**Informal settlement and urban development discourse in the Global South: evidence from Ghana**

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**ABSTRACT**

The growth of informal settlements across the Global South has generated concomitant empirical research, and research attention has focused on a different aspect of informal settlements. However, despite the plethora of literature on the growing field of informal settlements research, there is a paucity of research concerning the contribution of informal settlement dwellers to the economic development of the urban economy, the perception of informal settlement dwellers and their challenges, particularly in the context of many countries in Africa. Using a case study (in-depth interviews and focus group discussion) from Ghana, this paper contributes to this gap by examining the contribution of informal dwellers to the development of urban economic development and the challenges they encounter in contributing to urban development. The study observes that despite the challenges confronting informal dwellers and their characteristics, they contribute to urban development in revenue generation, labour provision, and creation of employment. These findings imply that urban managers should focus on the settlers and recognize the contributions of informal settlements to urban development. Furthermore, the study uncovers context-specific contributions of informal settlements to urban development that help both policy actors and practitioners.

**Keywords:**  Informal settlements, Urban development, Slums.

**INTRODUCTION**

Current estimates showed that 1 billion people live in informal settlements across the globe, most of them located in the countries in the Global South (United Nations, 2015). It is projected that informal settlement dwellers will increase to 2 billion by 2030 and 3 billion by 2050, especially if the current trends persist (Mahabir et al., 2016). Unable to adequately meet the demands of the growing population, informal settlements have emerged and continue to multiply in many countries in the Global South (Jones, 2017). Increased urbanization is a significant worry for countries in the Global South since they often lack the infrastructure and essential services (Cohen, 2006; Montgomery, 2008).

The growth of informal settlements across the Global South has generated concomitant empirical research on the subject matter (Mahabir et al., 2016; Chiodelli & Moroni, 2014; Patel et al., 2104; Abbott, 2011). As a result, research on informal settlements has grown exponentially, focusing on a different aspect of informal settlements. For example, studies have examined the causes of informal settlements (UN-Habitat, 2015; Todorov, 2011; Gulyani and Tulukdar, 2008), informality and law (Chiodelli & Moroni, 2014), and informality as a social and physical construct (Mahabir et al., 2016); and perceptions of informal settlement dwellers (Brown-Luthango, Reyes, and Gubevul, 2016; Nuijten, 2013). Furthermore, literature is abundant on the issue of the informal settlement in the Global South (Brown-Luthango, Reyes, and Gubevul, 2016; Nuijten, 2013).

Despite the plethora of literature on the growing field of informal settlements research, much of the literature appears to point out the negative consequences of informal settlements in the Global South (Takyi et al., 2020). Other strands of literature have argued that the development of informal settlements has become a significant challenge for urban planning and management and that their activities have severe implications on the environment (e.g., Awadall, 2013; Fox, 2008). Similarly, there has been the debate that informal settlement dwellers may not be all that bad, and therefore there is the need to upgrade such settlements to ensure that settlers enjoy decent infrastructural facilities (Turley et al., 2013; Mitra et al., 2017; Amoako & Cobbinah, 2011). These research trends are undoubtedly essential and valuable and have provided a plethora of literature on understanding informal settlement issues in the Global South. However, there is a paucity of research concerning the contribution of informal settlement dwellers to the urban economy's economic development and the public's perception of informal settlement dwellers and their challenges, particularly in the context of many countries in Africa. In addition, there are emerging perspectives that recognize informal dwellers’ agency and potential for economic and urban development (See Oteng-Ababio et al., 2019; Kothari, 2015; Pieterse & van Donk, 2014; Robinson, 2016; Roy, 2016; Simone, 2015). These strands of research provide the opportunity to understand the issue that despite the negative connotations associated with the informal settlement dwellers, they play an essential role in urban development.

This paper sought to fill this gap by contributing to the literature on the contribution of informal dwellers to economic and urban development. Specifically, this study aimed to answer the following research questions: what are the public's perceptions about informal settlement dwellers and how are these dwellers challenged in their informal settlement? How are informal dwellers contributing to the development of the urban economy? Our central argument is that despite the negative connotations associated with informal settlements, they play a considerable role in cities' economic and urban developments, particularly in the Global South.

The paper contributes to the growing field of research on informal settlements in two folds. First, the paper brings another dimension to the debate about the existence of informal settlements and their contribution to the development of the urban economy. Second, the paper points out the perceptions attributed to informal settlement dwellers and identifies the various challenges that informal settlement dwellers are saddled with. These contributions from the Global South are significant as they seek to clarify why informal settlements persist and continue to thrive in the Global South despite several efforts to address the growth of informal settlements.

The paper proceeds as follows: first, the theoretical background and literature review, followed by the methodological approach. The third section provides an overview of the findings and discussions of informal settlement literature in the Global South, while the fourth section concludes and provides implications of the study.

