



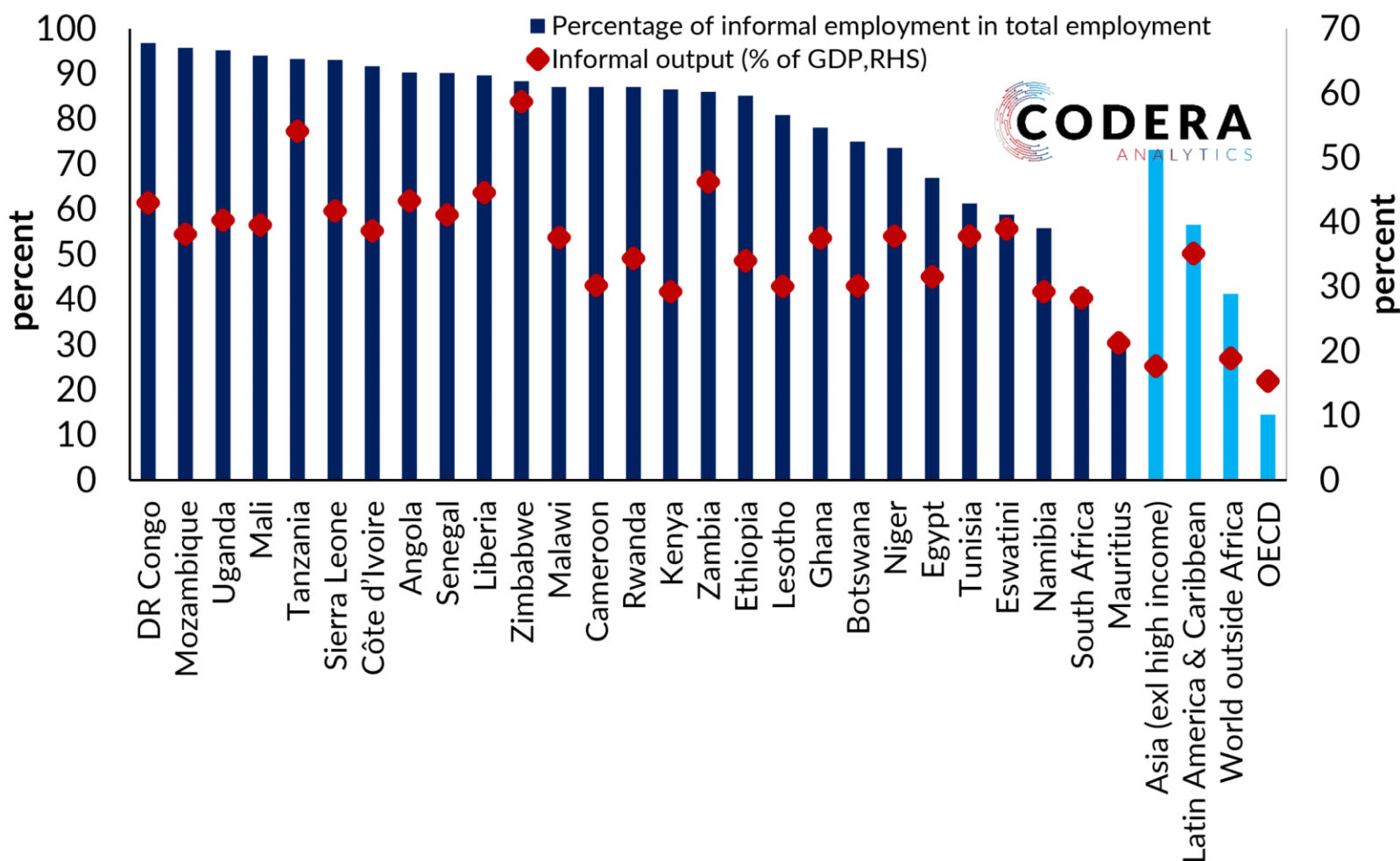
INFORMAL ECONOMY MEASUREMENT IN SOUTH AFRICA

July 2025



SA's informal sector is small

Informal economies and informal employment in Africa

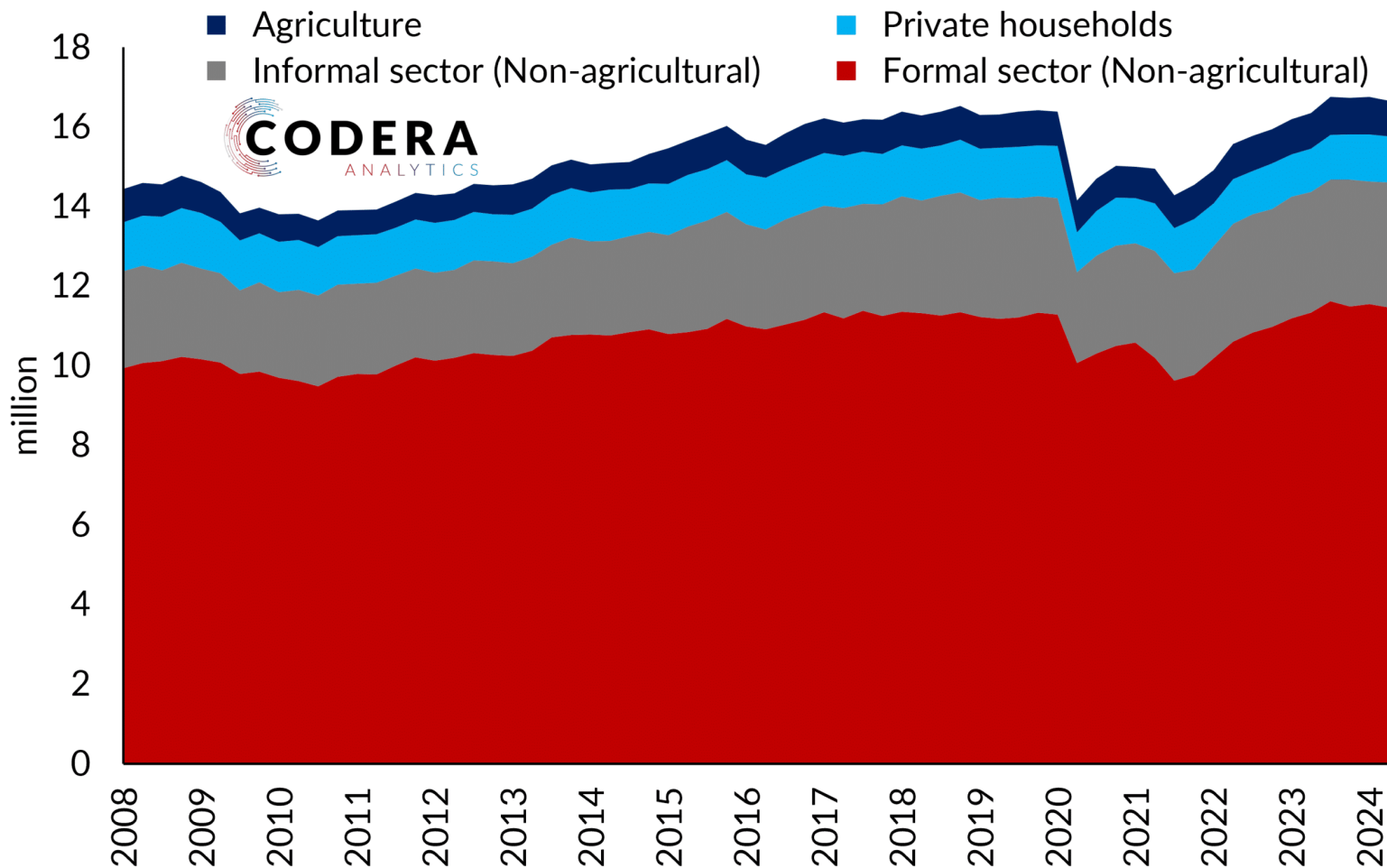


Source: ILO, The Informality Database (Elgin, C., M. A. Kose, F. Ohnsorge, and S. Yu. 2021. "Understanding Informality." CERP Discussion Paper 16497, Centre for Economic Policy Research. Informal output estimate based on multiple indicators multiple causes model-based estimates (2018). Informal employment most recent measure 2013-21.



