

# Informal economy in Africa: Building human capital to set the Gazelles free

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Understanding the informal economy's relationship to human capital and economic growth is essential for policymaking. Africa's booming youth population requires unprecedented job creation. And despite Africa's rapid economic growth in the last decade, the informal economy is not shrinking.

Smith (1994) defines informal economy as “market-based production of goods and services, whether legal or illegal, that escapes detection in the official estimates of GDP.” Hart (2008) defines it as a set of economic activities taking place outside bureaucratic public and private sector establishments. Some characteristics of informal economic activity (excluding agriculture and paid domestic services) include unincorporated legal status, household ownership, incomplete sets of accounts, some market output and nonregistration of enterprise or employees.<sup>1</sup>

The informal sector contributes more than 50% of Sub-Saharan Africa's GDP and 80% of its labor force and employs 90% of rural African workers. It enables the most vulnerable populations—women, young people and poor people—to generate income and gain greater access to education and health services. But informal workers often lack social protection, secure incomes and decent working conditions. Informality is often associated with precariousness and poverty.

## **Africa's informal economy**

Africa has a large, persistent informal economy. Several complementary factors have led to its emergence and expansion.

### *Informality's causes*

Many of informality's causes relate to human capital formation: a weak labor market, rapid urbanization, entrepreneur dynamics and poor education outcomes.

*Weak labor market.* The main driver of Africa's informal economy is the private sector's inability to offer sufficient employment. Structural adjustment policies in most African countries have complicated the situation, as the sharp decline in clothing manufacturing illustrates.<sup>2</sup> Massive unemployment in the private sector has forced many Africans to subsist on low incomes from informal jobs. Many entrepreneurs exploit alternative business opportunities in the informal sector and develop unregulated businesses. Informal sector regulation is hampered by corruption and weak states. Concerned about unemployment, policymakers are passive toward the informal sector.

*Rapid urbanization.* Informality is linked to rapid urbanization and rural-urban migration.<sup>3</sup> Triggered by lack of resources, climate change, weak agriculture productivity and expansion of industrial and tertiary sectors, rapid urbanization has generated expansive slums in which the informal economy has taken root. Entrepreneurs create businesses and sell products and services without any regulation. Millions of people accept jobs in the informal sector rather than wait for formal employment. Lack of investment in basic infrastructure—including roads, transport, storage facilities and sustainable irrigation systems—leads to social exclusion and higher rates of informality.

*Entrepreneur dynamics.* African entrepreneurs reduce costs by avoiding tax payments, retirement pensions, social security contributions and other social benefits, and neglect legal labor market rules such as safety standards, minimum wages, minimum age requirements and maximum working hours. Leaving the informal sector is also expensive: many firms—particularly small firms and the self-employed—continue to operate informally because formalization costs outweigh the benefits.<sup>4</sup> Limited access to finance and technology also pushes informality.

*Poor education outcomes.* Mismatch between education and training system output and required job market skills also drives informality. Africa is experiencing substantial emigration, informal employment and youth unemployment due to the gap between formal education and the economy's needs.

### **Size of Africa's informal economy**

The average size of Africa's informal economy (in percent of GDP) was 41% for 1999–2007 (table 29.1). Zimbabwe (61.8%), Tanzania (56.4%) and Nigeria (56.2%) have by far the largest informal economies. In the middle are Mozambique (39.8%), Côte d'Ivoire (45.2%) and Niger (40.2%). At the lower end are Guinea (31.4%), Namibia (30.4%) and South Africa (27.3%).

