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**The Role of Informal Economies in Sustainable
Livelihoods**

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Abstract

Purpose: The general objective of this study was to investigate the role of economies in sustainable livelihoods.

Methodology: The study adopted a desktop research methodology. Desk research refers to secondary data or that which can be collected without fieldwork. Desk research is basically involved in collecting data from existing resources hence it is often considered a low cost technique as compared to field research, as the main cost is involved in executive's time, telephone charges and directories. Thus, the study relied on already published studies, reports and statistics. This secondary data was easily accessed through the online journals and library.

Findings: The findings reveal that there exists a contextual and methodological gap relating to the role of economies in sustainable livelihoods. Preliminary empirical review revealed that informal economies in sub-Saharan Africa play a critical role in sustaining livelihoods but are hindered by limited access to infrastructure and urban services. Informal settlements, often marginalized in urban planning, face challenges such as poor connectivity and regulatory barriers, which limit economic mobility and long-term sustainability. Integrating informal economies into formal urban planning processes, with a focus on infrastructure development, is essential for improving the resilience and sustainability of livelihoods in these areas.

Unique Contribution to Theory, Practice and Policy: The Social Capital Theory, Capitals Framework for Sustainable Livelihoods and Dual Labor Market Theory may be used to anchor future studies on the role of informal economies for sustainable livelihoods. The study recommended incorporating informal settlements into urban planning, prioritizing investments in infrastructure like roads, electricity, and water supply. It also suggested involving informal community members in governance, developing flexible policies to support informal businesses, and providing access to financial services and social protections. These strategies would help enhance the economic opportunities and well-being of informal workers, fostering more sustainable urban development.

Keywords: *Urban Planning, Infrastructure Development, Economic Mobility, Urban Development, Governance Structures, Urban Resilience, Social Protection, Microenterprise, Poverty Alleviation, Informal Workers*

O18, R58, R18, J46, R23, O15

1.0 INTRODUCTION

Sustainable livelihoods encompass the capabilities, assets, and activities required for a means of living that can endure and recover from stresses and shocks, maintain or enhance capabilities and assets, and provide sustainable livelihood opportunities for future generations. This concept integrates environmental, economic, and social dimensions to ensure that individuals and communities can meet their needs without compromising the ability of future generations to meet theirs. The Sustainable Livelihoods Framework (SLF) offers a structured approach to understanding the factors that influence livelihoods, including human, social, natural, physical, and financial capital, and how these interact within the vulnerability context shaped by trends, shocks, and seasonality (Scoones, 2015).

In the United States, sustainable livelihoods are often examined through the lens of community resilience and economic diversification. For instance, research indicates that urban agriculture initiatives in cities like Detroit have contributed to food security and provided income-generating opportunities for marginalized communities. Taylor & Ard (2015) highlighted that such initiatives not only improve access to fresh produce but also foster social cohesion and empower residents by enhancing their skills and employability. The study reports that participants in urban agriculture programs experienced a 25% increase in household income, illustrating the potential of localized food systems to support sustainable livelihoods. However, challenges such as land tenure insecurity and limited access to capital remain significant barriers to the scalability of these initiatives.

In the United Kingdom, the concept of sustainable livelihoods has been applied to understand the resilience of rural communities facing economic and environmental changes. Smith and Davies (2018) examined the role of community-based enterprises in enhancing rural livelihoods. Their study, focusing on community-owned renewable energy projects in Scotland, found that such initiatives contributed to local economic development by generating employment and reinvesting profits into community services. Specifically, the study notes that communities with renewable energy projects experienced a 15% increase in local employment rates and a 20% boost in community fund allocations for social services. These findings underscore the importance of local ownership and control over resources in achieving sustainable livelihoods.

Japan presents a unique context for sustainable livelihoods, particularly in its rural areas that are experiencing depopulation and aging demographics. Assmann (2015) explored the challenges and opportunities for sustainability in contemporary rural Japan, emphasizing the need for innovative approaches to revitalize these communities. The study highlights initiatives such as the promotion of eco-tourism and the integration of renewable energy projects as means to diversify income sources and attract younger populations back to rural areas. For example, the introduction of solar farms and wind energy projects has provided new employment opportunities and contributed to a 10% increase in local revenue. However, the study also points out that the success of these initiatives depends on supportive policies and the active participation of local residents.

