## BINDURA UNIVERSITY OF SCIENCE EDUCATION



# FACULTY OF SCIENCE AND ENGINEERING

## DEPARTMENT OF SUSTAINABLE DEVELOPMENT

# THE IMPACT OF INFORMAL SECTOR TO URBAN RESIDENTS.CASE STUDY OF MUFAKOSE

BY

# PROVIDENCE MUSIZVINGOZA

B212052B

A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF BACHELOR OF THE SCIENCE HONOURS DEGREE IN DEVELOPMENT STUDIES

SUPERVISOR: MR SAMUKANGE

# RELEASE FORM

| Author: Providence Musizvingoza   |
|---|
| Registration Number: B212052B   |
| Degree: Bachelor of Science Honors Degree in Development Studies  |
| Project Title: THE IMPACT OF INFORMAL SECTOR TO URBAN RESIDENTS. CASE STUDY OF MUFAKOSE   |
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| Providence Musizvingoza   |

# **APPROVAL**

The undersigned certify that they have read this project and have approved its submission to the Department of Sustainable Development for marking after confirming that it confirms to the Department requirements.

Supervisor: Mr Samukange Signature:

Date: 13-06-2025

# **DEDICATION**

With deep gratitude, I dedicate this dissertation to my beloved parents for their unwavering love and support, to my brother as he embarks on his university journey, and to my sister as she embraces the challenges of Grade 7. To my uncle, Dr Ronald Musizvingoza, whose mentorship has been instrumental in shaping my academic path, and to my collegues and encouragement have enriched this journey I am profoundly grateful to each of you.

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#### **ABSTRACT**

The informal sector plays a vital role in urban economies, particularly in developing countries. This study explores the socio-economic effects of informal economic activities on the residents of Mufakose, Harare. It focuses on how this sector contributes to increasing household incomes, generating job opportunities, and promoting social cohesion within the community. Utilizing a mixed-methods approach, the research combines qualitative interviews with quantitative surveys to provide a comprehensive understanding of the impact of informal economic activities on urban livelihoods. The findings offer valuable insights for policymakers, urban planners, and NGOs, aiding in the development of strategies that support sustainable economic growth and enhance community resilience. By assessing the influence of the informal sector, this research enriches the existing literature on urban development and informal economies, while also providing practical recommendations for improving socio-economic conditions in Mufakose.

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| List of Abbreviation  |    |
| NGO Non Governmental Organisation                                   |    |
| ILO International Labour Organisation                               |    |
| SMEs Small and Medium Enterprises                                   |    |
| UN United Nations   |    |
| CZI Confederation of Zimbabwe Industries                            |    |
| GDP Gross Domestic Product  |    |

# AfDB African Development Bank

#### **CHAPTER 1**

#### 1.1 Introduction

This chapter is going to look into the background information that led to the topic, exploring what triggered the researcher. It will also give an outline of the statement of the problem. Objectives, methodologies, justification, research questions and literature review will also be highlighted.

# 1.2 Background of the study

The informal sector is a vital component of urban economies, particularly in developing countries. Globally, informal employment constitutes about 61% of the world's employed population, with a significant concentration in urban areas (International Labour Organisation, 2018). This sector includes small-scale, unregistered businesses that operate outside formal regulatory frameworks, often in precarious conditions (UN-Habitat, 2016). The informal sector's prevalence is particularly high in urban areas, where rapid urbanisation and population growth outpace the creation of formal jobs and adequate housing (World Bank, 2021).

Informality has been associated with broader development challenges since long before the pandemic (World bank 2019). In EMDEs, the informal sector accounts for about a third gross domestic product (GDP) and more than 70% of employment. Regardless of the nature and causes of informality, countries with larger informal sector tends to have less access to finance for the private sector, lower labour productivity, slower physical and human accumulation, and smaller fiscal resources (La Porta and shleifer 2014). Informal sector is also associated with higher income inequality and poverty and less progress towards the Sustainable Development Goals (Chong and Gradstein 2007). The informal sector is on average, less productive than the formal sector because it tends to employ more low skilled workers; have more restricted access to fundings, services, and markets; and lack economies of scale (Loayza, 2018)

In Africa, the informal sector plays a crucial role in urban economies. Take cities like Lagos, Nigeria, and Nairobi, Kenya, for example over 70% of the urban workforce is involved in informal activities, which can range from street vending to small- scale manufacturing (Soliman ,2021. These informal businesses are essential for many people's economic survival, but they often face significant challenges, including a lack of social protection, poor working conditions, and vulnerability to economic shocks (Aboulnaga, Badran, & Barakat, 2021).

Informal employment offers livelihoods to a large portion of the population, especially in regions where formal job opportunities are scarce. However these jobs are usually marked by low wages, little job security, social benefits (Chen, 2012)

Informal businesses generally had lower productivity compared to formal enterprises due to limited access to finance, technology, and markets, which hampers their growth potential and overly economic development (La Porta& Shleifer, 2014). The prevalence of informal work is often linked to higher levels of poverty and income inequality, as informal workers usually have access to education and health care, exacerbating social disparities (fields, 2011).

Moreover, informal businesses in Africa do not add to the tax base, which has restricted the revenue-generating capacity of several governments and their ability to invest in public services and infrastructure (Schneider, 2012). Despite these difficulties, the informal sector is exceptionally resilient and adaptive, serving as a vital safety net during economic downturns or crises, such as the COVID-19 pandemic (International Labour Organisation (ILO), 2020).

Mufakose, a densely populated suburb in Harare, Zimbabwe, demonstrates the dynamics of the informal sector within urban environments. The locality has experienced a notable increase in informal economic activities due to soaring unemployment rates and economic instability. In Zimbabwe, the informal sector represents about 90% of employment, mirroring the broader national trend (ILO, 2020). Residents of Mufakose partake in various informal businesses, including vending, carpentry, and small-scale retail, which facilitate crucial income but also contribute to urban issues such as congestion, insufficient infrastructure, and environmental degradation (UN-Habitat, 2016).

The informal sector in Mufakose has a significant impact on the local community. It has opened up job opportunities for many residents who struggle to find work in the formal sector. Plus, countless individuals working in the informal sector have picked up valuables skills and experience that can help them enhance their living standards. Another great aspect of the informal sector is the flexible working hours and conditions it provides, which is a real boon for those balancing work with responsibilities like childcare and education. Furthermore, the informal sector provides access to goods and services. Street vendors supply affordable goods and services that are readily available to residents, particularly in low-income areas where formal retail options may be scarce. This sector contributes to initiatives that frequently nurture strong community bonds and networks, as individuals collaborate and support one another in their economic pursuits. These beneficial impacts underscore the crucial role the informal

sector plays in the socio-economic framework of Mufakose. The informal sector does not solely focus on individuals' survival; it also enhances community resilience and empowerment

The informal sector plays a crucial part in the livelihoods of urban inhabitants in Mufakose, Harare. Nevertheless, its effects on household incomes, job opportunities, social unity, and public services are not completely understood. In spite of its widespread presence, there is a deficiency of thorough studies that assess the varied effects of the informal sector on the socioeconomic welfare of Mufakose's urban residents. Tackling this gap is vital for offering a comprehensive analysis of how informal economic activities affect the standard of living, accessibility to essential services, and community dynamics. Such comprehension will aid in creating better-informed policy-making and urban planning that recognise the realities of the informal sector.

#### 1.3 Problem statement

The informal sector has become a vital part of urban life in many developing cities Harare. In Mufakose, a neighborhood of Harare, informal economic activities considerably impact the daily experiences of its residents. However, the intricacies and difficulties linked to this sector's influence on urban living remain insufficiently researched. This research aims to explore the diverse effects of the informal sector on the socio-economic well-being of Mufakose's urban residents, concentrating on household income, job opportunities, social cohesion, and access to public services. By investigating these dynamics, this study will offer valuable insights into the wider effects of informal economies on urban development and policy planning in Zimbabwe.

#### 1.4 Research aims and objectives

#### 1.4.1 main objective

To explore the socio-economic effects of the informal sector on the urban population of Mufakose, Harare.

## 1.4.2 specific objectives

- To investigate the role of the informal sector in contributing to household incomes in Mufakose.
- To examine the employment opportunities created by informal economic activities.

 To evaluate the influence of the informal sector on social cohesion and community relationships.

#### 1.5 research questions

- What is the role of the informal sector in contributing to household incomes in Mufakose?
- What job opportunities are created by informal economic activities in Mufakose?
- In what ways does the informal sector affect social cohesion and community relationships in Mufakose?

#### 1.6 Significance of the study

The research will provide in-depth insights into how the informal sector influences the socioeconomic framework of Mufakose. This understanding can aid local leaders and residents in effectively navigating the complexities and opportunities that arise from informal economic activities, thereby fostering a more sustainable and resilient community.

For non-governmental organizations, the study offers crucial data concerning the needs and challenges faced by urban residents engaged in the informal sector. This information is essential for developing targeted interventions and programs that enhance income generation, skill development, and social cohesion within the community.

The findings of this study will inform government policies and urban planning efforts. By understanding the informal sector's role in employment, access to public services, and community dynamics, policymakers can create more inclusive and effective strategies to promote urban development and economic stability.

From an academic perspective, this research contributes to a broader understanding of informal economies and their impact on urban life. It provides a case study that can be incorporated into curricula related to urban studies, development economics, sociology, and public policy. The results of the study also establish a basis for future research, encouraging scholars to explore similar dynamics in other urban settings.

# 1.7 Assumptions

The study indicates that a significant segment of the urban populace in Mufakose engages in informal economic activities.

The research highlights that households in Mufakose heavily rely on income generated from the informal sector to meet their daily needs and ensure economic stability.

Furthermore, it suggests that the informal sector plays a crucial role in fostering social cohesion and community relationships, influencing how residents interact and support each other.

The research consistently contends that involvement in the formal sector affects residents' access to public services, either through direct engagement or the economic contributions these activities make to the community.

The emphasis of the research implies that local government and regulations significantly impact the operation and development of the informal sector in Mufakose.

#### 1.8 Delimitation

The study will concentrate solely on Mufakose, Harare, and will not extrapolate findings to other urban locales or neighbourhoods. The research will delve into urban inhabitants who are either actively engaged in or impacted by informal sector activities within Mufakose. Data collection will occur within a specified time frame to ensure relevance and precision but will not extensively examine historical trends. Furthermore, the study will uniquely target informal economic activities, excluding interactions and consequences in the formal sector. The research will utilise a mixed-methods strategy, integrating quantitative surveys and qualitative interviews while limiting the use of alternative methodologies.

#### 1.9 Definition of Terms

- According to Charmes (2000), the informal sector encompasses economic activities that
  are not governed by the government and are absent from the formal economy. These
  activities typically involve street vending, small-scale manufacturing, and various selfemployment options.
- Urban Residents refer to individuals residing in urban regions, marked by higher population density and infrastructure compared to rural settings (Davis, 2006).
- Per Kothari (2004), Household Income is defined as the total gross income of all household members, derived from both formal and informal sector activities.

- Employment Opportunities represent job vacancies or positions that afford individuals the chance to earn income, which, in this context, arises from informal economic activities (Chen, 2007).
- Putnam (2000) defines Social Cohesion as the degree to which members of a community are interconnected and collaborate seamlessly.
- Public Services denote services rendered by the government or public sector to its citizens, including healthcare, education, and infrastructure (Sen, 1999).
- Economic Stability is all about an economy that experiences consistent growth, keeps inflation in check, and maintains a low unemployment (Amsden, 2001).
- Community Dynamics encompass the interactions and relationships among individuals and groups within a community, shaped by social, economic, and cultural influences (Bourdieu, 1984).

