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## Informality, religious conflict, and governance in northern Nigeria: economic inclusion in divided societies

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**Economic Inclusion in Divided Societies:  
Informality, Religious Conflict and Governance in Northern Nigeria**

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**Abstract**

This paper examines whether the informal economy in northern Nigeria aggravates or mitigates religious conflict. Drawing on recent fieldwork in the northern Nigerian cities of Kano and Kaduna, it challenges the assumption that religious diversity is a driver of conflict, and that religiously specialized networks within the informal economy intensify violent divisions within society. A range of informal activities, including motorcycle taxis, informal tyre dealers, tailors and pepper soup producers, provide insights into distinct patterns of relations across the religious divide, characterized as complementarity, competition and value conflict. Attention is focused on the relative role of informal institutions and formal interventions, such as taxation, in diffusing or exacerbating conflict at the grassroots level.

**Introduction**

In contemporary Nigeria, the signs of a crumbling social contract are there for all to see. A vast and growing informal economy supports 65% of the non-agricultural labour force, who get little from the state, and give little in return. Poverty and resource struggles are boiling over into ethnic and religious violence in various parts of the country, as receding tensions in the Niger Delta give way to violent religious conflict in the predominantly Muslim north. The state itself seems increasingly incapable of garnering support or imposing order owing to its unpopular submission to decades of crushing market reforms and the corrosive effect on legitimacy of corruption and regionalist agendas. This noxious combination of expanding informality, inter-communal violence and popular suspicion of the state has become particularly worrying in northern Nigeria, where mounting violence between the Muslim majority and Christian minorities has culminated in a spate of bombings and sectarian attacks by the extremist Islamic group, Boko Haram in which thousands of people have been killed since 2009. Drawing on recent fieldwork in northern Nigeria, this article considers the role of the informal economy in this alarming trajectory of social disintegration. In a context of religious conflict and a delinquent state, is the informal economy part of the problem, or can it be part of the solution?

Afro-pessimist perspectives on 'war economies' and 'clandestine markets' have argued that that expanding African informal economies are linked to violent conflict (Collier & Hoeffler 2004; Reno 2000; Roitman 2004). Alternative interpretations focusing on the role of informal economies in market development and state-building offer a more optimistic analysis of the ability of informal markets to build bridges between antagonistic groups and create new opportunities for rebuilding state-society relations (International Alert 2006; Killick 2005; Menkhaus 2006/7; Raeymaekers et al. 2008). These divergent analyses focus

attention on the possibility that the institutional processes at play under the surface of the state may be just as important to rebuilding relations of order and authority as formal institutional reforms. Understanding how these processes work requires that we move beyond Eurocentric debates about 'good governance' or 'the state as organized crime' to focus on how local institutional realities shape social tensions and governance outcomes in African contexts (Leander 2004; Meagher 2012).

In the context of northern Nigeria, the role of informal enterprise in limiting or exacerbating religious conflict is shaped by local specificities of informal organization. While informal enterprise makes up the bulk of popular livelihood activities, particular activities tend to be dominated by specific religious or ethnic groups. Does this situation tend to accentuate conflict between more and less successful enterprise networks, or does it build collaborative inter-religious relations through economic interdependence and familiarity among producers, traders, customers and suppliers on different sides of the religious divide? Do informal enterprise networks on different sides of the religious divide relate to the state in the same way, or are there important differences in levels of support for and assistance from the state? Understanding the day to day experience of inter-religious contacts and state-society relations among informal actors in areas of intensifying religious conflict can offer new lessons about the forces that exacerbate religious tensions, and the institutional resources and policy measures that may help to reduce them.

These issues are addressed in the context of fieldwork I carried out in the northern Nigerian cities of Kano and Kaduna in October and November 2011. In each of these two cities, I focused on informal activities involving different relations between Muslim and Christian communities, ranging from complementarity between Muslim and Christian actors to competition and value conflicts. Selected activities include motorcycle taxis, tailors, tyre dealers, butchers and pepper soup producers in beer parlours. In each activity, a combination of qualitative and quantitative methods were used to examine how conflict has affected relations across the religious divide, and how inter-religious relations are shaped by wider relations with the state. Key elements in relations between informal activities and the state relate to the political mobilization of religion as well to relations of social provisioning and taxation. These various elements will be drawn together in an analysis of how informal economies shape possibilities for resilience as well as vulnerabilities to conflict.

The article will be laid out as follows: after setting the scene with a consideration of key perspectives on informality, religious conflict and governance, I will provide an outline of the setting and methodology of the study. Two subsequent sections will undertake an analysis of inter-religious relations in selected informal activities in Kano and Kaduna. This will be followed by a more quantitative analysis, focusing on how inter-religious relations among informal actors across the two cities are shaped by wider socio-economic factors. A final section will draw wider conclusions regarding the role of informal economies in conflict resolution and improved governance. Through an analysis of the realities of informal economic organization in divided societies, this article will challenge the conventional wisdom by showing that under some circumstances large informal economies can reduce vulnerability to conflict, while policies to tax the informal economy can have the opposite effect.

## **Informality, Religious Conflict and Governance**

Since the late 1980s, religious relations in northern Nigeria have been marked by intensifying conflict, involving over 10,000 deaths as well as widespread economic disruption (Haynes 2009). Repeated clashes between the Muslim majority and Christian minorities have taken place in various cities across the north, ranging from the 'burning of churches' in 1987, through the Zangon Kataf and Kano riots in the early 1990s, the 'Miss World', Jos and anti-Shari'a riots in the early 2000s, the ongoing Jos crisis and the Boko Haram attacks since 2009. These waves of religious riots have involved Muslim attacks on settler Christian communities, Christian attacks on settler Muslim communities in Christian areas of the Nigerian Middle Belt, and retaliatory attacks by Christian or Muslim communities in response to previous clashes or perceived political threats.

In recent years, economists and political theorists have associated violence with ethno-religious diversity and large informal economies (Collier & Hoeffler 2004; Duffield 2001; Reno 2000). African informal economies, which often involve ethnic and religious forms of organization, are viewed as mechanisms of clientism and corruption, giving rise to 'violent modes of accumulation', 'war economies, and 'the criminalization of the state'. In a paper on African informal economies, Reno (2006:31) contends that informal economies 'fuse the exercise of political power to violent predation in informal and clandestine markets...'. Repeated emphasis on the links between ethno-religious divisions, informal economies and mounting violence make it easy to forget that religion and informal economic networks have historically played an integrative and developmental rather than a conflictual role in West Africa. Economic historians have documented the role of Islam in bridging ethnic divides and providing a framework for economic cooperation and trade across northern Nigeria and West Africa more broadly (Austen 1987; Curtin 1975; Hopkins 1973; Lovejoy 1980). The legendary efficiency of the Mouride, Hausa and Igbo trading networks in West Africa illustrate the role of religion in fostering cross-ethnic networks of trust and solidarity, and new ethics of production and accumulation (Hashim & Meagher 1999; Meagher 2009; Cruise O'Brien 1975; Meagher 2010). As Jean-Philippe Platteau (2009) points out, religion in African societies can be 'an engine capable of driving changes in behaviour that are conducive to capital accumulation and productive effort.... Religion thus appears to have far more influence on people's behaviour than formal rules and state institutions, providing a useful bridge between tradition and modernity.'