**THEORETICAL BACKGROUND**

**The concept of Informal Settlements**

Informal settlements have become one of the popular concepts gaining prominence across the globe in the discourse of population growth. Indeed, it is a noticeable phenomenon fascinating to academics and stakeholders from different fields with mixed reactions to the future growth of the urban population (Davis, 2006). The concept of informal settlements designates multiple terms such as slums, squatter, shantytowns, spontaneous settlements, uncontrolled or unplanned (Gilbert, 2007; Nuissl & Heinrichs, 2013); clandestine and sub-normal or spontaneous (Everett, 2001) and many more, making it very difficult to settle on one definition. UN-Habitat (2015) defines informal settlements as suburban areas where the inhabitants often have no security of tenure for the land or dwellings they occupy or the neighbourhoods, and usually lack essential services to city infrastructure, and their housing does not comply with planning and building regulations. Mercy Brown-Luthango Reyes and Gubevu (2016) reports that informal settlement dwellers are unduly affected by ill health, violence, and many other socioeconomic challenges connected to the unhealthy and unsafe physical conditions within which they live. The informal settlement phenomenon seems to be more pronounced in the developing economies as 90% of the areas in the developing countries are homed to informal settlements (UN-Habitat, 2017). Yet, local governments appear to lack technical and financial plans to deal with the dilemma of informal settlement issues (Satterthwaite, 2016). Thus, most cities and governments struggle to keep pace with the spread of informal settlements in the 21st century (da-Cruz, Rode, and McQuarrie, 2019).

Globally, around one billion urban dwellers live in informal urban settlements (UN-Habitat, 2008) constructed by the residents' efforts, which are often devalued, unrecognized, labelled unlawful, and stigmatized as though the settlements are not part of the megacities (Kübler & Lefèvre, 2017). In Africa, nearly 61.7% of the urban population resides in informal settlements and slums, which continues to increase by the day (UN-Habitat, 2014). Statistically, an estimation of 1.4 billion people worldwide is projected to live in slums by 2025 (Todes, 2011). This anticipated figure indicates that the proliferation of informal settlements in cities and towns in the Global South is alarming (Freire et al., 2014; UN-Habitat, 2016).

Cases around the world show that, albeit these differences in typologies of informal settlements, there are also several causes to the occurrence of these informal settlements (Dovey & King, 2011). While we do not intend to review the historical antecedent of the causes of informal settlements, issues limited to land (Matamanda, 2020), poor governance (Ali & Sulaiman, 2006), and poverty (Matamanda, 2020; Tsenkova, 2009) have been identified.

**Informal settlement and economic-urban development**

While traditional economic models portray the informal economy as a transient component of national economies that would fade away as countries modernize (International Organization for Migration, 2021), its importance cannot be overlooked.Discourse about the characteristics of informal settlements centred on three categories: physical, social, and legal characteristics that reflect how informal settlements are viewed and projected (Mukumba, 2019).

The social characteristics speak of the exclusion of informal settlements from socio-spatial privileges and other forms of discrimination that tend to disadvantage informal settlement dwellers, whilst the physical aspect indicates a lack of social amenities and insufficient access to key services (UN-Habitat, 2015). Legally, it addresses insecurity about the dwellers' homes and their lack of compliance with the urban planning regulation.This exclusion tends to push some of the residents into criminal, drug-abusing, and prostitution-related behaviours (Mukumba, 2019).

Scholars in recent years have taken a new perspective about informal settlements by recognizing informal dwellers' agency and potential for economic and urban development (See Oteng-Ababio et al., 2019; Kothari, 2015; Pieterse & van Donk, 2014; Robinson, 2016; Roy, 2016; Simone, 2015). For example, the authors focus on creative entrepreneurship and ‘informal exceptionalism - showcasing informal settlers as innovative entrepreneurs (Chien, 2018; Dinardi, 2019; Oteng-Ababio et al., 2019). Informal dwellers support formal sector wholesalers and retailers in this regard, as they contribute to the tax base and profitability of the formal sector (Crush, Nickanor & Kazembe, 2019).Many of the residents of informal settlements have successfully used their abilities to start small and medium-sized businesses that employ other informal settlers. According to Şahin et al. (2014), informal entrepreneurs have made a significant contribution to decreased unemployment rates among themselves and other jobless working-age individuals, including unemployed refugees or asylum seekers who would otherwise struggle to find work in the formal economy.

Chien (2018), for example, claims that entrepreneurialism and informality are not mutually incompatible and that urban informality contributes to the diversity of urban entrepreneurialism. The research shows how residents' involvement in developing entrepreneurial discourses by redefining their informal settlements is a vital aspect that contributes to the city's economic success. Other academics (Kellett & Napier, 2014; Mahabir et al., 2016; Turok, 2015) emphasize the informal economy's role in job generation as part of economic development.Similarly, Zhang (2017) reveals the legitimacy of informal settlements in serving a variety of functions, such as providing low-cost housing, creating economic opportunities, and collecting votes. The informal dwellings, according to public discourse, has become a new normal in rising cities, necessitating urban policy to make them livable and inclusive.