Informal employment is low but has grown faster than formal employment

Formal vs informal employment in South Africa

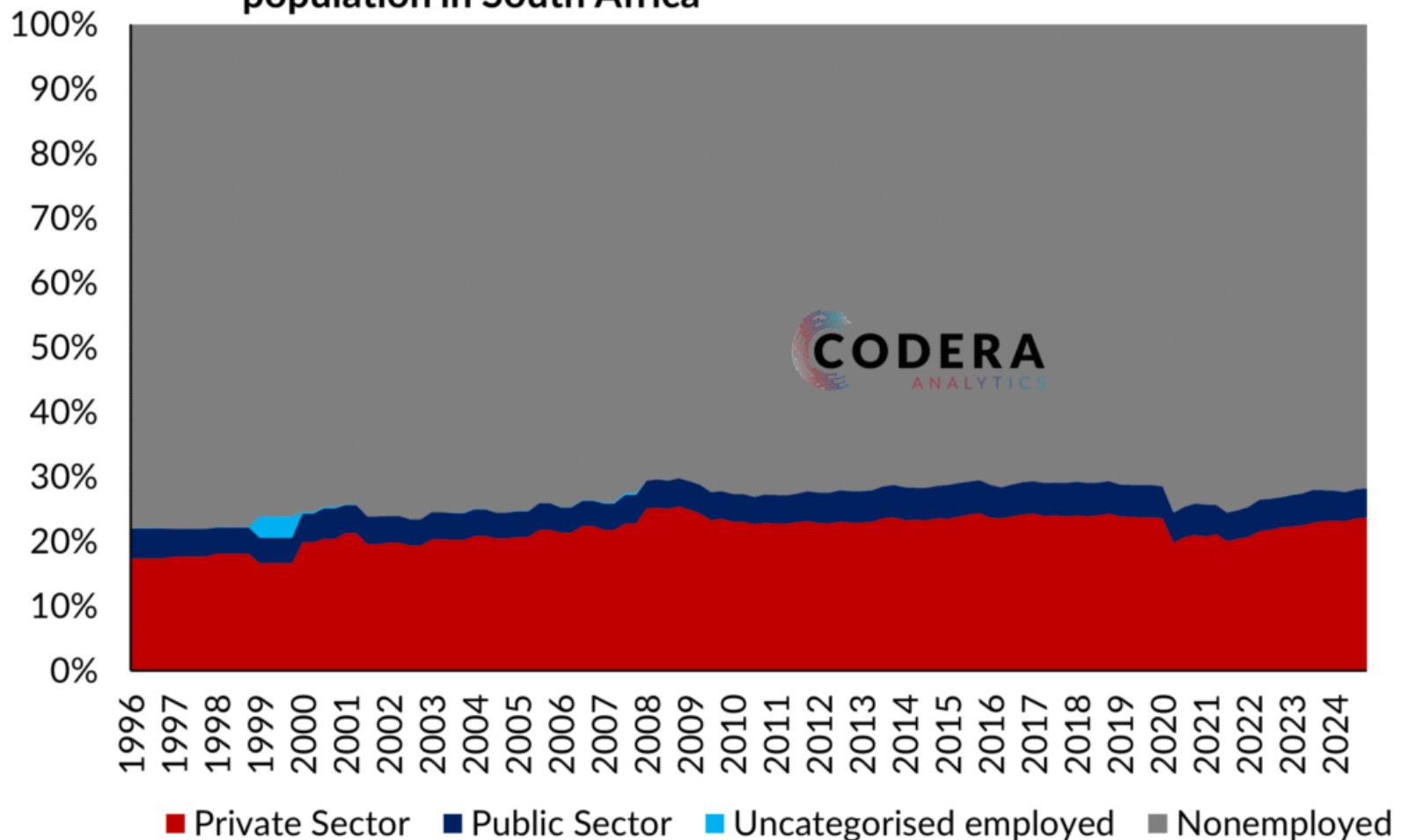


Source: Statistics South Africa, EconData.



