

Microfinance: a solution to keep banks out of the informal sector in Mali.

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Abstract: Since its creation in 1986 of the self-managed village savings and credit banks (CVECA) of the Dogon Country, followed in 1987 by Kafo Jiginew in the cotton zone, microfinance has been the subject of much discussion. Its establishment in Mali was immediately a success since in a few years, Malian Microfinance Institutions (MFIs) have built up an extraordinary portfolio. However, many MFIs in the world, particularly in Mali, are reaching maturity and are faced with financing and project portfolio development issues. This article studies in depth the situation of microcredit today in Mali and its role in financing the Malian informal sector.

Keywords: microfinance, microcredit, informal sector.

1. Introduction

For more than 30 years, the notion of “informal sector” has dominated the economic field. It invests as much in operations as in science and media. The economic crisis and the opening process have exacerbated the importance of the informal sector, which has reignited the controversy. In short, if we want to better understand the economic functioning of developing countries, we need to better understand the informal sector. This knowledge remains a political, economic and social issue (Cling et al., 2012).

No one can deny the importance of the informal sector in the context of the national economy. In fact, the informal market has recorded considerable quantitative performance and provided employment opportunities to a large number of people, which has harmed the legal formal sector and caused huge losses to national production units. The informal economy in Mali, in the absence of precise data, is estimated between 30 and 40% of overall income and employment or supports more than half of the population.

In fact, its analysis seems to be a very confusing subject, posing a real challenge to economists. For a long time, there has been ambiguity in the origin and dynamics of the department, the terms and definitions proposed, and the functions it performs. The informal sector is a polysemic and expansive concept, it is either assimilated to a sector in the process of assimilation, or assimilated to underemployment and unemployment, to marginal activities, or assimilated to a small sector dominated and controlled by the sector formal capitalist. Production activities. In common sense, it is synonymous with poverty, street activity and the absence of a regulatory framework. After having ignored it, international organizations and public authorities are rediscovering its advantages, seeing in it a miraculous solution to the employment crisis and growing budgetary imbalances.

In Mali, the context of worsening budgetary and financial balances of the State, the rise in poverty and self-employment, the increase in urban unemployment over the last two decades are updating the debate and giving ample room to the fight against the informal sector. The role that this sector plays or that we would like it to play is obvious beyond the difficulties, no less obvious, in understanding it.

Our research consists of presenting an inventory of microfinance, but also identifying its origin, evolution and foundation, as well as its effects on the financial development of the informal sector in Mali. Hence the formulation of our problem in the following main question: **“To what extent does microfinance make it possible to compensate for the financial incapacity of the informal sector in Mali?”**

From this central issue, we raise a certain number of questions which we will attempt to answer throughout our article:

- **What is the origin and evolution of microfinancing?**
- **What are the basic characteristics of microcredit?**
- **What are the sources of financing for the informal sector in Mali?**

In order to better understand our research and to give a certain logic to our study, we will subdivide our task according to two points, the first dealing with the appearance and evolution

of microfinance as well as its state of affairs in Mali and then in a second, we will highlight the characteristics of the informal sector in terms of structural characteristics and financing modalities.

2. Conceptual framework of microfinance

“Microcredit is about helping each person reach their best potential. He does not mention monetary capital, but human capital. "Microcredit is above all a tool that frees people's dreams and helps even the poorest of the poor to achieve dignity, respect and give meaning to their lives.¹ ”

2.1. The origin of the concept of microfinance

It was Muhammad Yunus, Nobel Peace Prize winner in 2006, professor of Economics at the University of Chittagong in Bangladesh, who was the first in 1975 to initiate and launch the microcredit project. For more than 45 years, microcredit has been a tool for development and the fight against poverty. It is well suited to encouraging micro commercial, artisanal and agricultural activities. It is a source of financial, economic and social innovation. However, it cannot claim to replace either public social security policies or the development of the necessary infrastructure in the areas of health and education. It can, on the other hand, strengthen the effectiveness of these policies and programs thanks to its capillary network in the most disadvantaged neighborhoods and the most remote rural areas. More than 205 million people around the world are currently affected by microcredit, of whom more than 137.5 million were considered among the poorest when they took out their first loan. Among these customers, 82% are women.