**METHOD**

To respond to our research questions, we employed a qualitative approach in the form of a case study (Eisenhardt, 1989; Yin, 1994). This research design is suited for a context-specific understanding of organizational reality and allows us to explore and understand the meaning individuals or groups ascribe to a social or human problem (Creswell & Creswell, 2017) as in the case of this present study

**Empirical setting**

The empirical context of the study is Old Fadama, one of the oldest informal settlements in Accra, the capital city of Ghana and the most extensive and significant economic city in the country (Grant and Yankson, 2003). Ghana has 16 regions in all, and the Greater Accra region, where Accra is located, is one of the regions. Like many cities in Sub-Saharan Africa, Accra is undergoing a rapid growth rate, and the rate of urbanization makes Accra one of the fastest-growing cities (Mudu, 2021; Codjoe et al., 2014; Grant, 2009; ) in West Africa. It is estimated that the population living in informal settlements within Accra comprises 38.4% of the population, and the informal settlement dwellers occupy about 15.7% of the land area and are densely populated with a population density of 608 people per hectare (UN-Habitat, 2011).

Old Fadama – our study area is located in Accra, along the Odaw River and the Korle Lagoon in Accra. Most of the land in Old Fadama has been reclaimed from the river and lagoon by filling up the wet area with sawdust (Afenah 2010). Dating back to the early 1990s, the Old Fadama witnessed an increase in population caused by an ethnic conflict in the northern part of Ghana. The people of Old Fadama, according to a 2011 Report by Amnesty, is between 55,000 and 79,000 and is home to one of Accra's biggest markets and a centre for bulk breaking activities that attract many people who earn their living in the informal sector. The community is nicknamed "Sodom and Gomorrah" due to rampant crimes and harsh living conditions under which residents live.

Nonetheless, the settlement continues to be a hub for many migrants from around the country, with the majority being young people from the northern parts of the country. The area is also home to several nationals from neighbouring countries in the West African region. Old Fadama has become very attractive to young adults searching for greener pastures, particularly young females from the country's northern regions. Many residents are engaged in small food markets, selling items such as Yams, onions and tomatoes, and many more. Others are also involved in diverse hairdressing, food production, and dressmaking (COHRE 2008). Figures 1 shows the map of Ghana, the Greater Accra region, where Accra is located, and Old Fadama, the study area to give a pictorial representation of the Old Fadama settlement.

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**Data Collection**

In executing our study, we used multiple methods for collecting our data: (1) participant observation, (2) semi-structured, one-on-one interviews, and (3) focus group discussion in the form of dialogue. We relied on the interviews and the focus group discussion as the primary sources of information for the analysis. At the same time, the participant observation served as a vital means of triangulation and additional sources of information.

***Participant observation.*** Before the interviews and focus group discussion, the first author made several visits to the slum community to understand life in the informal settlements. During these visits, the first author took detailed notes of key activities, events, interactions, characteristics, and challenges of the inhabitants in the community. The data collected via the observation contributed significantly to developing and designing the interview protocols and subsequent triangulation of the informants' responses from the interviews. Also, the observation allowed us to identify key informants within the community for the interviews.

***Semi-structured interviews.*** After the visits to the community to observe and develop a better understanding of how the people live in the slum community, the first author conducted all the interviews to maintain consistency in the data collection process. In all, a total of seventeen interviews were conducted with informants from different backgrounds to ensure exposure to different perspectives, to recompense for individual informants' personal bias and lack of knowledge, and to make room for crosschecking of information provided by other informants (Huber & Power, 1985; Miller, Cardinal, & Glick, 1997). Table 1 provides more details about informants. As can be observed, each of the seventeen interviews was coded to preserve the anonymity of the quotations that were reported later in the text. The interviews followed an open-ended, semi-structured protocol, which allowed for successive modification and inclusion of additional questions driven by previous interviews. The informants were informed in advance of the pending interviews to maximize effective data gathering. The procedure enabled the informants to schedule their time and activities. The interviewees were interviewed face-to-face in their homes and their workplaces on the scheduled days and times. The interviews were conducted in the English language. This is because Old Fadama is regarded as a cosmopolitan slum community with varied dialects; however, the majority of the residents somewhat understand and can speak English. Therefore, we used English to ascertain fairness in the data collection. It is also essential to indicate that most of our informants for both the interviews and the focus group were opinion leaders within the Old Fadama community. These informants speak and understand English. Approximately the interviews lasted between 35-45 minutes and were tape-recorded.

***Focus group discussion.*** To help us gain deeper insight into what the individual informants shared concerning their contributions (as slum dwellers) to the informal sector and the challenges they face, a focused group discussion (in the form of dialogue) was carried out. The focus group consisted of two groups of six members each. These members were purposively selected from the informants we interviewed. Also, the focus group discussion was conducted in English. Details of informants who took part in the focus group discussions are indicated in Table 1. The focus group discussion allowed participants to dialogue and share their experiences about life in the slum community and helped reach a consensus on how they are perceived, their contributions to the informal sector, and the key issues challenging their wellbeing in the community.