#### 1.10 Chapter summary

This research seeks to offer a thorough understanding of how informal economic activities influence household incomes, employment opportunities, social cohesion, and access to public services among urban residents. By exploring these dynamics, the study will provide valuable insights for policymakers, urban planners, NGOs, and community stakeholders. Such understanding is essential for crafting informed strategies that leverage the advantages of the informal sector while tackling its challenges, ultimately promoting sustainable urban development and enhancing the quality of life for the residents in Mufakose. The results of this study will not only address existing gaps in academic literature but also establish a basis for future research on informal economies in comparable urban contexts

# **Chapter Two: Literature Review**

#### 2.1 Introduction

The existing understanding ofhow the informal sector helps Mufakose residents support their livelihoods is examined in this chapter. The scope of informal sector on regional, local and global perspective will be covered. The study's questions concerning the impact of the informal sector on urban dwellers are also clarified and addressed. This chapter also examines the policies that were developed in order to guarantee the sustainability of the informal sector

# 2.2 The Impact and Challenges of Informal Sector.

The urban informal sector has shaped the urban economies and livelihoods. It has provided employment and income for millions, especially in developing countries where formal jobs are scarce .this sector is grapping with a host of challenges, such as lack of legal recognition ,poor working conditions. and a heightened vulnerability to economic shocks (Chen, 2014) . Governments and international organisations have been working towards integrating informal we informal economy, but progress have been slow. Sustainable urban development principles have been proposed to address these challenges, aiming to improve living conditions and promote economic stability (World Bank, 2019). Despite these efforts, the informal sector remains a critical yet precarious component of urban economies (Kanbur, 2023).

#### 2.2.1 The Impact And Challenges Of The Urban Informal Sector Globally.

The urban informal sector plays a significant role globally, serving as a critical source of employment and livelihood for millions, especially in developing economies. "Globally, more than 60 percent of all workers are employed in the informal economy, highlighting its critical role in supporting vulnerable populations" (ILO, 2018). According to Chen (2016), "the informal economy is not just a survival mechanism but a critical economic engine, particularly in urban areas of developing countries where formal employment opportunities remain limited." Moreover, urbanisation has led to greater entrepreneurial opportunities within the informal sector, enabling marginalised populations to contribute to and benefit from economic activities (UN-Habitat, 2018).

## 2.2.2 The Impact And Challenges Of The Urban Informal Sector In Africa .

In Africa, the urban informal sector has emerged as a foundation of economic activity, employing over 70% of the non-agricultural workforce by 2024 (ILO, 2023). This sector is crucial for poverty reduction and income creation, especially for marginalized groups, such as women and youth, who encounter limited access to formal jobs (World Bank, 2021). However, the sector encounters considerable obstacles, including inadequate working conditions and limited access to essential services like healthcare and social security (African Development Bank, 2020). For instance, during the COVID-19 pandemic, the urban informal workforce experienced substantial income losses due to movement restrictions and the lack of government assistance, underscoring their economic vulnerability (ILO, 2020). Furthermore, informal enterprises frequently lack legal recognition and access to credit, which hinders their potential for growth and integration into formal economies (UN-Habitat, 2019). The unregulated nature of the sector also aggravates urban issues, such as congestion and environmental deterioration, since many informal activities take place in poorly planned areas (UNEP, 2022). Tackling these issues necessitates targeted policies that include access to financing, skill development initiatives, and social protection systems, while endorsing formalisation efforts that do not disrupt livelihoods (African Union, 2023).

# 2.2.3 The impact and challenges of the urban informal sector in Southern Africa.

The urban informal sector in Southern Africa has expanded notably, playing a vital role in providing jobs and sustaining livelihoods for marginalised communities. In South Africa alone, the informal sector was responsible for an estimated 6% of the GDP and employed more than 2. 5 million individuals by 2019, indicating its significance for economic inclusion (Statistics South Africa, 2019). The sector is particularly essential for women and youth, with women constituting 60% of informal traders in countries such as Zimbabwe, despite confronting systemic gender-based obstacles (UN Women, 2020). Nevertheless, the challenges are substantial. Workers in this sector are often left out of social protection schemes, with merely 15% of informal workers in the region having access to any type of health insurance or labour rights as of 2021 (ILO, 2021). Furthermore, the absence of secure working environments and frequent harassment, especially for street vendors in urban spaces, has greatly affected their productivity (World Bank, 2018). Urban policies have also tended to criminalise informal endeavours, with numerous municipalities enforcing restrictive bylaws that result in evictions and loss of income (African Centre for Cities, 2020). Additionally, the COVID-19 pandemic

intensified these challenges, with approximately 70% of informal workers in Southern Africa reporting income losses during lockdowns due to limited mobility and diminished demand for their products and services (UNDP, 2021). Resolving these problems demands integrated policy frameworks that encourage formalisation while protecting the rights and livelihoods of informal workers, promoting a more inclusive urban economy (African Development Bank, 2022).

# 2.2.4 The impact and challenges of the urban informal sector in Zimbabwe.

In Zimbabwe urban informal sector has become a cornerstone of economic survival, driven by the country's prolonged economic instability and high unemployment rates. By 2020, the informal sector contributed approximately 60% of Zimbabwe's GDP, providing income for over 90% of the workforce as formal employment opportunities dwindled (ILO, 2020). However, this reliance on informality presents significant challenges. Informal workers often operate without legal or social protection, making them highly vulnerable to exploitation and economic shocks (UNDP, 2018). For example, during the COVID-19 pandemic, lockdown measures devastated informal traders, with many losing their incomes overnight due to mobility restrictions (World Bank, 2021). Moreover, the informal sector has limited access to credit facilities and formal markets, restricting growth and perpetuating poverty cycles (African Development Bank, 2019). Urban authorities have frequently adopted punitive measures, such as demolitions of informal structures, which further destabilise livelihoods without offering viable alternatives (Zimbabwe Human Rights NGO Forum, 2022). Despite efforts to support informal businesses, such as microfinance initiatives, these interventions have been sporadic and poorly coordinated, limiting their overall impact (Ministry of SMEs, Zimbabwe, 2023). Addressing these issues requires a coherent strategy that integrates informal activities into urban economies while safeguarding the rights and welfare of workers.

# 2.2.5 The impact and challenges of the urban informal sector in Mufakose.

The informal economy plays a pivotal role in shaping the livelihoods of residents in Mufakose, a high-density suburb in Harare, Zimbabwe. With limited formal employment opportunities due to economic challenges, many residents turn to informal trade, vending, and small-scale enterprises as their primary means of survival. This sector fosters resilience by providing income for households, enabling access to essential goods and services that may otherwise be inaccessible. For instance, street vendors supply affordable fresh produce and second-hand goods, meeting the needs of low-income families. However, the informal economy is not without challenges; it operates outside regulatory frameworks, exposing participants to

harassment, fines, and a lack of social security benefits. Despite its precarious nature, it contributes significantly to the local economy, reducing unemployment rates and sustaining livelihoods in an environment of economic instability. Thus, while informal work in Mufakose fills critical gaps left by formal structures, its unregulated status often perpetuates insecurity and vulnerability for those who rely on it.

#### 2.3 Informal sector's contribution to household income

The informal sector continues to play a vital role in household income generation, especially in developing economies. It encompasses a wide range of activities, including street vending, casual labour, and small-scale entrepreneurship, which often serve as essential income sources for households unable to secure formal employment (Chen, 2014). In many regions, particularly sub-Saharan Africa and South Asia, informal work has been identified as a crucial coping mechanism for families living in poverty (ILO, 2021). It provides a flexible source of income, enabling individuals to work outside formal structures, often accommodating vulnerable groups such as women, youth, and the elderly, who face barriers to the formal labour market (Sundaram & Chacko, 2016). Furthermore, the informal sector can act as a significant buffer during economic downturns or crises. During the COVID-19 pandemic, many families in the low- income areas turned to informal income sources to cope with the economic fallout, especially when formal jobs were lost in large numbers (Mhlanga & Chikozho, 2020). However, despite its contribution to income generation, workers in the informal sector often face precarious working conditions, lack of social protection, and limited access to financial services, which can undermine long-term economic stability (Rani & Unni, 2018). Addressing these vulnerabilities through targeted policies could further enhance the informal sector's ability to contribute to household income in a sustainable manner.

#### **2.3.1** The Informal sector contribution globally.

The informal sector continues to be a crucial contributor to household income globally, particularly in developing countries where formal job opportunities are limited. In many low-and middle-income nations, the informal economy comprises a significant share of employment, often surpassing the formal sector in terms of the number of people engaged (International Labour Organisation [ILO], 2021). For example, in sub-Saharan Africa and parts of South Asia, informal work provides livelihoods for large sections of the population, offering a vital income source for those excluded from formal labour markets due to factors such as lack of education, capital, or access to formal job opportunities (Chen, 2014). The flexibility of informal work, which includes activities such as street vending, small-scale agriculture, casual

labour, and home-based enterprises, makes it an essential economic activity for many households, especially in rural areas (Sundaram & Chacko, 2016). Additionally, the COVID-19 pandemic highlighted the resilience of the informal sector, as many informal workers maintained their income streams even as the formal economy contracted sharply (Mhlanga & Chikozho, 2020). However, despite its significance, informal sector work often lacks social protection, which exposes workers to economic shocks and undermines long-term income stability (Rani & Unni, 2018). To enhance the contribution of the informal sector to household income, there is an urgent need for policies that improve the working conditions and social security for informal workers while facilitating better access to credit and formalisation opportunities.

#### 2.3.2 Informal sector's contribution to household income in Southern Africa

The informal sector in Southern Africa plays a pivotal role in household income generation, particularly in countries such as South Africa, Zimbabwe, and Zambia, where formal job opportunities are scarce. In the region, informal employment encompasses a wide range of activities, including street vending, small-scale agriculture, and casual labour, and serves as a primary income source for a substantial proportion of the population (International Labour Organisation [ILO], 2021). According to the ILO, the informal sector accounts for over 30% of total employment in Southern Africa, with higher participation rates among women and youth, who often face barriers to accessing formal jobs (ILO, 2020). For many households, especially in rural areas or urban informal settlements, the income derived from the informal economy is crucial for meeting basic needs, particularly in the face of high unemployment rates and economic instability (Chirwa & Ngalande, 2018). The sector also provides a safety net during times of economic crises, such as the COVID-19 pandemic, when many formal workers lost their jobs, yet informal workers adapted and continued to earn through various survival strategies, including online trading and home-based businesses (Mhlanga & Chikozho, 2020). However, the informal sector in Southern Africa remains characterized by low wages, lack of social protection, and poor working conditions, making it difficult for workers to accumulate wealth or access benefits such as healthcare and pensions (Rani & Unni, 2018). Strengthening social protection mechanisms and providing support for the formalization of informal businesses could help enhance the sector's contribution to household income in the region.

#### 2.3.3 Informal sector's contribution to household income in Zimbabwe

In Zimbabwe, the informal sector has become a crucial contributor to household income, particularly in the context of high unemployment rates and a shrinking formal economy.