Understanding these contradictions requires closer attention to the effects of religious diversity, and to the institutional features that can create peace as well as conflict in religiously diverse societies. Measures created by Collier and Hoeffler (2004) associate religious diversity, like ethnic diversity, with an increased propensity to conflict. In more recent work, Montalvo and Reynal-Querol (2003) argue that the issue is not religious diversity per se but religious *polarization*. While measures of diversity reflect the sheer heterogeneity of religious groups, polarization is greatest where two religious groups are of equal size, and is shown to have a 'negative impact on growth through its effect on investment, government expenditure and the probability of civil wars'. However, there is a growing awareness that not all religiously diverse or even polarized societies are mired in conflict. Explaining why some diverse societies are peaceful while others are riven by violence has focused attention on how religious differences can be overcome by

institutional features that diffuse or mitigate political and economic tensions (Armakolas 2011; Jha 2007; Varshney 2001; Stewart 2008).

One line of research focuses on the role of integrated civil organization and the state in maintaining peace amid diversity. In his well-known research on India, Ashutosh Varshney (2001) considers the integrative role of religiously mixed organizations within civil society as key to preventing violence in religiously diverse settings. He argues that 'What matters for ethnic violence is not whether ethnic life or social capital exists but whether social and civic ties cut across ethnic groups. ...trust based on interethnic, not intraethnic, networks is critical' (Varshney 2001:392). In the context of Bosnia, Armakolas (2011) also highlights the importance of religiously-mixed social institutions for maintaining peaceful relations, but he also draws attention to the role of the state in shoring up interethnic organization in the face of extremist pressures from 'ethnic entrepreneurs'. According to Armakolas, 'associational civic links are significant for opposing extremism: yet, the sustainability and success of the opposition depends crucially on the ability of the political system to 'distance' itself from the extremist influence. Grassroots activism may prove futile if the 'battle' for the political system is lost.' In short, peaceful relations in religiously diverse societies are not just products of historical contingency, but result from inter-ethnic organization within civil society, and inter-ethnic commitments on the part of the state.

Others argue that markets and communal specialization rather than states and ethno-religious integration are key to building peace amid violent communal divisions (International Alert 2006; Killick 2005; Menkhaus 2006/7; Raeymaekers et al. 2008; Jha 2007). In fragile state environments where formal economies are weak, informal markets are said to foster interdependence among divided communities, and give rise to common interests in peace and stability that override incentives for conflict. Drawing lessons from Indian economic history, Saumitra Jha (2007) shows that religiously specialized trading networks were able to create a framework for peaceful relations in a society that had suffered from religious conflict in the past. 'In medieval Indian ports, Hindus and Muslims developed institutions that continue to support ethnic tolerance today.... methods that have been employed in medieval ports include the encouragement of specialization within groups, the fostering of opportunities for repeated interaction in both economic and non-economic spheres, and the creation of institutionalized mechanisms to allow the sharing of gains from trade' (Jha 2007:8). Ethnic specialization is said to promote complementarity particularly where minorities have specialized skills and contacts that are costly to reproduce, and can foster peace as long as taxation or philanthropic contributions ensure the redistribution of gains within society. A similar argument is made in contemporary DR Congo by Timothy Raeymaekers (2010), who maintains that efforts to tax ethnically-specialized trading networks for the provision of public infrastructure and basic services has created an enclave of peace and security in the violent maelstrom of the Eastern DR Congo. Recent research on the role of taxation in state-building also suggests that taxing the informal economy improves governance and accountability in developing countries (Joshi & Aye 2008; Prichard 2009)

Four critical points come out of these considerations. The first is that religious polarization, in which two groups are more evenly matched, may make societies more prone to conflict than religious diversity per se. The second point is that even where religious groups are

demographically polarized, conflict can be prevented by institutional arrangements that promote collaboration and diffuse tensions. Thirdly, the nature of civil society organizations is key to maintaining peace, though there is disagreement as to whether communally-mixed organizations are required, or if communally-specialized organizations backed by institutions for constructive interaction and redistribution can achieve the same end. Finally, there is also some debate about whether peaceful interaction amid religious diversity is achieved through markets or if there is a need for state action to delegitimize extremist mobilization or to redistribute resources through taxation. In the context of northern Nigeria, the specific structure of religious diversity, and the respective roles of grassroots organization and the state in institutionalizing and maintaining peaceful inter-religious relations provide a useful framework for examining how religious conflict is shaped by informal economic organization.

### **Religious Conflict and the Informal Economy in Northern Nigeria**

The questions raised above are addressed in the context of empirical research on cross-religious informal economic organization carried out in the northern Nigerian cities of Kano and Kaduna, located in Kano and Kaduna States, respectively. Both cities have large and dynamic informal economies, and a recent history of serious religious conflict. However, the two cities also have important historical and structural differences. Kano is a centuries-old capital of the commercially dynamic Kano Emirate. A city of 2.6 million, Kano is characterized by a large Muslim majority and a small Christian minority amounting to about 15% of the population and made up largely of settlers from southern Nigeria. By contrast, Kaduna is a colonial city, founded by the British in 1913 as an administrative rather than a commercial centre. Kaduna has a population of just under one million people, comprising large indigenous Christian as well as Muslim communities, with Christians amounting to about 40% of the population. While Kano lies in one of the northern states that adopted Shari'a law in 2000, Shari'a law was violently contested in Kaduna State and its adoption was ultimately abandoned.

In each of the two cities, a range of informal activities were selected to reflect distinct patterns of inter-religious relations, characterized as complementarity, competition and value conflict. In Kano, motorcycle taxis represent relations of complementarity; tyre dealers were selected to represent competitive relations; and butchers and sellers of goat's head pepper soup in beer parlours exemplify relations of value conflict. There was a slight variation in the activities selected in Kaduna, owing to differences in social history and informal commercial organization. The study activities in Kaduna involved tailors as examples of complementarity, the religiously mixed motorcycle taxi business exemplifies inter-religious competition, and butchers and Christian goat meat sellers (who supply pepper soup producers in beer parlours) represent relations of value conflict.