**Table 29.1 Informal economy size in Africa, 1997, 2003 and 2007 and average**

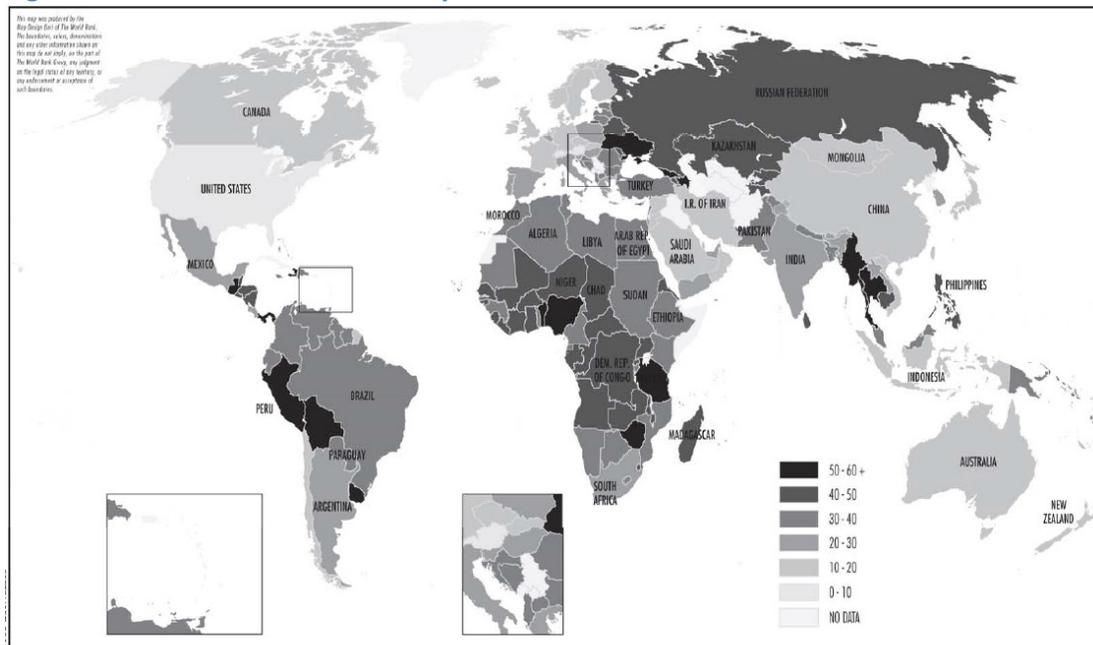
<b>Economy</b>	<b>1999</b>	<b>2003</b>	<b>2007</b>	<b>Average</b>
Algeria	34.2	32.5	31.2	32.5
Angola	48.8	47.3	42.1	46.5
Benin	51.2	49.3	49.1	49.8
Botswana	33.9	33.0	31.9	32.9
Burkina Faso	41.3	40.3	39.6	40.5
Cameroon	33.3	31.7	31.4	32.0
Cape Verde	36.5	35.7	33.4	35.4
Central Africa	42.8	46.9	45.1	45.0
Chad	45.8	44.2	42.2	43.7
Comoros	39.3	37.6	39.4	38.7
Congo, Dem. Rep.	47.2	47.1	46.7	47.3
Congo, Rep.	49.5	46.8	44.6	46.4
Côte d'Ivoire	41.4	46.0	47.0	45.2
Egypt	35.5	35.4	33.1	34.9
Equatorial Guinea	32.7	31.2	30.1	31.4
Eritrea	38.1	40.3	41.4	40.1
Ethiopia	40.6	40.1	35.1	38.6
Gabon	46.2	47.5	47.3	47.5
Gambia, The	46.1	45.4	40.9	44.3
Ghana	42.0	41.3	38.3	40.7
Guinea	39.7	38.8	39.2	39.0
Guinea-Bissau	40.4	41.5	41.6	40.9
Kenya	33.7	34.6	29.5	33.2
Liberia	44.2	45.0	44.2	44.2
Libya	34.7	34.9	30.9	33.7
Malawi	39.9	43.4	39.4	41.8
Mali	42.5	39.9	39.9	40.7
Mauritania	35.5	35.8	-	35.1
Morocco	36.5	35.0	33.1	34.9
Mozambique	41.1	39.8	-	39.8
Namibia	31.4	30.7	28.5	30.3
Niger	41.7	39.7	-	40.4
Nigeria	58.0	56.3	-	56.2

Rwanda	40.5	40.7	-	40.1
Senegal	45.0	44.4	41.7	43.7
Sierra Leone	48.6	44.8	42.9	45.6
South Africa	28.4	27.8	25.2	27.3
Sudan	34.1	-	-	34.1
Tanzania	58.6	56.6	53.7	56.4
Togo	34.4	34.9	-	34.9
Tunisia	38.7	37.4	35.4	37.2
Zimbabwe	59.6	63.7	62.7	61.8

Source: Schneider and Teobaldelli 2012.

Sub-Saharan Africa has a large informal economy compared with Latin America and the Caribbean (figure 29.1). Informality levels in North African countries seem closer to those of other Middle East and North Africa countries.

Figure 29.1 Global informal economy levels



Source: Schneider, Buehn and Montenegro 2010.

### Informal employment in Africa

Employment in the informal economy entails no formal regulations and provides no legal or social protections. The International Labour Organization defined informal employment as comprising all jobs in informal sector enterprises, or all persons employed during a given period in at least one informal sector enterprise, regardless of their employment status or whether the job was a primary or a secondary job.<sup>5</sup> A recent Organisation for Economic Co-operation and Development (OECD) report explains informal employment as the result of exclusion from the formal sector or voluntary opting out of formal structures.<sup>6</sup>

Informal employment is the norm rather than the exception in Africa (table 29.2). It is more common in Sub-Saharan Africa than in North Africa. The informal sector employs more men than women in North Africa, but more women than men in Sub-Saharan Africa. Disadvantaged

in the education system and the formal economy, many Sub-Saharan women are drawn to the informal economy to earn money.

