. She points to household data from the 2005 Ghana Living Standards Survey, for example, which show that by level of education, earnings in the informal urban non-agricultural sector

match or come close to wages in the formal urban non-agricultural sector. She points to the need for those in the informal economy to have a wider skills base compared with the often specialized nature of work in the formal sector and the difficulty for informal workers to take extended periods out from their work for training and education, which sets them apart from their counterparts in the formal sector (Adams/World Bank, 2008).

As might be expected, public technical and vocational educational programmes have only played a small part in developing skills for the informal sector. In part this is a function of the poor provision generally in this area, which appears to have deteriorated since independence, but also has failed to respond to the needs of the growing informal sector (Adams/World Bank, 2008). She also notes that private sector training organizations are tending to fill the gaps left by public sector institutions, both NGOs and for profit organizations some of which are themselves in the informal sector and work very much on an on-demand basis. Yet smaller enterprises tend not to train their employees, because of the costs and time away from work required, and the need for multiple skills sets. Adams/World Bank (2008) also suggests that it also may be a lack of understanding of the benefits of training. A possible solution to this, she suggests is in industrial associations that could encourage and support training for small enterprises.

However, there is evidence that far more important than external training, is the provision of traditional apprenticeships within the informal sector, with Liimatainen/ILO (2002) estimating as many as 70 percent of urban informal workers in Africa being trained within the traditional apprenticeship system. These apprenticeships consist of private contractual arrangements between an apprentice (or parent) and master crafts person. The latter agrees to provide practical, on-job training. This may range from several months to three or four years. The completed apprenticeship is certified, but not formally registered with a government body (unlike a formal or modern apprenticeship in the formal economy). There is either a fee involved, or an agreement of reduced earnings during the course of the apprenticeship. These

appear to be more evident in West and Central Africa, and less so in East and Southern Africa.

Adams/World Bank (2008: 13) assertion that 'Master craft persons in turn do not provide theoretical knowledge alongside practical experience, and more often than not, teach out-dated technologies' needs further investigation, as simply regarding traditional or indigenous technologies as 'out-dated' may well reflect a modernizing mentality which should come under critical scrutiny. She also adds that 'It is doubtful, for example, that small firms of the informal sector acquiring their skilled workers with apprenticeships will contribute in a significant way to the export-led development strategies of many countries' yet, 'improving traditional apprenticeships can contribute in a positive way to employment and poverty reduction' (p.14). She suggests this can be done by better provision for public institutions to provide the theoretical input that is lacking in these traditional apprenticeships.

Yet her thinking appears to be just that referred to by Barasa and Kaabwe (2001) in their study of the *Jua Kali* sector[2] in Kenya when they argue that:

> '..while current thinking about the informal sector provides a fairly realistic assessment of its potential for employment generation, it is nonetheless largely fallacious with regard to the mode of and strategies for skills development. This fallacy is largely attributed to an overt faith in the role and contribution of formal vocational and technical institutions in skills training *for* the informal sector on the one hand, and the perceived weaknesses of the inputs, processes and products of the informal apprenticeship as a mode of training, on the other.' (p. 330, emphasis in the original).

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[2] Representing work under the 'hot sun' in kiSwahili: typically open-air establishments or rudimentary structures for workshops for fabrication or repair, and sometimes selling, as well as basic 'colleges' where apprentices acquire their skills

The informal sector in Kenya, as a mode of vocational training, accounts for 71 percent of the total skilled workforce, and Barasa and Kaabwe (2001) suggest that similar figures pertain in other sub-Saharan countries. The fact that pre-employment formal training and education institutions only supply a small proportion of their graduates to the informal sector appears to indicate, they suggest, that policy focused towards enhancing the impact of such institutions and programmes may be ineffective. A hesitation to place more policy emphasis on directly supporting apprenticeships on the grounds that the relationships of master craftsman to apprentice is normally along family, kinship or ethnic grounds, and therefore leads to discrimination, appears fallacious in view of their finding that 76 per cent of their respondents had no such kinship ties. Yet they do note that this may be at variance to 'traditional' apprenticeships, and that this needs further investigation (without discussing what they mean by 'traditional' and what type of apprenticeship they are actually addressing).

