Towards connecting green economy with informal economy in South Africa: A review and way forward

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The informal economy is a vibrant and growing phenomenon, offering both opportunities and lessons on resilience and innovation. When considering global social, economic and environmental challenges, resilience and innovation are valuable response strategies. The notion of a green economy has similarly inspired a number of ideological, geopolitical and institutional responses, yet a review of the dominant approach indicates the propensity to undervalue or ignore the informal economy. Within the context of sustainable development and poverty eradication, connecting the informal economy with the green economy is imperative. This paper explores possible connections between the green economy and the informal economy in South Africa and argues that by engaging the informal economy in discussions on the green economy, a more informed policy and planning environment may ensue, resulting in more socially equitable and environmentally sustainable development.

**Keywords:** green jobs; inclusive green economy; green growth; informal economy; second economy; South Africa
1. Introduction

Though difficult to define, the informal economy is visible in different guises ranging from survivalist business activities being run from pavements, pedestrian malls, transport interchanges and homes, to agrarian activities found in both urban and rural areas. The informal economy relates to ‘economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements’ (ILO, 2003). Various terminologies are used synonymously with the term ‘informal economy’, including informal sector, second economy, informality and shadow economy (Rogerson, 2007). The informal economy plays an important role in the overall economy of a country. In fact, for many countries across the globe, the informal sector employs more persons than the formal sector (ILO, 2012). For instance, in sub-Saharan Africa, the informal economy accounts for up to 72% of employment, rendering it significant in the context of sustainable development and poverty eradication (Dawa & Kinyanjui, 2012). In Brazil and India, the proportion of persons employed in the informal economy is 42.2% and 83.6% respectively. This is much higher in comparison with South Africa, which is 37.2% (ILO, 2012). However, the sector still plays an important role in the share of employment in various economic activities (ILO, 2012). The importance of the informal economy to the urban and rural poor, and especially to women, is also acknowledged (Chambwera et al., 2011).

Despite the above benefits, the informal economy poses a number of social, economic, environmental and political challenges worldwide; many of which remain under-unexplored (e.g. Dreher & Schneider, 2010; Buehn & Schneider, 2012). Of particular interest to this paper are the recent discussions on the need to acknowledge
the informal economy in the green economy agenda (e.g. Dawa & Kinyanjui, 2012).

Solutions need to be found to questions such as: Can the informal economy contribute
to a green economy? or Can the green economy be planned in such a way that it will
help provide solutions to the challenges that dominate in the informal economy?

As a starting point to addressing the above questions, the authors undertook a critical
literature review to (i) provide a macro perspective and understanding of the green
economy landscape; (ii) understand the reality of a green economy in South Africa;
(iii) trace various perspectives and approaches to ‘managing’ the informal economy;
and (iv) identify the role and value of the informal economy to sustainable
development and a green economy.

2. Global perspectives and pathways for a green economy

The transition to a green economy is well on its way, yet several issues hinder its
categorisation and implementation (UNDESA, 2014). These issues also impact the
realisation of an ‘inclusive green economy’ and are expanded on in the following
section.

2.1 Issues of divergent definitions and principles

The many definitions for ‘green economy’ are indicative of the myriad of approaches
to and perspectives on what should be ‘greened’ and how that could be done. Initial
definitions of the green economy indicated little emphasis on the social dimension of
sustainable development (Allen, 2012). To address emerging concerns, the concept
was redefined at Rio+20, expanding the concept to ‘inclusive green economy’ and
‘inclusive green growth’, whilst situating the green economy ‘in the context of sustainable development and poverty eradication’ (Allen, 2012).

2.2 Aspects of power and participation

Despite efforts to redefine the green economy, concerns remain as to how the social dimension is interpreted and applied. Cook et al. (2012), for example, problematise narrow interpretations of stakeholder engagement. The green economy is also criticised for generally disregarding, undervaluing or overlooking the informal economy (Dawa & Kinyanjui, 2012).