Table 29.2 Share of informal employment in nonagricultural employment, 1990–1999 and 2000–2007 (%)

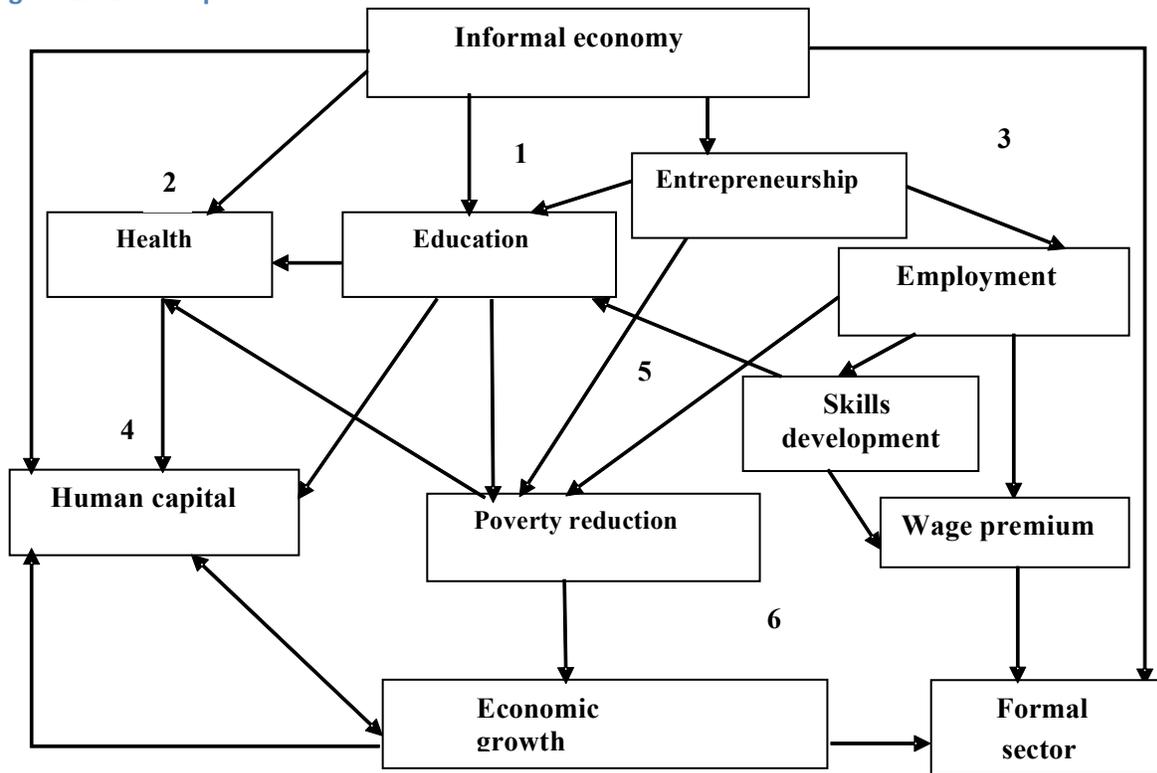
Region	1990–1999		2000–2007	
	Women	Men	Women	Men
<i>North Africa</i>	43.3	49.3		
Algeria	40.6	43.1		
Morocco	46.8	44.0		
Tunisia	39.2	53.2		
Egypt	46.5	56.9	38.6	47.2
<i>Sub-Saharan Africa</i>	84.1	63.0	77.1	62.6
Benin	97.3	87.0		
Chad	95.2	59.5		
Guinea	86.7	65.6		
Kenya	83.1	59.1		
Mali			89.2	74.2
South Africa	58.4	43.6	64.9	51.0

Source: Schneider and Teobaldelli 2012.

### Informal economy, human capital and growth

To capture interactions among the informal economy, human development and economic activity in Africa, this chapter’s conceptual framework distinguishes several channels (figure 29.2). The informal economy affects economic activity directly by creating jobs, generating incomes, reducing taxes and producing goods and services. The informal economy also affects the economy indirectly through its impact on human capital. Numerous studies have shown that by generating revenue the informal economy improves human capital by facilitating access to education, training and health services.

Figure 29.2 Conceptual framework



Source: Authors.

But informality also harms the economy and human capital: tax evasion stifles economic growth and indecent working conditions compromise worker health and safety.

### Employment

The informal sector has traditionally been viewed as a temporary solution to unemployment and poverty that tends to disappear as an economy matures and becomes more developed.<sup>7</sup> But recent evidence shows that the informal sector may persist in the long term, especially in Africa.<sup>8</sup> The African informal economy employs millions of poor and marginalized people. Most informal sector workers, despite comparable productivity, receive lower pay and have less access to social protection than their formal sector counterparts.

The economic literature assumes a wage penalty in the informal sector, explained mainly by difference in worker qualifications. El Badaoui, Strobl and Walsh (2008) show that in South Africa 75% of the wage difference is due to observable differences in human capital and job characteristics. The informal wage penalty is about 18% after controlling for unobservable, time-invariant factors. Moving from the informal sector to the formal sector depends on the worker's ability to develop skills and the state's ability to direct entrepreneurs to the formal sector through fiscal incentives.