They also point to the representation of the informal sector as a dumping ground for academic rejects, and therefore held in low esteem by governments, policy makers and the formal sector. Again their findings suggest that though education levels are generally lower, that it most cases (77 per cent) those who left school and went into the informal sector had attained the necessary qualification to progress to the next level of education if they so wished. Also in view of the significant contributions the informal sector makes to the training of skilled artisans, this representation appears to hamper support and funding for this sector on its own terms.

Towards a Cross-cultural Understanding of Organization and Activity in the Informal Economy: A Tentative Conceptualization

It is exactly this problem of representation that Postcolonial Theory points to in terms of the power relations existing at global and local levels, which shapes the way that such as the informal economy is seen by both those with power and those without. Any scholarly study

that involves concepts of 'the other' is a product of an international dynamic including geopolitical power relations. Postcolonial Theory has provided an elaboration and critique of these more subtle power dynamics within literary studies and social theory. Said (1978), Spivak (1988) and Bhabha (1994) have provided the seminal works in the development of this theory, focusing respectively on 'orientalism' or the power relations between colonizer and colonized and the representation of the 'East' by the West in both derogatory and exotic terms, and questioning whether the dominant knowledge produced in the West is in fact disinterested, and being in alliance with imperial interests; on the gendered nature of this relationship and the way postcolonial discourse has essentialized notions of identity (representing 'the other' by, for example categories of gender or race) and questioning the ability of 'the subaltern' to then speak of themselves in any authentic terms and pointing to their lack of agency, yet seeing this as a space for resistance; and, focusing on the hybrid nature of the 'Third Space' culturally created by this power dynamic, through attempts of the colonizers to make the colonized mimic them, and through the resistance of the colonized.

These various foci within Postcolonial Theory have informed critiques of mainstream theories in development studies (e.g. Mohan, 2002) in organization studies (Prasad, 2003) and more recently in international management studies (Jack, Calás, Nkomo & Peltonen, 2008; Frenkel, 2008; Özkazanç-Pan, 2008; Jack & Westwood, 2009). Mohan (2002: 157) for example, puts it aptly to the current work when he says 'Postcolonial studies alerts us to the epistemic violence of Eurocentric discourses of the non-West and the possibilities of recovering the voices of the marginalized'. This is particularly important to a study of the informal economy in view of the assumption discussed above of Lindell (2010) who sees informality as tantamount to marginalization, through poverty rather than through choice.

Postcolonial Theory can be used to understand much of what has been regarded as the cultural aspects of global interaction. It tells us that not only the West's representations of 'the other' colour how we see, and research, and manage people and organizations in 'developing' countries, but that 'the other' adopts and internalizes such representations. This

leads to a wholesale adoption of Western education, knowledge and technology, together with the disparaging of local approaches and solutions. This also leads to a kind of 'false consciousness' in the Marxian sense, so that local people have lost their authentic voice (in Spivak's, 1988, terms they cannot speak, as such). This has implications for the way scholars research these 'subjects', in the projection of Western representations of 'the other', and the way these representations are reflected back to Western researcher.

This presents a two-fold issue that has implications for the way we conceptualize and research activity and its relationship to, for example, appropriate and sustainable development policy and practice towards and in the informal economy: the nature of the cultural space which is occupied by informal sector organizations; and, the way that space is represented.

On the one hand, it is difficult to speak about 'a culture'. As a result of the interaction of a number of cultural influences, typically 'Western' and 'African' in a geopolitical context of colonialism and post-colonialism, it may be possible to identify cultural influences in a specific socio-cultural space, but not of an 'authentic' or 'indigenous' culture. It is possible to conceptualize such a hybrid cultural space as a social interface (Long, 1989, 2001; Bartsch, Hein and Kohlmorgen; 2007; Jackson and Aycan, 2006) or 'Third Space' (Bhabha, 1994) in Postcolonial Theory. These theoretical approaches enable us to provide a more critical appraisal of the more familiar concept of cultural crossvergence (Ralston, Gaicalone & Terpstra, 1994; Priem et al, 2000) in cross-cultural management studies where little is said about the geopolitical processes that give rise to a hybrid cultural space.

