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 Nonfarm 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