Measuring Informality

Agenda Setting Conference on Research on the Informal Economy
25-26 March 2011, Cape Town, South Africa

Focus of Measurement

- Informal Sector versus Informality
  - On informal sector
  - Establishment-based
  - Main sources of data
    - 2003 Industrial Census
    - 2005/2006 Ghana Living Standards Survey
    - 2010 Population and Housing Census

2003 National Industrial Census

- **Covered**
  - all large medium-size establishments (engaging 10 or more persons)
  - a sample of small establishments (engaging less than 10 persons).

- **Covered establishments with activities mainly in:**
  - mining and quarrying,
  - manufacturing,
  - construction,
  - the production and distribution of electricity, gas and water.

- **Collected information on:**
  - number of employees engaged (by sex),
  - wages and salaries,
  - gross output,
  - gross fixed capital formation,
  - sales, main inputs used in production,
  - energy used in production

2005/2006 Ghana Living Standards Survey (GLSS V)

- Household-based survey with a module on Non-farm Household enterprises
- National sample of 9000+ households
- Information collected on
  - Principal activity
  - Years on operation
  - Whether registered
  - Main source of capital
  - Availability/requirement of credit
  - Persons engage (full-time, casual, apprentices, etc.)
  - Contractual status of workers
  - Provision of paid annual/sick leave
  - Production, sales, assests

2010 Population and Housing Census

- Individual or third party reporting on sector of employment
- Name and location (at home or address) of establishments where individuals are employed

Plans on Improving data on Informal Employment

- Regular survey programme adopted
- Content of programme
  - Quarterly labour force surveys (include features of the job/activity)
  - Integrated business survey (covering all branches of activity)
  - Ghana Living Standards Survey (every five years)
- Promoting use of the data
  - Users' seminar on data availability/feedback
  - Teaming up with researchers on analysis of the data

What still needs to be done?

- Concepts need to be well defined; clarity of what each represents and who it covers
- Distinguishing characteristics of different groups/types
- Specific policy goals -- What purposes would the data serve and what data are used for the policies
  - A catalogue of key policy initiatives and what information would be required to meet the needs