Interviews were conducted with a range of informal operators in each activity, as well as with the leadership of any informal occupational associations associated with the activity. Across the two cities, 14 interviews were conducted with leadership of key informal occupational associations, which amounted to four occupational associations in Kano and five in Kaduna. Twenty-five interviews were conducted with rank and file members of the various activities, including four focus group discussions, and further interviews were held with a range of other key actors, including local government officials, state revenue officers,

and officers of relevant formal sector traders' and labour unions . The interviews were followed up with a survey of 110 informal operators across the study activities in both cities, using stratified random sampling with quotas for each activity spread across key operating sites within each city. The survey focused on employment history, inter-religious relations with fellow operators and customers, personal costs sustained as a result of religious violence, attitudes to taxation, and feelings about prospects for inter-religious relations in the future. Explicit efforts were made in the interviews and survey to avoid any tendency to romanticize inter-religious relations within the informal economy. Repeated rounds of devastating religious violence have made questions about religious relations and personal experiences highly sensitive, particularly among rank and file informal operators who bear the brunt of the physical and economic consequences. With livelihoods and employment acting as key points of tension in the structurally adjusted economy of contemporary Nigeria, religiously specialized networks can easily become fault lines rather than bridges across social divides. The objective of the study was to find out which tendency is prevailing in which circumstances, with a view to making a contribution to more grounded theorizing about informality, conflict and governance in Africa.

### **Inter-Religious Relations in Kano's Informal Economy**

Kano is a commercially dynamic city, with well-established business groups and associations dating back centuries (Hashim and Meagher 1999; Lovejoy 1980). Occupational organization among the Hausa Muslim indigenes of the city is based on a guild-like system that enjoyed strong links with the pre-colonial state. Colonialism has led to a significant weakening of the Hausa guilds, and many have collapsed entirely. By contrast, Kano's significant Igbo Christian community has a strong system of commercial organization, forged in the stateless context of pre-colonial Igbo society, and tempered by the realities of a migrant commercial minority. Christianity has also given the Igbo educational advantages owing to historical tensions between Islam and mission-led Western education. Across Nigeria, Igbo commercial institutions have made them particularly successful in small scale business activities, and in Kano they tend to dominate trade in a range of modern goods such as auto parts and building materials. This has been a source of ongoing tension, but relations between Igbo Christians and Hausa Muslims in Kano have been characterized as much by cooperation as by conflict. The selection of informal activities to represent different forms of relations across the religious divide provide an opportunity to examine the interplay between commercial organization, institutional mechanisms for cooperation and conflict resolution, and the effects of economic resentment and mounting religious conflict.

### ***History and Structure of Selected Informal Activities***

#### ***Complementarity: Motorcycle Taxis***

Motorcycle taxis were selected to represent relations of cooperation across the religious divide. Motorcycle taxis, affectionately known as '*okada*' or '*achaba*', are an overwhelmingly Muslim activity in Kano, with Muslims comprising well over 90% of operators. However, the activity has remained dependent on good relations with Christians owing to the high share of Christian passengers, and the importance of the large market in Sabon Gari, the Christian quarters of Kano, as a key point for collecting and dropping off passengers. In Kano, the motorcycle taxi business absorbs a vast segment of retrenched or moonlighting employees and civil servants, failed traders, struggling pensioners and

unemployed youth and Koranic students streaming in from the rural areas. While some own their own motorcycles, a significant proportion is engaged in hire-purchase arrangements, or simply operates the motorcycle for others to whom they must make daily returns.

In recent years, the motorcycle taxis has been banned in Jos, Maiduguri and other cities owing to association with crime and religious violence, swelling the ranks of Kano okada riders. The number of motorcycle taxi operators in Kano State has been generously estimated at 2 million, giving Kano the dubious honour of hosting the largest motorcycle taxi sector in the country. The constant influx of motorcycle taxis from other states adds to the pressure on incomes among Kano's motorcycle taxi riders by over-saturating the market. While motorcycle taxi riding has become an important source of livelihoods for those without skills or options, it has never been legalized as an activity. It therefore remains extremely vulnerable to state crackdowns as well as to routine extortion by traffic authorities. The expanding motorcycle taxi sector has been associated with growing problems of traffic congestion, dangerous driving and urban violence. Hospitals in many large Nigerian cities have a special ward designated for victims of motorcycle taxi accidents, known commonly as the 'Okada Ward'. A dangerous cycle of poverty, frustration and vulnerability to harassment has been exacerbated by links to religious violence and an association with the terrorist activities of Boko Haram (Sunday Trust 2010; BBC News 2012; Time Magazine 2011).

#### *Competition: Informal Tyre Dealers*

Kano's informal tyre dealers represent a more lucrative activity in which Muslims and Christians operate in competition with each other. Hausa Muslim inhabitants started the business in Kano in the late colonial period. Igbo settlers began entering the business a decade or so later, but quickly surpassed their Hausa hosts owing to embedded organizational advantages of the Igbo apprenticeship system and strong occupational associations. The Igbo apprenticeship system is famous across Nigeria for its long and strict training regime, involving years of service to a 'master', which is rewarded by the provision of significant start-up capital at the end of the apprenticeship – a practice known in Nigeria as 'settling' an apprentice (Meagher 2010; Forrest 1994). The Hausa and Igbo informal tyre markets have grown up in separate locations where they continue to operate according to distinct ethnic business systems. These two tyre markets continue to run parallel operations based on distinct ethnic business systems. The activity remains predominantly informal in both cases; dealers are largely unregistered, and the activity has often been a target of police harassment owing to accusations that the markets were used to sell stolen tyres.

#### *Value Conflict: Goat's Head Pepper Soup and Butchers*

The preparation of goat's head pepper soup (isi-ewu), a popular Nigerian beer snack, represents relations of value conflict. It is a Christian activity dominated by Igbo women, but depends on butchers, a male Muslim activity in northern Nigeria, to supply the main input<sup>1</sup>. The goat's head pepper soup business has been significantly affected by the

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<sup>1</sup> The butchers involved in the goat's head pepper soup business are a branch of the trade known as 'Masu Babbaka' that specialize in goat and ram heads only, and are therefore highly dependent on the market for goat's head pepper soup.



imposition of Shari'a law in Kano State, particularly since the banning of alcohol outside Sabon Gari in 2004. This has semi-criminalized all activities associated with the selling of alcohol, making isi-ewu producers very hesitant to be identified, to be counted or to do interviews. It has also subjected isi-ewu producers to an intensification of police harassment and predatory taxation since the mid-2000s. Beer shipments are still intercepted by the Kano State Islamic security force, Hisbah, on their way to Sabon Gari, and the bottles publicly destroyed.