South Africa has a very low employment rate

Private and Public Employment as a share of the total population in South Africa

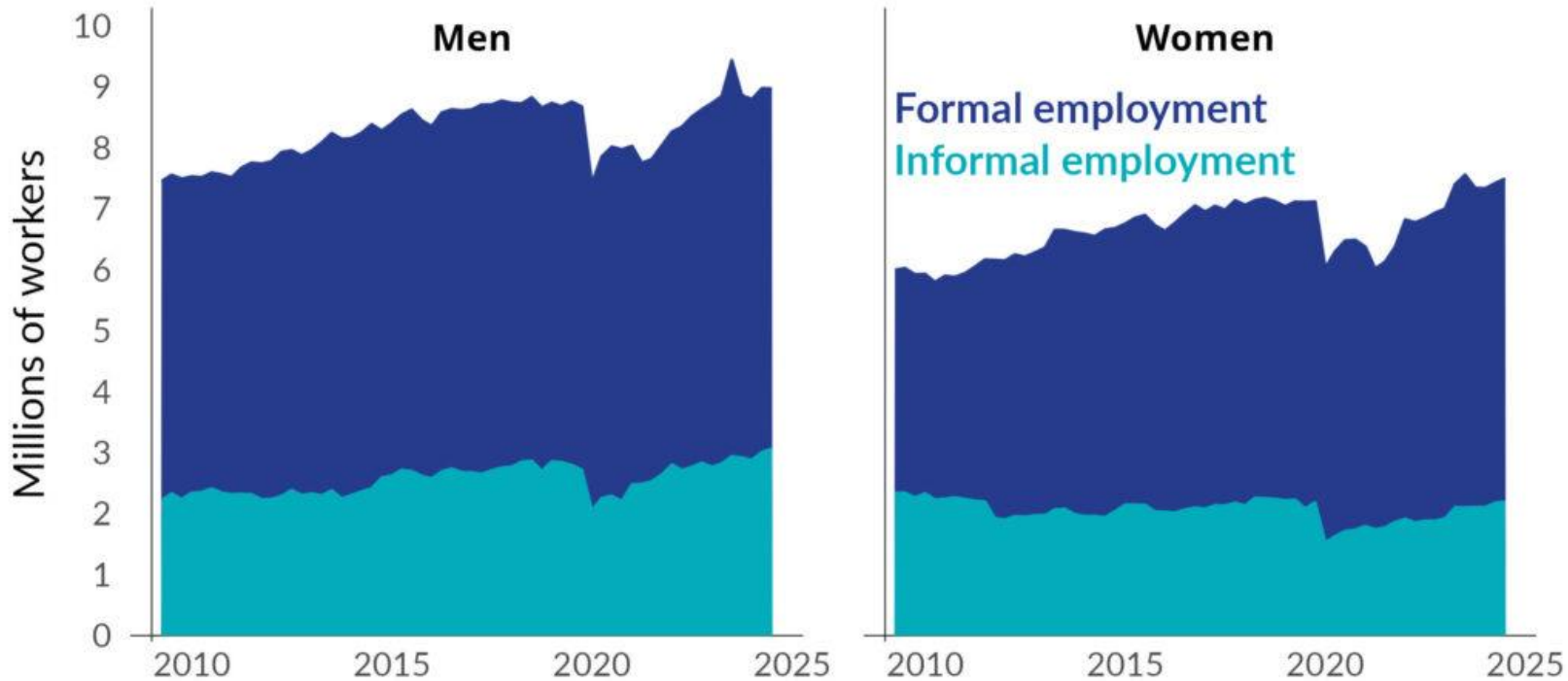


Source: Stats SA QLFS, EconData, Codera Analytics. The employed include the informally employed and employed people above the age of 65. The nonemployed include the unemployed, those that choose not to work, the young, students, the disabled and the elderly. Uncategorised includes employed people who did not indicate their sector in the survey or did not work in an industry that was clearly either public or private.