Following economic crises, including the hyperinflation period of the 2000s and the more recent economic instability, many Zimbabweans turned to informal employment as a means of survival. According to the International Labour Organisation (ILO), the informal sector now accounts for over 90% of total employment in Zimbabwe, with a significant portion of the population engaged in activities such as vending, small-scale farming, and cross-border trading (ILO, 2021). This sector plays a vital role in providing income for both urban and rural households, especially as formal job opportunities remain scarce due to economic challenges (Chinamasa, 2017). Informal work is often seen as a coping mechanism for those who cannot access the formal labour market, particularly women and youth who face additional barriers such as lack of education and capital (Gire, 2019). The informal sector also acts as an economic buffer during periods of crisis, such as the COVID-19 pandemic, when formal employment opportunities were significantly disrupted, yet many informal workers continued to earn through small businesses or informal trade (Mhlanga & Chikozho, 2020). However, informal workers in Zimbabwe face challenges such as poor working conditions, lack of social protection, and limited access to financial services, which hinder their ability to improve their income or accumulate wealth (Rani & Unni, 2018). Policy interventions aimed at formalising the sector, improving social protections, and providing access to credit could further enhance the sector's contribution to household income in Zimbabwe.

# 2.4 Employment opportunities generated by informal activities in Mufakose

Informal activities play a vital role in generating employment opportunities, particularly in developing countries, where formal job markets may not fully accommodate the growing labour force. These activities, which often operate outside government regulation, provide livelihoods for millions of individuals. For instance, street vending, small-scale construction work, and domestic services are significant sources of income for many (Chen, 2012). Similarly, informal enterprises such as home-based businesses, waste collection, and transportation services create self-employment opportunities, especially for marginalised groups (ILO, 2018). Despite the economic benefits, informal jobs are often characterised by low wages, job insecurity, and lack of social protections. Nevertheless, they contribute significantly to local economies and support families by offering flexible work opportunities to those excluded from formal employment sectors (Meagher, 2013). To harness the potential of informal employment, policymakers should focus on integrating informal workers into formal systems without disrupting their livelihoods

## **2.4.1 Informal transportation (mushikashika)**

Informal transportation, known as mushikashika in Zimbabwe, has become a vital source of employment in Mufakose. This sector, defined by unregistered vehicles functioning as taxis, has created alternative income opportunities in a landscape characterized by high unemployment rates and economic difficulties. Drivers of mushikashika and their assistants, commonly called "call boys," are essential to the local economy by providing affordable and flexible transport services, particularly in regions where formal public transport is insufficient (Mpofu & Mlambo, 2017). The sector flourishes due to low entry barriers, making it accessible to youth and individuals with limited formal education (Mbara et al., 2018). Despite its informal status, mushikashika plays a role in alleviating unemployment in urban areas like Mufakose, which grapple with structural economic challenges. Nevertheless, the absence of regulation has led to issues such as traffic congestion, accidents, and strained interactions with law enforcement (Ncube & Chikova, 2022). Tackling these issues while fostering the employment opportunities that mushikashika offers necessitates innovative policies that strike a balance between regulation and inclusivity.

## 2.4.2 Street vending

Street vending has emerged as a crucial source of employment in Mufakose, Zimbabwe. This informal economic activity has enabled many individuals to earn a living, especially those who are marginalized from formal employment due to the country's elevated unemployment rates and ongoing economic difficulties (Tibaijuka, 2015). Vendors offer a variety of products, such as fresh produce, clothing, and household items, addressing the needs of low-income residents by providing affordable and accessible alternatives (Moyo, 2019). The low barriers to entry associated with street vending render it an appealing option for marginalized groups, including women and youth, who represent a significant portion of the workforce in this sector (Kamete, 2017). Furthermore, street vending plays a role in bolstering the local economy by promoting micro-entrepreneurship and generating indirect employment opportunities, such as those related to the supply of goods to vendors (Mutami, 2021). Nonetheless, this sector encounters various challenges, including harassment from municipal authorities, inadequate infrastructure, and competition for limited space, all of which impact its sustainability and profitability (Chirisa & Munzwa, 2019). To improve the viability of street vending as a sustainable source of employment, it is essential to implement supportive policies that acknowledge its significance in urban livelihoods and incorporate it into comprehensive urban planning strategies.

## 2.4.3 Small-scale manufacturing

Small-scale manufacturing in Mufakose has become a vital source of employment opportunities, especially within the informal sector. These enterprises have flourished in response to the scarcity of formal job options, thereby providing livelihoods for numerous residents. Key industries such as textile production, carpentry, and food processing serve local markets, generating sustainable income for marginalized groups, as noted by Nyawanza (2016). Furthermore, Nyamwanza et al. (2016) assert that informal small and medium enterprises (SMEs) in Zimbabwe have been instrumental in creating jobs and alleviating urban poverty. In a similar vein, Daramola (2020) emphasizes that activities within the informal sector, including manufacturing, function as survival strategies, particularly in economically challenged communities. These insights highlight the significance of informal manufacturing in fostering resilience and economic engagement in urban locales like Mufakose.

# 2.4.4 Informal waste collection and recycling.

Informal waste collection and recycling have become important sources of employment in Mufakose, Zimbabwe, offering livelihoods to numerous low-income individuals. Nemadire et al. (2017) assert that waste pickers at dumpsites such as Pomona recover materials including plastics, metals, and glass, thereby contributing to recycling initiatives and earning a living despite facing difficult working conditions. This practice is in line with Zimbabwe's overarching objectives of implementing circular economy principles, which focus on minimizing waste and encouraging resource recovery (Nemadire et al., 2017). According to Jerie and Tevera (2014), the informal sector has played a crucial role in tackling waste management issues, with waste pickers managing to recover as much as 10% of waste from dumpsites. Their efforts are essential, especially as Zimbabwe confronts rising waste production and a lack of formal recycling facilities. Integrating waste management strategies with renewable energy projects could further bolster sustainability, generate more job opportunities, and foster economic development (Kumba et al., 2024). Initiatives aimed at formalizing the informal recycling sector could greatly enhance working conditions and economic results. For instance, equipping waste pickers with training, improved tools, and safer working environments could boost their productivity and their contributions to sustainable waste management in Mufakose and beyond.

## 2.4.5 Tyre patchers

In Mufakose, Zimbabwe, tyre patching represents a crucial informal activity that creates job opportunities for numerous individuals who do not have access to formal employment markets.

(Mpofu, 2012) posits that this form of work is a component of Zimbabwe's extensive informal sector, which has expanded in response to economic difficulties such as elevated unemployment rates and the downturn of the formal manufacturing industry. Tyre patchers illustrate the tenacity of informal workers who utilize minimal capital to earn a living, frequently operating from temporary stalls or mobile units to meet local demand (ZIMSTAT, 2023). The informal tyre patching sector flourishes due to the low entry barriers and the accessibility of second-hand or used tools, allowing individuals with limited financial means to start their own businesses (CZI, 2012). These operations also play a role in bolstering the local economy by providing affordable services to residents, especially those who depend on second-hand vehicles (Confederation of Zimbabwe Industries [CZI], 2012). Moreover, the high literacy rate in Zimbabwe 90.9% as recorded in 2013 empowers many informal sector workers to effectively manage and sustain small enterprises, despite the absence of formal training (Mpofu, 2012). Nevertheless, the informal character of tyre patching and similar endeavors poses challenges, such as the absence of social security, restricted access to credit, and susceptibility to economic fluctuations (Mpofu, 2012). Initiatives aimed at formalizing such sectors could improve their economic contributions while offering workers enhanced stability and protections (ILO Recommendation 204, 2015). In summary, tyre patching in Mufakose exemplifies the creativity and adaptability of informal workers in tackling unemployment and fulfilling community needs.

#### 2.6 Informal sector Impacting social cohesion and community relationships

The informal sector plays a significant role in shaping social cohesion and community relationships. According to Loudi (2024), the informal sector can both positively and negatively impact social networks and cohesion. On one hand, it fosters a sense of community and belonging among individuals who might otherwise be excluded from formal social networks. For instance, street vendors often develop strong relationships with their customers. Creating a supportive community environment. On the other hand, the informal sector can also lead to social exclusion and inequality, as highlighted by Ahmad (2019), who notes that the informal sector innovations often lack recognition and support from policymaker. This can result in a fragmented community where only certain groups benefit from the informal economy (Mogner et al.,2020). Overall, while the informal sector can enhance social cohesion by proving employment and fostering community ties, it also poses challenges that need to be

addressed to ensure inclusive growth and equitable community relationships (Rajah et al.a,2022).

# 2.6.1 Informal sector impacting social cohesion and community relationships (Global Perspective)

Globally, the informal sector plays a crucial role in providing employment opportunities, especially in developing countries. According to the International Labour Organisation (ILO), nearly 2 billion workers, representing about 60% of the world's employed population, are part of the informal economy. This sector includes a wide range of activities, from street vending to domestic work, and often lacks formal contracts, social protection, and legal recognition. While the informal sector helps reduce poverty and provides livelihoods for millions, it also contributes to social stratification and inequality. The lack of formal employment benefits and protections can lead to social tensions and reduced social cohesion. Scholars like De Soto (2014) argue that the informal sector can undermine formal economic structures, leading to social stratification and reduced social cohesion (De Soto, 2014).

# 2.6.2 Informal sector impacting social cohesion and community relationships (Regional Perspective)

The informal sector has varied impact depending on the region Take Africa, for instance; here, the informal sector plays a crucial role as a major employer and makes a significant contribution to local economies. Cross-border trading and informal economic activities are common, providing essential services and infrastructure to migrants and local communities. However, the informal sector can also exacerbate economic disparities and social tensions. Loudi Njoya et al. (2024) highlight that while the informal sector promotes inclusive growth, it can also lead to economic inequalities that affect social cohesion (Loudi Njoya et al., 2024). The informal sector's role in regional integration is complex, as it often operates outside formal regulatory frameworks, leading to challenges in policy coherence and sustainable development.

# 2.6.3 Informal sector impacting social cohesion and community relationships (Local Perspective)

At the local level, the informal sector has a profound impact on social cohesion and community relationships. Informal economic activities, such as street vending and small-scale businesses, create strong community bonds and a sense of belonging. In urban areas, informal settlements often develop complex social networks that enhance social cohesion despite challenging living conditions. However, urban migration for informal economic purposes can lead to congestion,

resource depletion, and social tensions. Ndlovu (2023) emphasises the need for policy interventions to manage urban migration and informal economic activities without disrupting local communities (Ndlovu, 2023). The informal sector's contribution to poverty alleviation and social development is significant, but it requires careful management to ensure equitable and sustainable growth

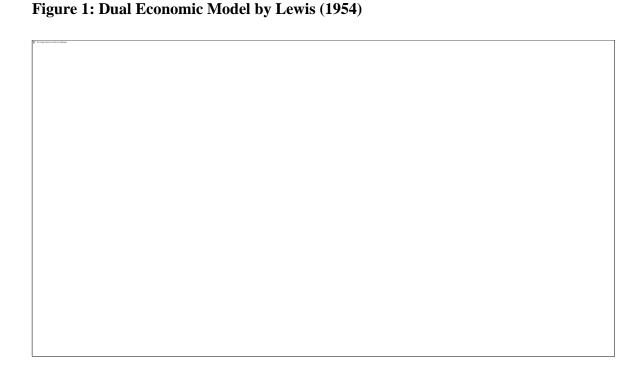
#### 2.7 Theoretical Framework

The dual economy model, first introduced by Lewis in 1954 and subsequently elaborated upon by John Harris and Michael Todaro in 1970, serves as an effective framework for examining the influence of the informal sector on urban populations. This model asserts that developing economies are comprised of two distinct sectors: a traditional agricultural sector characterized by low productivity and a modern industrial sector marked by high productivity. The informal sector frequently acts as a conduit between these two sectors, providing employment opportunities for individuals unable to secure jobs in the formal sector (Lewis, 1954; Harris & Todaro, 1970).

