

2ND WORKSHOP ON POPULAR ECONOMIES IN SOUTH AFRICA

LSE, 24TH-25TH MAY 2010

Money and livelihoods at the margins: sociality and governance in South Africa's informal economy.

David Neves

The informal sector in South Africa is marked by a number of paradoxes. Amidst high levels of poverty and unemployment informal sector self-employment remains, even by developing country standards, at comparatively low levels. Furthermore, despite being an area of enduring theoretical and public policy interest, economic informality remains poorly understood and relatively under-theorised. In this context, questions regarding informality and its relationship to the state and formal market overlay a range of empirical concerns which are the focus of the current paper. These include the relationship of the informally self-employed to their corresponding households, to informal networks, systems of governance and modes of organisation.

This paper describes research conducted amongst small scale, informal enterprise operators in the African 'Cape migrant network' of township and village, in the urban Western Cape and rural Eastern Cape respectively. Framed by a consideration of the political economy of informality in contemporary South Africa, and located within the context of households' livelihood activities and imperatives, informal self-employment is examined at the nexus of enterprise and household. The paper draws on network analysis to present empirical case study material which critically examines informal self-employment, focusing on three key domains. The first are practices of regulation and popular governance, which are often shaped by shifting and dynamic constellations of sociality, violence and interactions with formality. The second are complex practices of managing money and debt associated with informality. The third is the manner in which the informally self-employed seek to negotiate the often ambivalent consequences of efforts at formalization in the shadow of the state and formal economy - as they simultaneously position themselves to harness its benefits, while evading its costs and constraints. Examination of these three domains serves to explicate the sociality at the heart of the informal economy, within South Africa's post-apartheid distributional regime.