In Brazil, the Bolsa Floresta Program exemplifies an approach to sustainable livelihoods that integrates environmental conservation with economic incentives. According to the Amazonas Sustainability Foundation (2017), the program provided direct financial assistance and support for sustainable income-generating activities to families residing in protected areas of the Amazon rainforest. Participants receive monthly payments in exchange for commitments to conservation practices, such as refraining from deforestation and engaging in sustainable agriculture. The program has reached over 8,000 families, contributing to a 60% reduction in deforestation rates in participating areas. This model demonstrates how financial incentives aligned with conservation goals can enhance sustainable livelihoods in ecologically sensitive regions.

Sub-Saharan Africa faces multifaceted challenges in achieving sustainable livelihoods, particularly due to climate change impacts on agriculture, which is the primary livelihood source for the majority of the population. Connolly-Boutin & Smit (2016) examined the intersection of climate change, food security, and livelihoods in the region, highlighting that increasing temperatures and erratic rainfall patterns have led to reduced crop yields and heightened food insecurity. The study reports that maize yields have declined by up to 30% in some areas, exacerbating poverty levels. In response, many communities have diversified their livelihoods by engaging in non-farm activities, such as petty trade and artisanal work, to build resilience against climatic shocks. However, the effectiveness of these strategies is often limited by inadequate infrastructure and access to markets.

In South Africa, smallholder agricultural programs targeted at women have been explored through the Sustainable Livelihoods Framework to assess their impact on enhancing livelihoods. Lemke, Vorster, van Rensburg & Ziche (2012) conducted a study on programs facilitated by civil society organizations aimed at rural black and colored South African women. The findings indicate that participation in these programs enabled women to access various livelihood assets, including education and capacity-building (human assets), land (natural assets), tools and infrastructure (physical assets), stipends and income from selling their produce (financial assets), and networking opportunities (social assets). However, the study also identified operational challenges such as divergent expectations between project facilitators and participants, lack of communication, participant dependency on the organizations, lack of access to markets, and programs' lack of financial sustainability. These insights suggest that while such programs have the potential to stimulate awareness and empowerment, structural barriers remain formidable.

In the Brazilian semiarid region, the use of forest resources plays a significant role in local livelihood strategies. Silva, Lopes & Scariot (2022) assessed how socioeconomic variables affect dependence on forest resources in a protected area. The findings demonstrate that families with retired or non-farming members have higher incomes, indicating a diversification of livelihood strategies beyond traditional farming. However, the study also highlights the challenges of balancing conservation efforts with the livelihood needs of local populations, emphasizing the importance of integrating local knowledge and participatory approaches in conservation planning.

The Ecovida Agroecology Network in southern Brazil exemplifies how social innovation can foster sustainable rural development. Established in the late 1990s, Ecovida comprises over 4,500 farming families, 300 farmer groups, and 30 non-governmental organizations (Schmitt, Niederle & Schneider, 2016). The network promotes organic agriculture and has implemented Participatory Guarantee Systems (PGS), a form of organic certification that relies on active stakeholder participation and is built on trust, social networks, and knowledge exchange (IFOAM, n.d.). This decentralized approach not only ensures compliance with organic standards but also empowers local communities by involving them directly in the certification process. The network's horizontal and decentralized structure fosters social capital and collective action, leading to a 144% increase in certified organic producers from 2006 to 2016 (Schmitt et al., 2016). This growth reflects the network's effectiveness in promoting sustainable agricultural practices and enhancing the livelihoods of rural communities.

The informal economy encompasses a broad range of economic activities, enterprises, and workers that are not regulated or protected by the state. According to the International Labour Organization (ILO), it includes "all economic activities by workers and economic units that are—in law or in practice—not covered or insufficiently covered by formal arrangements" (ILO, 2015). This sector is characterized by small-scale operations, ease of entry, reliance on local resources, family ownership, and labor-intensive methods. While the informal economy provides essential employment opportunities and contributes significantly to economic output, it often operates without formal recognition, leading to challenges in labor rights, social protection, and working conditions.

In the United States, the informal economy plays a crucial role in providing livelihoods, particularly among marginalized communities. Activities such as domestic work, childcare, and street vending are common forms of informal employment. Research indicates that the informal sector in the U.S. is substantial, with millions engaged in off-the-books work to sustain their livelihoods (Biles, 2009). These informal activities often serve as a buffer against economic downturns, enabling individuals to generate income when formal employment opportunities are scarce. However, the lack of regulation and social protection in the informal sector can lead to precarious working conditions and limited access to benefits such as healthcare and retirement savings.