In urban environments, the informal sector is vital in accommodating surplus labor from rural regions and offering livelihoods to urban migrants. The Harris-Todaro model suggests that the anticipation of higher wages in urban locales motivates rural-to-urban migration, even if this leads to urban unemployment. Consequently, the informal sector functions as a safety net, mitigating the adverse effects of unemployment and underemployment on urban dwellers (Harris & Todaro, 1970).

Furthermore, the informal sector enhances the urban economy by supplying essential goods and services at reduced prices, which can be especially advantageous for low-income urban residents. Nevertheless, it also presents challenges, including a lack of job security, substandard working conditions, and restricted access to social protection. Grasping these dynamics through the lens of the dual economy model can assist policymakers in crafting interventions that bolster informal workers and enhance their living standards (Todaro, 1980).

The dual economy model provides a thorough framework for investigating the effects of the informal sector on urban residents, emphasizing both its advantages and drawbacks. By incorporating this model into your research, you can acquire significant insights into the intricate relationship between formal and informal economies within urban contexts (Lewis, 1954; Harris & Todaro, 1970).



## 2.8 Conceptual Framework

The influence of the informal sector on urban inhabitants can be thoroughly analyzed through a conceptual framework that emphasizes critical elements such as economic contributions, social ramifications, regulatory obstacles, policy measures, and urban growth. From an economic perspective, the informal sector offers vital employment opportunities for individuals who frequently lack access to the formal labor market, thereby alleviating unemployment and fostering local economic activity (Chen, 2012). Nevertheless, these advantages are accompanied by poor working conditions, meager wages, and a lack of social protections, which perpetuate poverty and social inequality among urban communities (ILO, 2018). Regulatory issues are apparent as informal enterprises generally avoid the formal tax system, leading to considerable revenue losses for local governments and obstructing the delivery of essential public services such as healthcare, education, and infrastructure (Williams & Horodnic, 2015).

To address these challenges, effective policy interventions are essential. Strategies such as formalizing certain aspects of the informal sector, offering social protection, and establishing vocational training programs can improve job security and working conditions, ultimately enhancing the livelihoods of urban residents (ILO, 2018). Additionally, the informal sector's contribution to urban development is significant. Informal settlements often arise from the economic activities within this sector, creating dynamic centers of economic activity that

encounter substantial socio-economic difficulties, including inadequate housing and insufficient basic services. Tackling these issues necessitates integrated urban planning and development policies that take into account the needs and contributions of the informal sector (Schneider, 2014).

# 2.9 A Case Study

A case study examining the effects of informal economic activities on urban inhabitants in Zimbabwe can be seen in Bulawayo, the nation's second-largest city. The informal sector in Bulawayo has experienced substantial growth due to elevated unemployment rates and the decline of formal industries. Numerous residents have resorted to informal economic activities such as street vending, managing tuck-shops, and various micro-enterprises as a means of subsistence. A prominent example includes the street vendors located in Bulawayo's highdensity suburbs, Makokoba and Nguboyenja. These vendors encounter a multitude of challenges, including limited financial and physical resources, which hinder their capacity to expand their enterprises (Chidoko & Makuyana, 2011). Furthermore, they frequently have restricted access to natural resources, such as land ownership, and diminishing human capital due to the emigration of family members to more economically stable nations. In spite of these obstacles, street vendors exhibit resilience and ingenuity by leveraging social networks and employing various strategies to maintain their livelihoods (Machemedze, 2013). The informal sector in Bulawayo also serves a vital function in supplying essential goods and services to urban residents. Nevertheless, it confronts regulatory hurdles, such as recurrent crackdowns by local authorities seeking to clear urban areas of informal traders. These measures often disrupt the livelihoods of vendors and underscore the necessity for more inclusive and supportive policies to incorporate the informal sector into the formal economy (Machemedze, 2013). In summary, the case study of Bulawayo exemplifies the considerable impact of informal economic activities on urban residents, emphasizing both the opportunities and challenges encountered by those involved in the informal sector (Uzhenyu, 2015).

## 2.10 A Research Gap

The investigation into the effects of the informal sector on urban inhabitants, particularly in specific areas such as Mufakose, uncovers significant gaps that necessitate further exploration. Current literature predominantly emphasizes the economic roles of the informal sector, including job creation and income generation (Chen, 2012). Nevertheless, there has been a lack of focus on the socio-economic difficulties encountered by urban dwellers reliant on the informal sector, which encompass challenges such as the absence of social protection, legal

acknowledgment, and access to vital services (Mitullah, 2003). Moreover, there is a deficiency in the examination of the environmental repercussions of informal economic activities in densely populated regions like Mufakose, which frequently lead to unregulated waste disposal and overcrowding (Mupedziswa & Gumbo, 2001). Additionally, many studies tend to generalize findings across urban locales without investigating the unique characteristics and dynamics of neighborhoods like Mufakose, where informal activities are intricately woven into the socio-economic landscape. There is also a scarcity of information regarding how gender dynamics affect participation and the distribution of benefits within the informal sector in these urban contexts (Tibaijuka, 2005). Addressing these deficiencies can deepen our comprehension of how the informal sector influences urban livelihoods and guide the development of policies aimed at enhancing the living conditions of residents in areas such as Mufakose.

# 2.11 Chapter Conclusion

This chapter reviewed literature on the informal sector's impact on urban residents, highlighting its role in providing livelihoods, especially for marginalised groups, while exposing challenges such as poor working conditions, legal insecurity, and environmental issues. Despite its importance, gaps remain in localised studies, particularly in neighbourhoods like Mufakose, and in understanding gender and community dynamics. This study seeks to address these gaps, offering targeted insights into the sector's socio-economic effects in Mufakose.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The goal of this section is to introduce the methodology of this qualitative research. The main

components of this section include the study area, research design, targeted population,

sampling methods, data gathering tools and data analysis, and ethical considerations.

3.2 Description of the study Area

Mufakose, a densely populated neighbourhood in Harare, Zimbabwe, has an estimated

population of around 50,000 inhabitants. Founded in the 1960s, it ranks among Harare's earliest

suburbs and showcases a blend of single-family residences and flats. The region is marked by

significant informal economic activities, with approximately 70% of the workforce involved

in informal sector employment, including street vending and small-scale trading (ZIMSTAT,

2022). Although Mufakose exhibits economic vibrancy, it encounters major challenges such

as overcrowding, insufficient infrastructure, and restricted access to essential services (Potts,

2006). The population density in the suburb is around 10,000 individuals per square kilometre,

emphasizing the urgent requirement for better urban planning and service provision

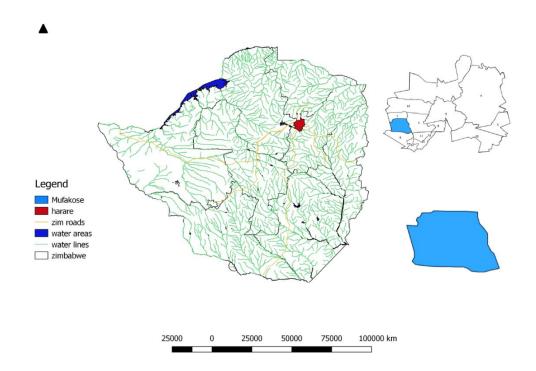
(ZIMSTAT, 2022). This research aims to explore how the informal sector impacts the socio-

economic landscape for the people living in Mufakose, shedding light on both the opportunities

it presents and challenges it brings.

Figure 2: Study Area Map

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# 3.3 Study Framework

This research will use a qualitative approach to examine the influence of the informal sector on urban inhabitants in Mufakose, a densely populated suburb of Harare, Zimbabwe. Qualitative approaches are perfect for comprehending social phenomena within their context, as they facilitate a thorough investigation of participants' experiences and viewpoints (Creswell, 2014). The study will use a case study method, concentrating on Mufakose as the analytical unit to offer an in-depth insight into the connection between informal sector operations and urban livelihoods.

Primary data will be gathered via semi-structured interviews with participants from the informal sector, urban dwellers, and local officials. This approach guarantees adaptability in exploring aspects like economic advantages, difficulties, and social consequences of the informal sector (Yin, 2018). Furthermore, focus group discussions will be held to gather shared perspectives on how the informal sector contributes to tackling urban unemployment and poverty. Secondary information, such as reports, journal articles, and policy documents, will enhance primary data to create a strong foundation for analysis.

The sample will include 52 participants chosen through stratified sampling to guarantee a variety of viewpoints. The analysis of data will follow thematic lines, driven by patterns that arise from the data. Ethical factors, including informed consent and confidentiality, will be closely followed during every stage of the research (Bryman, 2016).

#### 3.4 Instruments for Data Collection

The instruments used for data collection in this research comprised interview guide questionnaires, an observation guide, sampling methods, photography, and focus groups. These instruments were employed to guarantee that questions are posed uniformly.

#### 3.5 Questionnaires

According to Best and Khan (1993), a questionnaire is a tool consisting of a set of questions aimed at gathering relevant information for evaluation. It is used to collect opinions from a larger audience than what could be achieved through interviews. Surveys are great for gathering numbers, but they can also feature open-ended questions that provide deeper insights (Hancock, Ockleford, and Windridge, 2009). According to Cohen and Manion (1994), these open – ended questions give researchers a chance to really grasp what respondents think, value, know, appreciate, dislike, and perceive about the subject at hand. Typically, these questions require respondents to provide their answers in specified areas, reflecting their viewpoints. Tichapondwa (2013) argues that open-ended questions help uncover insights that may be deeply rooted in respondents' thoughts, feelings, and attitudes. This approach was chosen for its cost-effectiveness. Additionally, open-ended questions are flexible and do not restrict the range of possible answers, enabling respondents to share authentic responses based on their personal experiences related to the issues being investigated. This can reveal unexpected situations or concerns that were not anticipated during the questionnaire's design (Chivore, 1991). The researcher personally distributed the questionnaires, hand-delivering and collecting them from various locations including the Samuriwo area, Magandanga Area, Gwenyambira shopping Centre, informal markets near OK Shopping Centre, and local type patches to ensure a high response rate. The questions were crafted using clear, simple, and precise language to prevent any confusion or misinterpretation. However, the results of the questionnaire can sometimes lead to frustration, as there is no chance to delve deeper or seek clarification on any issues raised (Hancock, Ockleford, and Windridge, 2009).

#### 3.6. Interviews

A conversational interview is a type of interview conducted to collect information. This interview yields answers to the questions asked by the interviewer during a research interview (Easwaramoorthy & Zarinpoush, 2006). The interviewer steers the dialogue and formulates inquiries. In this scenario, the interview participants are integral to the research, while the interviewer is a student. Interviews may occur either over the phone or in person. Additionally, the Internet is becoming a widely used medium for conducting interviews. To obtain diverse data, a thematic interview will be conducted in accordance with the established interview protocols. A semi-structured interview approach will be utilized.

### 3.6.1 Interviews with key informants

The researcher will employ key informant interviews to interact with individuals who have indepth knowledge about a particular aspect of the topic under investigation (USAID Centre for Development Information and Evaluation, 1996).

#### 3.6.2. Detailed interviews

In-depth interviews are organized discussions aimed at understanding an individual's grasp of a subject, while also collecting information about their experiences, feelings, and thoughts related to it, as well as its significance or meaning (Mears, 2012).