The impact of microfinance has been the subject of numerous professional and academic studies; these highlighted the importance of financial services in reducing the vulnerability of low-income populations. The impact on poverty reduction varies according to region and the types of financial products offered and scientific research is underway to better understand these phenomena.

It is these direct benefits which explain the success of microcredit (and microfinance in general), its rapid diffusion in more than 80 developing countries and the international recognition which has been granted to it, notably with the International Year of Microcredit from the United Nations in 2005 and the award of the Nobel Peace Prize to Professor M. Yunus and the Grameen Bank in 2006.

¹Towards a world without poverty, Muhammad Yunus (trans. Olivier Ragasol Barbey and Ruth Alimi), ed. Jean Claude Lattès, 1997 (ISBN 978-2-253-12206-7), p. 399

To talk about microcredit is first to question its definition. Microcredit consists of providing short-term loans to people with very low incomes, who do not have access to the services offered by traditional financial institutions, to help them launch their activities or develop their businesses. One of the specific characteristics of microcredit is that it offers, with a small amount of credit, a set of support actions likely to strengthen the chances of success of the microenterprise and therefore of repayment of the credit.

Microcredit is, on the other hand, associated with a project. It is inseparable from it, because it is agreed with the sole aim of bringing the said project to life. If success is at the end of the road, microcredit will no longer be necessary: the project will have enabled an income-generating activity or a microenterprise to live, evolve and take off by now using traditional bank credits.

What is fundamental about microcredit compared to traditional credit? ²The main difference is that it is oriented towards a new target: the poor and the excluded carrying out an income-generating activity or wishing to create their own very small business. It recognizes their talents, their needs and their ability to repay loans. In terms of cost, microcredit is more important than a simple mathematical calculation would suggest. Reaching poor and low-income clients who have never used formal banking services requires more time for development agents (as opposed to credit officers in the traditional banking system, because they are responsible not only for ensuring in the process of granting microcredits, but also to support customers through training actions in particular) and more interaction with customers, which involves additional costs for the microcredit structure. It is also a question of overcoming illiteracy problems.

2.2. Foundation of microfinance

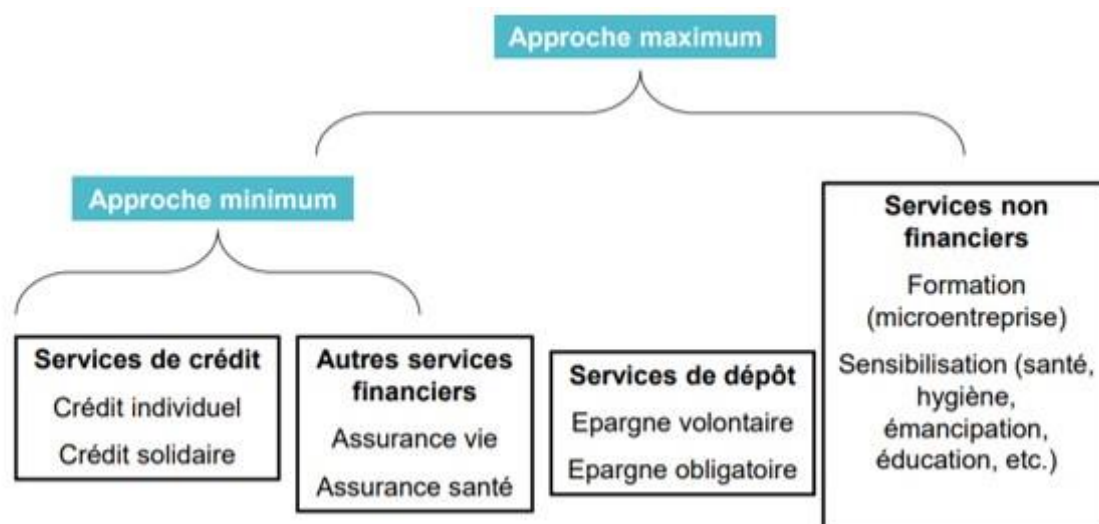
The typical client of microfinance services is a “ *low-income person who does not have access to formal financial institutions because they do not meet the conditions required by these institutions* ”

(Identification documents, guarantees, minimum deposit...) ”, (CGAP, 2008).