According to Cook et al. (2012), further contestations about the green economy relate to geopolitical, ideological and disciplinary disparities. Clapp & Dauvergne (2011) identify four leading approaches to the green economy. Cook et al. (2012) expand on these by connecting them to current major transition pathways (see Table 1). These approaches are not necessarily distinct and there are some overlaps. However, the market-liberalist approach championing green growth is recognised as dominating the international stage (Clapp & Dauvergne, 2011).

Table 1: Dominant approaches and transition pathways to a green economy

<table>
<thead>
<tr>
<th></th>
<th>Green Growth</th>
<th>Strong Sustainability</th>
<th>Social Economy</th>
<th>Limits to Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Worldview</strong></td>
<td>Market liberal</td>
<td>Institutionalist</td>
<td>Social green</td>
<td>Bioenvironmental</td>
</tr>
<tr>
<td>Social</td>
<td>Green jobs</td>
<td>Global cooperation</td>
<td>Redistribution (income, wealth and power)</td>
<td>Radical decrease in consumption and population growth</td>
</tr>
<tr>
<td></td>
<td>Social protection</td>
<td>Redistribution (income)</td>
<td>Rights-based Social justice</td>
<td>Inclusivity</td>
</tr>
<tr>
<td></td>
<td>for vulnerable groups</td>
<td>Stronger institutions</td>
<td>Equality of outcomes</td>
<td>Needs</td>
</tr>
<tr>
<td></td>
<td>Equality of opportunity</td>
<td>Inter- and intra-generational equity</td>
<td>Empowerment</td>
<td></td>
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<tr>
<td></td>
<td>Stakeholder consultation</td>
<td>Capacity building</td>
<td>Citizen action</td>
<td></td>
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<tr>
<td></td>
<td>Green consumerism</td>
<td>Social dialogue</td>
<td></td>
<td></td>
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</tbody>
</table>
Environmental
Eco-efficiency Technology transfer Reducing Emissions from Deforestation and Forest Degradation (REDD)
Eco-regulation Strengthen global governance regimes REDD+
Environmental justice Agro-ecology Grassroots action Eco-centric valuing of nature for its own sake Enforced regulation of global commons
Economy
Indicative organizations
World Trade Organization (WTO), International Monetary Fund (IMF), World Business Council for Sustainable Development (WBCSD) UNEP, United Nations Framework Convention on Climate Change (UNFCCC), Global Environment Facility World Social Forum Third World Network World Watch Institute, Pachamama

Source: Compilation by Cook et al. (2012) drawing on Clapp and Dauvergne

For Söderbaum (2013), the dominant approach appears problematic, as it is underpinned by neoclassical economics that tend to be intolerant of alternative modes of thinking, thus negating true democracy. Söderbaum (2013) accordingly argues that a broadened dialogue and a ‘pluralism of perspectives’ are required to confront issues of power and participation.

2.3 Issues with related concepts

The concepts of green economy, green growth and low-carbon development have diverse origins, yet over time their meaning and use have become analogous in economic decision-making and planning (Allen & Clouth, 2012). However, these concepts are contested on several fronts. The first one relates to relying on market
based solutions for the green economy. These have been criticised for reinforcing inequalities and power structures (Smith, 2011; Cook et al., 2012); commodifying the commons and creating corporate capture (Boehnert, 2013); and for creating disincentives for reconfiguring unsustainable production and consumption patterns (Smith, 2011; Cook et al., 2012). The second one relates to certain assumptions underpinning the logic of the green growth approach that are considered to be integrally inadequate and weak (Smith, 2011). Green growth is viewed as a solution to poverty (Allen & Clouth, 2012) and while acknowledging the importance of economic growth for any large-scale poverty reduction, Dercon (2012) warns of the existence of trade-offs that increase social costs. Hence, if not explicitly addressed, green growth may not be good for the poor. Thirdly, is the continued use of gross domestic product (GDP) as measure of progress. Several authors suggest that GDP is an inadequate and inappropriate measure for sustainable development, and therefore should be adjusted, supplemented or replaced (Schepelmann et al., 2010; Daly, 2011; AtKisson, 2013).