'Narrower' unemployment rate is 23%

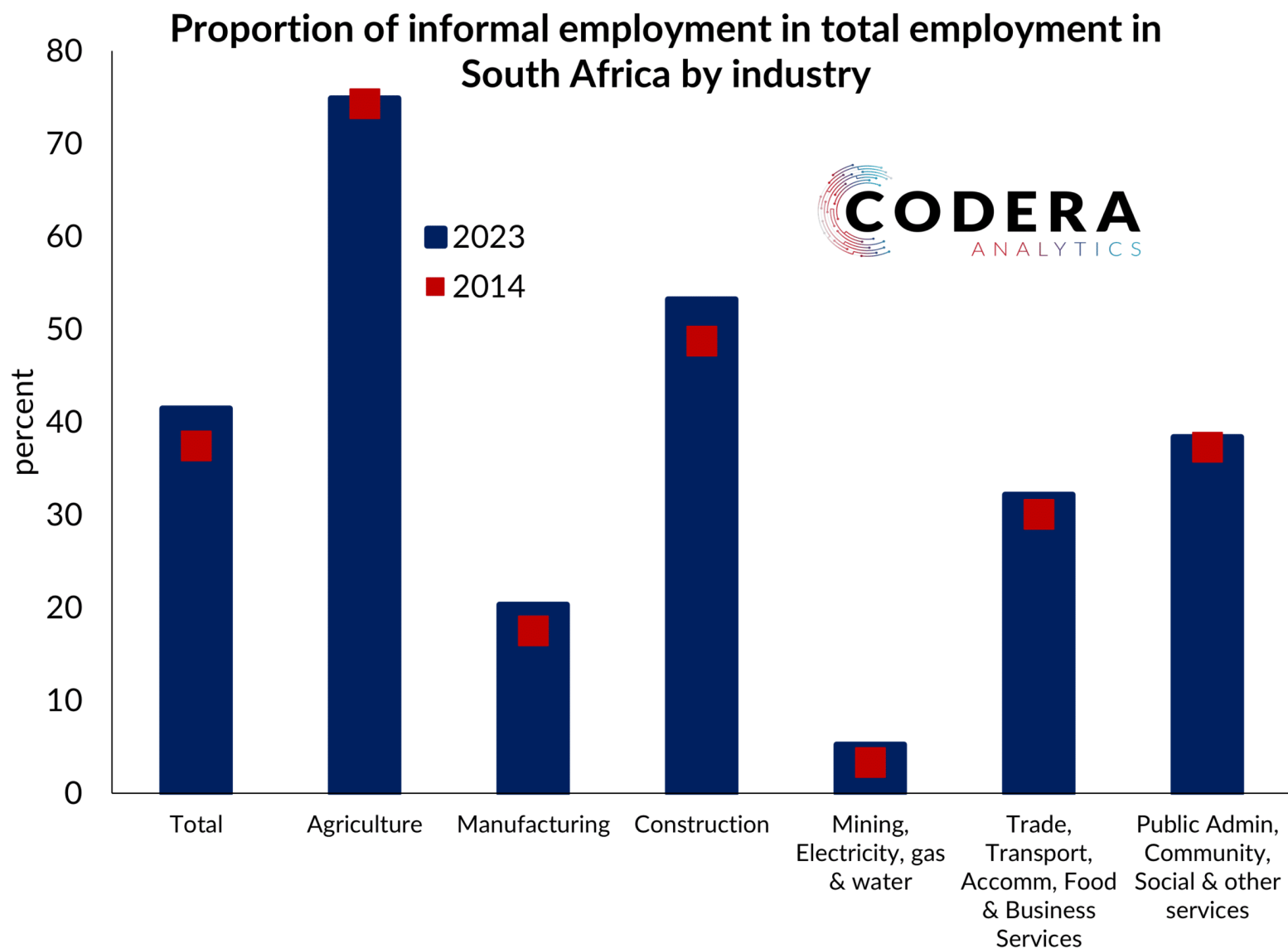
Employment by gender and formal status in South Africa since 2009