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**Data Analyses**

Both the interviews and the focus group discussions were audio-recorded. These audio recordings were transcribed verbatim and thematically analyzed, with emerged themes becoming the products of discussion (Braun & Clarke, 2006). The analysis commenced with a thorough examination of the data to find repeated patterns (Braun and Clarke, 2006). This was done by familiarizing with the data, coding the data, searching for themes, recognizing relationships, and refining themes (Saunders et al., 2016). Specifically, the investigators read the transcripts, highlighted them, and annotated the relevant portions on data coding. Next was the cluster of descriptive codes, where the researchers interpreted the meaning of clusters relative to research questions and applied the interpretive codes to the dataset. Finally, there were instances where the participants were contacted via phone calls to crosscheck or confirm the transcription, particularly those relating to quotes. The measures undertaken enabled us to ensure that the responses from our informants were appropriately captured and reflected the true narratives of their experiences in the informal settlement. In sum, the data analysis proceeded in three consecutive phases. The first phase aimed to establish the informal settlement's perception (characteristics) in the Ghanaian context. The second phase of the analysis focused on identifying informal dwellers' challenges. The final stage of the analysis was targeted at bringing to bear the critical contributions of the slum dweller to the informal sector.

**RESULTS AND DISCUSSION**

In the following section, we outline and discuss the findings from our data. First, we present the results on the main characteristics of informal dwellers. That is, how the public perceives the informal dwellers from the perspectives of the informal dwellers. Second, we turn our attention to the present and discuss the challenges confronting the informal settlement dwellers. Finally, we present the critical contributions of the informal dwellers in the study area to urban development. Figure 2 summarizes the findings from our data analysis.

**Characteristics of informal settlement (perception)**

It emerged from our data that the public holds diverse perceptions toward informal settlements and their inhabitants. These perceptions are used as the main yardstick to describe and characterize how the dwellers live in their informal neighbourhoods. We macro-categorized these perceptions (characteristics) into four main themes - *chaotic community*, *obstructing development*, *abject poverty, and poor health facilities*. Table 2 shows the data structure for characteristics (perceptions) of informal settlement. Public perceptions of informal settlements being chaotic, according to the dwellers, do not provide a true reflection of their communities. Rather, their communities are peaceful, as indicated in the interview quotes below.

People associate the demolitions this community has suffered to believing everybody is chaotic, just as it can be found in every setting, chaotic […] should not be the yardstick to measure everybody. We have good, very good people in this settlement. (PT)

When I decided to move into Old Fadama, an old-time friend told me I should not attempt and that I cannot survive in this chaotic environment. Initially, I was tempted to agree with him, but it has been peaceful since the years that I moved into this community. (SD).

The fact of the matter is that we have lots of migrants from the neighbouring francophone counties engaged in various business activities. However, it is believed that the migrants do not have the authority to stay in Ghana, so the public perceives everybody in this settlement as being chaotic (RE).

I visited my old-time friend whom I had not seen for many years. When I told him I had lived in this settlement for years, he disbelieved, claiming that my stay in the community could not change me as been alleged (FS).

My friend took me in his car to my house one night, but unfortunately, he dropped me outside the community [Old Fadama] on the reason that he was afraid of being attacked. (BE).

Also, *obstructing development* is another way the public perceives the informal settlement dwellers. Here, informal settlements and teaming dwellers are seen as obstructions to development in the city. A number of our informants echoed these perspectives during the focus group discussion, as illustrated in the following quotes:

We have heard the Accra Metropolitan Assembly (AMA) wanted to relocate us and used this settlement as a hospitality site. However, no attempt has been made to provide us with an alternative place of abode. We instead hear stories that indicate us impeding the development of the city. (REFb)[[1]](#footnote-1).

In the past, it was rumoured that our market was going to be upgraded to a modern market to the extent that the Assembly consulted our leaders. Upgrading the market means relocating the residents to a safer and permanent place; otherwise, we have nowhere to go. (RAb).

On one occasion, an executive of the AMA says investors are unwilling to come to [Old Fadama] due to the bad stench, the filth, and the smoke that characterize the activities of the people. I think this reason is defaming those of us staying here. (YOFb).

*Abject poverty* is another major theme that emerged from our data as one of the public's key characteristics to describe the informal settlement dwellers in our study context. The *abject poverty* status of the population of informal settlements could be attributed to the fact that most informal dwellers are rural-urban migrants who work at the minimum or below the minimum labour wages in various informal sector enterprises, hence are unable to raise enough income for their subsistence. The abject poverty perceptions of the public about informal settle dwellers were confirmed during the focus group discussion and the interview with our key informants, as shown in the following quotes from the interviews and focus group discussion:

Although poverty is endemic in this community, thus why everybody is struggling to survive through any means, basic survival is the cause of all the bad attributes we have suffered in this settlement. (FS).

This community's poverty bedevilling can largely be attributed to the lack of basic social amenities. If the community were to have social amenities like the other settlements, the perception of poverty would be minimized (YOMb).

The stinker of poverty has disadvantaged people in this community. To the extent that accessing loan facilities to either start or boost business is problematic. This is one of the critical interventions we need government assistance. (REM).

The final theme identified as one of the perceptions of the public about informal settlement dwellers is *poor health facilities.* The overcrowding in informal settlements coupled with poor sanitation in these communities contributes to stress, disease outbreaks, violence and increased problems of drug use and other social issues, thereby presenting significant risks to the health of the informal dwellers. Moreover, they do not even have access to proper medical health care. These predicaments become worst when there are no or poor healthcare facilities in the informal settlement community, as expressed by some of the informants in an interview below:

Yes, the only health facility here [Old Fadama] is under-resourced and in a poor state because sometimes you don't get drugs, and you have to buy from outside. At times, there is no doctor and a whole lot of problems. (YS).