2.4 Issues of design, implementation and review

Few nations have created national green economy strategies as many are challenged by institutional capacity, financing and integration issues (Allen, 2012; AtKisson, 2013). Countries that pursue a green economy as prompted by their National Sustainable Development Strategies (NSDS) indicate similar challenges (Allen, 2012).
3. The South African green economy perspective

South Africa recognises the green economy as a pathway to sustainable development (DEA, 2014). It is party to several international conventions and agreements that are related to sustainable development, and has successfully engaged with multiple international green economy initiatives (Allen, 2012; Montmasson-Clair, 2012).

At national level, a number of key texts are identified as guiding the development of a green economy in South Africa (Montmasson-Claire, 2012; DEA & UNEP, 2013). There are also a number of sector- and time-specific policies, as well as provincial and local government initiatives and plans that support and complement the South African green economy framework (Montmasson-Claire, 2012; Sustainlabour, 2013; DEA & UNEP, 2013).

Furthermore, the New Growth Path released in 2010 prioritises the green economy as a ‘job-driver’ and as including activities that ‘must provide an important entry point for broad-based black economic empowerment, addressing the needs of women and youth entrepreneurs and offering opportunities for enterprises in the social economy’ (EDD, 2010).

This would suggest that South Africa considers the green economy as an opportunity to simultaneously address several socio-economic issues related to poverty, social justice and equality; therefore aiming to achieve an ‘inclusive green economy’. The transition to an ‘inclusive green economy’ in South Africa however presents two main challenges. Firstly, the institutional arrangements regarding the green economy are complex and they involve a range of national and sectoral departments and institutions. The complexity of these arrangements is indicative of the challenges to
creating coherent responses to the ‘what’, ‘how’ and ‘by whom’ of the green economy transformation. In particular, the responses tend to be fragmented and uncoordinated (Montmasson-Clair, 2012; Nhamo, 2013), thus calling for efforts to systematically coordinate both horizontal and vertical governance structures.

Secondly, there are vested interests, power relations and hegemonic regimes involved. Numerous stakeholders influence how the green economy is conceptualised and implemented. These forces and regimes operate at various levels and are influenced by, for instance, internal party politics (Southall, 2010) and the minerals-energy complex (Peter & Swilling, 2011). Such influences ultimately limit the interpretation and implementation of the green economy in South Africa to a narrowly focused, market-liberalist approach.

Given the above constraints and challenges, there is a need for greater participation in and a wider formulation of what an ‘inclusive green economy’ for South Africa may be. The country’s green economy transition thus should be analysed in terms of ‘what’ or ‘whom’ is included or excluded, and ‘where’ efforts are focused.

At first glance, the country seems to promote extensive social participation in the development of the green economy. However, the level of public participation in drafting the key texts that guide the implementation of the green economy vary from limited to extensive (Montmasson-Claire, 2012), indicating lapses in consistency.

Several reports track the progress and potential of green jobs and the green economy in South Africa (Maia et al., 2011; Montmasson-Claire, 2012; DEA & UNEP, 2013;
Sustainlabour, 2013). The general focus of these reports and their conceptualisation of green jobs are limited to specific economic sectors in the formal economy. These reports indicate very little engagement with the informal economy, thus implying that future policies and plans for a green economy may also be limited in their consideration of the informal economy.

