



# The Informal Sector in Urban South Africa: Dynamics and Implications for Business Engagement

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## Abstract

The urban informal sector in South Africa is a significant part of the economy, constituting an estimated 30% of GDP. A mixed-methods approach combining qualitative interviews with quantitative data analysis on small businesses. The informal sector employs nearly half (45%) of the urban workforce, with a notable presence in retail and food services. Businesses can enhance their operations by understanding the formalization strategies of informal sector workers. Develop targeted training programmes for informal sector businesses to facilitate transition into more formal structures.

**Keywords:** *African urbanism, Informal economy, Qualitative methods, Urbanization, Microfinance, Community-based development, Service provision, Economic resilience*

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