### Skills development

In many African countries the informal economy is the main provider of jobs for poor and out-of-school people, whose skills and education do not give them access to jobs in the formal sector. This population faces double penalties. Their lower wages provide a lower living standard and may lead to limited access to education and health care for their children. The lack of

opportunities for training and skills development in the informal sector also prevents them from moving to better, higher paying jobs.

Skills development for the informal sector may include skills upgrading and pre-employment training schemes. Some skills upgrading schemes offer training for apprentices and master craftspeople while they are on the job.

Traditional apprenticeship training is particularly well developed in West Africa.<sup>9</sup> In Ghana it is responsible for 80–90% of basic skills training, compared with 10–15% of training from nongovernmental organizations and the public sector.<sup>10</sup> Palmer (2007) recommends a pro-poor informal economy strategy for specific skills development.

### **Education**

The informal sector has at least two distinct links with education. The first is indirect: informal sector wages enable millions of people to finance more education for their children.

The second is direct: informal skills development. Incorporating skilled informal workers in formal training systems, especially in technical and vocational education and training programs, is highly recommended. Unfortunately, skills development does not appear in the Millennium Development Goals.

Many informal entrepreneurs do not observe the minimum legal working age. Children are thus employed in the informal economy and do not go to school. Thus, the informal economy may have both positive and negative effects on education.

### **Health**

Informal workers often live in slums that lack health facilities and good sanitation. But few studies have investigated the interaction between the informal economy and health. We identify three main channels of interaction.

The first channel depends on revenue generation. Millions of people are improving their health through revenue generation. But since wages in the informal sector are lower than in the formal sector, salaries may not permit anything more than subsistence. Informal sector income is unlikely to permit the poor and near-poor to invest in health. More than 50% of health spending in Burkina Faso is out of pocket.<sup>11</sup>

The second channel is through work conditions. Inadequate health and safety standards and environmental hazards are particularly evident in the informal sector. Most informal workers operate in poor working conditions and are not covered by social protection or labor regulations. They suffer from malnutrition, parasitic diseases, asthma, skin allergies, cancers, chemical poisoning, food poisoning, heat stress and exposure to dust and chemicals. Most informal workers also operate in a nonergonomic manner and without safe water and sanitary conditions. Life expectancy of informal workers is lower than that of workers in the formal sector. Improving labor conditions and health provision in the informal sector can build human capital. Sufficient health facilities, professional health workers, medicines and public health information should be made available.

The third channel concerns the potentially harmful medicines and drugs sold in the informal sector, commonly used by informal workers because of the low cost. Regulating health in the informal economy by increasing access to safe medicines and forbidding dangerous drugs will help build human capital.

### **Entrepreneurship**

Informal entrepreneurial activities can overlap with other activities such as family firms, community entrepreneurship, homework, emerging firms and self-employment.<sup>12</sup> The informal sector attracts entrepreneurs for several reasons, including bureaucracy, lack of skills, tax evasion and opportunity for small-scale enterprise. When society fails to help individuals subsist and when there is distrust in formal institutions, entrepreneurs are more likely to operate in the informal sector.

The informal sector offers opportunities for poor and less educated people to create businesses. It can be considered a stepping stone to the formal economy.<sup>13</sup> As the economy grows and the state consolidates institutions, entrepreneurs will move from the informal to the formal sector, as long as sector demands overlap.<sup>14</sup> Microcredit programs and social business (producing goods and services that benefit mostly underprivileged people) can help start an informal business that can later move to the formal sector.

The economic literature identifies at least three types of informal entrepreneurs: upper-tier entrepreneurs with growth orientation, who share characteristics such as education, language skills, sector choice and basic management; lower-tier entrepreneurs with few skills, who focus on survival and subsistence; and middle-tier entrepreneurs, called “constrained Gazelles” in West Africa, who share characteristics with both upper- and lower-tier counterparts.<sup>15</sup>

Building informal entrepreneurship skills to boost returns and encourage growth orientation can reduce poverty.<sup>16</sup> Nguimkeu (2014) finds that training permits individuals with minimal wealth to start an entrepreneurial business.

### **Reducing poverty**

The relationships between poverty and the informal economy are not well understood. The informal sector offers employment and entrepreneurship opportunities to poor people, permitting them access to basic consumption. The informal sector generates 60–90% of employment.<sup>17</sup> But with low wages and no social security or health benefit schemes, informal workers find themselves in the poverty trap. A massive population of working poor live in slums around the main African cities. With higher productivity, revenue and wages, the informal sector can lift them out of poverty. Informal sector productivity is essential for reducing poverty.

### **Empirical evidence of interactions among the informal economy, human capital and economic growth**

This section presents regression results as evidence for the link between informality, human capital and economic growth.