We know that our community [Old Fadama] cannot be compared to residences [prime areas in Accra] like East Legon, Trassaco, and Airport. But, at least a basic hospital like a community clinic should be provided here so some of our basic health issues can be cared for (HD).

It is important to note that the characteristics of informal settlement that emerged from our data reaffirmed earlier studies (see Brown-Luthango et al., 2017; Herrle & Fokdal, 2011; UN-Habitat, 2014; Zhu, 2010). For instance, prior studies have established that the informal community is regarded as unregulated (Akintoye 2008; Drakulich & Crutchfield, 2013) and often suffer from social exclusion and stigmatization (Basile & Ehlenz, 2020; Kovacic et al., 2019; Rains & Krishna; 2020). Furthermore, these findings tend to provide support for extant literature that argues that informal settlements impede economic growth, restrains investors, and obstruct globalization (UN-Habitat, 2014: Zhu, 2010).

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**Challenges of Informal Settlement Dwellers**

Similar to established literature on informal settlements, it emerged from our data that informal dwellers within our study settings face a myriad of challenges that threaten their wellbeing and survival. Again, we macro-categorized these challenges into three main themes - *lack basic and critical social amenities, bad housing facilities, and an Unsafe environment*. Table 3 shows the data structure for the challenges of the informal settlement dwellers. The *lack of basic and critical social amenities* challenge the survival of informal settlement dwellers – Thus, informal settlements have minimum basic services and infrastructure provisions like electricity, water supply, sanitation, roads and drainage, and social amenities due to their inherent 'non-legal status. These challenges were shared during the focus group discussion with the informant, as indicated in the following quotes:

Access to potable water in this community is problematic because we had to walk far to the other neighbourhood to fetch water. The Assembly should help us with boreholes (OLFb).

There is stench all over because we lack adequate toilet facilities. The public toilet in this area is not maintained well, so people are unwilling to use it. The commercial one, although relatively expensive, is over-utilized. People defecate around indiscriminately, creating an offensive stench(FEb).

We do not have an Electricity Company of Ghana (ECG) office close to this community to help address power-related issues. People need the power to do business to have a prepaid meter (HDb).

*Bad housing* also emerged as one of the major challenges to the dwellers of informal settlements. Our informants shared their experiences concerning the poor housing nature within their community in the following quotes during our interview with them.

The wooden structure that accommodates my family is bad. Sometimes, we had to sleep outside at night when there was excess heat; that also exposed us to the mercy of mosquitoes bites (FV).

Some of us wished we could ask God to pardon us with the rain during the rainy seasons. This is because the whole community becomes flooded, including our rooms. It is so bad that even days after the rain, the entire settlement remains muddy. We have been crying to the government to come to our aid without success; please add your voice to our cry. (OLM).

Some of us sleep outside because we have no place of our own. To rent a room or kiosk in this community is very expensive, so we sleep in the open space. Unfortunately, one of the heavy rains this year did not only prevent us from sleeping, but the heavy erosion carried our entire personal belongings away. (SD).

Another theme that emerged from our data about the challenges informal dwellers faced within our study setting is *the unsafe* nature of their environment. According to our informants, several issues such as flooding pose a severe challenge to their livelihood, which makes the community unsafe to live in. Some of these experiences are presented in the interview quotes below.

We wish the government will relocate us because the whole community get flooded when it rains, and this makes the whole area unsafe for us to live in. (RAM).

This community has been tagged as a mosquito-infested area. This is one of our greatest challenges during the rainy season; diseases like malaria and others are very common, and I think such a condition is not ideal to live in (REMb).

To be honest with you, I feel very unsafe here because the community is not planned and very crowded […] and as you know, anything can happen. (OLF).

Significantly, these findings consolidate and largely validates earlier scholarships indicating challenges confronting the informal settlements. For instance, some of the challenges highlighted in the literature revolves around; poor and inadequate infrastructure, poor housing stock (Jones, 2017; Khalifa, 2015; Mahabir et al., 2016; Stacey & Lund, 2016), flood-prone, drainage, and sanitation (Sakijege et al., 2014; Jones, 2019; UN-Habitat, 2017; More et al., 2017).

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**Contributions of informal Dwellers to economic and urban development**

In examining the contributions of informal dwellers within the informal settlement to economic and urban development, residents of the informal settlement emerged. However, they are challenged in various ways that contribute significantly to the economy and development of the city. To allow for the orderly presentation and discussion on these contributions, we macro-categorized these contributions into three main themes - *revenue generation, provision of the labour force and creation of employment.* Table 4 shows the data structure for the contribution of informal dwellers to economic and urban development. The results from our data show that despite the numerous issues challenging the livelihood of the informal dwellers in their informal community, they contribute to *revenue generations* of the Metropolitan Assemble in diverse ways. They shared these experiences during the interview and the focus group discussion, as illustrated in some of the following quotes.

As you can see, this community generates so much revenue for the Assembly. Still, neither government nor the Assembly is concerned about the wellbeing of the dwellers in this community in terms of electricity and other social amenities. (RE).

