

The Informal Sector as a Catalyst for Poverty Reduction

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Malebo Sephodi Gololo

ABSTRACT

Sub-Saharan Africa has some of the highest poverty rates regardless of the International and national structures' core roles in initiatives to reduce poverty in aiding human development. This research report looks at the relationship between the informal sector and poverty reduction and policy engagement hereto. I locate the informal sector in current debates in the ongoing deliberation of poverty reduction and make the link between the informal sector and poverty reduction. The informal economy in Sub-Saharan Africa continues to be a dominating economy and the largest in the world. Any decisions taken on policies for poverty reduction need to be looked at critically to see how they include or exclude the informal economy. With high unemployment rates, the informal sector by circumstance continues to be involved in being a source of income for many households in addressing poverty that exists. I examine whether (or not) policy decisions consider the informal economy in their strategy implementations and how this threatens or strengthens poverty reduction. I draw knowledge from qualitative engagement with policy documents, relevant literature and a comparative analysis with Rwanda to situate the South African informal economy within current international relations and development discourse.

Key words: Government, Informal Sector, Human Development, Poverty Reduction, Inclusive Policies, Gender, African Feminism, Neoliberalism