#### **Data**

These regressions use several variables in addition to measures of economic growth, informal economy size and human capital (table 29.3): population growth rate, initial GDP per capita (for most countries the initial year is 1960), government spending (as percent of GDP), trade openness (the ratio of the sum of exports and imports to GDP) and capital–output ratio.<sup>18</sup> They also use a dummy for the North African countries and several development-related variables, including average life expectancy (in years), urbanization (urban population as percent of total population), employment–population ratio (ratio of employment to population as a percent) and employer–population ratio (ratio of employers to population as a percent) to proxy for entrepreneurship.

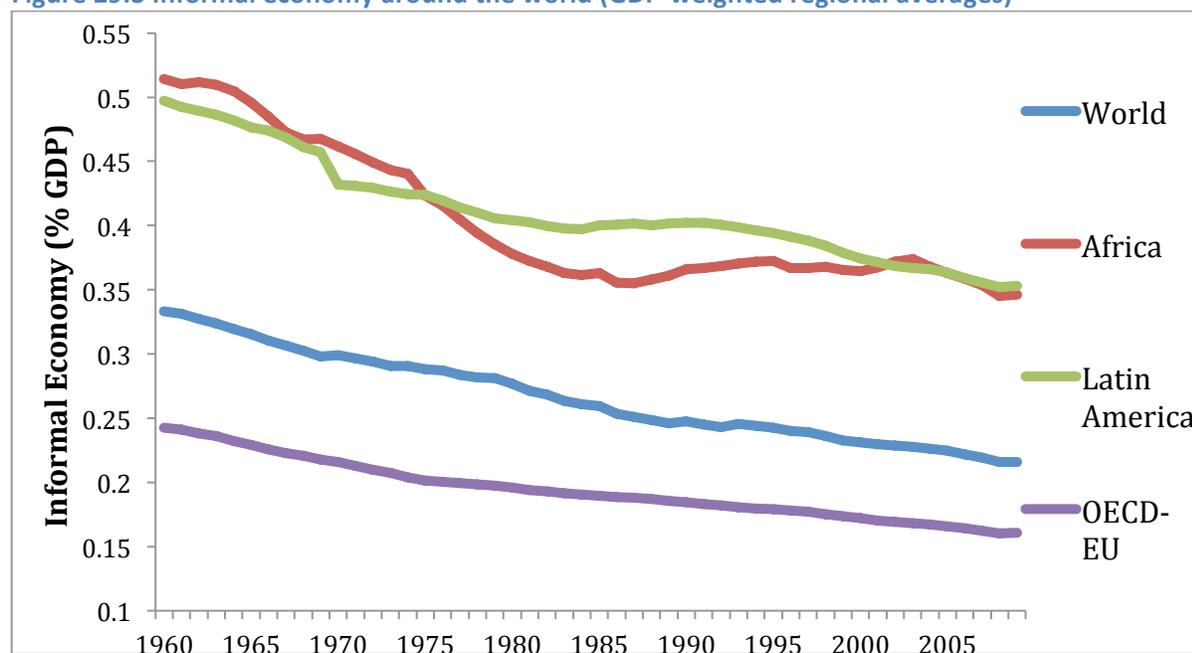
**Table 29.3 Descriptive summary statistics: five-year averaged series**

Variable	Observation	Mean	Std. dev.	Minimum	Maximum
Informal economy (% of GDP)	449	43.14	10.22	21.94	75.01
Growth (%)	461	4.15	5.56	-34.21	58.89
North Africa dummy	48	0.10	0.31	0.00	1.00
Population growth (%)	432	13.53	5.48	-24.61	40.96
GDP per capita in 1960 (thousand USD)	48	1.31	1.30	0.24	7.00
Government spending (% of GDP)	461	11.90	9.48	0.79	56.49
Trade openness (% of GDP)	461	68.17	36.69	15.65	311.66
Average years of schooling (years)	370	3.31	2.03	0.22	9.35
Capital–output ratio	457	1.79	1.01	0.30	7.65
Average life expectancy (years)	480	50.40	8.65	28.61	74.10
Employment ratio (% of population)	192	62.44	14.13	32.32	87.65
Employer ratio (% of population)	65	2.63	3.79	0.00	17.52

*Source:* Informal economy series, Elgin and Oztunali (2012); growth of GDP and population, as well as government spending and trade openness, Penn World Tables (PWT) 7.1; schooling, Barro and Lee (2010); capital–output ratio, constructed using the perpetual inventory method with the investment series, PWT 7.1; life expectancy, employment–population ratio and employer–population ratio, World Development Indicators.

Informal economy size as percent of GDP has declined in all regions, but in Africa the decline came to an end in the 1980s (figure 29.3). The informal economy makes up a very large portion of GDP in Africa—comparable with Latin America but much larger than the world average.

