

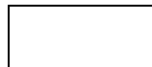
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CIA/ALA --- 90-10044 ---

Sub-Saharan Africa: Impact of Growing Corruption and Informal Economic Activities



A Research Paper

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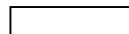
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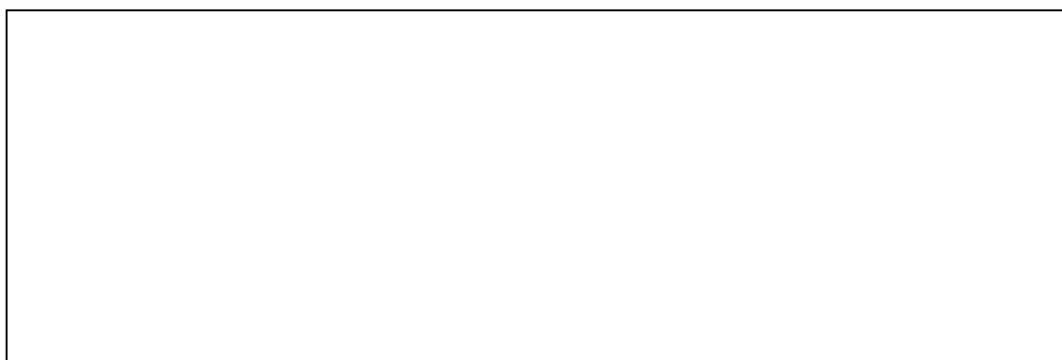
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Rwanda

Rwanda's "Other Path" is a narrow mountain trail littered with institutional and cultural obstacles.

[redacted]
Rwanda's informal economy is a relatively recent phenomenon, which developed out of economic necessity when agriculture diminished as a source of livelihood, [redacted]

Conducted largely by transplanted subsistence farmers, the urban informal economy lacks an established, dynamic entrepreneurial tradition. It also is limited by the small size of the country's market for nonfarm goods and by the minimal purchasing power of the population. These problems, moreover, are aggravated by the high concentration of informal activities in a small number of occupations. Government-operated vocational education programs that are focused on carpentry and sewing, for example, have bred large numbers of small carpentry and sewing workshops that saturate the market with their nearly identical products, [redacted]

The informal economy, nevertheless, probably generates 10 times as many urban jobs as Rwanda's formal manufacturing sector. [redacted]

[redacted] In addition to carpentry and sewing, the informal economy concentrates on handicrafts, such as tanning and leatherwork, and production of floor-mats, baskets, and other products from banana leaves. As in other African cities, informal activities also include curbside barbers, shoe repairmen, hawkers, and a wide variety of other street services. [redacted]

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