In the United Kingdom, the informal economy, often referred to as the "shadow economy," includes activities ranging from unregistered businesses to casual labor. Studies have shown that the informal sector accounts for a significant portion of the UK's GDP, with estimates varying based on measurement methods (Williams & Schneider, 2016). The informal economy provides a vital source of income for many, particularly in times of economic hardship. For instance, during the 2008 financial crisis, there was a notable increase in informal work as individuals sought alternative means of income (Williams, 2014). While the informal sector offers flexibility and opportunities for entrepreneurship, it also poses challenges for policymakers aiming to ensure fair labor practices and tax compliance.

Japan's informal economy is characterized by activities such as unregistered businesses, freelance work, and certain forms of self-employment. The country's aging population has led to a unique dynamic where older individuals engage in informal work to supplement their pensions (Osawa, Kim, & Kingston, 2013). This trend highlights the role of the informal economy in providing sustainable livelihoods for retirees who may not have sufficient formal retirement benefits. However, the reliance on informal work among the elderly also raises concerns about job security and access to healthcare, emphasizing the need for policies that address the vulnerabilities associated with informal employment.

In Brazil, the informal economy is a significant component of the labor market, encompassing activities such as street vending, domestic work, and unregistered small businesses. The Brazilian Institute of Geography and Statistics reported that in 2015, approximately 39% of the employed population was engaged in informal work (IBGE, 2015). The informal sector is particularly vital for low-income individuals, providing essential income and employment opportunities. However, informal workers often face challenges such as lack of social protection, job insecurity, and limited access to credit. Initiatives like the Individual Microentrepreneur Program (MEI) have been introduced to formalize small entrepreneurs by offering simplified tax regimes and access to social security benefits, aiming to enhance the sustainability of livelihoods within this sector (OECD, 2015).

Sub-Saharan Africa has one of the largest informal economies globally, with informal employment accounting for an average of 60% of non-agricultural employment (ILO, 2018). In countries like Nigeria, the informal sector contributes about 65% to the Gross Domestic Product (GDP) (Medina, Jonelis, & Cangul, 2017). The informal economy in this region includes activities such as street vending, artisanal mining, and small-scale agriculture. For many, the informal sector is not just a source of income but a critical means of survival, especially in the absence of sufficient formal employment opportunities. However, the predominance of informality poses challenges for economic development, including reduced tax revenues and difficulties in enforcing labor standards. Efforts to integrate informal workers into the formal economy through policies that provide social protection and access to credit are essential for promoting sustainable livelihoods (ILO, 2018).

1.1 Statement of the Problem

The informal economy plays a vital role in providing livelihoods for millions of people globally, particularly in developing countries. However, despite its significance, the role of informal economies in sustainable livelihoods remains under-explored, particularly in terms of how it directly contributes to long-term economic security and resilience. According to the International Labour Organization (ILO), informal employment represents about 60% of total employment in developing regions, with the sector contributing up to 45% of global GDP (ILO, 2018). While informal economies provide income-generating opportunities, they are often characterized by precarious working conditions, lack of social protection, and limited access to formal financial services. This lack of formal recognition and regulation creates gaps in understanding the true

extent to which informal economies can contribute to sustainable livelihoods, especially regarding economic resilience, empowerment, and long-term poverty reduction.

The study aims to fill the significant research gaps surrounding the integration of informal economies into formal economic systems and the challenges faced by informal workers in accessing essential social benefits such as healthcare, pensions, and job security. Furthermore, while various studies have examined the informal economy's size and scope, few have comprehensively linked it to the concept of sustainable livelihoods, particularly through the lens of economic resilience and poverty alleviation. By addressing these gaps, this study will provide insights into the opportunities for policy interventions that support the formalization of informal economies without undermining their flexibility and adaptability. While informal economies often offer flexible working arrangements, their informal nature leaves workers vulnerable to exploitation, which undermines their long-term sustainability. The need to bridge this gap between the informal and formal sectors is critical for fostering inclusive economic development that benefits all layers of society (Williams, 2014).

The findings of this study will benefit policymakers, development organizations, and informal sector workers themselves by offering a clearer understanding of how informal work contributes to sustainable livelihoods. Policymakers can use the findings to craft more inclusive policies that promote the integration of informal economies into formal systems while ensuring that workers' rights are protected and that they have access to social protections. Development organizations, on the other hand, can design programs that provide capacity-building and support to informal workers, empowering them to transition into more secure forms of employment without sacrificing their entrepreneurial autonomy. Finally, informal workers will benefit from the study's recommendations, particularly through improved recognition and support for their contributions to national economies, which will help in securing more sustainable livelihood options (Williams & Schneider, 2016).