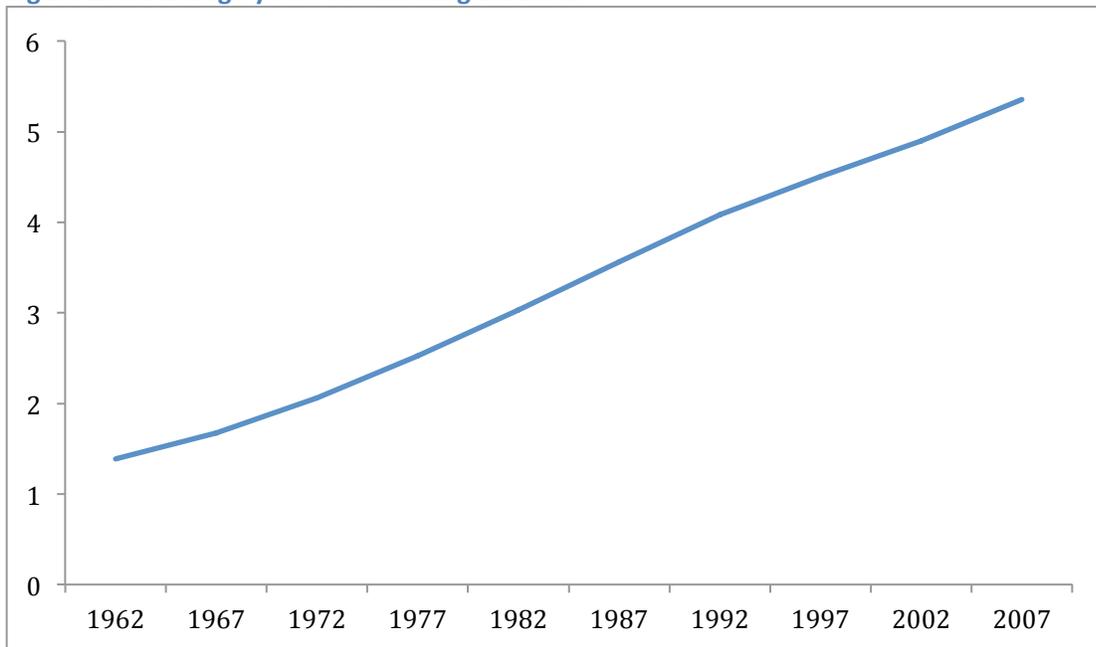
**Figure 29.3 Informal economy around the world (GDP-weighted regional averages)**



*Source:* Elgin and Oztunali 2012.

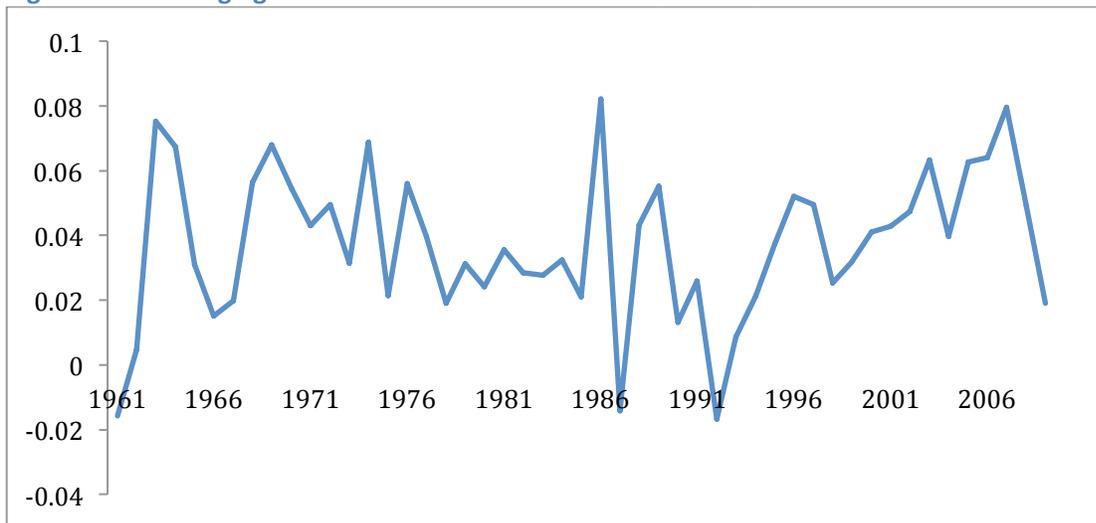
Despite a steady increase, average schooling in Africa is still well below the world average (The world average is well above 6.) (figure 29.4). The average growth rate of African GDP from 1960 to 2009 was highly volatile (figure 29.5).

Figure 29.4 Average years of schooling in Africa



Source: World Bank 2013.

Figure 29.5 Average growth rate of African GDP from 1961 to 2009



Source: Penn World Tables 7.1.