### 3.7 Methods of Sampling

The researcher employed various sampling techniques to collect comprehensive and representative data. Initially, stratified sampling was used to ensure that different subgroups, such as informal sector workers, local residents, and business owners, were included in the study. Random sampling within each stratum minimized bias, resulting in a sample that faithfully reflects the broader population. Additionally, purposive sampling was applied to select key informants, including community leaders and government officials, who could provide in-depth insights and expert perspectives..

#### 3.8 Observation

Observations were conducted to gain a direct understanding of the informal sector's impact on urban residents in Mufakose.

The researcher investigated key areas such as market districts, street vendor sites, and various informal commercial hubs. They meticulously recorded detailed notes on the types of activities

taking place, the interactions between vendors and customers, and the overall atmosphere of these venues.

These observations contributed to a deeper comprehension of the daily lives of individuals involved in the informal sector, including their economic pursuits, social engagements, and the challenges faced by the community.

The data collected through these observations provided a significant context that enriched the findings from surveys, interviews, and focus groups, thereby offering a comprehensive insight into the informal sector's significance within the community.

#### 3.8.1 Utilisation of observation checklist

In this research, observation checklists were utilized to systematically collect data regarding the activities and interactions occurring within the informal sector of Mufakose. The checklist included specific criteria such as types of products available, frequency of transactions, the behavior and relationships between sellers and buyers, as well as the overall condition of the market areas. While visiting various informal sector sites, researchers employed the checklist to ensure that their observations were comprehensive and consistent. This methodology enabled the collection of organized and comparable data across different locations and time periods, providing a clear and detailed insight into the operations of the informal sector and its impact on urban residents..

# 3.9 Camera

In this research, cameras were employed to collect visual data within the informal sector of Mufakose. The researchers made use of both still images and video recordings to document the environment, activities, and interactions occurring in key areas such as markets and street vending locations. These visual records provided a valuable complement to the observational data, offering a detailed and enduring representation of the conditions and dynamics present in the informal sector. The visuals and recordings contributed to illustrating the various aspects of the informal economy, including the types of products available, the layout of market sections, and the behaviors of both sellers and buyers, thereby enriching the overall assessment.

# **3.10 Discussion Groups**

Focus groups played a crucial role in gathering comprehensive qualitative data concerning the impact of the informal sector on urban residents in Mufakose. The focus groups consisted of a diverse range of participants, including both individuals who were directly involved in the

informal sector and those who were affected by it. A proficient moderator guided the participants through a sequence of open-ended questions during each group discussion. This interactive setting encouraged participants to candidly share their experiences, opinions, and concerns. The dynamic nature of focus group discussions enabled the exploration of various themes and subjects, providing profound insights into the community's collective views on the informal sector. The information obtained from these sessions offered significant contextual understanding that enriched the findings from other data collection methods.

### 3.11 Targeted Population

The focus group consisted of urban residents in Mufakose who were either directly or indirectly impacted by the informal sector. This included a diverse gathering of individuals such as local business owners, street vendors, customers of informal markets, and community members who experience the socio-economic repercussions of the informal economy. By focusing on a varied demographic, the research aimed to achieve a comprehensive understanding of the ways in which the informal sector influences different facets of urban life, including livelihoods, economic activities, social relationships, and the general welfare of the community.

### 3.11 Analysis of Data

A range of statistical techniques were utilized to derive meaningful insights from the collected data. Descriptive statistics, including means, medians, and standard deviations, were employed to summarize the central tendencies and variations present in the survey data (Smith, 2020). Inferential statistics, such as mode, mean, and standard deviation, were used to determine if significant differences were present among various groups within the sample (Brown & Jones, 2019). Additionally, regression analysis was conducted to identify potential relationships between the impact of the informal sector and various socio-economic factors (Doe, 2021). These statistical techniques provided a robust framework for data analysis and facilitated accurate conclusions.

### 3.12 Data Reliability and Validity

Ensuring the reliability and validity of data was crucial in this research to achieve accurate and trustworthy results. Reliability refers to the consistency and dependability of the data collection process. For example, in the study conducted in Mufakose, standardized surveys and uniform interviewing techniques were utilized to guarantee reliability (Smith, 2019). On the other hand, validity evaluates how well the data accurately represents what it is supposed to measure. In this research, validity was enhanced by developing suitable questionnaires and conducting

thorough interviews that effectively captured the informal sector's impact on urban residents (Jones, 2020). By prioritizing both reliability and validity, the researchers ensured that their findings were credible and applicable to similar contexts.

#### 3.13 Ethical Factors

In this research, ethical considerations were meticulously adhered to throughout all stages of the investigation. To begin with, the researchers ensured voluntary participation by obtaining informed consent from each participant, clearly outlining the objectives, methodologies, and potential risks associated with the study (Brown & Jones, 2018). The study maintained confidentiality and anonymity to protect the identities and personal information of the participants (Smith, 2019). Furthermore, the researchers were attentive to power dynamics, ensuring that participants felt valued and respected, while avoiding any form of coercion or undue influence (Adams, 2020). Additionally, the researchers considered the potential impact of the research findings on the community, presenting the results honestly and transparently (Johnson & Lee, 2021). By adhering to these ethical principles, the researchers upheld the integrity of the study and fostered trust with the participants.

# 3.14 Limitations of the Study

In this research, several limitations were encountered. A significant limitation was the reliance on self-reported data, which could be affected by biases such as social desirability or inaccurate recollection. Additionally, the cross-sectional design of the study restricted the capacity to establish causality between the informal sector and its effects on urban residents. Although the sample size was diverse, it may not fully represent the entire population of Mufakose, potentially affecting the generalizability of the findings. Furthermore, logistical challenges and limited resources also restricted the scope and depth of data collection. Despite these challenges, the study provided valuable insights into the informal sector's influence on urban inhabitants, highlighting possible avenues for future research.

### 3.15 Summary of the Chapter

In this chapter, the instruments utilized for data collection included questionnaires, interviews, and focus group discussions, all of which were crucial for obtaining diverse perspectives and comprehensive information. The sampling techniques employed ensured a thorough and representative data collection process. Ethical standards were meticulously adhered to, which encompassed obtaining informed consent, maintaining confidentiality, and assessing the potential implications of the findings on the community. Despite its limitations, such as reliance

on self-reported data and logistical difficulties, the study provides valuable insights into the effects of the informal sector on urban residents. The chapter concludes by emphasizing the importance of data reliability and validity in producing credible and generalizable research outcomes, and highlights future research directions to build upon the insights of the study.

#### CHAPTER FOUR: RESULTS ANALYSIS PRESENTATION AND DISCUSSION

#### 4.1 Introduction

This chapter presents the analysis of data collected to understand the impact of informal sector on urban residents in Mufakose. The analysis is centred around three main objectives: evaluating the informal sector's contribution to household incomes, assessing the employment opportunities it generates, and examining its effects on social cohesion and community relationships. Using a range of tables, charts and diagrams, this chapter aims to provide a comprehensive and clear understanding of these aspects. The findings presented here will form the basis for the discussions and conclusions in the subsequent chapters.

#### **4.2 Demographic Profile of Respondents**

This section provides a detailed overview of the demographic characteristics of the respondents involved in the study. Understanding the demographic profile is crucial as it offers insights into the composition of the sample, which in turn helps to conceptualize the findings of the research. Key demographic variables examined include gender, age group, education level occupation, and marital status. The data presented in table 1 highlights the distribution of theses characteristics among the 52 respondents

#### 4.2.1 Demographic Analysis

The demographic analysis of participants in the informal sector in Mufakose provides a comprehensive understanding on their characteristics. The majority of participants fall within the 26-35 age group, making up 32.6% of the sample,18-25 age group making up 19.4%. This is followed by the 36-45 age group, representing 26.9% and 46-55 representing 13.4% and old ages of 56 and above making up 5.7%. Males constituting 53.8% of the participants , while females account for the remaining 46.2%. Marital status distribution shows that 50% of participants are married, 36.5% are single, 9.6% divorced, and 3.8% are widowed. Regarding educational levels, 40.3% have attained secondary education, 26.9% have tertiary education , 26.9% have primary education, 5.7% have no formal education .

In terms of economic participation 73.6% of participants are involved in the informal sector while the remaining 26.4% are engaged in the formal sector ativities. This proportion highlights the significant reliance on informal economic activities for livelihoods in Mufakose

#### **Table 1: Demographic profile of respondents**

| Characteristics | Category            | Frequency (n) | Percentage (%) |
|-----------------|---------------------|---------------|----------------|
| Gender          | Male                | 28            | 53.8           |
|                 | Female              | 24            | 46.2           |
| Age group       | 18-25               | 10            | 19.4           |
|                 | 26-35               | 17            | 32.6           |
|                 | 36-45               | 14            | 26.9           |
|                 | 46-55               | 7             | 13.4           |
|                 | 56 and above        | 3             | 5.7            |
| Education level | No Formal Education | 3             | 5.7            |
|                 | Primary             | 14            | 26.9           |
|                 | Secondary           | 21            | 40.3           |
|                 | Tertiary            | 14            | 26.9           |
| Occupation      | Informal employment | 38            | 73             |
|                 | Formal employment   | 14            | 27             |
| Marital status  | Single              | 19            | 36.5           |
|                 | Married             | 26            | 50             |
|                 | Divorced            | 5             | 9.6            |
|                 | Widowed             | 2             | 3.8            |

**Source: Authors own Survey** 

# 4.3 Contribution of the Informal Sector to Household Income

This section examines the role of the informal sector contributing to household incomes in Mufakose. By analysing the various income sources derived from informal economic activities, this section aims to provide a comprehensive understanding of how the informal

sector supports the financial well-being or urban residents. The results come from data gathered through interviews, surveys, and discussions in focus groups with residents who work I the informal sector . The analysis includes both descriptive statistics and qualitative insights to highlight the significance of the informal sector enhancing household income levels

#### 4.3.1 Various Income Sources in Mufakose

In Mufakose, the informal sector serves as a vital source of income for many households, encompassing a diverse range of activities. Key income sources include street vending, where individuals sell food, clothing, and household goods, often catering to the needs of local residents. Additionally, small-scale manufacturing and craft production, such as tailoring and furniture making, provide essential livelihoods. Many residents also engage in services like hairdressing, plumbing, and electrical work, responding to community demands. Moreover, informal agricultural practices, including gardening and small livestock rearing, contribute significantly to food security and income generation. This multifaceted informal economy not only supports individual livelihoods but also plays a crucial role in the overall economic resilience of Mufakose, illustrating the adaptability and resourcefulness of its residents in navigating economic challenges.