²Yunus Center: <http://www.muhammadyunus.org/>

2.2.1. Approaches to microfinance

Figure 1: Approaches to microfinance



Source: “ Does sustainable finance have a sustainable future? »³

Microcredit occupies a privileged place in the social economy, it is a particular activity, because it is:

- **Social** since it contributes to the economic integration of socially disadvantaged people who, thanks to small loans, can create or develop their own activities.
- **Economical**, because microcredit contributes to the promotion of employment and the improvement of the economic fabric, the small units created can develop and gradually integrate into the organized sector.
- **Financial**, because it uses very rigorous methods and procedures for managing loans and resources with constant concern for the solvency of customers and the profitability of the funds to be managed.

2.2.2. The challenges of microfinance

For the banker of the poor; Mohamed Yunus, the financial crisis is an opportunity to redesign the system: “microcredit should be part of human rights”, and this is due to its essential issues:

- Effective tool in the fight against high-profile poverty which benefits from double legitimacy at the international level (Nobel Prize) and local level (success stories).

³www.planetfinance.org

- Quality and diversified services (microcredit, savings, microinsurance) meeting the real needs of microentrepreneurs and populations excluded from traditional financial systems.
- A target truly achieved: women, low-income people, young people, small producers, etc.
- Leverage effect of financial inclusion often allowing more global inclusion at the economic and social level.
- Emancipation and independence of populations, and gradual breaking of ties of dependence on the State, suppliers, usurers, etc.

2.2.3. Microfinance offers

More and more MFIs are offering diversified financial products in order to best meet demand, but because of their institutional status, Moroccan MFIs do not yet have the right to collect savings. Among these products we find:

➤ The loans :

Loans for business launch/development are the loans most granted by MFIs. Micro loans are divided into 2 categories: individual loans and solidarity loans.

Solidarity loans are loans granted to 3-5 entrepreneurs with limited income who form groups according to their affinities and who mutually guarantee to repay their loan (which can last from 3 months to 3 years, or even more for certain MFIs). Each member of the group receives an individual loan whose amount lent varies between 500,000 and 5,000,000 FCFA. The amounts are certainly small, but no one would want to guarantee a sum that they will never be able to repay. This technique guarantees a very high repayment rate, since each borrower faces the judgment of his colleagues and word of mouth if he does not repay his loan. Thus all bad borrowers are eliminated.

On the other hand, this technique considerably reduces the transaction costs of the MFI since it supports several clients at the same time, and as reimbursement is done at each group meeting, this technique increases the efficiency of the microcredit agent.

The amount of solidarity credit remains lower than that offered within the framework of individual loans (5,000,000 to 20,000,000 FCFA). Only after completing a certain number of solidarity loan cycles can the person apply for an individual loan.

○ Housing Credits:

Its aim is to improve the person's home as well as improve access to electricity and water. The amounts granted can theoretically go up to 14,500,000 FCFA, but in fact, they rarely exceed

9,000,000 FCFA. More concretely, clients wishing to benefit from this loan provide the microcredit agent with quotes for construction materials. If credit is refused, they can request an explanation.

Generally speaking, whether for loans or housing credits, repayment deadlines are monthly, and spread over periods of 6, 12, 15, 18 or 24 months. For certain special cases, the repayment period can be spread over 7 years.

○ **Non-financial services:**

The various MFIs also offer non-financial services to support the activity of their clients. The majority offer personal support and supervision to entrepreneurs, and communicate about microfinance to their clients by publishing journals frequently. Some MFIs organize training and awareness events in collaboration with NGOs.

2.3. State of play of microfinance in Mali

The Malian economic context is not very different from those observed in other developing countries which have integrated the microcredit system. In fact, social exclusion and poverty, as well as the existence of a significant informal sector, constitute, in a way, the main opportunities for the Malian microcredit sector.