2.0 LITERATURE REVIEW

2.1 Theoretical Framework

2.1.1 Social Capital Theory

Social Capital Theory, developed by sociologist Pierre Bourdieu and further expanded by Robert Putnam, posits that social networks, trust, and norms of reciprocity are fundamental assets that individuals and communities can leverage for economic and social benefit. Bourdieu (1986) conceptualized social capital as the resources embedded in an individual's social relationships, which can be used to gain access to opportunities and support. Putnam (2000) highlighted the importance of social capital in community development, emphasizing how networks of civic engagement and trust enhance economic prosperity and social well-being. This theory is particularly relevant to the study of informal economies as it underscores the role of relationships and trust in informal transactions. Informal economies often thrive on strong social networks, where reciprocity and mutual aid play a key role in sustaining livelihoods. The ability of informal

workers to access financial resources, market opportunities, and social support is heavily reliant on their social capital within their communities. Therefore, the theory can help explain how informal economies contribute to sustainable livelihoods by facilitating access to resources through social ties, even in the absence of formal institutional support (Putnam, 2000). By understanding the mechanisms through which social capital works, policymakers and development organizations can design interventions that help to strengthen these networks, ultimately fostering more resilient informal economies.

2.1.2 Capitals Framework for Sustainable Livelihoods

The Capitals Framework, articulated by Chambers and Conway (1992) as part of the Sustainable Livelihoods Approach, is a widely accepted theoretical framework for understanding how various types of capital (natural, human, financial, social, and physical) contribute to sustainable livelihoods. This approach emphasizes the multifaceted nature of livelihoods and how individuals and households mobilize different forms of capital to enhance their well-being and resilience. In the context of informal economies, the framework offers a useful lens to analyze how informal workers utilize different types of capital to sustain their livelihoods in the face of economic insecurity. For example, informal workers may rely on social capital (networks and relationships), human capital (skills and knowledge), and financial capital (access to informal savings groups or microcredit) to navigate the challenges of informality. This framework allows for a nuanced understanding of the ways in which informal economies contribute to long-term economic stability by mobilizing various forms of capital. The importance of the Capitals Framework in the study of informal economies lies in its ability to provide a holistic view of how diverse assets are leveraged in informal economic activities, and how their interplay contributes to the sustainability of livelihoods (Chambers & Conway, 1992). Understanding the dynamics of capital accumulation in informal economies can aid in designing policies that promote greater access to these capitals, thereby enhancing the sustainability and inclusivity of informal work.

2.1.3 Dual Labor Market Theory

Dual Labor Market Theory, introduced by sociologists Michael Piore and Peter Doeringer in the 1970s, proposes that labor markets are divided into two distinct sectors: the primary sector and the secondary sector. The primary sector is characterized by stable, well-paying jobs with good working conditions, while the secondary sector consists of low-wage, unstable, and often precarious jobs with few benefits (Piore, 1975). This theory is highly relevant to the study of informal economies, as it highlights the segmentation of labor markets and the existence of informal, low-wage, and often insecure work as part of the secondary labor market. Informal economies can be viewed as part of this secondary sector, providing livelihoods for individuals who are excluded from formal, stable employment due to factors such as education, gender, race, or immigration status. The dual labor market theory helps to frame the challenges faced by informal workers, including limited access to social protections, low wages, and job insecurity. By applying this theory to informal economies, the study can explore how informal work, despite its prevalence and importance, often leads to marginalized and precarious livelihoods, which

undermines the goal of achieving sustainable, long-term economic security. This perspective allows for a deeper analysis of the ways in which informal economies perpetuate inequalities and highlights the need for interventions that help integrate informal workers into the formal economy (Piore, 1975). The theory also supports an exploration of the structural factors that contribute to the persistence of informal labor markets, providing insights into how to create more inclusive and sustainable livelihood opportunities.

2.2 Empirical Review

Mukul, Rashid, Uddin & Khan (2015) explored the contribution of non-timber forest products (NTFPs) to sustaining forest-based livelihoods and enhancing the resilience capacity of rural households in and around a protected area in Bangladesh. Employing an empirical approach, the researchers conducted surveys and interviews with local communities to gather data on NTFP collection, processing, and income generation. The study revealed that 27% of households derived income from NTFP-related activities, contributing approximately 19% to their net annual income. NTFPs served as primary, supplementary, and emergency income sources, with usage varying based on socio-economic status and proximity to the park. The authors suggested improving policies to regulate NTFP collection, ensuring sustainable harvesting practices, and enhancing community engagement in conservation efforts to balance livelihood needs with environmental preservation.