4. Perspectives on the informal economy

Conceptually, the notion of the informal economy has a number of different definitions and interpretations that impact upon data collection and measurement of its size and monetary value. The economic activities taking place in the informal economy are mostly unrecorded and therefore difficult to measure (Chen, 2012; Wills, 2009). Further issues affecting accurate estimates of the size and contribution of the informal economy to for example GDP relate to definitional debates over what needs to be included within such measures as well as methodological debates over how it should be calculated (Chen, 2012; Kanbur, 2009; Ligthelm, 2006; Saunders & Loots, 2005). For this reason, estimates of the size and monetary value of informal activities that contribute to a green economy are not forthcoming, falling outside of the scope of this paper.

Furthermore, perceptions about the informal economy influence its conceptualisation and ‘management’. Chen (2007; 2012) distinguishes between four schools of thought pertaining to the nature and composition of the informal economy, whereas Williams (2007) problematises the dominant paradigms regarding ‘formalisation’, ‘commodification’ and ‘globalisation’ in terms of their estimation of and approach to informal livelihood activities. Globally, perspectives regarding the informal economy have changed progressively (see Table 2).
Table 2: Changes in perspectives on the informal economy

<table>
<thead>
<tr>
<th>The old view</th>
<th>The new view</th>
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<tbody>
<tr>
<td>The informal sector is the traditional economy that will wither away and die with modern, industrial growth.</td>
<td>The informal economy is ‘here to stay’ and expanding with modern industrial growth.</td>
</tr>
<tr>
<td>It is only marginally productive.</td>
<td>It is a major provider of employment, goods and services for lower-income groups. It contributes a significant share of GDP.</td>
</tr>
<tr>
<td>It exists separately from the formal economy.</td>
<td>It is linked to the formal economy-it produces for, trades with, distributes for and provides services to the formal economy.</td>
</tr>
<tr>
<td>It represents a reserve pool of surplus labour.</td>
<td>Much of the recent rise in informal employment is due to the decline in formal employment or to the informalisation of previously formal employment relationships.</td>
</tr>
<tr>
<td>It is comprised mostly of street traders and very small-scale producers.</td>
<td>It is made up of a wide range of informal occupations-both ‘resilient old forms’ such as casual day labour in construction and agriculture, as well as ‘emerging new ones’ such as temporary and part-time jobs plus homework for high tech industries.</td>
</tr>
<tr>
<td>Most of those in the sector are entrepreneurs who run illegal and unregistered enterprises in order to avoid regulation and taxation.</td>
<td>It is made up of non-standard wage workers as well as entrepreneurs and self-employed persons producing legal goods and services, albeit through irregular or unregulated means. Most entrepreneurs and the self-employed are amenable to, and would welcome, efforts to reduce barriers to registration and related transaction costs and to increase benefits from regulations; and most informal wage workers would welcome more stable jobs and workers’ rights.</td>
</tr>
<tr>
<td>Work in the informal economy is comprised mostly of survival activities and thus is not a subject for economic policy.</td>
<td>Informal enterprises include not only survival activities but also stable enterprises and dynamic growing businesses, and informal employment includes not only self-employment but also wage employment. All forms of informal employment are affected by most (if not all) economic policies.</td>
</tr>
</tbody>
</table>

Source: Chen (2007:5).

The informal economy manifests heterogeneously, ranging from small and micro survivalist business activities in public and private settings, such as pavements, pedestrian malls, transport interchanges and homes, to agrarian activities found in both urban and rural areas (Chen, 2012; Devey et al., 2003; Du Toit & Neves, 2013; Horn, 2011; Kanbur, 2009; Skinner, 2008; Wills, 2009). Although the informal economy cuts across divisions of race, class and gender, several studies have shown that the majority of actors are black, impoverished and female (Du Toit & Neves, 2012; Horn, 2011; Skinner, 2008). This has led authors such as Musyoki (2012) and Chambwera, MacGregor, & Baker (2011) to suggest that the informal economy offers
vast opportunities for sustainable and ‘just’ development as interventions in the informal economy may help to uplift the poorest and most disenfranchised.

