

## The informal economy in South Africa: A critical assessment of its definition and measurement

### **Abstract:**

Since 1997, Statistics South Africa has been underestimating informal employment, both for employees and self-employed persons. This underestimation can be attributed to an inappropriate definition used. As a result, an inappropriate definition impacts negatively on employment and economic policies where “decent” job creation is the main goal. Furthermore, given the South African history, a lack of social protection is the predominantly characterised in the South African informal economy. It is for this reason that social protection will be the basis for critically analysing past, current and proposed informal employment definitions.