### Regressions analysis

*Impact of the informal economy on economic growth.* The following equation is estimated using panel data to assess the impact of the informal economy on economic growth. Here, for country  $i$ , in year  $t$ , our dependent variable is GDP growth.  $IS$  denotes informal economy size as percent of GDP and  $X$  denotes the control variables.  $\varepsilon_{i,t}$  is the error term.

$$Growth_{i,t} = \beta_0 + \beta_1 IS_{i,t} + \sum_{k=2}^n \beta_k X_{k,i,t} + \varepsilon_{i,t}$$

To rule out business cycle effects, the equation was estimated using five-year averaged data. To focus on the long-term relationship among growth, informality and human capital, regressions were run mostly without fixed effects (table 29.4). The first six regressions use the pooled OLS estimator to this end. But in regression 7 a dummy variable was included for North African countries. Regression FE reports regressions results using the fixed-effects estimator with time dummies.

**Table 29.4 Growth, informality and human capital**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(FE)
Informal	0.14* (2.80)	0.12* (2.85)	0.17* (2.90)	0.17* (2.94)	0.17* (2.92)	0.15* (3.072)	0.15* (3.06)	0.12** (2.52)
Schooling	0.01*** (1.89)	0.01** (2.29)	0.01** (2.21)	0.01** (2.32)	0.01** (2.30)	0.01** (2.41)	0.01** (2.46)	0.01** (2.08)
Interaction	-0.02*** (-1.71)	-0.03** (-2.13)	-0.03** (-2.14)	-0.03** (-2.25)	-0.03** (-2.25)	-0.03** (-2.27)	-0.03** (-2.26)	-0.02*** (-1.80)
Population growth		0.22*** (1.71)	0.22*** (1.73)	0.22*** (1.74)	0.23*** (1.75)	0.21*** (1.89)	0.23** (2.01)	0.25** (2.38)
Openness			0.01*** (1.88)	0.01*** (1.90)	0.01*** (1.85)	0.01*** (1.73)	0.01*** (1.76)	0.01 (1.54)
Initial GDP				-0.001 (-0.84)	-0.001 (-0.93)	-0.002** (-0.92)	-0.003 (-1.41)	-0.003 (-1.44)
Government spending					-0.03 (-0.68)	-0.04 (-0.95)	-0.04 (-0.85)	-0.03 (-0.76)
Capital						-0.005 (-0.67)	-0.006 (-0.77)	-0.004 (-0.57)
North Africa dummy							0.02*** (1.90)	0.02*** (1.91)
R-squared	0.03	0.08	0.09	0.09	0.10	0.10	0.11	0.20
Observations	354	323	323	323	323	323	323	323

*Note:* Robust t-statistics are reported in parentheses. \*, \*\* and \*\*\* denote 1%, 5% and 10% level of significance, respectively. In all regressions a constant is included, but its coefficient is not reported. “Interaction” refers to the interaction variable between schooling and informal economy size. The dependent variable is growth.

In all regressions, there is a strong relationship between informal economy and economic growth: informal economy boosts African economic growth. However, the relationship between growth and informality also strongly interacts with human capital (proxied by schooling). Accordingly, with lower average schooling levels (lower human capital values), a larger informal economy is associated with a higher growth rate. But with higher average schooling levels (above a threshold of between four and seven years), a larger informal economy is associated with a lower growth rate. Moreover, trade openness, population growth and the North Africa dummy also positively correlate with growth.

*Impact of the informal economy on education, health and employment.* We run two regressions for each of the four dependent variables. These are schooling (edu), life expectancy (Life exp.),

employment–population ratio (Emp.) and employer–population ratio (Ent.) (table 29.5). In each pair of regressions, the first one includes year fixed-effects, whereas the second one does not.

According to table 29.5, a larger informal sector is associated with less schooling, a shorter life span (Qualitatively similar results are obtained when one uses measures of mortality rather than life expectancy.), a larger employment–population ratio and a smaller employer–population ratio. Accordingly, the African informal economy affects education, health and entrepreneurship negatively, but at the same time it also boosts employment. Informal work is thus primarily a function of poverty. Informal workers, especially women and children, earn extremely low incomes. They could earn more if they were able to move into formal employment.<sup>19</sup> Due to lack of data, we cannot say more about the effect of informality on poverty. Nevertheless, present results indicate that there is a strong association.

**Table 29.5. Education, health, employment and entrepreneurship versus informality**

Dependent variable	Edu.	Edu.	Life exp.	Life exp.	Emp.	Emp.	Ent.	Ent.
Informal	-2.90* (-3.26)	-6.55* (-6.60)	-17.84* (-4.80)	-30.66* (-8.19)	61.52* (6.41)	60.09* (6.37)	-8.15* (-4.98)	-8.70* (-5.56)
North Africa dummy	0.26 (1.46)	0.15 (0.50)	11.43 (14.58)	10.84* (9.57)	-18.22* (-11.19)	-18.33* (-11.30)	6.02** (2.71)	6.06* (2.83)
R-squared	0.43	0.12	0.47	0.32	0.37	0.36	0.46	0.44
Observations	354	354	449	449	191	191	65	65

*Note:* Robust t-statistics are reported in parentheses. \*, \*\* and \*\*\* denote 1%, 5% and 10% level of significance, respectively. In all regressions a constant is included, but its coefficient is not reported.