➤ **History of microfinance in Mali**

Microfinance activities began in Mali with the creation in 1986 of the self-managed village savings and credit banks (CVECA) of the Dogon Country, followed in 1987 by Kafo Jiginew in the cotton zone. However, it was in the 1990s that the sector experienced real expansion with the creation of numerous microfinance institutions (MFIs), under the leadership of several foreign donors and operators (Agence Française de Développement - AFD, Canadian Development Agency international - CIDA, World Bank - WB, Gesellschaft für Technical Zusammenarbeit - GTZ, United States Agency for International Development - USAID, Embassy of the Netherlands, etc.) and the formalization of the legal framework for carrying out microfinance activities. With 40 recognized institutions, serving, as of December 31, 2006, nearly 819,231 members compared to 300,709 as of December 31, 1998 (+172.4%) for an outstanding savings of 57,367 million euros compared to 12,188 million euros (+370.7%) as of December 31, 1998 and an outstanding loan of more than 80.412 million euros compared to 17.945 million euros (+348.1%) as of December 31, 1998, microfinance has become an essential component of the Malian financial sector which includes, in addition to MFIs, nine banks and three non-bank financial institutions. The sector is dominated by two mutual institutions (Kafo Jiginew and Nyèsigiso) which, between them, represent almost half of the

outstanding credit and savings as well as the number of borrowers. The PARMEC law, which derogates from the banking law, defines the conditions of activity and the supervision methods of MFIs. It was adopted by the States of the West African Monetary Union (UMOA) at the end of 1993 and notably sets the usury rate at 27%, exempts MFIs from most taxes and reserves the exercise of microfinance to mutualist structures, although associative or commercial structures may sign five-year framework agreements with the Ministry of the Economy and Finance.

➤ **The regulatory framework: Law No. 94-040 known as the PARMEC Law**

Among them, unfortunately, are many “mafias”, which operate peacefully, boosted by the laxity of our authorities.

If the world of savings and credit unions is recognized for its dynamism, as it generates billions (especially from the informal sector), it must be recognized that it is not without some very worrying apprehensions.

The sector thus enjoyed a certain respectability with certain “networks”, but this was without taking into account the greed of many others, who broke into the field; and above all thanks to the negligence and laxity of the State in its control mission.

To find out more about the regulation of this part of financial activity that is microfinance in Mali, an expert in the field explains to us that,

the microfinance sector is governed in Mali by Law No. 94-040 of June 30, 1994; which falls within the framework of the community orientation law (of the UEMOA), known as the PARMEC law.

“This text defines the conditions of granting, the authorization to exercise the profession (microfinance), the State surveillance and control mechanisms and the sanctions in the event of non-compliance with the regulations,” indicates -he before specifying: “No one has the right to carry out microfinance activities without formal authorization from the Ministry of Finance”.

However, underlines our interlocutor, “before the adoption of the above-mentioned law, there were a certain number of structures which were already operating. It was therefore necessary to issue them “automatic approvals”, to then carry out increased surveillance, so that they comply with the requirements of this law and its implementing decrees. However, the texts do not provide for this retroactive regularization of these microfinance institutions.”

➤ **Financial analysis of microfinance institutions in Mali**

The financial analysis of microfinance institutions is a special task. These are not traditional companies that require shareholders to profit, because Malian law requires them to reinject profits into their equity. On the contrary, MFIs aim to expand the number of their beneficiaries and improve their monitoring, while ensuring that they obtain very good reimbursement rates from their clients and apply the most reasonable interest rates.

➤ **Microfinance stakeholders in Mali**

Historically, the first players in microfinance in the world did not have financial profitability requirements. These were mainly national government authorities, international organizations (UNDP, European Union...), NGOs, international development agencies (USAID, French Development Agency...)... This is only 'after having noted the financial viability, and the achievement of satisfactory levels of profitability, that players in traditional finance (Banks, financing companies, etc.) became interested in microfinance, either by directly financing microfinance institutions, or by creating their own microfinance associations (Caisses Villagees d'Epargne et de Crédit Autogères (CVECA) du Pays Dogon, followed in 1987 by Kafo Jiginew ...).

➤ **The beneficiaries of microfinance**

The beneficiary of microfinance is the “Bottom of the Pyramid” (BOP), as CK Prahalad said in his book “The Fortune and the Bottom of the Pyramid”. The BOP may be a large number of poor people marginalized by the traditional capitalist sector, particularly the banking sector. Indeed, clients of microfinance institutions who cannot meet the requirements of the traditional banking system due to lack of resources and ignorance are, in the final analysis, true entrepreneurs. They turn to microfinance institutions to be able to invest in a profitable activity in order to ensure they have a fixed financial income and “get out” of poverty in the medium term.