In Bhabha's (1994) term the colonized 'mimic' the colonizers. This enables the colonizers to control the unfamiliar, and for example, to gain acceptance of knowledge transferred in from the West. Yet also in Bhabha's, (1994) concept of mimicry there is an element of resistance. This process of imposition and resistance leads to hybrid cultures, resulting in a cultural 'Third Space' (Bhabha, 1994). From studies such as those by Jackson (2004), it appears that

organizations in the formal sector in sub-Saharan Africa have mostly adopted managerial and technical knowledge from the West where 'resistance' has been less than (it could be proposed) in the informal economy. The informal sector has in some ways followed its own trajectory, although modernizing trajectories have from time to time been proposed. In some cases these have become part of national policy towards the informal economy, as was seen in the discussion above on dualist and non-dualist policy approaches (Potts, 2009) and in assumptions about 'outdated technologies' in skills development (Adams/World Bank, 2008). Indeed, the interactions that the informal economy has with the formal economy (Barratt Brown, 1995) as discussed above, is likely to provide cross-fertilization, although (one could propose) the direction of knowledge transfer is likely to be from formal to informal. For example as Barasa and Kaabwe (2001) suggest in the context of Kenya, the informal sector is looked down on as employment for the under-educated. This brings us to the second issue of representation of the informal sector.

There is evidence within the literature review above that the informal sector is often seen in a pejorative sense. This is seen more overtly in what has been described as 'dualist' (Potts, 2009) or 'marginalists' (Debrah, 2007) positions. Yet even when it is seen in non-dualist or 'structuralists' (Debrah, 2007) terms, this is translated into policy intentions of somehow modernizing the informal sector (Adams/World Bank, 2008). It is this Modernization Theory that is contested in critical development studies partly through Postcolonial Theory.

Ahluwalia (2001) contends that 'Africa' is a Western construct. The perpetuation of this construct is evidenced by media images projecting the destitution of Africa, and through the development industry raising funds from the public by portraying scenes of poverty, poor health and deprivation. When Barasa and Kaabwe (2001: 350) state that '… the informal Jua Kali sector should be marketed as an alternative mode of vocational training and not as a dumping ground for academic rejects.', and that '…the latter only works to create, enhance and sustain a negative public image of the sector and benefits no one..', they exemplify this Western construct of 'Africa', of the informal sector as representing traditional Africa, in all

its pejorative sense, particularly in view of the fact that '..the sector absorbs and trains a higher proportion of school leavers than the formal technical training institutions' (p.350)

A question that empirical work should try to address is the extent to which these representations are not just accepted by policy makers, but also by those in the informal sector themselves. Ahluwalia (2001), quoting Ashcroft, proposes that Postcolonial Theory can provide a way in which:

> ' the African subject re-imagines itself by confirming the very porous borders of Africa as a discourse of geography, history, culture, nation and identity. It looks beyond Africa to see that African cultures share something crucial with many other cultures around the world; they share a history of colonial contact, with its inevitable material effects, its conflicts, its complicities and oppositions, its filiations and affiliations. They share these things regardless of the radical specificity and differences between local cultures themselves.' (Ashcroft, 1997: 23-4)

This, in the context of the informal sector in Africa, suggests a further research question of the role international associations such as Streetnet are playing in assisting in the '…re-imagination of Africa along the lines advocated by post-colonialism [which] would allow new strategies of resistance and change at the local level, whilst not losing sight of the disempowering effects of contemporary imperial practices.'(Ahluwalia, 2001: 13). In other words, are such associations serving to reinforcing pejorative views of the informal sector, or 'marketing' this sector as a legitimate form of production and business allied with local and community interests, yet having in common with other such sectors around the world, the problem of colonial, post-colonial and neo-colonial representation?