Everybody that sells in this market is taxed daily by the Assembly and not monthly. If a tax were the basis of development, [Old Fadama] should be more developed than other communities because of our tax contribution to the government and the Assembly (FVb).

People do not regard us in this community, and I thought they will not also mind us when it comes to collecting tax, but the Assemble is here always to collect tax from the traders here (PTb).

Another theme that emerged from our data analysis concerning the contribution of informal dwellers to the economy and development is *the provision of the labour force*. The residents in our study area expressed their views that not only do they contribute to the revenue generation of the Assembly, but their community is the hub for both cheap skilled and unskilled labour. These life experiences were shared during the interview and focus group discussion with them as shown in the following quotes:

We have skilful unemployed people in this community who are willing and available to work. Those of us who are working take a small salary (OLMb).

Yes, many of the men here work on construction sites and do other jobs that require more energy […]; the pay is not good, but they have to manage. (OLF).

As you know, the “Kayayie[[2]](#footnote-2)” supporting the shoppers in markets in Accra are from here [and also] the “Kayayie” support food vendors in their household chores at wages determined by the house owners. (YOF).

Furthermore, *the creation of employment* emerged from our data as one of the themes under the contribution of informal dwellers to economic and urban development. According to the informants, in addition to their informal settlement as a hub for a cheap labour force, their settlement also serves as a centre for many small and medium scale enterprises (SMEs). These SMEs employ many of the youth within the community. The following illustrates some of the views of the informants shared during the interview and the focus group discussion.

As you can see, there are many small businesses such as food vending, sachet water selling, hairdressing, "Kayayie", pastries, soft drinks, among others, and these small businesses employ one or two people in the community. (REF).

Old Fadama has become the hub of business in Accra, creating self-employment opportunities for the unemployed. In addition, the busy nature of Old Fadama itself is a motivation for people to go out and work(RAb).

I do my own business, I own a barbering shop, and I have employed three people from the community working with me there. (RAM).

A critical look at these findings from the study context tends to agree with prior studies that argue that the informal settlers are full of entrepreneurs whose individual skills have been left untapped and thereby willing to offer cheap labour to the city (De Soto. 2000; Tipple, 2015; Turner & Schoenberger, 2012; Awumbila, Owusu & Teye, 2014). Similarly, the findings reinforce earlier studies by Kellett and Napier (2014), Mahabir et al. (2016), Turok (2015) about the fact that the informal economy provides more employment to the unemployed youth.

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**CONCLUSION AND IMPLICATIONS**

The study's finding shows that, despite the diverse negative connotation associated with informal settlement dwellers and the myriad of challenges they faced in the informal settlement, they significantly contribute to economic and urban development through revenue generation, job creation, and provision of labour. This finding aligns with earlier studies (See Oteng-Ababio et al., 2019; Kothari, 2015). These authors highlight the need to recognize the informal dwellers' agency and potential for economic and urban development through creative entrepreneurship. The finding implies that informal settlement dwellers, out of 'hopelessness' and the struggle in these informal communities, instigate 'innovativeness' to survive (Oteng-Ababio et al., 2019; Oteng-Ababio, 2016). In using their entrepreneurial skills, the informal dwellers can recognize and identify opportunities and invest in them accordingly, creating a small business that helps them survive.

The argument raised in this paper may not be new but does offer an analytical compilation of scholarly ideas about the subject matter. Critically, there is a need to question the assumptions and rationale behind local government policies and strategies directed towards informal settlements and slums. Thus far, this paper suggests a paradigm shift in thinking by critical stakeholders, particularly state and city administrators, towards informal and slum dwellers. More importantly, the theoretical understanding of the concept of informality and the evidence adduced in this article provides firm ground to believe that informal dwellers are not, after all, distractors as documented (UN-Habitat, 2014; Farrell 2004; Zhu, 2010; Rauch, 1991; Harris and Todaro, 1970; Lewis; 1954). We conclude by indicating that informal settlements are very unlikely to disappear as some authors suggest, hence, the need to pay close attention to informal settlements and capture these settlements in local government policies.

**Implications of the Study**

The findings and conclusions reached by this article bring to the fore several issues that have implications for research, practice, and policy. As discussed earlier in the body of this paper, the absence of an adequate formal response to job creation and the abundance of labour available at the informal settlements offers very useful implications discussed below. First, this study opens windows of opportunities for researchers to widen their scope of research interest into informal settlements, slums, and the informal economy at large. This will help to explore, uncover and advance the knowledge in the field, particularly regarding the challenges, contributions and general effects of the informal economy on urban development. This can further lead to the development of academic programs, centres, workshops and seminars by higher institutions of learning and gradually to the lower institutions. In addition, the findings can serve as a reference point for scholars in the field to advance the scope of knowledge in the field of informality, particularly in the context of a developing country.

Second, from practice, since the contribution of the informal dwellers cannot be underestimated, their inclusion in urban development discourse will serve a great deal. This could probably help unearth or discover more entrepreneurs in the informal sector. Furthermore, a healthy environment is characterized by good quality of life, harmonious living, and reduced social inequality (Enyedi, 2002). Therefore, stakeholders such as city and state administrators can effectively engage and incorporate the various leaders in the sector into urban development affairs.