Source: Quarterly Labour Force Survey
StatsSA and Codera Analytics



Informality differs by industry

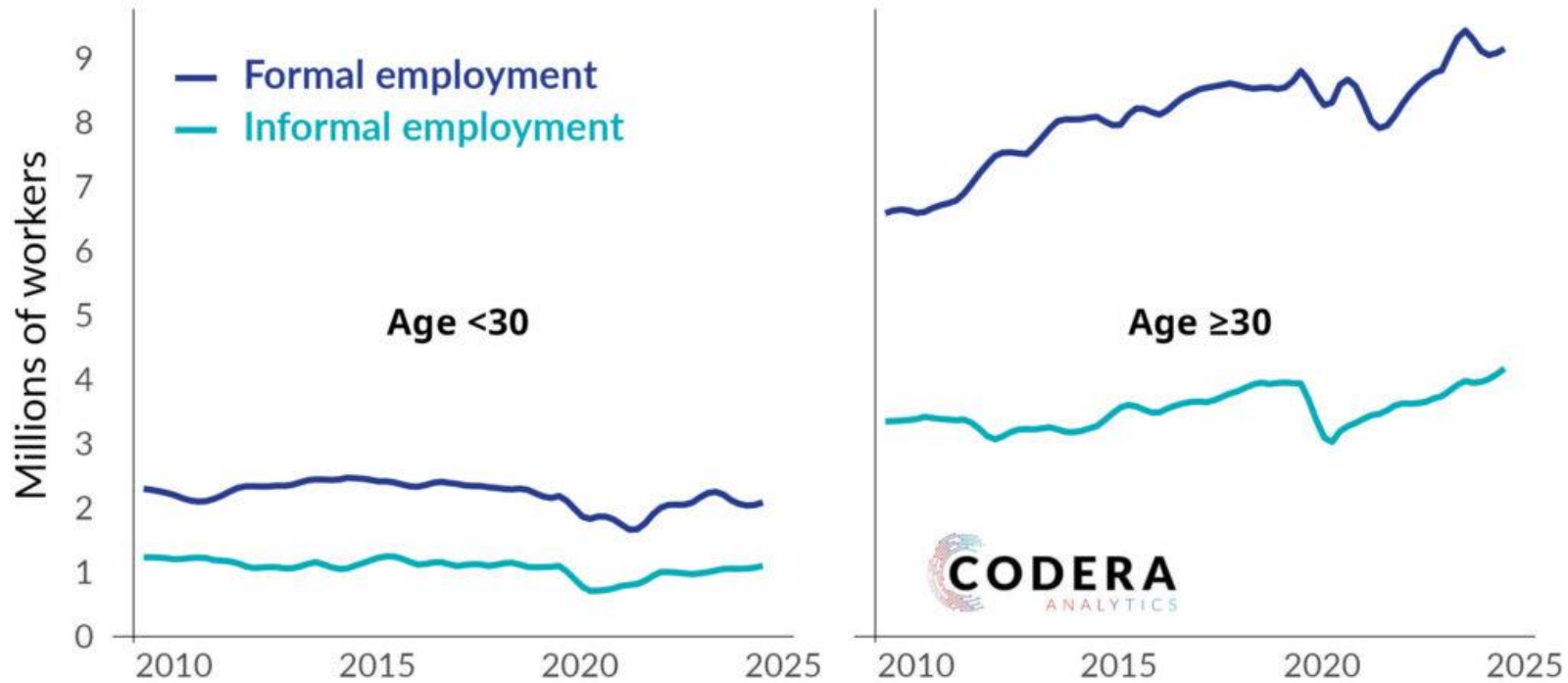


Source: ILO