While the activity is organized around a fundamental conflict of religious values, relations between isi-ewu producers and butchers share certain commonalities. They both constitute lowly or despised elements in Hausa Islamic society: isi-ewu producers because they are involved in the selling of beer, and butchers because they are traditionally a semi-servile caste within Hausa social structure. Both groups are mutually concerned about the factors that have contributed to undermining the activity in the past few years. Some of these are structural rather than religious, particularly the poor electricity supply which poses serious problems for keeping such a delicate type of meat fresh, and the rising cost of goats and other ingredients which is seen to be a product of the general economic malaise in Nigeria. Religious conflict is also recognized as a problem by both sides, owing to its negative effect on the market for isi-ewu.

### ***Associations and Relations with the State***

Motorcycle taxi riders in Kano are organized under the state branch of a national association, Amalgamated Commercial Motorcycle Owners and Riders Association of Nigeria (ACOMORAN). The Kano branch of ACOMORAN was formed in the mid-2000, assimilating the numerous fragmented locality-based associations across the state. Membership in a registered national association has given Kano's motorcycle taxi riders a greater political profile, although it has not changed the fact that the activity itself remains informal and without legal standing. Given that they comprise roughly one quarter of Nigeria's 8 million motorcycle taxi riders (Vanguard 2011); however, the sheer size of Kano's motorcycle taxi sector has given the Kano State branch of ACOMORAN considerable access and influence at the State and national levels (interview, ACOMORAN officials, Sabon Gari, 18 Oct.2011). Owing to the large nation-wide constituency represented by motorcycle taxis, and the other political advantages of controlling a large and highly mobile activity, governors and even presidential candidates take an active interest in the leadership of organization at the federal and State levels (This Day 2011).

Kano's informal tyre dealers have two distinct forms of organization. The Hausa dealers were organized according to the old Hausa guild system, which collapsed completely over 20 years ago. As a result, Hausa tyre dealers rely largely on personal and identity-based connections with the Local Government to protect their interest. By contrast, the Igbo dealers have a strong association, called the Kano Tyre-Sellers Welfare Association, which provides members with business services, dispute resolution, and social welfare assistance for bereavement and ceremonies. The association organizes extra security arrangements with the police, retains lawyers to deal collectively with accusations of sale of stolen goods, and negotiates directly with Local Government revenue authorities. The Igbo tyre dealers' association is particularly effective in pooling capital for deposits on wholesale purchases, while the bulk of Hausa dealers suffer from chronic shortages of capital which severely hamper their ability to advance in the business. The embedded advantages in training and

access to capital that arise from the Igbo association and business system are often perceived as excluding Hausa entrants and creating unfair competition.

Goat's head pepper soup producers are members of a larger association of beer parlour operators called the Food Sellers and Beverage Association. The Association was formed around 2009 in response to intensifying problems of taxation and police harassment arising from the banning of alcohol under Shari'a law. Proprietors complained that the standard Health Tax, Sanitation tax and Signboard tax were randomly supplemented by a TV tax if there was a television to entertain viewers, a 'chicken tax' if chicken pepper soup was sold, a 'fish tax' for fish pepper soup, etc. Police used to lock up their shops if they refused or were unable to pay. The association has been relatively successful in providing a measure of protection from extreme taxation as well as collection in times of bereavement, but is unable to confront the equally pressing problem of poor electricity supply. Most butchers are members of a well-established national association, the National Butchers Union of Nigeria. Within the union, they have their own branch specialized in goat and ram heads, called the Masu Babbaka Branch, which is printed on their ID cards. Butchers have no particular worries about taxation as they operate in the market where tax levels are very low, but their established national union did not seem to be any more able to address the pressing problem of electricity for cold storage.

Key roles of associations across these activities relate to negotiating taxation and creating channels of access to the state for assistance and services. Kano's motorcycle taxi riders do not currently pay tax, as the activity is technically illegal, and participants are seen as having fallen on hard times. Their association, ACOMORAN, is involved in creating a new system of taxation and registration, and is negotiating with the State and Local Governments over tax levels, though this process is driven more by demands of the state and interests of the ACOMORAN executive than by members of the activity. While many motorcycle taxi riders indicate a willingness to pay tax if it brings protection from constant police extortion, others already facing saturated markets, rising petrol prices, and daily returns to the motorcycle owner are less enthusiastic. The more empowered Hausa tyre dealers have no association, but are able to use personal and identity-based connections to negotiate taxation. Seen as respectable but sometimes hard-pressed indigenes, they often succeed in reducing taxes to a negligible amount, and even evading them altogether – a claim made by the Hausa tyre dealers themselves as well as by their Igbo counterparts. Butchers also benefit from identity-based ties and a well-established national association, and do not seem at all concerned about taxation levels.

By contrast, Christian dominated activities require more rigorous negotiation over taxes. The Igbo tyre dealers are dependent on their highly organized association to provide protection from extremely high levels of local taxation. The association has succeeded in negotiating taxes down from what were perceived as extortionate levels, as well as protecting members from 'bogus taxes', and in return collects taxes in bulk from members to remit to the government. The Food and Beverage Sellers Association also assists goat's head pepper soup producers by negotiating down taxes and collecting them in bulk for the government. Interviews indicated that associational intervention had reduced levels of taxation on pepper soup producers by more than 50% in just two years.

Despite comparative success across these activities in negotiating over taxes, they enjoy very different levels of access to the state in ways that have as much to do with ethno-religious identity as with associational organization. ACOMORAN has significant access to the state at all levels, while the highly organized Igbo tyre association complains of being unable to get a response from local government over problems of basic service provision in Sabon Gari, or to get an audience with officials in the State government despite repeated attempts. Similarly, pepper soup producers face a number of problems beyond taxation that are beyond the power of their association. Access to electricity in Sabon Gari is a critical worry, both for keeping goat's head and for cold beer. But their association, which is overwhelmingly female and Christian, lacks the access as well as the leverage to do anything about issues of no interest to local government and state officials. Indeed, the largely unorganized Hausa tyre dealers have been more successful in reducing taxes and gaining access to services than the more organized Christian-dominated activities.