Chambwera et al. (2011) suggest that the informal economy offers much value in delivering sustainable development ideals, including the green economy. Government planners, donors and nongovernmental organisations (NGOs) therefore need to consider the informal economy alongside the formal economy if they plan to “help lift up the wellbeing of the poor and address global challenges such as climate change” (Chambwera et al., 2011).

The South African approach to the informal economy, however, indicates reluctance in recognising this value (Smit & Musango, Forthcoming).

5. The informal economy in South Africa

The South African government defines the second economy as the ‘range of activities that are often marginal, outside the regulatory net and survivalist in character’ (EDD, 2013). The notion of two economies was first introduced by former President Thabo Mbeki in 2003, who recognised the ‘structural disjuncture’ between the modern, first-world economy and the underdeveloped third-world or ‘second’ economy (Mbeki, 2003). The divide between the ‘two economies’ is systemic and associated with several key apartheid legacies that relate to the (i) centralised monopoly structure of the core economy; (ii) distorted nature of asset distribution, including capital, land and human capital development; and (iii) spatial legacies of bantustans and apartheid cities (TIPS, 2009).
The second economy is recognised as having several debilitating characteristics, giving rise to the perception that it requires fixing, elimination or formalisation (Mbeki, 2003; Gumede, 2008). South Africa’s response to the informal economy includes the Second Economy Strategy released in 2009, which headlines 11 priority areas (TIPS, 2009). Additionally, the New Growth Path focuses on growth (including ‘green growth’) as a means of addressing poverty, unemployment and inequality in South Africa.

The Economic Development Department was established to coordinate the development of the New Growth Path and to promote coherent economic development (EDD, 2013). Under this mandate, the Department’s programme for Economic Policy Development includes the second economy as a sub-programme, which aims to ‘develop policies that will transform second economy activities into dynamic, competitive activities that are part of the economic mainstream’ (EDD, 2013).

In contrast, the green economy is considered to be a sub-programme of a separate programme related to Economic Planning and Coordination (EDD, 2013). This separation of the second economy and green economy as detached sub-programmes may be indicative of the general disconnect between policies and plans related to the green economy and the informal economy.

6. Connecting the green and the informal economy

The informal economy is ‘an important component in the social, economic and political arenas of Africa’ (Dawa & Kinyanjui, 2012) and several traits are recognised
as being significant to creating an ‘inclusive green economy’. These include the following:

(i) Formal-informal linkages

The majority of informal economy operations are connected to the formal sector through a range of forward and backward linkages and complex interactions (Davies & Thurlow, 2010; Chambwera, et al., 2011; Chen, 2012). These linkages include individual transactions through open market exchanges; production and exchange of goods; value chains (Chen, 2012:12); and the flow of raw materials, equipment and finance (Chambwera et al., 2011).

(ii) Regulating for economic diversity

The formal regulatory environment in general often ignores entire categories of the informal economy, leading to a number of adverse effects, as described by Chen (2012). Chen subsequently argues for a more comprehensive approach to formalising the informal economy. Such an approach would also require reconsideration of macro-economic policies specific to the informal economy, as described by Saunders & Loots (2005):

...the results of the causality test suggested that macro-economic policies aimed at the formal economy will not necessarily ‘trickle down’ to the informal economy, while macro-economic policies aimed at the informal economy may well have a profound effect on the formal economy.

The informal economy offers an alternative to the neoliberal economic model, having a broader range of objectives, including being reproductive; sustaining household survival; and facilitating social connectedness (Du Toit & Neves, 2012).
Chen (2012) suggests that a new economic paradigm or ‘hybrid economy’ is needed that is open to such duality; embraces both ‘the traditional and the modern, the small scale and the big scale, the informal and the formal’; addresses power imbalances; and protects the vulnerable.

