

The Contributions Of Informal Traders To Community Development In Glenview 1 Suburb, Harare, Zimbabwe.

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Abstract:

This study explores the contributions of informal traders to community development in Glenview 1 suburb, Harare, Zimbabwe. Using a qualitative research method, the study employed semi-structured interviews and focus group discussions to gather data from 20 informal traders and 10 residents. The findings reveal that informal traders play a significant role in providing affordable goods and services, creating employment opportunities, and contributing to local economic growth. The study also highlights the challenges faced by informal traders, including lack of resources, infrastructure, and legal protection. The study underscores the importance of recognizing and supporting the informal sector as a vital component of community development. To promote inclusive and sustainable community development, policymakers should develop policies that provide access to resources, infrastructure, and legal protection for informal traders, promote entrepreneurship and innovation, and improve access to markets and credit facilities. Additionally, policymakers should develop inclusive policies and strategies that support its growth and sustainability. The study's findings have implications for policymakers, urban planners, and stakeholders seeking to promote inclusive and sustainable community development. Therefore, understanding the contributions of informal traders to community development, could enable policymakers to develop targeted interventions to support the growth and sustainability of informal trading activities, ultimately improving the livelihoods of millions of people who depend on informal trading for their survival.

Keywords: *Informal Trading, Community Development, Urban Economy, Livelihoods, Sustainable Development, Entrepreneurship, Informal Sector, Challenges, Human Capital, Policy Implications, Economic Growth and Employment Opportunities*

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I. Introduction And Background To The Study

Informal trading has become a significant aspect of urban economies in developing countries, including Zimbabwe. The sector provides livelihoods for millions of people, particularly in urban areas where formal employment opportunities are scarce (Chen, 2012; ILO, 2018). Despite its importance, the informal sector is often overlooked in policy discussions and urban planning (Kamete, 2013). This study seeks to contribute to the understanding of the role of informal traders in community development, using Glenview 1 suburb in Harare, Zimbabwe, as a case study. The suburb has a high concentration of informal trading activities, making it an ideal location for this study. The study is motivated by the need to understand the contributions of informal traders to community development, beyond their economic roles and aims to explore the social and economic impacts of informal trading on the local community, as well as the challenges faced by informal traders. According to Muzvidziwa (2015), informal trading plays a crucial role in supporting livelihoods and providing basic goods and services to low-income communities.

The significance of informal trading in Zimbabwe cannot be overstated. With a high unemployment rate and limited formal job opportunities, many people have turned to informal trading as a means of survival (Ndlela, 2006). The sector has grown significantly over the years, with estimates suggesting that it accounts for a substantial proportion of the country's GDP (ZimStat, 2022). Despite its importance, the informal sector faces numerous challenges, including lack of resources, infrastructure, and legal protection (Chirisa, 2013). This study will explore these challenges in more detail and examine the impact of informal trading on community development. The study's findings will contribute to the development of inclusive policies and strategies that support the growth and sustainability of informal trading activities and have implications for policymakers, urban planners, and stakeholders seeking to promote inclusive and sustainable community development. Therefore, understanding the contributions of informal traders to community development, would enable policymakers to develop targeted interventions to support the growth and sustainability of informal trading activities including

providing access to resources, infrastructure, and legal protection, as well as promoting entrepreneurship and innovation in the informal sector.

II. Related Literature Review

The literature on informal trading highlights its significance in developing countries, particularly in urban areas where formal employment opportunities are scarce. Studies have shown that informal trading provides livelihoods for millions of people and contributes to local economic growth (Chen, 2012; ILO, 2018). According to Muzvidziwa (2015), informal trading plays a crucial role in supporting livelihoods and providing basic goods and services to low-income communities. Informal traders also contribute to community development by providing affordable goods and services, creating employment opportunities, and stimulating local economic growth (Mitullah, 2003). However, the informal sector also faces numerous challenges, including lack of resources, infrastructure, and legal protection (Chirisa, 2013). Informal traders often operate in precarious conditions, with limited access to social protection and benefits (ILO, 2018). The literature also highlights the importance of recognizing and supporting the informal sector as a vital component of community development (Kamete, 2013). In this case, policymakers and urban planners need to develop inclusive policies and strategies that support the growth and sustainability of informal trading activities. While there is a growing body of research on informal trading, there is still limited understanding of the specific ways in which informal traders contribute to community development (Meagher, 2010).

Theoretical Framework and its Applicability to the Study

The study is informed by three theoretical frameworks: sustainable development theory, entrepreneurship theory, and human capital theory. The sustainable development theory emphasizes the need for economic, social, and environmental sustainability in development processes (WCED, 1987). The entrepreneurship theory focuses on the role of entrepreneurs in creating economic value and driving innovation (Schumpeter, 1934). The human capital theory highlights the importance of education, skills, and experience in determining individual productivity and earnings (Becker, 1962). These theories are applicable to the study because they provide a framework for understanding the contributions of informal traders to community development. The sustainable development theory helps to analyse the economic, social, and environmental impacts of informal trading activities. The entrepreneurship theory provides insights into the role of informal traders as entrepreneurs and innovators. The human capital theory highlights the importance of skills and experience in determining the success of informal traders.