In rural areas, it is generally farmers and farmers/breeders who use their credits for small investments, such as purchasing dairy cows, obtaining hay, etc. On the other hand, in urban areas, there are several types. Micro entrepreneurs: traders, artisans, street vendors, service providers, particularly women entrepreneurs who carry out activities to provide for the needs of their families.

3. Informal sector and microfinance in Mali

The concept of "informal sector" comes from JK Hart's famous newsletter, proposed at the African Conference on Urban Unemployment (University of Sussex Research Institute Development Research) in September 1971, then revised and published by the Modern Journal

of African Studies . In 1973. This term was later adopted by the equally famous "Kenya-1972 International Labor Office Report"

3.1. General information on the informal sector

No one can deny the important place that the informal sector occupies in the economic context of countries. Indeed, the informal market records considerable quantitative performance and offers employment to a large number of people, which harms the legal formal sector and causes big losses for productive units.

3.1.1. Conceptual framework of the informal sector

Initially, in the 1950s, attempts to understand urban unemployment and income opportunities outside the formal sector led to the identification of a sector that encompassed all of these livelihood activities. The sector is seen as a transition and a simple step towards the evolution of employment in the formal sector and urban areas. Between 1960 and 1970, this sector was assimilated to “disguised unemployment”⁴. In fact, it is composed of all small businesses, craftsmen, small families or farms members to meet the needs of survival together, and is characterized by a certain form of parasitic, pseudo-wage work, urban disorder and various activities.

The terminology was then taken up by the no less famous “Kenya Report of the International Labor Office” in 1972 which proposed, based on the 7 characteristics:

- No barrier to entry
- Use of local resources
- Family ownership of the business
- Reduced activity scale
- Competitive and unregulated markets
- Qualifications acquired outside the official training system
- Techniques that favor the use of labor

These characteristics should make it possible to distinguish the informal sector from the formal sector.

⁴Form of unemployment that exists because workers occupy completely or partially useless, unproductive jobs.

Whenever we want to choose one terminology over another, there are details that we should pay attention to. The informal economy has four components: **production in the informal sector, the underground economy, illegal production and production for own final use** (Charmes, 2003).

Informal sector activities are not always carried out to avoid legal obligations.

The underground economy: refers to activities that allow one to evade state regulations (payment of taxes, income, social charges, minimum wage, health and safety standards).

The illegal economy: refers to activities that are prohibited by law (drugs, prostitution, etc.), either because they are carried out by unauthorized persons (illegal practice of medicine), or even activities such as smuggling, counterfeiting, corruption or receiving stolen goods. The ban does not prevent these activities from being carried out in broad daylight.

Production for own final use: is a non-market component of the production of goods by households.

We therefore see that the informal sector is just one dimension of what we call “informal economy”. By dealing with the informal sector, we subtract all illegal activities that do not fit into the normal framework.

3.1.2. Status report on the informal sector in Mali

Mali, like developing countries, experienced the emergence of the informal economy from the 1980s. The factors behind this appearance are numerous: strong demographic change, massive rural exodus, adoption of the 'Structural adjustment (henceforth NOT) decreed by the international monetary organizations, inability of the "modern" sector to provide responses and solutions to the social needs that the informal sector installed in the national socio-economic context... All the aforementioned factors gave all the opportunities for the informal sector to make progress and grow. The latter will end up becoming a dynamic and sustainable component of the Malian economy. For some observers, the informal sector has a hard time in Mali; they estimate that it officially represents nearly 25% of the national economy. Other studies and surveys speak of 30 to 35%. The number of units housed by the sector is estimated at around 1.55 million units, with employment of nearly 2.5 million workers. Every year 40,000 units are added to operate in the sector.

Figure 2: Evolution of the composite indicator of informality and the proxy of the informal population from 2007 to 2020



Source: “High Commission for Planning”⁵

The composite indicator of informality is positively influenced by the development of self-employment and by an increase in VAT and the SMIG. On the other hand, an improvement in the growth of GNI per capita and the quality of regulations makes it possible to reduce informality. The evolutions of the composite indicator of informality and the proxy of the informal population are synchronous on several points. Indeed, they are practically parallel and display a similarity in terms of reversal periods.