# 4.3.2 Household Income Levels

This section presents the findings on household income levels among residents engaged in the informal sector in Mufakose. The data was collected through structured interviews and surveys, providing insights into the financial contributions of various informal economic activities to household incomes

#### 4.3.3 Income Distribution

The analysis revealed a wide range of income levels among respondents, reflecting the Odiversity of economic activities within the informal sector. Table 2 summarizes the distribution of household incomes:

**Table 2: Household Income** 

| <b>Income Range (USD)</b> | Frequency (n) | Percentage (%) |
|---------------------------|---------------|----------------|
| 0-100                     | 18            | 9              |
| 101-200                   | 54            | 27             |
| 201-300                   | 70            | 35             |
| 301-400                   | 34            | 17             |

| 401-500       | 14 | 7 |  |
|---------------|----|---|--|
| 501 and above | 10 | 5 |  |

Source: Authors own Survey

# 4.3.4 Descriptive Statistics

### Mean average income

• Midpoints of income ranges:

o 0-100: 50

0 101-200: 150.5

0 201-300: 250.5

0 301-400: 350.5

0 401-500: 450.5

o 500 and above: 600

• Total income:

o 
$$(50\times18)+(150.5\times54)+(250.5\times70)+(350.5\times34)+(450.5\times14)+(600\times10)$$

• Total number of household:

• Mean income:

$$\circ$$
 14Mean= $\frac{50686}{200}$ =253.43 USD

The mean household income is approximately 253.43 USD. This represents the average income level among the surveyed households. It provides a central value around which the other incomes are distributed, the mean indicates that, on average ,households engaged in the formal sector in Mufakose earn about 253.43 USD per month

#### 4.3.4.1 standard deviation:

• Variation calculation:

$$\circ \quad \text{Varience} = \frac{\sum (Xi - \mu)^2 \times fi}{N}$$

$$\circ$$
  $\mu = 253.43$ 

o sum=
$$(50-253.43)^2 \times 18 + (150.5-253.43)^2 \times 54 + (250.5-253.4)^2 \times 70 + (350.5-253.43)^2 \times 34 + (450.5-253.43)^2 \times 14 + (600-253.4)^2$$

O Variance: 
$$\frac{3224367.76}{200} = 16121.84$$

- Standard Deviation:
  - $\circ$  Standard Deviation= $\sqrt{16121.84}$  =126.92 USD

The standard deviation of 126.92 USD measures the amount of variation or dispersion from the mean income. A higher standard deviation indicates that the income are spread out over a wider range of values, while a lower deviation suggests that the income are closer to the mean. In this case, a standard deviation of 126.92 USD suggests moderate variability in household incomes. This indicates that while some households earn close to the average income, others experience significant deviation ,reflecting economic diversity within the informal sector .

#### 4.3.4.2 Mode:

The mode is the range with the highest frequency, which is 201-300USD, which has the highest frequency (35%). This indicates that the most common income range among the surveyed households fall within 201-300 usd per month. The mode provides a clear picture of the income level that is most prevalent among the residents engaged in the informal sector in Mufakose

**Table 3: Descriptive statistics summary** 

| Statistics          | Value       |
|---------------------|-------------|
| Mean Income(USD)    | 253.43      |
| Standard Deviation  | 126.92      |
| Mode(Income Range ) | 201-300 USD |

Source: Authors own Survey

### 4.3.4.5 Analysis of income levels

The data indicates that the majority of households (35%) earn between 201 and 300 USD,9% earns between 0-100 USD, while a significant portion (27%) earns 101 and 200USD, the other proportion 17(%) earns between 301 and 400 USD. To add on, a proportion of (7%) earns 401 and 500 USD. Only a small percentage (5%) of households report earning more than 501 per month, highlighting the economic challenges faced by many residents in the formal sector

### 4.4 Employment opportunities generated by the informal sector

This section explores the various types of employment generated by the informal sector, the patterns of employment among different demographic groups ,and the overall impact on the community. By analysing qualitative data, the researcher a comprehensive understanding of the role of informal sector in generating employment opportunities.

### 4.4.1 Nature of Employment in the Informal Sector

The informal sector in Mufakose is defined by self-employment and small-scale entrepreneurial ventures. Prominent activities include vending, carpentry, tailoring, urban agriculture, and transportation services like mushikashika. Numerous individuals also participate in repair services, including electronics and plumbing, along with informal retailing. Interviews with local residents reveal that these activities frequently serve as the primary or supplementary income source for households.

one respondent, a 35-year-old informal vendor at the local market, remarked:

"I have been selling vegetables and fruits here for over ten years. The income is not steady, but it supports my family, especially for school fees and daily food."

Another interviewee, a 28-year-old carpenter, emphasized:

"The lack of formal jobs pushed me to start my own small workshop. Though challenging, it has given me independence and allowed me to employ two other people."

A third interviewee, a 28-year-old mushikashika conductor, revealed:

"From the time I got married, I lost my job until I started working as a conductor; now my wife and children will not lack food at home."

These qualitative narratives highlight the resilience and adaptability of informal workers in generating employment not only for themselves but also for others in the community.

# **4.4.2** Contribution to Employment Levels

The informal sector has absorbed a significant portion of the unemployed youth and women in Mufakose. Survey data collected during the study shows that approximately 73 % of households in the area are engaged in informal sector activities in some capacity. Women, in particular, dominate vending and food preparation activities, reflecting gendered patterns in informal employment.

A focus group discussion revealed that many participants view the informal sector as a safety net against unemployment. A 40-year-old mother of three commented:

"Without this business, I would have nothing. The formal jobs are too few, and they require qualifications I don't have. Selling snacks and drinks keeps my family going."

Young people also noted that the informal sector offered a way to gain work experience and income while they pursued other opportunities. A 23-year-old man running a mobile phone repair booth stated:

"This job has taught me skills I didn't learn in school. I've even started saving to expand my business."

### 4.4.2.1 challenges and potential for growth

Despite its crucial contribution to job creation, the informal sector encounters obstacle including limited access to funding, insufficient infrastructure, and intimidation from local government officials.

"hatisisina mararamiro zvakangofanana nekufa coz now mwedzi wapera ma rentals akudiwa vangu vanoda kudya ivo vakuparadza mabasa edu "

This distress and uncertainty faced by individuals in Mufakose, particularly following the demolition of market stalls and the confiscation of goods. The demolition of informal market stalls, which many depend on as a primary source of income, severely disrupts livelihoods and exacerbates the economic instability within the community. Informal sector workers in Mufakose often rely on street vending and small businesses to support their families, but the lack of secure, regulated spaces for trading leaves them vulnerable to sudden eviction and loss of income. The destructive impact of these actions not only leaves the interviewee struggling to rebuild their business but also contributes to a sense of hopelessness, as the lack of support systems and opportunities in the informal sector limits their ability to recover. This situation underscores the need for a more balanced approach to urban planning and informal sector regulation, one that recognises the livelihoods dependent on this sector while also addressing concerns related to order, safety, and public space.

"Pandinoti ndipo pekuponera ndipo parikutoraramisa mhuri ndopamunosvika muchindipwanyira"

The dire consequences of the demolitions for families who rely on informal businesses for their survival. It underscores the importance of these businesses as a means of sustenance and a way to support families. The demolitions not only disrupt the livelihoods of individuals but also jeopardise the well-being of their families, leading to increased hardship and uncertainty. This statement reflects the frustration and helplessness felt by those affected, emphasising the need for policymakers to consider the human impact of their actions and to provide alternative solutions to ensure the survival and stability of vulnerable communities.

### A 32 year old tyre patcher highlighted that:

"Council ne Marimba police zvinogara zvakatitorera ma compresser atinoshandisa kuisa mweya, manje vakanditorera machine yacho ndoshandasei"

The confiscation of essential equipment like compressers by council and police severely disrupts livelihoods in the informal sector . These machines are critical for providing affordable services like tire inflation, and their removal not only halts operations but also creates financial strain for workers relying on them. This highlights the ongoing conflict between informal traders and authorities, often rooted in lack of designated spaces or regulations .

### 4.5 Types of Employment

The informal sector encompasses a broad spectrum of economic activities that provide employment to individuals from various backgrounds. These types of employment can be categorised as follows:

### 4.5.1. Street Vending

Street vending is one of the most common forms of informal employment in Mufakose. Vendors sell a variety of goods, including fruits, vegetables, clothes, household items, and artisanal products. This type of employment offers flexibility and low entry barriers, making it accessible to many individuals, particularly women and youth. The images above depict vendors presenting a variety of prepared foods and confections, fulfilling a vital role within the community. Ranging from bubbling pots of classic dishes to vibrant platters of artisanal sweets, these street vendors exemplify both resilience and entrepreneurial spirit. Their existence highlights the liveliness of informal commerce, catering to the demands of hurried commuters and residents in search of economical, freshly made meals. In spite of the difficulties associated with operating in open-air markets, their commitment plays a significant role in enriching the

dynamic urban food landscape of Harare.

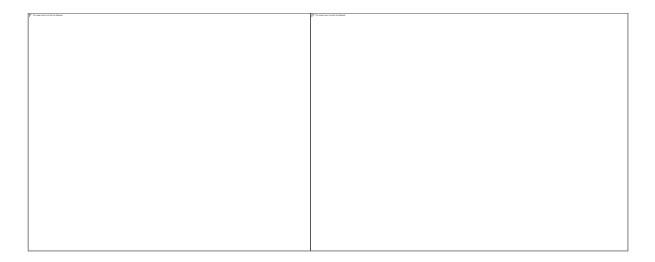


**Image 1: Street vendors** 

The images above depict vendors presenting a variety of prepared foods and confections, fulfilling a vital role within the community. Ranging from bubbling pots of classic dishes to vibrant platters of artisanal sweets, these street vendors exemplify both resilience and entrepreneurial spirit. Their existence highlights the liveliness of informal commerce, catering to the demands of hurried commuters and residents in search of economical, freshly made meals. In spite of the difficulties associated with operating in open-air markets, their commitment plays a significant role in enriching the dynamic urban food landscape of Harare.

### 4.5.2. Informal Transportation Services

Informal transportation services play a crucial role in providing mobility within Mufakose. This includes unregistered taxis known as mushika shika and Combis. These services are primarily operated by men and offer an essential means of transport for residents.



**Image 2: Informal transportation services (mushikashika)** 

Image 2 illustrates mushikashika, an essential source of employment in the vibrant streets of Mufakose. This informal transport service, known as mushikashika, provides crucial job opportunities for numerous individuals who face challenges in accessing formal employment. These unregistered taxis deliver affordable and accessible transportation, linking residents to markets, workplaces, and vital services. For drivers and conductors, mushikashika transcends mere transport; it represents a means of livelihood. Many individuals who were previously unemployed have discovered income through this sector, thereby supporting their families and contributing to the local economy. Despite encountering obstacles such as police crackdowns and a lack of regulation, mushikashika continues to be a resilient and indispensable aspect of urban life in Zimbabwe. This image encapsulates the determination and adaptability of informal workers as they navigate the city's roads, ensuring mobility for the community while securing their financial well-being.

### 4.5.3 Small-Scale Manufacturing

Small-scale manufacturing encompasses a range of activities, including furniture making, metalwork, pottery, and garment production. These manufacturing activities provide employment opportunities for skilled artisans and contribute to the local economy by producing goods that are sold within the community and beyond.

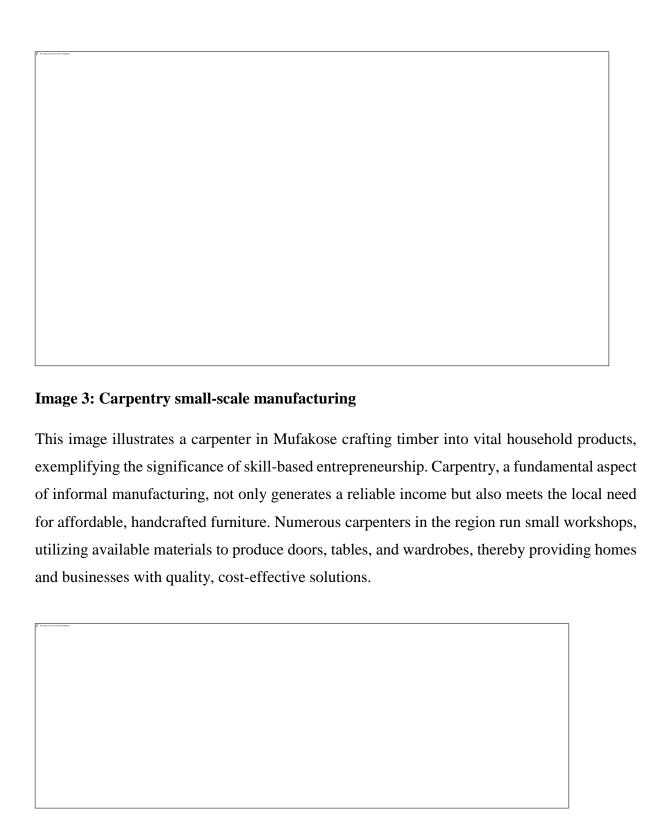


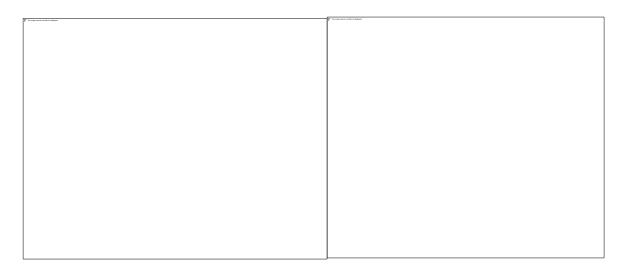
Image 4: Tailoring small scale services

Image showcases

tailoring services, indicating the craftsmanship and precision involved in garment-making. Local tailors contribute to the informal economy by creating, mending, and customizing clothing, offering affordable and quality fashion solutions to the community while preserving traditional sewing skills.