## Policy implications

### *Build a bridge between informal and formal economies through education*

Education can bridge the gap between informal and formal economies. Formal training can improve informal workers’ skills and enable them to shift to formal jobs. The education system can also raise the awareness of informal entrepreneurs about their firms’ potential in the formal economy. “The low level of education and vocational training of informal economy workers results in a vicious circle of low productivity, low income and low investment in skills. Improving the skills of informal economy workers is therefore key to their ability to access gainful and productive jobs.”<sup>20</sup>

The talents and competencies of successful informal entrepreneurs can also be used in formal vocational schools and training programs. While most international organizations recommend the formalization of the informal economy, they should also consider the persistence of the African informal economy and its ability to provide jobs.<sup>21</sup>

### *Improve access to finance and encourage alternative formal financing channels such as microcredit*

Africa’s formal financial industry often refuses to finance informal businesses. Most informal economy activities are thus built upon informal and private finance, drawing on personal and family savings and pooled individual savings. But insufficient private assets constrain informal businesses. Relaxing financial constraints by facilitating access to credit and developing microcredit can foster informal sector productivity and ability to shift to the formal sector. “Microfinance loans, deposits and other service contracts contain elements of the formal economy, without being as sophisticated as mainstream banking services. Moreover,

microfinance institutions which wish to grow encourage their clients to expand from livelihood activities to genuine microenterprises, and then to SMEs.”<sup>22</sup>

### ***Organize the informal economy, simplify legal procedures and improve business environment***

Institutional and legal constraints may make it costly for small firms to formalize. Procedures are often long, complex and expensive. There is no incentive to formalize because public support for informal workers is weak. As Africa experiences better governance and law enforcement, the informal economy will move to formalization. South Africa, Mauritius, Cape Verde and Morocco have drastically reduced the informal sector. Institutional reforms are needed to enhance organization and formalization of the informal sector and increase its human capital dividend.

### **Conclusion**

The informal sector includes high-performing, growth-oriented businesses (“Gazelles”) and numerous subsistence businesses. About a third of businesses are “constrained Gazelles,” businesses lacking skills and sufficient financing. As average schooling levels rise, informal entrepreneurial skills expand, leading to higher productivity.

Education and the informal sector contribute substantially to Africa’s growth. Raising the average number of schooling years as a macroeconomic policy affects GDP by raising informal sector productivity. A threshold of four to seven schooling years is needed to change the growth dynamics in Africa through the informal sector. The current average schooling level is six years—many countries have already passed the seven-year requirement. Education can bridge the gap between informal and formal economies. The informal sector is a reservoir of talents and skilled people who can contribute to the formal training system, especially in vocational training.

Informal entrepreneurs have strong financial constraints and need greater access to formal financial markets. Microcredit and social business funds can alleviate these constraints and facilitate the move to formal entrepreneurship.

Improving governance and strengthening the states should accelerate the shift to the formal sector. Young entrepreneurs also need fiscal incentives to join the formal economy. Developing skills and improving access to financial markets can set the Gazelles free and substantially boost informal economy productivity.

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## Notes

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<sup>1</sup> ILO 2000, 2014.

<sup>2</sup> Rogerson and McCormick 2004.

<sup>3</sup> Elgin and Oyvat 2013.

<sup>4</sup> Maloney 2004; Ihrig and Moe 2001.

<sup>5</sup> ILO 2000; Ralf Hussmanns 2004.

<sup>6</sup> OECD 2009.

<sup>7</sup> Fields 1975.

<sup>8</sup> Charmes 2000.

<sup>9</sup> World Bank 2004.

<sup>10</sup> Palmer 2007.

<sup>11</sup> WHO 2005.

<sup>12</sup> Webb and others 2013.

<sup>13</sup> ILO 2002.

<sup>14</sup> Xaba, Horn and Motala 2002; Günther 2006; Böhme and Thiel 2011.

<sup>15</sup> Grimm, Knorringer and Lay. 2012.

<sup>16</sup> Calderon and others 2013; McKenzie and Woodruff 2012.

<sup>17</sup> ILO 2009; UN-HABITAT 2006.

<sup>18</sup> Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Democratic Republic of Congo, Republic of Congo, Côte d'Ivoire, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

<sup>19</sup> Heintz and Posel 2008.

<sup>20</sup> ILO 2014.

<sup>21</sup> EOCED 2009; International Labour Organization 2014.

<sup>22</sup> ILO 2014.