Third, from a policy point of view, two paths are critical; first, policy options may be considered to formalize informality through deepening democratization and decentralization within the national government so that urban governments get more power, resources, and structures more accountable and transparent. For instance, when mayors and city councils are elected, their compensation for re-election or otherwise will depend on their stewardship. This is most evident in many Latin American nations, where citizen pressures drive the initiatives and demands from urban administration. With the second path, local governments' Act changes are necessary to inform and incorporate the present growth of informality and urban development and administration. To this effect, both paths must seek to recognize the informal dwellers and those working in the informal economy to be parts of city management who have rights to infrastructure, services, and local government agencies.

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Figure 1. Map of Accra Metropolitan Assembly Showing Old Fadama, the study area.

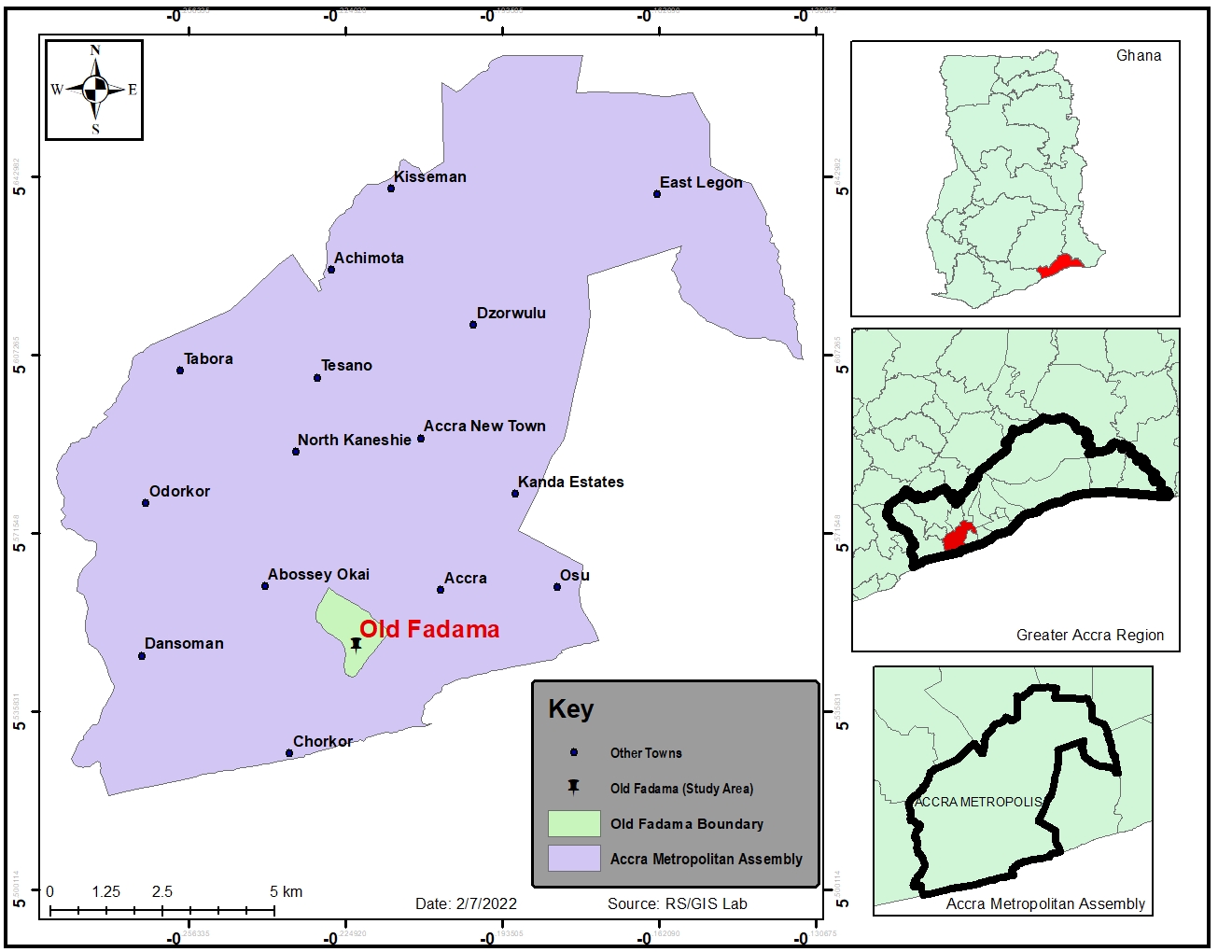


Figure 2. Summary of findings

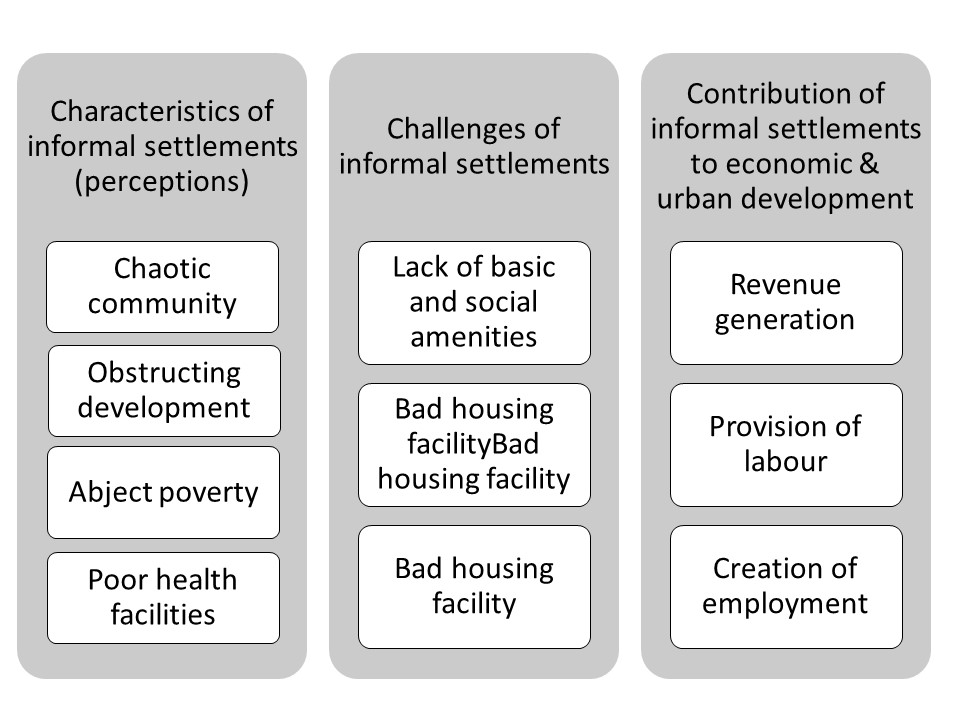


Table 1. Background information of the informants

|  |  |  |
| --- | --- | --- |
| **Occupation of informant** | **Gender** | **Interview codes used in text a** |
| Petty traders | Female | PTb |
| Food vendor | Female | FVb |
| Scrap dealer | Male | SDb |
| Repairer | Male | RE |
| Opinion leader | Male | OLMb |
| Yam seller | Female | YS |
| Textiles seller | Female | TS |
| Retired educationist | Male | REMb |
| Hairdresser | Female | HDb |
| Fruit seller | Female | FEb |
| Seamstress | Female | SE |
| Opinion leader | Female | OLFb |
| Beautician | Female | BE |
| Youth organizer | Male | YOMb |
| Youth organizer | Female | YOFb |
| Retired assembly member | Male | RAb |
| Retired educationist | Female | REFb |

a Coded to preserve anonymity

b Informants who participated in the focus group discussion

Table 2: Data structure for characteristics of informal settlement (perception)

|  |  |
| --- | --- |
| ***Illustrative codes*** | ***Aggregated codes*** |
| * this community […] is chaotic * Old Fadama is disorder and unsafe for visitors * Dwellers are violent and criminals | Chaotic community |
| * [Old fadama is] impeding the development of the city. * Settlement not attractive to investors * Dwellers obstruct the Assembly’s development. | Obstructing development |