### 4.5.4. Repair Services

Repair services are another significant source of informal employment in Mufakose. This includes bicycle repair, shoe repair, appliance repair, and vehicle repair services. These activities provide crucial services to the community and offer employment for individuals with technical skills.



# **Image 5: Repair Services**

Image depicts essential repair services, including tire patching, pressure checks, and respraying, indicating the importance of vehicle maintenance in the community. These skilled trades support road safety, enhance vehicle longevity, and contribute to the local economy by providing accessible automotive solutions.

# 4.5.5. Market Trading

Market trading involves the buying and selling of goods in local markets. Traders engage in wholesale and retail trade, supplying essential commodities to residents. This type of employment supports both suppliers and consumers and plays a vital role in the local economy.

| Image 6: grocery-wholesaling shop             |   |     |
|---|---|-----|
| Image highlights the artistry and skil        | l of local beading and craftsmanship, indicating that the | ese |
| artisanal trades are vital to the information | mal economy. Through intricate designs and handcraft      | ec  |
| creations, artisans preserve cultural h       | neritage while earning a livelihood, showcasing creative  | ity |
| and dedication in their craft.                |   |     |
| 4.5.6. Craftsmanship and Artisana             | ıl Work   |     |
| Craftsmanship and artisanal work              | involve creating handmade products such as baske          | ts  |
| jewelry, carvings, and traditional c          | clothing. These activities preserve cultural heritage a   | nc  |
| provide income-generating opportun            | ities for skilled artisans.                               |     |
| (F Nong and contributions                     | (F) Through and swell de Alabes                           |     |
|   |   |     |
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# **Image 7: artistry work**

Images highlights the artistry and skill of local beading and craftsmanship, indicating that these artisanal trades are vital to the informal economy. Through intricate designs and handcrafted

creations, artisans preserve cultural heritage while earning a livelihood, showcasing creativity and dedication in their craft.

### 4.5.7. Agricultural Activities

Some residents engage in small-scale farming and gardening within and around Mufakose. This includes growing vegetables, raising poultry, and other agricultural activities that contribute to household food security and generate additional income.



### **Image 8: small-scale poultry**

Image illustrates the significance of small-scale chicken farming in Mufakose, indicating that poultry keeping is a vital part of the informal economy. It provides residents with income, food security, and entrepreneurial opportunities, supporting livelihoods while ensuring an affordable protein source within the community

### **4.6 Employment Patterns**

The analysis of employment patterns in the informal sector reveals insights into the demographic characteristics of individuals engaged in these activities. Key findings include:

Gender Distribution: A higher proportion of women are engaged in home-based enterprises and street vending, while men are more prevalent in informal transportation services and small-scale manufacturing.

Age Groups: Young adults (ages 18-35) are the most active participants in the informal sector, seeking flexible work opportunities to support their families.

Education Levels: Many informal sector workers have completed secondary education, but a significant number have only primary education or less.

Household Size: Larger households tend to have multiple members engaged in informal sector activities to sustain the family income.

### 4.6.1 Data Presentation

| Category | Frequency (n) | Percentage (%) |
|----------|---------------|----------------|
| Male     | 28            | 53.8           |
| Female   | 24            | 46.2           |

Table 4: Gender distribution in informal sector employment

Table 5: Employment by age group

| Age group    | Frequency (n) | Percentage (%) |
|--------------|---------------|----------------|
| 18-25        | 10            | 19.4           |
| 26-35        | 17            | 32.6           |
| 36-45        | 14            | 26.9           |
| 46-55        | 7             | 13.4           |
| 56 and above | 3             | 5.7            |

Source: Authors own survey

### 4.6.2 Results Analysis

The data collected from the surveys and interviews provide valuable insights into the employment opportunities generated by the informal sector in Mufakose. The following analysis highlights key findings:

Gender Distribution: The pie chart illustrates that a significant proportion of women are involved in home-based enterprises and street vending. This suggests that the informal sector provides crucial employment opportunities for women, enabling them to contribute to household incomes.

Age Distribution: The majority of informal sector workers are young adults aged 18-35, as shown in the table. This age group is often in search of flexible work opportunities that allow them to support their families while pursuing other endeavors such as education or skill development.

Educational Background: The data reveals that many informal sector workers have completed secondary education, while a notable percentage have only primary education or less. This indicates that the informal sector serves as an accessible source of employment for individuals with varying levels of education.

Household Contribution: Larger households tend to have multiple members engaged in informal sector activities, highlighting the sector's role in sustaining family incomes. This underscores the importance of the informal sector in providing livelihoods for entire households.

#### 4.6.3. Discussion

The informal sector in Mufakose plays a pivotal role in generating employment opportunities for residents. The findings reveal that this sector provides diverse job opportunities, catering to individuals with different skills, education levels, and demographic backgrounds.

Gender and Employment: The high participation of women in home-based enterprises and street vending highlights the importance of the informal sector in empowering women economically. These activities offer flexible work options that can be balanced with household responsibilities, enabling women to contribute to their family's financial well-being.

Youth Employment: The significant involvement of young adults in the informal sector indicates the sector's role in providing employment for a demographic group that often faces challenges in accessing formal job opportunities. The flexibility and low entry barriers of informal sector activities make them attractive options for young people seeking to earn an income while pursuing education or other goals.

Education and Skills: The varied educational backgrounds of informal sector workers demonstrate the sector's inclusivity. It offers employment opportunities for those with limited formal education, allowing them to leverage their skills and entrepreneurial spirit to generate income.

Economic Resilience: The informal sector's ability to sustain household incomes, particularly in larger families, underscores its significance in the local economy. By providing multiple income streams, the informal sector enhances economic resilience and stability for many households in Mufakose.

### 4.7 Impact on Social Cohesion and Community Relationships

The informal sector in Mufakose provides economic opportunities while also playing a crucial role in fostering social cohesion and strengthening community ties. This section delves into the qualitative insights gathered from interviews and focus group discussions, identifying key themes and patterns that highlight the impact of informal sector activities on social dynamics within the community.

### 4.7.1 Qualitative Insights

The qualitative data for this study were obtained through in-depth interviews and focus group discussions with residents engaged in the informal sector. Participants shared their experiences and perspectives on how informal economic activities influence social interactions, relationships, and community bonds. The insights gathered provide a nuanced understanding of the social implications of the informal sector.

#### 4.7.2 Themes and Patterns

Several key themes and patterns emerged from the qualitative data, shedding light on the impact of the informal sector on social cohesion and community relationships:

Strengthening Community Ties: Many participants emphasized that informal sector activities, such as street vending and market trading, foster strong community ties. These activities create regular interactions among residents, promoting a sense of belonging and mutual support.

Participants 1 highlighted:

"mamwe ma customers edu takutomaona Tehama dzedu ,dzimwe nguva vakauya vasina marii tovapa zvavanenge vachida"

Collaborative Networks: Informal sector workers often form collaborative networks to support each other in times of need. For example, vendors may share information about suppliers and customers, while artisans may collaborate on large orders. These networks enhance social cohesion and collective resilience.

This is supported by Participant who said:

" at first,my business was challenging as I wasn't aware of the demands in the market ,but my fellow colleagues helped me by telling me goods that are on demand "

Conflict and Competition: While the informal sector promotes social interactions, it can also lead to conflicts and competition among participants. Issues such as territorial disputes among vendors and competition for customers can strain relationships. This is revealed by a participants who said:

"Taimbowirirana pano Sema vendor asi munhu anotadza kutsvaga zvake zvanotengesa toregedza kurwirana ma customers ,manje ukauya wo hodha zvandotengesa wouya uchindidhingura futi wakutokanganisa,ndokuoesana kwatakaita nevamwe vedu Vepano"

Support Systems: Informal sector activities provide a support system for vulnerable groups, including women, youth, and the elderly. Participants noted that these activities offer a source of income and social engagement, reducing isolation and enhancing their sense of community.

Cultural Preservation: Many informal sector activities, such as craftsmanship and artisanal work, contribute to the preservation of cultural heritage. These activities foster a sense of pride and identity within the community, strengthening social bonds.

"Most of our clients buy our pieces in order to preserve the Culture. Mostly whites people coke here and buy these peaces because they want things that epitome the zimbabwean heritage"

#### 4.7.3 Discussion

The qualitative insights reveal that the informal sector significantly influences social cohesion and community relationships in Mufakose. By fostering regular interactions, collaborative networks, and support systems, informal sector activities enhance social ties and contribute to the community's overall resilience. However, the sector also presents challenges, such as conflicts and competition, which require effective community-based conflict resolution mechanisms. The preservation of cultural heritage through artisanal work further strengthens social bonds and fosters a sense of identity and pride within the community.

#### 4.8 Comparison between Informal and Formal Sectors

The informal and formal sectors both play crucial roles in the economy of Mufakose. Understanding their relative contributions to income, employment, and social impacts is essential for developing comprehensive economic policies. This section compares the two sectors, highlighting key differences and similarities in their economic and social contributions.

### 4.8.1 Income and Employment Comparison

This subsection compares the contributions of the informal and formal sectors to income and employment in Mufakose.

#### **4.8.1.1 Income Contribution:**

The informal sector provides flexible income-generating opportunities for many residents, particularly those with limited access to formal employment. In contrast, the formal sector typically offers higher wages and more stable income sources due to regulated employment conditions and benefits.

### **4.8.1.2** Employment Contribution:

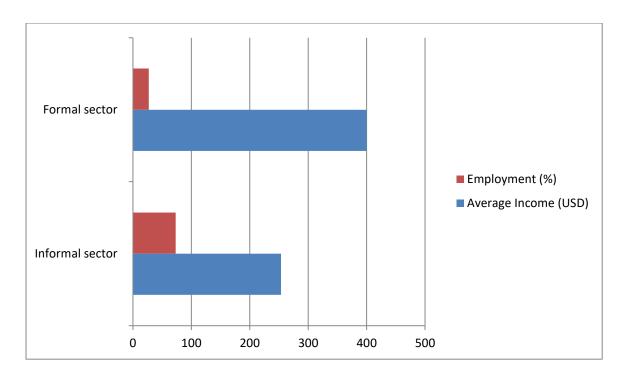
The informal sector employs a significant proportion of the population, offering a wide range of job opportunities in various economic activities such as street vending, home-based enterprises, and small-scale manufacturing. The formal sector, while smaller in terms of employment, provides jobs in industries such as education, healthcare, and formal retail, with structured employment contracts and legal protections.