The sustainable development theory is particularly relevant to this study, as it emphasizes the need for economic, social, and environmental sustainability in development processes. Informal trading activities can have both positive and negative impacts on the environment, and policymakers need to develop strategies to mitigate these impacts while promoting sustainable development (Dresner, 2008). The entrepreneurship theory also provides valuable insights into the role of informal traders as entrepreneurs and innovators. If we comprehend the entrepreneurial activities of informal traders, policymakers will be able to develop targeted interventions to support entrepreneurship and innovation in the informal sector. The human capital theory highlights the importance of education, skills, and experience in determining individual productivity and earnings. As such, informal traders require a range of skills and experience to succeed in their businesses, including business management, marketing, and financial management (Valodia et al., 2007). If we also understand the human capital requirements of informal traders, policymakers will be able to develop targeted interventions to support skills development and entrepreneurship training.

III. Research Methodology

The study employed a qualitative research method, using semi-structured interviews and focus group discussions to gather data from 20 informal traders and 10 residents in Glenview 1 suburb. The sample size was selected using purposive and snowball sampling techniques. The data was analysed using thematic analysis, which involved coding and categorizing the data into themes. The study's methodology was suitable for exploring the contributions of informal traders to community development because it allowed for an in-depth understanding of the experiences and perspectives of informal traders and residents. The qualitative method provided rich and nuanced data that was used to develop a comprehensive understanding of the role of informal traders in community development.

IV. Analysis And Discussions Of The Findings

The study's findings reveal that informal traders play a significant role in providing affordable goods and services, creating employment opportunities, and contributing to local economic growth. This is consistent with the literature, which highlights the significance of informal trading in developing countries (Chen, 2012; ILO, 2018). The respondents reported that they started their businesses due to unemployment and lack of formal job

opportunities, which is also consistent with the literature (Ndlela, 2006). The study also highlights the challenges faced by informal traders, including lack of resources, infrastructure, and legal protection. This is consistent with the literature, which notes that informal traders often operate in precarious conditions, with limited access to social protection and benefits (ILO, 2018; Chirisa, 2013). The findings also support the theoretical frameworks that inform the study, particularly the sustainable development theory and entrepreneurship theory.

The findings highlight the importance of recognizing and supporting the informal sector as a vital component of community development. This is consistent with the literature, which notes that policymakers and urban planners need to develop inclusive policies and strategies that support the growth and sustainability of informal trading activities (Kamete, 2013). When understanding the contributions of informal traders to community development, policymakers can develop targeted interventions to support the growth and sustainability of informal trading activities. The study's findings have implications for policymakers and stakeholders seeking to promote inclusive and sustainable community development including providing access to resources, infrastructure, and legal protection, as well as promoting entrepreneurship and innovation in the informal sector (Mitullah, 2003). The study's findings also highlight the need for policymakers to develop inclusive policies and strategies that support the growth and sustainability of informal trading activities, such as providing training and capacity-building programs for informal traders, and improving access to markets and credit facilities. The findings of this study support the argument that informal trading is a vital component of community development, and that policymakers need to recognize and support the informal sector (Meagher, 2010). When supporting the informal sector, policymakers can promote inclusive and sustainable community development, and improve the livelihoods of millions of people who depend on informal trading for their survival. the study's findings also highlight the significance of informal trading in community development. Informal traders play a vital role in providing affordable goods and services, creating employment opportunities, and contributing to local economic growth.

V. Conclusion And Recommendations

The study's findings highlight the significance of informal trading in community development. Informal traders play a vital role in providing affordable goods and services, creating employment opportunities, and contributing to local economic growth. The study's findings are consistent with the literature, and provide further evidence of the importance of informal trading in community development. The study's findings have implications for policymakers, urban planners, and stakeholders seeking to promote inclusive and sustainable community development. In supporting the informal sector, policymakers can promote inclusive and sustainable community development, and improve the livelihoods of millions of people who depend on informal trading for their survival. Overall, the study highlights the importance of informal trading in community development and provides insights into the ways in which policymakers can support the growth and sustainability of informal trading activities. While there is a growing body of research on informal trading, there is still limited understanding of the specific ways in which informal traders contribute to community development. Further research is needed to explore the impact of informal trading on community development, and to identify effective strategies for supporting the growth and sustainability of informal trading activities. Based on the study's findings, the following recommendations are made:

- Policymakers and urban planners should develop inclusive policies and strategies that support the growth and sustainability of informal trading activities.
- Policymakers should provide informal traders with access to resources, such as credit facilities, training, and capacity-building programs.
- Policymakers should work on infrastructure development, such as markets and storage facilities, to support the growth and sustainability of informal trading activities.
- Policymakers should provide legal protection to informal traders, and develop policies that recognize and support the informal sector.
- Policymakers should promote entrepreneurship and innovation in the informal sector, and provide support for informal traders to develop their businesses.
- Policymakers should improve access to markets, and provide support for informal traders to access new markets and customers.
- Policymakers should develop training and capacity-building programs for informal traders, to improve their skills and knowledge.
- Policymakers and stakeholders should recognize the informal sector as a vital component of community development, and develop policies and strategies that support its growth and sustainability.
- Policymakers should encourage stakeholder engagement, and involve informal traders in the development of policies and strategies that affect their businesses.
- Policymakers should also monitor and evaluate policies and strategies that support the growth and sustainability of informal trading activities, and make adjustments as necessary.

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