| * […] poverty is endemic in this community […] * The poverty bedeviling this community […] * Social exclusion and stigmatization * Poor neighbourhood | Abject poverty |
| * Health facility here [Old Fadama] is   under-resourced and in a poor state   * Unhealthy environment * Poor state of health facility | Poor health facilities |

Table 3: Data structure for challenges confronting informal settlements

|  |  |
| --- | --- |
| ***Illustrative codes*** | ***Aggregated codes*** |
| * Access to potable water in this community is problematic […] * We lack adequate toilet facilities […] * We do not have an Electricity […] | Lack of basic and social amenities |
| * The wooden structure that accommodates my family is bad * […]whole community becomes flooded   including our rooms […]   * To rent a room or kiosk in this community   is very expensive so we sleep in the open space | Bad housing facility |
| * […] whole community get flooded when it rains and this makes the whole area unsafe for us to live. * This community has been tagged as a mosquito-infested area […] * I feel very unsafe [in this] community | Unsafe environment |

Table 4: Data structure for contribution of informal settlements to economic and urban development

|  |  |
| --- | --- |
| ***Illustrative codes*** | ***Aggregated codes*** |
| * […] this community generates so much revenue   for the assembly   * Everybody […] in this market is taxed daily   by the assembly   * […] the Assemble is here always to collect   tax from the traders | Revenue generation |
| * We have skillful people who are unemployed   in this community […]   * […] many of the men here work on construction sites and do other jobs that require   more energy   * […] the “Kayayie ” supporting the shoppers in markets in Accra * All forms of skills and trade available and less expensive | Provision of labour |
| * […] there are a lot of small businesses […] * Old Fadama [is] the hub of business in Accra creating self-employment opportunities for the unemployed * I do my own business, I own a barbering shop   and I have employed three people from the community | Creation of employment |

1. The superscript b means that the quote is from the focus group discussion. [↑](#footnote-ref-1)
2. The Kayayie is a local term used to describe helpers (usually females) who assist in carrying goods and kinds of stuff from the market to the shoppers’ homes and car packs for a small fee. [↑](#footnote-ref-2)