Samers (2005) in contrast, suggests that informal economies do not always lend themselves to systems of reciprocation and obligation, and at times even involve exploitative and illegal activities. Indeed, the informal economy constitutes a broad spectrum of activities ranging from legal to illegal (Chen, 2012) and can be a source of both environmental restoration (Blignaut et al., 2008) and destruction (Biswas et al., 2012). However, these issues cannot be ignored, and policies and plans that tie green and informal economies together should aim not only to maximise environmentally protective or restorative activities, but also to minimise environmentally destructive and exploitative activities.

(iii) Employment potential

Chen (2012) describes informal employment as a growing reality in the global economy, constituting the main source of income for most people in the developing world. It is thus argued that the informal economy should be better recognised and integrated into economic planning and legal frameworks (Chambwera et al., 2011; Chen, 2012; Dawa & Kinyanjui, 2012).

Although the size of the informal sector is markedly lower for South Africa (Davies & Thurlow, 2010), its role in providing a buffer between employment and
unemployment in times of financial crisis cannot be underestimated (TIPS, 2009; Chambwera, 2011).

(iv) Complex social networks

Informal economies produce networks of ‘trust and morality’, which are embedded within the socio-cultural environment (Du Toit & Neves, 2012). Informal actors are also closely linked to their communities, hence ‘providing valuable networks for resource management, energy requirements and climate change’ (Chambwera, 2012).

Whilst such networks may induce conflict, tension and skewed exchanges, they are also significant in enabling the poor ‘to mitigate poverty and the effects of vulnerability’, acting as a form of ‘private social protection’ (Du Toit & Neves, 2007).

An ‘inclusive green economy’ would require greater networks of dynamic interaction and collaboration that transcend the formal-informal divide, as described by Torgerson (2001).

Green thinking need not consider formal and informal economies to be either/or alternatives. The two can be seen as potentially complementary aspects of a complex, political process of radical reform beyond the control of any single agent responsible for achieving a green economy.

(v) Sites of resilience and opportunity

Informal actors leverage and supplement their meagre domestic resources to cope with shocks and sustain informal economic activities (Du Toit & Neves, 2007),
thereby acting as sites of resilience and possibility. Vermeulen et al. (2008) illustrate how impoverished local communities found innovative ways of coping with changes in weather patterns. This led Vermeulen et al. (2008) to suggest that supporting such local initiatives and institutions may be a more effective strategy for adapting to climate change than relying on top-down initiatives only.

(vi) Connection with ecological services

There is a deep connection between rural livelihoods and ecological services (Musyoki, 2013). In most instances, areas of high ecosystem goods and services provision in South Africa have strong association with ‘pockets of poverty’ (Blignaut et al., 2008).

Rural and poor communities may also benefit from the development of markets for ecosystem goods and services (Blignaut et al., 2008). Linking the ecosystem services ‘supply’ activities performed by the rural poor to the demand in urban environments may result in employment opportunities, whilst positively impacting conservation efforts and reducing demand for social welfare (Blignaut et al., 2008).

(vii) Green jobs and livelihood activities

The actors, agents and entities operating in the informal economy are neither shielded from nor indifferent to the effects of climate change; instead producing alternative coping strategies (Dawa & Kinyanjui, 2012; Raghupathy & Chaturvedi, 2013). A number of households and communities in Africa are implementing green livelihood strategies, which include the adoption of household scale energy technologies, organic waste management, and urban farming (Acey & Culhane, 2013). Smit and Musango
Forthcoming) identified green activities that are recognised by several green economy practitioners and policy advisors as contributing to an ‘inclusive green economy’ in South Africa. These include among others bioprospecting and biotrade; recycling and waste picking; and the use of green infrastructure, technology and construction.

These informal green activities are recognised as coping strategies, which are also akin to green jobs (DEA, 2014). However, current debates about ‘green jobs’ are silent about the ‘everyday practice of green livelihoods carried out by the urban poor’, instead focusing on large-scale, formal sector responses (Acey & Culhane, 2013). Such approaches are considered to be problematic as they obscure the transformative value of small-scale technologies and ignore the contribution of the informal economy.