### ***Inter-Religious Relations***

Despite the tensions that exist among them, a surprising degree of cooperation and interdependence appears to prevail between Muslim and Christian informal actors across all activities. Even in activities characterized by competition and value conflict, the prevalence of good relations across the religious divide is demonstrated by the persistence of a range of collaborative practices, including mutual assistance, business services and granting credit across religious lines, in relations with business counterparts as well as customers. Muslim motorcycle taxi riders spoke of complementary relations with Igbo Christian motorcycle dealers from whom many obtain motorcycles through hire-purchase agreements. They said they preferred the Igbo hire-purchase arrangements over hire-purchase schemes offered by the Kano State government, because the Igbo arrangements are open to anyone, while the government schemes tend to be highly selective (interview Kofar Ruwa 23 Oct 2011). Hausa and Igbo tyre dealers confirmed that they often extend credit between the two tyre markets to dealers of the other religious persuasion. They will call on dealers in the other market if they lack a brand requested by a customer, and the goods are routinely sent over on credit. Butchers also regularly extend credit to pepper soup producers, some of whom have been regular customers for years. Pepper soup producers regularly phone in orders to butchers, and have the order delivered on credit to the beer parlour. If anything, these services have increased owing to efforts by butchers to retain custom in a struggling market. Butchers claimed that they have no religious concerns about selling goat's head to pepper soup producers, since there is no prohibition against selling meat, and they have no responsibility for what people choose to drink with it.

Relations with customers across the religious divide also seemed to be resilient. Motorcycle taxi riders indicated that there is no avoidance between Muslim operators and Christian passengers, largely because of mutual need. The ban on carrying women passengers introduced under Shari'a was flouted by many Muslim operators, leading to embarrassing court cases, and eventually forcing a relaxation of the ban (Punch 6 Jan 2006). Similarly, Muslim as well as Christian tyre dealers claimed to have experienced no reduction in customers across the religious divide, and no unwillingness to sell to them. A former chairman of the Igbo tyre dealers' association (interview, tyre dealer, Sabon Gari, 25 Oct. 2011) explained that relations with Muslim customers were strong: 'My best customer is a Muslim. I can trust my credit facility to them... Business is about the market. If someone starts discussing religion, I will be sceptical. Leave religion, leave tribe...'. Hausa Muslim

dealers were similarly sanguine about their access to Christian customers. They argued that 'Customers respond to price not religion'. Even goat's head pepper soup producers indicated they still have Muslim customers, though they are increasingly being frightened away as a result of attacks on beer parlours by Boko Haram, causing a decline in sales that was as much lamented by butchers as by pepper soup producers.

A particularly fascinating development involved the tendency of Muslim Hausa and Christian Igbo tyre producers to emulate each others' business practices in response to the challenges of a changing economy. Hausa dealers show a mixture of admiration and envy of the regulatory and capital mobilizing capacity of the Igbo tyre association. Recent efforts to form a cooperative within the Hausa tyre market were explicitly modelled on Igbo business associations rather than on the old Hausa guild system. Conversely, Igbo tyre dealers have also been taking on Hausa apprentices, and 'settling' them with significant start-up capital, a practice traditionally reserved for relatives and townsmen. This was confirmed in interview with Igbo masters and by former Hausa apprentices now operating in the Sabon Gari and other tyre markets. Igbo tyre dealers have also begun to use Shari'a courts in disputes with Hausa correspondents. As one Igbo dealer explained, Shari'a courts a number of advantages, including greater respect among Hausas for their rulings, as well as avoiding the delays of the mainstream court system: '...remand, remand...the way of Magistrates Court is different from Shari'a Court. We prefer Shari'a court' (interview, tyre dealer, Sabon Gari, 27 Oct. 2011). Igbo tyre dealers also engage in philanthropy to demonstrate a commitment to Kano society. The Igbo tyre dealers' association collect money from members for 'public service', involving donations to institutions caring for orphans, prisoners and the disabled. They organize delegations to deliver their donations, and often alert the media to ensure that their efforts to be helpful to the community are noticed. In their October 2011 meeting, N 85,000 was collected for such donations.

Even more surprising was a sense that riots were seen more as a dangerous disruption of business rather than a source of animosity. Operators in all activities indicated that riots disrupt business for a few days, but that business then returns to normal with colleagues and customers across the religious divide. Both Muslim and Christian tyre producers expressed confidence that their colleagues of the opposing religion would protect them if they got caught up in a riot. A young Hausa tyre dealer operating in Sabon Gari claimed that he had no reservations about continuing to work in the Christian tyre market despite repeated religious riots. His Igbo colleagues, he said, would protect him. One motorcycle taxi rider explained that religious conflict affects Muslim and Christian alike, so it won't divide them. Another motorcycle taxi rider told of a conversation he had with an Igbo passenger shortly after the rider was caught up in a riot and almost killed. The passenger explained that religious riots were like a fight between husband and wife. They love each other, but sometimes they fight (interview, Okada Rider, Sabon Gari 24 Oct. 2011).

Indeed, none of the three categories of activities saw religious violence as their biggest problem. In addition to constant emphasis on economic interdependence and religious crisis as a mutual enemy, all actors interviewed saw religious violence as one problem among many, and secondary to the core problem of livelihoods. Motorcycle taxi riders saw the need for a proper job as primary, tyre dealers emphasized lack of capital and excessive taxes, while pepper soup producers and butchers saw capital, electricity and taxes as more

pressing. While religious conflict was certainly recognized as a common problem, many saw it as a problem created by politics and poverty, not as something embedded in society.

### **Divisions and Signs of Stress**

Despite the remarkable resilience of inter-religious relations in all categories of informal activity, some cracks were beginning to show. Igbo tyre dealers spoke of resentment beginning to linger longer than the few days after a riot, with some dealers now taking up to a month to restore credit relations with Hausa tyre dealers. Conversely, Hausa dealers noticed more open cultural stereotyping on the part of Igbo dealers. Igbo resentment over high taxation and exceptionally poor services in the Christian quarters was also palpable. The Chairman of the Igbo tyre dealers' association complained that high taxes and cooperation in their collection was not matched by any improvement in services. Anyone visiting Sabon Gari will notice its distinctively filthy surroundings and deplorable roads relative to surrounding Hausa communities, despite much higher levels of taxation. As one Igbo businessman put it, 'Sabon Gari is the dirtiest place in Kano, yet we pay Sanitation tax. ...Give me the service and ask me to pay and I'll pay!' (interview, General Secretary of Auto-Parts Dealers' Association, Kano, 31 Oct. 2011). By contrast, efforts to tax Muslim dominated motorcycle taxi riders are currently on hold owing to the unpopularity of the measure. A large protest by motorcycle taxi riders in 2011 secured the intervention of the Emir of Kano, and taxation plans have been put on hold (Interview, Revenue Officer, Fagge Local Government 26 Oct. 2011).

