



# Informal Sector Dynamics and Legal Frameworks in Urban South Africa: A Comparative Analysis

Makgoba Mogae<sup>1,2</sup>, Sipho Motshega<sup>3,4</sup>, Kgosimiso Dlamini<sup>4</sup>

<sup>1</sup> Department of Interdisciplinary Studies, Cape Peninsula University of Technology (CPUT)

<sup>2</sup> Rhodes University

<sup>3</sup> Department of Advanced Studies, Rhodes University

<sup>4</sup> Department of Advanced Studies, Cape Peninsula University of Technology (CPUT)

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**Correspondence:** [mmogae@aol.com](mailto:mmogae@aol.com)

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## Author notes

*Makgoba Mogae is affiliated with Department of Interdisciplinary Studies, Cape Peninsula University of Technology (CPUT) and focuses on Law research in Africa.*

*Sipho Motshega is affiliated with Department of Advanced Studies, Rhodes University and focuses on Law research in Africa.*

*Kgosimiso Dlamini is affiliated with Department of Advanced Studies, Cape Peninsula University of Technology (CPUT) and focuses on Law research in Africa.*

## Abstract

Informal sector activities are a significant component of urban economies in South Africa, contributing substantially to employment and economic activity. The study employs comparative analysis of existing legislative documents and qualitative interviews with key stakeholders in the informal sector. A notable finding is that approximately 30% of urban employment in formal sectors relies on informal activities for income diversification, highlighting the interconnectivity between formal and informal economies. The analysis underscores the need for a more inclusive legal framework that supports both formal and informal sector actors to enhance economic stability and inclusiveness. Policy recommendations include the introduction of tax incentives for small businesses within the informal sector, alongside efforts to improve access to credit and training programmes.

**Keywords:** *African geography, Informal economy, Legal pluralism, Urbanization studies, Comparative jurisprudence, Street trade studies, Zoning laws*

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