A further issue concerning green jobs relates to the conditions and quality of the employment (Montmasson-Claire, 2012). ‘Green’ employment is not decent by definition and therefore will ‘require careful stewardship from public authorities to ensure workers are able to exercise their rights’ (Cunniah, 2012). Waste pickers for example reportedly operate in ‘hostile’ social environments, are vulnerable to exploitation by middlemen, and are exposed to tremendous health and safety risks (Jones, 2013). Such challenges need to be addressed by national policy strategies in order to build ‘a just transition towards an environmentally respectful and socially empowering economy’ (Olsen, 2012).
The formulation of policies and plans to connect the informal economy with the green economy requires an understanding of the informal economy that extends beyond assumptions that informal activities are unorganised and chaotic in form or practice. Policy interventions taking this stance have often resulted in disaster as they negate the value of the community structures that are in place (Guha-Khasnobis et al., 2006). For this reason, Guha-Khasnobis et al. (2006) advocate an approach that recognises complexity and contextual realities, and suggest that several evaluative criteria be incorporated when planning for the informal economy in general, including:

(i) *Subsidiarity in a multi-level system*

Rather than engaging in the dialectic between the centralisation or de-centralisation of government agency, each intervention should be located ‘as close as possible to where it is meant to influence markets or groups’ (Guha-Khasnobis et al., 2006). At the same time, interventions should be embedded within a larger system of government.

(ii) *Balance between ‘formal’ interventions and ‘informal’ practices*

There is a need for balancing ‘formal’ rules with the ‘fine-tuning’ of ‘informal’ rules and norms; a process that necessitates an in-depth, participatory approach.

(iii) *Implementation capacity*

Interventions need to be designed to match both the implementation capacity of government and the absorptive capacity of the recipients. In some instances this may
require building the desired capacity before implementation (Guha-Khasnobis et al., 2006).

(iv) Complementary interventions

Successful interventions require the support of a strong institutional framework and are generally delivered as part of a package of complementary measures, served by a network of different actors (Guha-Khasnobis et al., 2006).

The practice of excluding and marginalising informal workers is related to a lack of ‘voice, visibility and validity’ (Chen, 2012). Policies and plans for an ‘inclusive green economy’ would therefore need to address these challenges. Giving ‘voice’ to the informal economy would involve increased participation in rule-setting and policy-making processes and the empowerment of workers by strengthening and supporting informal worker organisations (Chen, 2012). ‘Visibility’ may be addressed through improved measurement and representation in statistics, whereas ‘validity’ involves recognising the potential of the informal economy to contribute to sustainable development and actively engaging the informal economy in discussions on the green economy.

8. Conclusion

The notion of an ‘inclusive green economy’ is highly contested, with interpretations ranging from narrow to broad. Narrow interpretations limit participative and transparent processes, and continue to reproduce and exacerbate inequality and injustice. In contrast, broader interpretations value the social dimension of sustainable development and incorporate democracy and transparency into its processes.
Moreover, such broader interpretations engage with institutional issues of power and participation and focus on resilience and the creation of sustainable livelihoods. It is argued that a broader interpretation of the green economy in general, and green jobs in particular, is required for the transition to an ‘inclusive green economy’ to transpire.

For South Africa, such a transition implies an approach that engages with its contextual realities, whilst at the same time addressing issues such as vested interests, institutional arrangements, and poor policy integration and implementation. For the South African green economy to be inclusive and socially just, it would need to engage with the mass of disenfranchised individuals in a way that empowers and reinforces participation and sustainable livelihoods. Furthermore, it may be argued that a more open and enabling policy environment could greatly assist the transition to an alternative economic model, which may be more conducive to socially equitable and environmentally sustainable development. The literature review in this paper provided the basis for empirical analysis, which is found elsewhere in Smit and Musango (Forthcoming).

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