Among pepper soup producers, tensions over high taxes and poor services are compounded by state complicity in the routine destruction of property resulting from the State prohibition on selling alcohol outside Sabon Gari. The public destruction of trailer loads of beer on their way to Sabon Gari, sometimes seized on Federal highways, were a source of mounting livelihood as well as political tensions. As in the case of tyre dealers, however, anger directed at the State or Local Government did not yet seem to be souring relations with butchers or Muslim customers.

Among Muslim informal actors, tensions seemed to have more of a class than a religious character. For motorcycle taxi riders, the key source of stress arose from the registration drive being waged by their association, ACOMORAN, motivated by security and revenue concerns of the state. The increasingly coercive character of the registration drive, involving the seizing of motorcycles by police to force registration, appears to be entrenching a sense of marginalization and resentment, particularly among the young and the poor. The initiative has tended to increase rather than reduce official harassment, and, despite the use of carrots as well as sticks, a campaign that started in 2010 has only managed to achieve registration levels of about 10%. In addition, efforts to regularize the activity run counter to the interests of the majority of operators, who see it as an activity of last resort. As one operator put it bluntly, 'This is not a job!'. The result is a mounting sense of grievance and frustration in which motorcycle taxi riders feel they are being scapegoated for religious violence just because they are poor and Muslim, and forced into arrangements that only make things worse instead of addressing their real problems. Young motorcycle operators as well as butchers also complained that they or their friends were subject to unjustified arrest in security sweeps after riots or bombings, which serves to intensify the sense of grievance among poor Muslim youth in these activities.

## **Inter-Religious Relations in Kaduna's Informal Economy**

The city of Kaduna has a shorter but more fractious history than Kano. Located at the frontier of Nigeria's Muslim and Christian populations, Kaduna has large indigenous Christian as well as Muslim populations. The organizational culture of the city is more bureaucratic than commercial, with a strong and intermittently integrative presence of government offices, factories and formal sector labour unions. The large population shares of indigenous Muslims and Christians entail a higher degree of religious polarization in Kaduna than in Kano, resulting in a much greater susceptibility to religious violence. Since the rise of the Shari'a law issue in the northern Nigeria in 1999, Kaduna has become increasingly volatile, with devastating riots and bomb attacks leading to growing religious segregation of previously integrated communities. Muslims have tended to withdraw to Kaduna North Local Government Area, while Christians are shifting to Kaduna South LGA.

### ***History and Structure of Selected Informal Activities***

Tailoring offers an example of complementary relations across religious lines owing to the existence of religious specialization in particular lines within the activity. In particular, the long-standing specialization of Muslim tailors in embroidery, an important element of fashion in both traditional and modern clothing, encourages symbiotic relations between Muslim and Christian tailors. Highly skilled embroiderers are concentrated in the ward of Tudun Wada, the historical settlement for migrants from other parts of northern Nigeria, which has become a regional centre for high quality embroidery. Estimates put the number of tailors in Kaduna metropolis at about 20,000, with a high level of female participation in the activity given a context in which men conventionally sew for men, and women sew for women.

The motorcycle taxi business in Kaduna involves a mixture of Muslim and Christian operators working in competition with each other. Motorcycle taxi riders from both religions operate across all parts of the city, though the share of Muslims is noticeably higher in Kaduna North, and the share of Christians higher in Kaduna South. Drawing on interviews and figures from the Kaduna State Branch of ACOMORAN, estimates of numbers of motorcycle taxi riders in Kaduna South are 13,300, and in Kaduna North, 10,100.<sup>2</sup> The study was restricted to these two Local Government Areas within Kaduna, which contain many of the busiest motorcycle taxi points as well as reflecting the impact of religious conflict particularly sharply. The composition of Kaduna okada riders differs from that in Kano, involving a high share of former company and factory workers, as well as ex-civil servants and traders. Levels of education were noticeably higher – some were even university graduates – and many had previously held 'real jobs', which they wanted to go back to. In the face of high unemployment, the activity is over-saturated, depressing incomes as growing numbers of unemployed and underpaid actors enter the business. While many in Christian-dominated Kaduna South own their own motorcycles, operators in Muslim-dominated Kaduna North indicated that the majority of them do not. Their motorcycles are owned by civil servants and the wives of influential people, who give them out and collect daily returns of N 3-500.

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<sup>2</sup> Numbers calculated from ACOMORAN list of registered members, and estimates from independent interviews with LGA-level executives of the proportion of operators registered.

The goat's head pepper soup business is organized slightly differently in Kaduna than in Kano. Goat meat sellers operate as intermediaries between pepper soup producers and butchers, and are therefore the focus of relations of value conflict. Goat meat sellers are also dominated by Christian Igbo migrants, though some Muslim men are moving into the activity. These intermediaries buy the goats live, and hire butchers to slaughter and prepare the meat and then sell it on to pepper soup producers and other customers. This entails Christian women spending a significant part of their time inside the abattoir working with Muslim butchers.

### ***Associational Organization***

Three different tailors' associations were present in Kaduna. The first is the Kaduna State Tailors Union, which is the Kaduna branch of National Union of Tailors. The second is the tailoring branch of National Union of Tailors, Garment and Textile Workers of Nigeria (NUTGTWN), created by efforts to incorporate tailors into the formal labour union structures. And the third is a union of Muslim embroidery specialists, which has formed recently in response to what are perceived as different concerns of hand workers relative to tailors who are preoccupied with machines. The first two unions are religiously mixed, and have religiously mixed executives. Differences between them appear to be regional rather than religious. The Kaduna branch of the National Union of Tailors appeals more to Kaduna State indigenes, Muslim as well as Christian, while the tailors' branch of the National Textile Union showed a greater bias toward migrants from southern Nigeria and the Middle Belt, which has a Christian bias, but includes southern Muslims. The embroiderers' union is a Muslim union for a Muslim activity. Both of the first two unions engage in vigorous negotiation with the state over taxes, achieving a reduction of 60% since the early 2000s in return for collecting taxes in bulk for the state.

As in Kano, the association for motorcycle taxi riders is the State branch of the national association, ACOMORAN. The Kaduna State branch of ACOMORAN has been in operation since the mid-late 1990s, nearly a decade earlier than the Kano branch. Both the membership and the executives are religiously mixed, though with a strong Muslim bias in the State level executive; however, the Chairman and Vice-Chairman of the Kaduna South zonal branch are Christians. Members' attitudes toward ACOMORAN seem more positive than in Kano. Registration levels were estimated at 60% in Kaduna South, and 30% in Kaduna North. The payment of a daily N20 operating tax was well institutionalized and attracted few complaints. In return, members received greater protection from police harassment, as well as contributions to hospital costs in the event of accidents and support in times of bereavement. While most felt the tax was manageable, they felt that the services they received in return were nominal.