Informality differs by age

Employment by age and formal status in South Africa since 2009

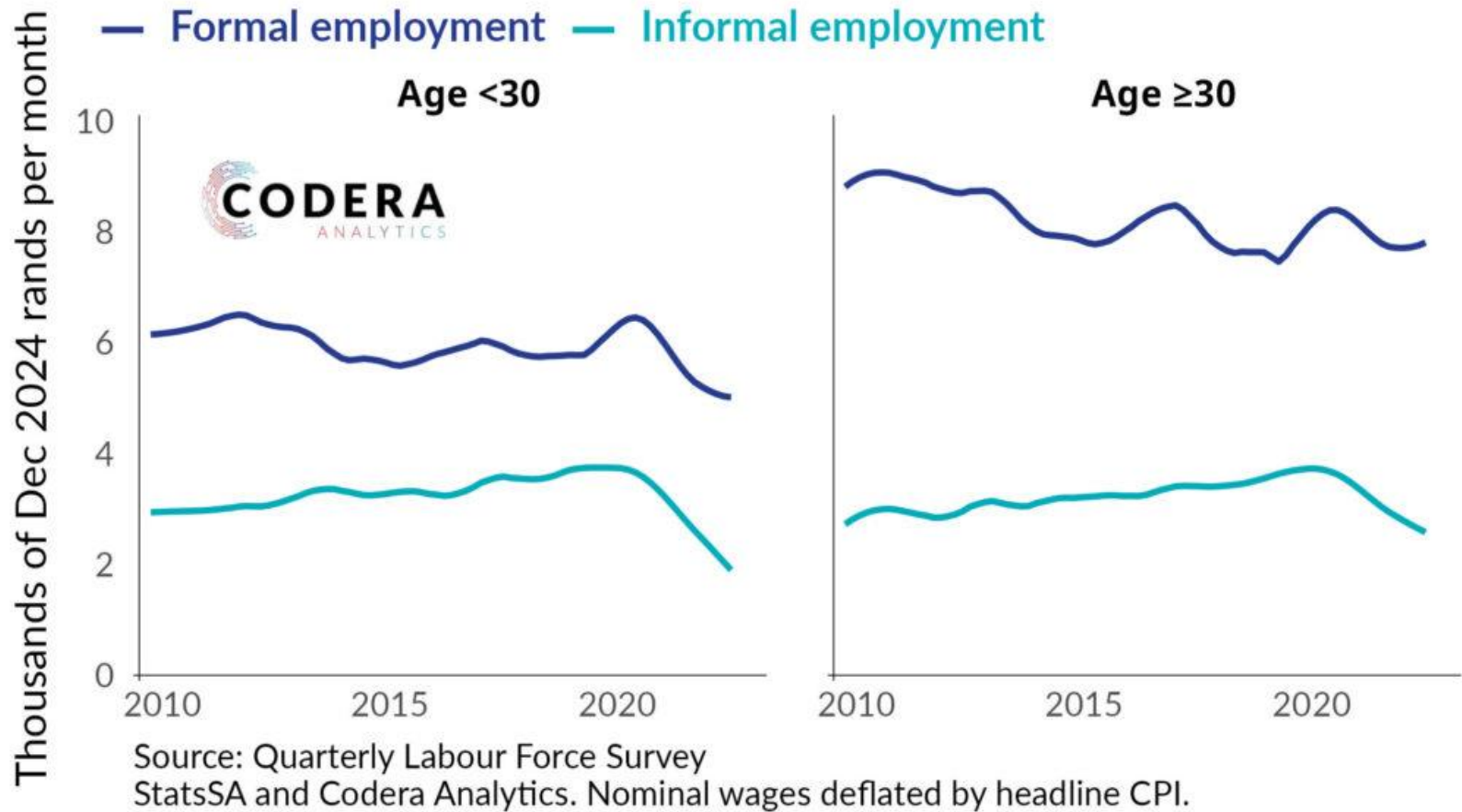


Source: (Quarterly) Labour Force Survey