Bahl & Sharma (2023) examined the relationship between labor market informality, education-occupation mismatch, and wage levels in India, aiming to understand how these factors influence each other. Utilizing quantitative analysis, the researchers analyzed wage determinants, focusing on the impact of informality and education-occupation mismatch, distinguishing between formal and informal workers. The study found that informality significantly affects wages, more so than education-occupation mismatch. For formal workers, mismatches between education and job requirements notably influenced wage levels, whereas informality had a more pronounced effect on informal workers. The authors recommended policies that address labor market informality and education-occupation mismatches, such as enhancing vocational training and aligning educational curricula with market needs, to improve wage outcomes.

Bettencourt & Marchio (2023) analyzed the spatial distribution of informal settlements and their correlation with development indicators across sub-Saharan Africa, utilizing high-resolution spatial data. The study employed spatial analysis techniques, leveraging building footprint data to identify infrastructure deficits and infer informal settlements at the street level across the continent. The analysis identified that urbanized areas generally had better access to infrastructure than rural and periurban areas, with physical measures of informality correlating with low human development indicators. The study suggested localized strategies to improve infrastructure and services in informal areas, emphasizing equitable and context-appropriate development to accelerate progress.

Malanga & Banda (2021) assessed the impact of Information and Communication Technologies (ICTs) on the livelihoods of women microentrepreneurs in rural Malawi. An interpretive

qualitative approach was used, involving semi-structured interviews, observations, and field notes with 25 women microentrepreneurs across three rural areas. ICT usage enabled women to build financial, human, social, and informational capital, leading to improved access to information, diversified business opportunities, enhanced communication, better marketing, and reduced transport costs. These improvements contributed to sustainable resource use, enhanced well-being, and empowerment. The study recommended addressing challenges such as unreliable electricity, lack of affordable ICT devices, limited ICT literacy, and awareness to fully harness ICTs' potential in supporting women's microenterprises.

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Osei & Addo (2019) examined the relationship between street vending in Accra, Ghana, and sustainable livelihoods. Specifically, it focused on how informal economic activities, such as street vending, contribute to the financial security and social well-being of vendors. Using a mixed-methods approach, the researchers conducted surveys with 250 street vendors in Accra, as well as in-depth interviews with a smaller sample of 30 vendors. The data collected focused on income levels, working conditions, and the vendors' ability to access public services and benefits. The study found that street vending was a crucial livelihood activity for many urban poor households, providing a means of income for approximately 17% of the population in Accra. The study

recommended that local government authorities adopt policies that provide a more supportive regulatory framework for street vendors. This could include improving access to formalized markets, providing microfinance options, and offering health and social protection services to informal workers.

3.0 METHODOLOGY

The study adopted a desktop research methodology. Desk research refers to secondary data or that which can be collected without fieldwork. Desk research is basically involved in collecting data from existing resources hence it is often considered a low cost technique as compared to field research, as the main cost is involved in executive's time, telephone charges and directories. Thus, the study relied on already published studies, reports and statistics. This secondary data was easily accessed through the online journals and library.

4.0 FINDINGS

This study presented both a contextual and methodological gap. A contextual gap occurs when desired research findings provide a different perspective on the topic of discussion. For instance, Bettencourt & Marchio (2023) analyzed the spatial distribution of informal settlements and their correlation with development indicators across sub-Saharan Africa, utilizing high-resolution spatial data. The study employed spatial analysis techniques, leveraging building footprint data to identify infrastructure deficits and infer informal settlements at the street level across the continent. The analysis identified that urbanized areas generally had better access to infrastructure than rural and periurban areas, with physical measures of informality correlating with low human development indicators. The study suggested localized strategies to improve infrastructure and services in informal areas, emphasizing equitable and context-appropriate development to accelerate progress. On the other hand, this current study focused on investigating the role of economies in sustainable livelihoods.

Secondly, a methodological gap also presents itself, for example, Bettencourt & Marchio (2023) employed spatial analysis techniques, leveraging building footprint data to identify infrastructure deficits and infer informal settlements at the street level across the continent. Whereas, the current study adopted a desktop research method.