The goat meat intermediaries have an association that serves as a guarantor for credit, as well as providing standard social welfare assistance in times of bereavement. Most felt that taxation was not a major problem since they do not face the predatory taxation experienced by pepper soup producers whose activities are more directly associated with alcohol. They only pay the goat tax for live goat purchases, and the market stall fee for their place in the market. Christian women and Muslim men do not appear to belong to the same goat meat sellers' association. Butchers are organized under the national Butchers' Association, Kaduna State Branch. The association negotiates taxes for them, charges modest monthly dues, and also carries out the standard social welfare functions.

As in Kano, these associations show a capacity to negotiate over taxes where necessary. Once again, however, the ability to hold the state accountable for how taxes are used, or for other matters of concern to members, seems more variable. The Kaduna branch of ACOMORAN has access to the state at all levels, but seems more upwardly than downwardly accountable. The tailors' unions each seem to pursue very different forms of access to the state. The Kaduna branch of the National Union of Tailors is more focused on developing direct ties with state officials for access to resources and influence. The head described the association as an 'NGO' and himself as a 'politician'. His considerable success in garnering resources was based on relations of patronage rather than accountability. By contrast, the tailors' branch of the National Textile Union seemed more concerned with issues of rights and accountability via the labour unions, but sometimes seemed to reflect the political concerns of the labour unions more than the livelihood concerns of their membership.

### ***Inter-Religious Relations and Signs of Stress***

Kaduna represents a paradoxical situation of significant religious integration of informal activities combined with a more palpable sense that inter-religious cooperation is being broken down by conflict. In tailoring and motorcycle taxis, both the activities and their executives are religiously mixed, and there was no indication among the rank and file of either denomination of any sense of religious marginalization within the activity. Yet Kaduna operators were much more concerned about the threat of weakening inter-religious relations, while in Kano, it was rare for interviewees to express such concerns. Rather than maintaining that things just go back to normal after riots, there was a widespread sense that successive outbreaks of conflict are having a cumulative effect, through fear of entering certain areas, residential segregation, and the attendant loss of customers and disruption of business networks. This was not understood in terms of growing religious antipathy with colleagues or customers, but as the product of an environment of insecurity that made economic interaction more difficult.

As in Kano, most operators still have many customers from the opposite religion, and still routinely grant credit across religious lines to colleagues and customers. It was even suggested by one respondent that the religiously mixed associations in tailoring and motorcycle taxis should help to strengthen religious solidarity. This seems to be the case among motorcycle taxis, where there is little evidence of religious tension between operators despite an over-saturated market in which Muslims and Christians compete with each other for customers. Motorcycle taxi riders claimed they have no reservations about going into any area in the city by day, or about carrying any type of passenger. Muslim as well as Christian operators indicated that they would assist riders of the opposite religions in the event of accidents, whether they were in the association or not. Indeed, the main worry related to religious conflict was its tendency to delegitimize and silence motorcycle taxi riders politically. They felt they were being unfairly criminalized by the police in the context of religious violence, which made it difficult for them to protest against threats to their livelihood, such as the removal of petrol subsidies, for fear of shoot-to-kill order or the possibility of triggering renewed cycles of violence.

In the case of goat meat sellers and butchers, religiously segregated forms of occupational organization have also produced relatively cooperative inter-religious relations. Many goat



meat sellers have been regular customers of the same butcher for years, even decades, and both sides spoke of structurally embedded credit relations between butchers and goat meat sellers. Despite being dominated by Christian women working inside the abattoir with Muslim men wielding very sharp knives, many goat meat sellers expressed confidence that butchers would protect them in times of trouble, and told stories of such experiences in recent riots. However, younger Christian goat meat sellers showed more signs of unease. There was also a growing worry that repeated crises were eroding markets for goat meat, as well as relations with customers across religious lines owing to the ways in which religious segregations was disrupting business networks.

Complementary relations among tailors seem most negatively affected. A number of tailors indicated a clear weakening of subcontracting relations between Christian tailors and Muslim embroiderers. Some Christian tailors said they are no longer comfortable going into Tudun Wada, while others only send cloth for embroidery via a Muslim colleague. Tailors are also more affected by the disruption of business networks caused by religious segregation, leading to loss of customers from the opposite religion as people withdraw into more religiously segregated neighbourhoods. The problem was not experienced as a rise in religious antipathy, but as the impact of insecurity on inter-religious proximity and opportunities for interaction.

Despite these worries, it was widely expressed across all activities that religious conflict is not their biggest problem. Tailors worried most about high taxes and lack of electricity, motorcycle taxi riders were most concerned about getting a real job, and goat meat sellers were also concerned about rising prices and lack of electricity. Religious conflict was a pervasive concern, but as in Kano, livelihood issues were seen as a more serious threat to popular wellbeing, as well as an underlying cause of religious conflict.

### **Conflict, Informality and Governance in Northern Nigeria**

Quantitative analysis confirms interview evidence of inter-religious cooperation among the majority of informal actors in all activity categories, even those characterized by competition and value conflicts across the religious divide. Table 1 compares the social composition of activities and the effects of religious violence at the city level in Kano and Kaduna. While the share of Christians, migrants and women are influenced by the nature of the particular activities selected, there is a clear over-representation of migrants in both cities, and an under-representation of women. Despite the inclusion of activities open to women, religious conflict has been associated with a noticeable incursion of men into the previously female domains of women's tailoring, pepper soup production and goat meat selling, partly because operating in conflict-prone settings has intensified social constraints on women's mobility. Despite fairly similar levels of Christian, migrant and female participation in these activities, the effects of religious conflict are quite different between the two cities. Kaduna shows markedly higher levels of personal losses and loss of customers across the religious divide, reflecting the higher levels of religious polarization and violence in the city, and the effect of intensifying religious segregation.

**Table 1: Comparison of Firm Head Characteristics and Impact of Religious Conflict in Kano and Kaduna (% of Firm Heads)**

| City           | Christians | Migrants | Women | Personal Losses in Riots | Loss of Customers Across Religious Lines | Give Credit Across Religious Lines | Business Co-operation Weakening |
|----------------|------------|----------|-------|--------------------------|--|------------------------------------|---------------------------------|
| <b>Kano</b>    | 26.7       | 48.3     | 8.3   | 43.3                     | 30.0                                     | 51.7                               | 45.0                            |
| <b>Kaduna</b>  | 24.0       | 54.0     | 12.0  | 60.0                     | 48.0                                     | 50.0                               | 36.0                            |
| <b>Average</b> | 25.5       | 50.9     | 10.0  | 50.9                     | 38.2                                     | 50.9                               | 40.9                            |

**Source:** Fieldwork

These physical risks contrast with the fact that half of operators in both cities still give credit across religious lines – which amounts to a significant majority of those who give credit at all, since motorcycle taxis, comprising a full third of respondents, are structurally unable to grant credit. Despite decades of religious violence in both cities, only 40% of informal actors feel that inter-religious business cooperation is breaking down, confirming interview evidence of ongoing cooperation and economic interdependence. However, the indication that Kaduna operators are less affected by declining inter-religious business cooperation seems at odds with higher levels of religious polarization and violence. Regression analysis showed that the sense of negative feelings about inter-religious business cooperation was driven by the share of indigenes, Muslim or Christian, in informal activities rather than by religious composition. While Kaduna is more polarized and religiously tense, it has a lower share of indigenes in informal activities owing to its weaker commercial history. This suggests that disappointed indigenous entitlement rather than religious animosity are key issues behind religious tensions.