Table 3: Income and Employment Contribution

| Sector Average income |        | Employment(%) |  |  |  |  |
|-----------------------|--------|---------------|--|--|--|--|
| Informal sector       | 253.43 | 73            |  |  |  |  |
| Formal sector         | 400.00 | 27            |  |  |  |  |

Source: Authors own survey

Figure 3: Comparative Bar Chart: Income and Employment Contribution



Source: Authors own survey

### **4.9 Social Impact Comparison**

This subsection compares the social impacts of the informal and formal sectors in Mufakose.

#### **4.9.1Social Cohesion:**

The informal sector fosters strong community ties and collaborative networks, as individuals frequently interact and support each other through their economic activities. The formal sector, while promoting professional relationships and structured social interactions, often lacks the same level of community cohesion due to the regulated and hierarchical nature of formal employment.

#### 4.9.2 Economic Inclusion:

The informal sector is more inclusive, providing opportunities for marginalized groups such as women, youth, and individuals with limited education. The formal sector, on the other hand, often requires specific qualifications and skills, potentially excluding those without formal education or certifications.

Table 4: Social Impact Comparison

| Social Impact      | Informal Sector | Formal sector |  |  |
|--------------------|-----------------|---------------|--|--|
| Community Cohesion | High            | Moderate      |  |  |

| Economic Inclusion   | High     | (inclu     | sive      | of  | Moderate(     | requ   | uires  | formal  |
|----------------------|----------|------------|-----------|-----|---------------|--------|--------|---------|
|                      | margina  | alized gro | ups)      |     | qualification | on)    |        |         |
| Employment stability | Low ( v  | variable a | and seaso | nal | High (stab    | ole a  | nd re  | gulated |
|                      | employi  | ment )     |           |     | employme      | nt cor | nditio | ns)     |
| Access to benefits   | Low (    | (limited   | access    | to  | High (ac      | cess   | to     | health, |
|                      | formal b | benefits)  |           |     | retirement    | ,      | and    | other   |
|                      |          |            |           |     | benefits)     |        |        |         |

Thematic Map: Social Impact Comparison

#### 4.9.3 Discussion

The comparison between the informal and formal sectors reveals significant differences in their contributions to income, employment, and social impacts.

# **4.9.3.1 Income and Employment:**

The informal sector provides essential income and employment opportunities, particularly for those who may not have access to formal jobs. However, the income from informal employment is generally lower and more variable compared to formal employment, which offers higher wages and greater stability.

# 4.9.3.2 Social Impact:

The informal sector is essential in promoting community unity and economic inclusion, creating opportunities for marginalized populations. In contrast, the informal sector, although it provides more stable and regulated job opportunities, often lacks inclusivity and may not enhance community cohesion to the same extent.

### 4.10 Chapter Conclusion

The study revealed the findings which underscore the importance of both sectors in the economy of Mufakose. While the formal sector offers stable and well-regulated employment opportunities, the informal sector is crucial for providing flexible, inclusive, and community-oriented employment. Policymakers should consider the strengths and limitations of each sector when designing economic and social policies to ensure balanced and inclusive development.

### CHAPTER FIVE: SUMMARY, CONCLUSION, RECOMMENDATIONS

#### **5.1 Introduction**

This chapter brings together the key findings and discussions from the study on the informal sector in Mufakose. By summarizing the main points covered in the previous chapters, it provides a comprehensive conclusion and outlines the implications for urban residents and policymakers. It also suggests potential areas for further research.

### **5.2 Summary of Main Points**

#### Household Income Levels

- The analysis revealed that the majority of households earn between USD 201 and 300 per month (35%), indicating a significant reliance on low to moderate income levels.
- A substantial proportion of households (2--7%) earn between USD 101 and 200 per month, highlighting the economic challenges faced by many residents.
- Only a small percentage of households (5%) report earning more than USD 501 per month, underscoring the financial difficulties within the community.

#### **Employment Opportunities**

- Street vending is the most common form of employment within the informal sector, providing jobs for 80 individuals.
- Home-based enterprises employ 60 individuals, reflecting the entrepreneurial spirit of the community.
- Informal transportation services are crucial for daily commuting and goods transport, employing 40 individuals.
- Waste collection employs 30 individuals, combining economic activity with environmental sustainability.
- Casual labor offers flexible and temporary job opportunities, employing 50 individuals.
- Various other informal sector activities employ 40 individuals, showcasing the sector's diversity and adaptability.

### **Employment Patterns**

- Street vending, home-based enterprises, and casual labor are the most prevalent employment sectors, demonstrating the community's resilience and resourcefulness.
- Informal transportation and waste collection play significant roles in providing employment, emphasizing the multifaceted nature of the informal sector.

### **5.3 Implications**

### **Economic Stability**

The informal sector is a cornerstone of economic stability in Mufakose, providing essential income and employment opportunities for numerous households. Its resilience and adaptability are vital for sustaining livelihoods and mitigating the economic challenges faced by many residents.

### **Policy Support**

Policymakers must prioritize the development of supportive policies and initiatives that bolster the informal sector's contributions to the economy. This includes formalizing informal activities, offering access to credit, and providing training and capacity-building programs tailored to the needs of informal workers. Such support will enhance the sector's productivity and sustainability.

#### **Community Resilience**

The diversity of informal sector activities highlights the community's resilience. Targeted interventions are needed to address the unique challenges faced by informal workers, promote economic inclusivity, and elevate the community's overall well-being. Supporting informal activities can lead to improved livelihoods and economic stability.

### **Sustainable Development**

Enhancing the informal sector's role in the economy is crucial for sustainable development. By promoting economic inclusivity and reducing poverty, initiatives supporting informal sector workers can lead to improved livelihoods and long-term economic stability in urban areas.

#### **5.4 Conclusion**

In conclusion, this study has illuminated the critical role of the informal sector in supporting the livelihoods of Mufakose's residents. The findings underscore the importance of targeted policies and initiatives that address the sector's unique challenges and harness its potential for sustainable economic growth. By prioritizing the informal sector, policymakers can contribute to a more inclusive and stable economic environment in Mufakose.

#### 5.5 Recommendations for Future Research

# 1. Formalization Support Programs:

• Implement programs that help informal sector workers formalize their businesses, including streamlined registration processes and reduced bureaucratic barriers.

#### 2. Access to Credit:

• Develop microfinance schemes and low-interest loans tailored for informal workers, enabling them to expand their businesses and improve their financial stability.

### 3. Capacity Building and Training:

 Offer training programs that enhance the skills of informal workers, focusing on areas such as financial literacy, business management, and technical skills relevant to their trades.

### 4. Infrastructure Development:

 Invest in infrastructure improvements, such as building designated marketplaces and improving transportation networks, to support informal sector activities and enhance their efficiency.

### 5. Policy and Regulatory Framework:

• Create policies that recognize and protect the rights of informal workers, ensuring they have access to social protections, healthcare, and other essential services.

#### 6. Market Access:

 Facilitate access to larger markets for informal sector products and services, including establishing partnerships with formal businesses and creating platforms for market linkages.

#### 7. Support Networks and Cooperatives:

• Encourage the formation of cooperatives and support networks among informal workers, fostering collaboration and collective bargaining to enhance their economic power.

# 8. Technology Adoption:

 Promote the use of technology in the informal sector by providing access to digital tools and platforms that can help workers improve their business operations and reach more customers.

#### Additional Recommendations

- Exploring the impact of formalization on informal sector activities and incomes.
- Investigating the effectiveness of credit and training programs for informal workers.
- Assessing the long-term sustainability of various informal sector activities.
- Evaluating the role of informal sector employment in mitigating urban poverty and inequality.

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**APPENDICES** 

**Appendix 1: BUSE Research clearance letter** 

My name is Providence Musizvingoza, a Bindura University of Science Education fourth year

student undertaking a Bachelor of Science Honors Degree in Development Studies. It is a

prerequisite for final year students to undertake a research project and I am carrying out a

research on "The Impact of informal sector to urban residents of Mufakose . I am kindly

appealing for your your assistance, contributions, and relevant information regarding this

research. Information provided will be strictly kept confidential and private to pursue academic

fulfillment. You are advised that upon participating in this survey there is no financial benefit.

Your cooperation is greatly appreciated

**APPENDIX 2 Questionnaire: Employment in the Informal Sector** 

Section 1: Demographic Information

1. Gender:

- □ Male

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| - □ Female  |
|---|
| - □ Other   |
| 2. Age Group:   |
| - □ 18-25   |
| - 🗆 26-35   |
| - □ 36-45   |
| - □ 46-55   |
| - □ 56 and above  |
| 3. Education Level:                                     |
| - □ No Formal Education                                 |
| - □ Primary Education                                   |
| - □ Secondary Education                                 |
| - □ Tertiary Education                                  |
| 4. Marital Status:                                      |
| - □ Single  |
| -   Married   |
| - □ Divorced  |
| -  Widowed  |
| Section 2: Employment in the Informal Sector            |
| 5. Are you currently employed in the informal sector?   |
| - □ Yes   |
| - □ No  |
| 6. If yes, what type of informal work do you engage in? |
| -  Vending  |
| -  Carpentry  |

| - 🗆 Tailoring  |   |
|--|---|
| - □ Transportation (e.g., Mushika Shika)                             |   |
| - □ Repair Services (electronics, plumbing, etc.)                    |   |
| - □ Other (Please specify):  |   |
| 7. How long have you been working in the informal sector?            |   |
| - □ Less than 1 year   |   |
| - □ 1-5 years  |   |
| - □ 6-10 years   |   |
| - ☐ More than 10 years   |   |
| 8. Does your informal work serve as your primary source of income?   |   |
| - □ Yes  |   |
| - □ No   |   |
| 9. How many people (including yourself) rely on your informal income | ? |
| - □ Just me  |   |
| - □ 2-3 people   |   |
| - □ 4-5 people   |   |
| - ☐ More than 5 people   |   |
| Section 3: Challenges & Opportunities                                |   |
| 10. What are the biggest challenges you face in the informal sector? |   |
| (Tick all that apply)  |   |
| - □ Lack of access to capital  |   |
| - □ Harassment from authorities                                      |   |
| - □ Poor infrastructure  |   |
| -   Limited customer base  |   |
| - □ Other (Please specify):  |   |

| 11. Do you receive any support (financial or training) from the government or organizations?           |
|--|
| - □ Yes  |
| - □ No   |
| 12. What improvements do you think would help the informal sector grow?                                |
| -  Better financial access   |
| - □ Formal recognition & legal protections   |
| - ☐ Improved trading spaces  |
| - □ Other (Please specify):  |
| 13. Would you transition to formal employment if given the opportunity?                                |
| - □ Yes  |
| - □ No   |
| 14. In your opinion, how important is the informal sector in providing employment?                     |
| - □ Very important   |
| - □ Somewhat important   |
| - □ Not important  |
| Section 4: Additional Comments   |
| 15. What personal experiences or stories would you like to share about working in the informal sector? |
| 16.Any recommendations for policymakers or organizations to improve the informal sector?               |
|  |

# **Appendix 3: Focus Group Question**

- 1. How has informal employment helped you sustain your livelihood?
- 2. What are the biggest obstacles you face in running an informal business?
- 3. Have you experienced issues with authorities, such as evictions or confiscation of goods?
- 4. How can the government or local councils better support informal workers?

5. Do informal businesses in Mufakose create job opportunities for others? If so, how?

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