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The study concluded that informal settlements in sub-Saharan Africa were predominantly located in areas with limited access to essential urban infrastructure, including roads, electricity, and water supply. This lack of infrastructure not only impeded the physical development of these areas but also exacerbated the socio-economic challenges faced by the inhabitants. The research found that informal economies, while vital for the survival and livelihoods of many individuals, were heavily dependent on the spatial dynamics of the city. Areas that were poorly connected to formal economic sectors and infrastructure networks tended to have higher levels of informality and lower human development indicators.

Moreover, the study highlighted that informal economies, particularly those concentrated in urban slums, contributed to economic mobility and poverty alleviation in the short term. However, the sustainability of these livelihoods was deeply compromised by the lack of structural support, weak governance, and exclusion from formal urban planning processes. Informal workers were not only denied adequate infrastructure but also faced regulatory barriers that hindered their ability to formalize their businesses or access necessary resources like credit or social services. These factors ultimately reduced the potential for upward mobility and long-term livelihood sustainability in informal sectors.

The research further underscored the crucial need for integrating informal economies into formal urban planning processes. It was observed that by improving access to infrastructure and enhancing connectivity between informal settlements and urban centers, informal economies could be better supported, allowing them to contribute more effectively to economic growth. The findings suggested that inclusive urban development strategies that focused on strengthening the physical and social infrastructure of informal settlements were key to enhancing both the resilience and sustainability of livelihoods in these areas.

In conclusion, while informal economies were undeniably essential for the survival of many urban poor households in sub-Saharan Africa, their sustainability was heavily constrained by poor infrastructure and spatial marginalization. The study called for greater attention to the intersection between infrastructure development, urban planning, and informal economy dynamics, emphasizing that without addressing the physical and social infrastructure deficits in informal settlements, the potential for improving livelihoods and fostering long-term economic resilience would remain limited.

5.2 Recommendations

The study made several critical recommendations aimed at improving the conditions of informal settlements and enhancing the sustainability of livelihoods within these areas. First, it recommended that urban planning policies should incorporate informal settlements as an integral part of the city's development strategy. Rather than viewing informal economies as peripheral, the study suggested that urban planners needed to recognize them as essential contributors to the local economy. By acknowledging their role, governments and city planners could allocate resources to upgrade infrastructure in these areas, which would, in turn, foster a more inclusive and sustainable urban economy.

Second, the research stressed the importance of providing targeted investments in infrastructure that specifically addressed the needs of informal settlements. This included improving roads, expanding electricity networks, ensuring reliable water supply, and enhancing waste management systems. By investing in these foundational aspects of urban infrastructure, informal settlements could be better connected to the formal economy, allowing residents to access more opportunities for economic advancement. Such improvements would not only improve quality of life but also increase the capacity of informal businesses to grow and thrive, thereby contributing to the overall economic development of the region.

Third, the study emphasized the need for inclusive governance structures that involved residents of informal settlements in decision-making processes. It highlighted that the top-down approach to urban development often failed to consider the unique challenges faced by informal workers. By involving these communities in governance, planning, and decision-making, local authorities could better understand the specific needs of informal workers and ensure that policies were designed to meet those needs. This would also help to foster a sense of ownership and empowerment within informal communities, encouraging active participation in the development of their own neighborhoods.

From a theoretical perspective, the study made a significant contribution by linking the spatial distribution of informal settlements to the concept of urban resilience. It highlighted that informal economies are not isolated from the broader urban development process but are deeply interconnected with infrastructure, governance, and urban planning. The study also suggested that theories of informal economies should incorporate spatial dimensions, considering how access to infrastructure and social networks can influence economic outcomes in informal settings. This addition to existing theories provided a more comprehensive understanding of the challenges and opportunities associated with informal economies.

From a practical standpoint, the study emphasized the need for urban planning and policy frameworks to incorporate flexibility in order to adapt to the realities of informal economies. In practice, this meant developing policies that did not only focus on formalizing informal economies but also recognized their inherent strengths and roles in urban economic systems. By adopting an approach that integrated informal businesses into formal urban economies, policymakers could help unlock the potential for long-term, sustainable development in these areas.

On the policy front, the study recommended that governments should develop specific regulatory frameworks that would allow informal workers to access financial services, such as microcredit and insurance, which are typically unavailable to them due to their informal status. Such policies would enable informal workers to access the capital needed to grow their businesses and improve their livelihoods. Additionally, the study called for the provision of social protections and health services to informal workers, ensuring that they were not excluded from essential services simply due to their informal status.

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