Table 2 shows the relationship between social composition and effects of religious violence in terms of activity categories rather than cities. Relative to the wider populations, the distribution of indigenes across these activities is predictably low, while that of Christians seems more representative (though high for Kano and low for Kaduna). More remarkable, however, is the inverse relationship between harm suffered and the strength of inter-religious cooperation. Activities with complementary and competitive relations across the religious divide have suffered relatively comparable levels of business losses and physical harm to themselves and loved ones, and both show a comparable 42% concern about weakening inter-religious business cooperation. However, activities experiencing value conflicts across the religious divide show by far the highest level of business losses and inter-religious customer loss, but the lowest sense of weakening inter-religious business cooperation.

**Table 2: Comparison of Activity Types by Religious Interaction**

| Activity Type          | Indigenes | Christians | Personal Losses in Riots | Physical Harm in Riots | Loss of Customers Across Religious Lines | Business Cooperation Weakening |
|------------------------|-----------|------------|--------------------------|------------------------|--|--------------------------------|
| <b>Complementarity</b> | 46.7      | 17.8       | 48.9                     | 33.3                   | 37.8                                     | 42.2                           |
| <b>Competition</b>     | 55.6      | 31.1       | 40.0                     | 35.6                   | 22.2                                     | 42.2                           |
| <b>Conflict</b>        | 40.0      | 30.0       | 80.0                     | 30.0                   | 75.8                                     | 35.0                           |
| <b>Average</b>         | 49.1      | 25.5       | 50.9                     | 33.6                   | 38.2                                     | 40.9                           |

**Source:** Fieldwork

The remarkable resilience of inter-religious cooperation in the face of religious polarization, competition and value conflicts, and harm suffered during religious violence give pause for thought. Both interview evidence and survey evidence shows that religious conflict is not perceived by the majority of informal actors to be their central problem. When asked to list their three most serious challenges, religious conflict was selected as one of the top three by 62% of respondents, coming second behind lack of capital, listed as one of the top three challenges by 71% of respondents. Disaggregating between Kano and Kaduna, religious conflict still came second in both cities. Informal actors across all activities tend to perceive religious conflict as a result of poverty and frustration from below and political mobilization from above, rather than as something arising from organizational tensions internal to the informal economy. Indeed, some suggested that the government should consult informal economic actors on how to resolve religious tensions, since they have found ways to work together despite problems of conflict in the wider society.

### **Conclusion**

The impact of informal economies on religious conflict in northern Nigeria challenges notions of a causal link between informal economies, ethno-religious diversity and violence. While religious polarization in Kaduna seems to be associated with higher levels of violence than Kano, relations within the informal economy in both cities have tended to diffuse rather than to inflame conflict. Three key observations emerge with regard to how the informal economy affects religious conflict in the northern Nigerian context. The first is that religiously specialized informal organization does not appear to be any more divisive than religiously mixed forms of organization. Secondly, it is the informal institutions embedded in informal activities rather than mere market relations that foster cooperative relations across the religious divide. Thirdly, efforts to incorporate the informal economy into formal systems of governance, such as efforts at taxation and other state linkages with informal associations, have done more to exacerbate than to alleviate inter-religious tensions in northern Nigeria.

With regard to debates over the optimal kind of informal organization, religiously specialized informal organization seems at least as resilient in the face of religious conflict as religiously mixed forms of organization. In Kano, the religiously specialized networks of indigenous occupational organization have more deeply embedded institutions of

cooperation and conflict resolution, and strong popular legitimacy. By contrast, Kaduna's religiously-mixed associations in tailoring and motorcycle taxi riding tend to be less vulnerable to divisive forms of taxation, but are also shallower, more politicized, and more upwardly than downwardly accountable. Yet both types of informal economic organization have sustained a remarkable level of collaboration and resilience in the face of mounting religious conflict, even amid relations of competition or value conflict across the religious divide.

This connects with the second observation, that the capacity of informal economies to build bridges between divided communities arises, not from free market interaction, but from informal institutions embedded in economic activities. Institutionalized arrangements such as inter-religious credit systems, mechanisms of conflict resolution, and disciplined informal associations do not simply spring into being when two groups come together in the market, but evolve over years and even centuries of commercial relations across ethno-religious divides. Differing commercial histories make such informal commercial institutions more widespread in Kano than in Kaduna, and more widespread in West Africa, with its pre-colonial trading networks and colonial peasant economies, than in Central or Southern Africa, where concession economies and labour reserves brutally suppressed embedded commercial systems (Mkandawire 2010).

A final observation is that formal linkages with the state, exemplified by taxation and support for informal associations, appear to exacerbate rather than to mitigate conflict in the Nigerian context. While Armakolas (2011) draws attention to the role of the state in shoring up inter-religious relations in civil society, and Jha (2007) emphasizes the integrative importance of redistributive taxation, this northern Nigerian case shows that the state at all levels can also erode inter-religious solidarity through inequitable taxation and a failure to rein in divisive public behaviour. The evidence presented here shows that taxing the informal economy in divided societies can intensify conflict; in Kano, those who pay the most tax have the least political voice, owing to levers of public accountability based more on identity than on fiscal relations. Similarly, the State government's failure to rein in the excesses of Shari'a politics, evident in the public destruction of beer bottles by the Hisbah guard in Kano, weakens inter-religious cooperation. In Kaduna, religiously mixed informal activities and more equitable taxation is undercut by greater politicization of associations, making them equally vulnerable to divisive political mobilization and declining grassroots legitimacy. In each case, formal linkages with the state have reinforced relations of ethno-religious patronage and marginalization, and placed mounting strains on embedded collaborative relations across the religious divide. While the institutions of the Nigerian informal economy offer valuable institutional resources for diffusing inter-religious conflict, efforts to incorporate them into divisive formal governance processes threaten to turn them from part of the solution into part of the problem.

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