In 2020, both indicators experienced a notable decline, in the wake of the restrictions put into effect during the lockdown period and the weak recovery in household demand in the post-lockdown period. In a situation different from that of the health crisis, this drop in the informal population would have been synonymous with an effective strategy to strengthen the attraction of the organized sector and a sustained transition towards “formality”. However, given the nature of the crisis, this decline can only reflect a shift of informal workers into unemployment or inactivity.

The current health crisis has highlighted the vulnerabilities of the informal sector and the importance of public aid to be deployed to support the purchasing power of its employed workforce. Thus, although it offers an alternative solution to unemployment and lack of income, its operating structure and productivity do not allow its economic development and do not ensure social protection in the face of economic crises. To strengthen the resilience of this sector and improve its economic performance, a national strategy dedicated to informal activities based on an integrated and coherent approach is essential. To do this, it must take into account several dimensions, including access to financing and the market, training, social security, reform of the tax system, in particular that which concerns the VAT mechanism, and

⁵“The informal sector in Mali: main characteristics and trend of development”, General Studies Division, DPP-HCP

improvement of governance. , especially in terms of streamlining and adapting the regulations in force.

3.2. Financial structures of informal production units in Mali

It is traditional, from a dualistic perspective, to consider developing countries as characterized by the existence of two financial sectors, one, formal, which meets the needs of the modern monetized sector and the other, informal. The first, organized and focused on urban areas, would meet the financial needs of the modern monetized sector, while the second, unorganized, would govern the subsistence spheres. In Mali, formal financial institutions hardly intervene in financing the informal sector, whether during the start-up phase or to increase its investments. Mali is far from being an isolated case, and a number of studies on Africa and Asia have noted similar observations (Lellart , 2003). Banks are not interested in these forms of activity, and most financing takes place outside banks, using non-institutionalized circuits.

3.2.1. Financing during creation

Financing practices in the informal sector are essentially a local and endogenous phenomenon. The start of the activity relies on social networks that are particularly involved. These practices seem particularly adapted to local norms and local realities. Non-bank financing circuits are marked by their heterogeneity. Among their characteristics are the predominance of cash transactions, the limited scale of operations, the absence of regulation and their adaptability. The different origins of the mobilization of funds, during the creation of microenterprises, appear in the following table.

Tableau 1: Sources of financing for the creation of the informal production unit

Source de financement	Pourcentage (%)
Héritage	4,7
Epargne personnelle	56,4
Vente de biens personnels	2,0
Crédit bancaire	1,1
Micro-crédit	2,2
Crédit d'autrui	19,0
Transfert reçu	3,6
Départ volontaire	0,2
Autres	10,9

Source: National survey on the informal sector, HCP

Several types of stakeholders can be identified in the financing of units. It appears that individual financing, outside banking institutions, on the basis of personal savings, constitutes the dominant source of financing during the creation of the microenterprise. This is either

personal savings made during the exercise of a previous activity through employment in small trades or as an employee or even the result of hoarding. The preponderance of this form confirms the restricted scale of informal activities which can be financed, for many of them, without great difficulty, since they require only a small starting capital (ambulant, small subcontracting activities ...) or just a few tools or machines. Funding also comes from transfers received from family and friend networks or from inheritances which reveal the resistance of the traditional mutual aid system. These modalities, however, only offer limited possibilities. In reality, personal and family savings can be confused. They take the form of donations or interest-free loans which impose no repayment deadline. This is justified because the decision to create a microenterprise is, in many cases, dictated by the family environment (taking over a family business). Finally, it must be added that the credits granted by others are significant.

The contribution of microcredit as a source of financing is insignificant. It is essentially the work of NGOs which intervene through projects to combat poverty, to encourage the development of activity and the emergence of small businesses. Indeed, Mali is the country in West Africa where microcredit is the most developed and where microcredit institutions are the most numerous. The first loan programs for low-income people intended to finance activities mainly in the informal sector began in 1986-1987. The use of bank credit remains very low and several facts explain the weak relations between the informal sector and the banking system. Firstly, banking institutions behave in terms of allocation and mobilization of resources which favors the public sector and the formal private sector. Secondly, a negative attitude of micro-entrepreneurs towards the official system which in their eyes presents constraints, such as the guarantees required from categories which are often insolvent and for whom the banking system favors large companies. Thirdly, the inadequacy of financial instruments to the needs of informal units, both in terms of the amounts allocated and the guarantees required. Other constraints weigh on micro-entrepreneurs such as the cumbersomeness and cost of procedures (the costs of compiling a file and the number of forms required by the bank make the procedures opaque), monthly repayment deadlines, while the activity is irregular or seasonal. Generally speaking, micro-entrepreneurs do not master formal financial circuits.