In summary, a cross-cultural understanding of the informal economy involves analysis at the level of cultural interfaces, or those Third Spaces created as a result of cross-cultural interaction. The fact that these interactions have been depicted as being between modern (western and the informal economy) and non-modern or developing (informal/indigenous)

influences, when looked at from the perspective of Postcolonial Theory suggest a critical cross-cultural approach that also incorporates an analysis of the perceptions that colour the views or researchers and those the researchers seeks to research. Any study of the informal economy should begin with a re-reading of policy, perceptions and advocacy towards it, through such a critical lens as Postcolonial Theory. This now leads to the implications for a research agenda in this area, and how methodology and methods may be developed.

Implications for Research

Any research methodology drawing on Postcolonial Theory has to incorporate the way the informal sector is represented and its lack of agency in both research and development policy.

The first aspect involves both the researchers' reflexivity (Özkazanç-Pan, 2008) in understanding the historical and geopolitical context of their work, but also involves the informal sector organization's workers'/managers'/entrepreneurs' capabilities in resisting representations of the informal sector by the more powerful, including researchers: hence Spivak's (1988) questioning of the subaltern's capability of speaking in an authentic voice augers major research issues. Briggs and Sharp (2004: 664) put the problem succinctly thus:

> 'In order to be taken seriously—to be seen as offering knowledge and not opinion or folklore—the lifeworld of the subaltern has to be translated into the language of science, development or philosophy, dominated by Western concepts and Western languages. For Spivak (1988), the implications of this 'epistemic violence' mean that the ways of knowing the world and knowing the self in non-Western culture are trivialised and invalidated by Western scientists and experts. Hence the subaltern must always be caught in translation, never truly expressing herself, but always already interpreted'.

It may be that research informed by Postcolonial Theory never really overcomes this problematic and this presents a major challenge for the researcher, yet at least it raises it as an

issue that may be better brought into research methodology. Indeed, Briggs and Sharp (2004) warn against simply localizing indigenous knowledge at the expense of broader theories which examine how global dynamics reduce and resign the 'Third World' to poverty (including presumably Postcolonial Theory, which obviously is not a product of a localized, indigenous knowledge).

The second aspect then involves overcoming the weak nature of the agency of informal workers/managers/entrepreneurs in contributing to such representations, including the nature and product of research. Clearly, research which does not directly involve the active participation, including formulation of the research project, of actors from the informal economy is flawed. Yet one of the biggest problems for a Western researcher doing research with partners in Africa is deference to the 'superior knowledge' of the Western researcher, even by professional and academic colleagues (Jackson, 2004). Yet it is incumbent on the researcher to develop, in partnership, participatory methods that clearly identify the power dynamics within the research process and attempt to control for these.

Any cultural 'space' may be considered an interface of different influences: historical and current, geographical and socio-cultural. It is this interface that should provide the subject of cross-cultural research, rather than an individual, organization or a nation. It is therefore a matter of not just involving workers/organizations from the informal sector under study in the research project, for example, but also those institutions/organizations/individuals that come into contact with or influence such workers, either directly or indirectly: customers, suppliers, government officials/organizations, national and international member organizations such as Streetnet, national and international policy makers such as funders, bilateral and multilateral aid agencies (e.g. SIDA) and supranational policy leaders (e.g. ILO, World Bank). These are not just 'stakeholders' in the normal sense of involving merely dyadic ties (Rowley, 1997), but exist in a net of influence and have both tangible power such as government agencies, and intangible power/influence through the more subtle historic and current phenomenological influence and control described by Postcolonial Theory.

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For example, the attitude expressed in the World Bank document reviewed above (Adams/World Bank, 2008) which sees traditional apprenticeships as reinforcing outmoded technologies, comes from somewhere, and has influence either indirectly in the formulation of research for example, and possibly in the way entrepreneurs/managers in the informal sector see themselves and their activities. Such connections can be initially mapped out by researchers, with policy and perceptions emanating from different parties being critically reappraised as a prelude to devising research questions, identifying subjects/participants in research, and finding sources of data.

Hence, in researching the informal sector in sub-Saharan Africa, from a cross-cultural perspective, it would be necessary to include the following steps:

1. Map out both the structural/institutional and phenomenological networks (direct and indirect, dyadic and multilateral/multidimensional) to understand the sphere of research and the influences (within prevailing power relationships) on parties to the research, as well as on the subject of research and its outcomes (including its appropriateness and sustainability: utility for whom?)