One of the consequences of poor access to liquidity during start-ups is that differentiations between categories are created within the informal sector itself, between bosses, on the one hand, and employees and apprentices, on the other. If the former can count on savings previously accumulated, as employees or with family support, the latter can hardly overcome the financial barriers to settle down. In the same sense, these barriers cause differentiation between bosses and some of the self-employed, on the one hand, and the self-employed who form the vast majority, on the other.

3.2.2. Financing during operation

As during installation, official institutions have an insignificant role in financing during operation, or what we can call investment during the production cycle, which then relies on non-institutional circuits and on an economic geographical and social proximity. The following practices can be identified:

- **Self-financing:** This practice is dominant, because debt is poorly perceived, whatever the activity and the size of it. Some entrepreneurs prefer to “rely on their own strength” not to run the risk of debt.
- **Personal supplier credit** called talk is a very common practice in almost all activities. The talk seems to constitute an alternative to the lack of liquidity and the absence of recourse to bank credit. This is a commercial type financing practice which finds its meaning in the relationships between suppliers and traders: suppliers agree to be paid only later to have a better chance of selling again. As a result, small businesses and service providers find themselves in a position where they are both creditors and debtors. This practice is widespread among artisans and informal workers who do not have the means to build up stocks. The talk is widely requested because of the advantages it offers to partners: the modest amounts involved, the repayment periods which can range from three days to two months, a type of financing adapted to the unstable nature of the activities and, finally, a system characterized by great flexibility, ease of access to money without any procedure. This system would not be possible without the strength of personal relationships, the relationships of trust and morality of the beneficiaries in a local economy.
- **The use of one-off associations :** In the event of a lack of liquidity, the adaptation mechanisms that are put in place can take the form of informal, immediate “associations” that are created for the purchase of a stock of goods or raw materials.
- **Personal solidarity credit :** It seems non-existent. In fact, tontine type formulas ⁶as they exist in Africa do not act as a source of financing, probably due to the weakening of solidarity links. Self-organization of the “Goukoni ” type as an alternative to financing the activity is non-existent in the informal sector.

When we find it, it's more to deal with unforeseen events like funerals.

4. Conclusion

⁶The tontine constitutes a bundle of mutual claims and debts which are constantly balanced and which disappear at the end of the cycle.

The informal sector continues to pose a challenge, both analytically and in reality. The reflection carried out shows that the dynamics of the activities of the informal sector cannot be understood exclusively through the economic functions it provides, even if this is vital. Reducing the analysis to this dimension alone does not allow us to take stock of the real, social and institutional issues in particular.

On a theoretical level, the activities of the informal sector cannot find their theoretical expression neither in the one-dimensional framework of the market nor in the framework of overexploitation. The understanding of the informal sector, despite the weak analytical capacity of this notion, is rebellious to global analytical frameworks. The singularity of institutions and the plurality of norms, codes and organizations in which these activities evolve have led to them being considered as an institutionalized process.

At the macro-economic level and from a historical perspective, the dynamics of the informal sector are not without links to the accumulation regime and the development policies implemented. This resulted in a process of computerization of the official labor market and an increase in the complexity of employment. The most obvious manifestations are the decline in official employment, the reallocation of workforce towards sectors subject to computerization, the regulation of the labor market by the rise of non-wage forms, the decline in wage employment and its unstable nature, rising unemployment, new ways of working for women and sectoral mobility of workers.

To conclude, and in response to our central initial question, we can move forward and confirm that the informal economy and despite its harmful, rebellious, disruptive nature...remains a catalyst for the development of underdeveloped economies. In Mali, the sector is establishing itself as a sector of survival for a large part of the population, a challenge before the state authorities, a shortfall in income. The fight against this scourge must be carried out in terms of integration through, among other things, various and varied measures and incentives (fiscal, accounting, financial, legal, etc.) and institutional. In recent years, efforts to integrate the informal economy cannot be denied, but much remains to be done, because the sector, which escapes all monitoring and measures, can present surprises.

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