2. Establish participatory processes and methods through which the research can be constructed and carried out. Knowledge comes from somewhere, it is not impartial, and this needs to be understood, in connection with step 1 above, discussed, assimilated and incorporated in the process: i.e. what are the interests of each party to the research (where central or peripheral), how does this affect the nature of the research and its outcomes, and how are possible conflicts of interests dealt with in the research process? Of particular concern should be how to counter the representations of the 'third world' made by researchers and media in the 'first world', given the huge resources of the international development industry, for example, in projecting Africa as backward and in need of Western help and knowledge. Methods of representation, in circumstances of possible limited literacy, and lack of access to an international

audience from within the informal sector should be considered. Visual methods could be considered, such as the pioneering work of Moletsane et al (2009) which explores female representations of poverty and HIV by providing cameras to local women participants, enabling them to represent themselves and their community through visual imagery.

3. Establish means and methods of articulation and reporting of research, heeding the warning given by hooks (1990: 343):

> 'No need to hear your voice when I can talk about you better than you can speak about yourself. No need to hear your voice. Only tell me about your pain. I want to know your story. And then I will tell it back to you in a new way' (reported in Briggs and Sharp, 2004).

Yet bearing in mind that 'indigenous' knowledge is not an artefact to be preserved (Briggs and Sharp, 2004), but part of a dynamic within a cultural interface that constantly produces new knowledge and social forms, albeit through geopolitical power dynamics that have a profound affect on this production. The way research is reported, and what is reported is part of this geopolitical dynamic that should be understood, and dealt with within the research partnership. Academic reporting in Western scientific journals serves only one set of interests. How should the results of research be reported to actors in the informal economy, and to what use, should be a serious question. The agency of local participants should be an ultimate consideration in terms of what can now be done with the product of the research, how it can influence policy and how can it extend and strengthen the power of participants in the informal economy within the sphere of influence.

To develop this further while reinforcing some of the points above, in order to articulate a possible research agenda, the following methodological questions may be addressed through drawing on some of the research methods suggested by Linda Tuhiwai Smith (1999) in her pioneering work on indigenous research methodologies (her terms are italicized below).

How is the informal economy represented?

1. *Critical re-reading* of (Western) dominant accounts of the informal sector through (but not exclusively) Postcolonial Theory.

How does the informal economy represent itself?

2. *Representing* through, e.g. telling stories; visual images and film making; interviewing (how they would represent themselves to policy makers, governments, etc); re-telling the role of women (with a critical view of the way Western/colonial relations have disrupted traditional gender relations, and how women, and men, would represent gender relations and the significant role of women in the informal economy)

Where do we go from here?

3. *Envisioning*: how things could be.

How do we get there?

4. *Reframing*: how the informal economy and its contributions can be reframed and (re)presented.

5. *Creating* collective solutions; offering something to the outside world: what can the formal economy learn from the informal economy?

6. *Democratizing and networking*: extending participation in the debate on the informal economy and networking to enable this on a local, national and global level.

7. *Negotiating* between the informal and formal sectors, and with governments and policy makers.

Clearly there is some way to go in developing theory and methods in this area, as the current work has simply attempted to establish some of the parameters of and considerations in a cross-cultural approach to skills, employment, management and entrepreneurship in the informal economy in sub-Saharan Africa. Research in this area has so far largely excluded those working in the informal sector in both terms of representing themselves and providing

inputs into policy decisions that affect the role of the informal economy. One of the key issues in cross-cultural management studies, which is rarely addressed, is the way 'the other' is represented. Postcolonial Theory may provide some of the questions, yet more has still to be done in order to provide many of the answers, not least to the way the informal sector should be studied. It is hoped that this article has made a start, and that other management and organization researchers will see the importance of the informal economy in Africa and in many other regions around the world in terms of the contributions to employment and skills development, and will begin to develop collaborative knowledge that can inform policy and practice in this area.

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