StatsSA and Codera Analytics



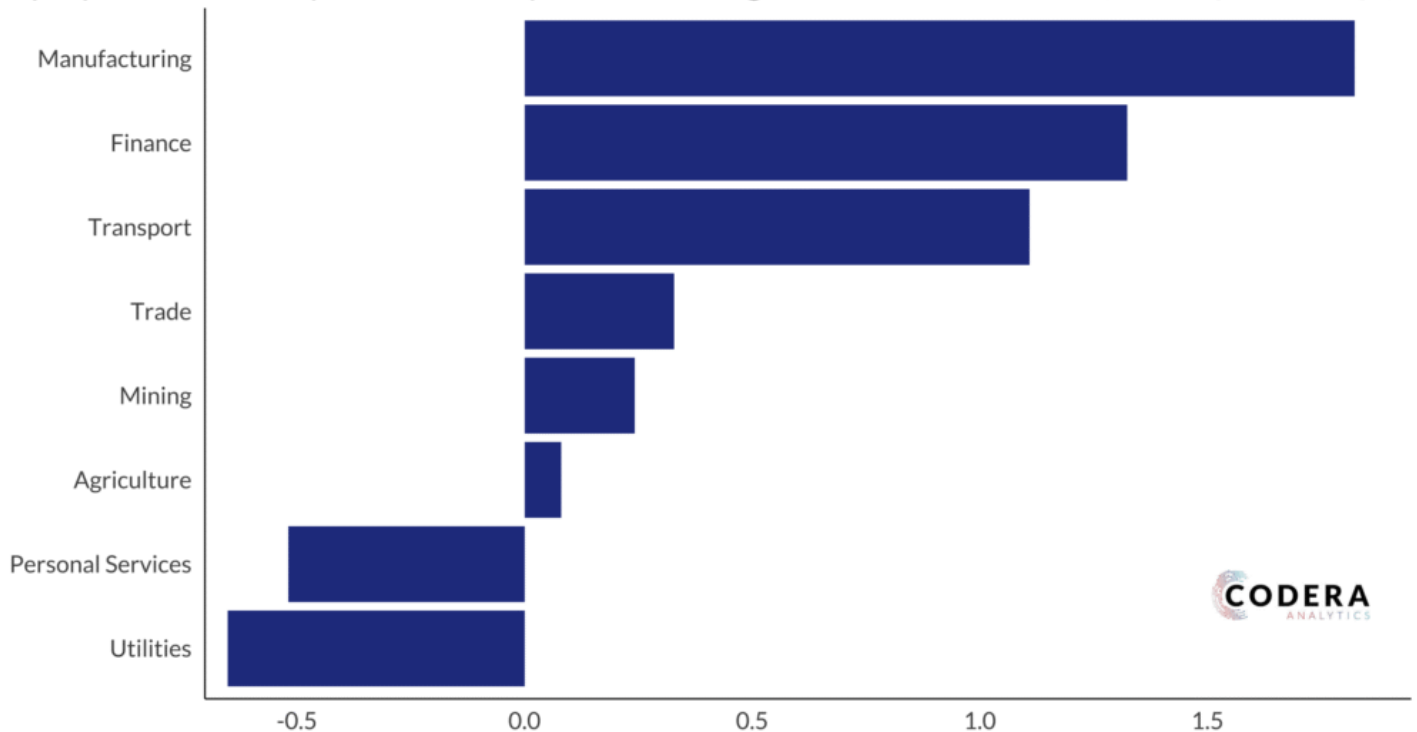
Wages are higher in formal sector

Median real gross earnings by age in South Africa since 2009



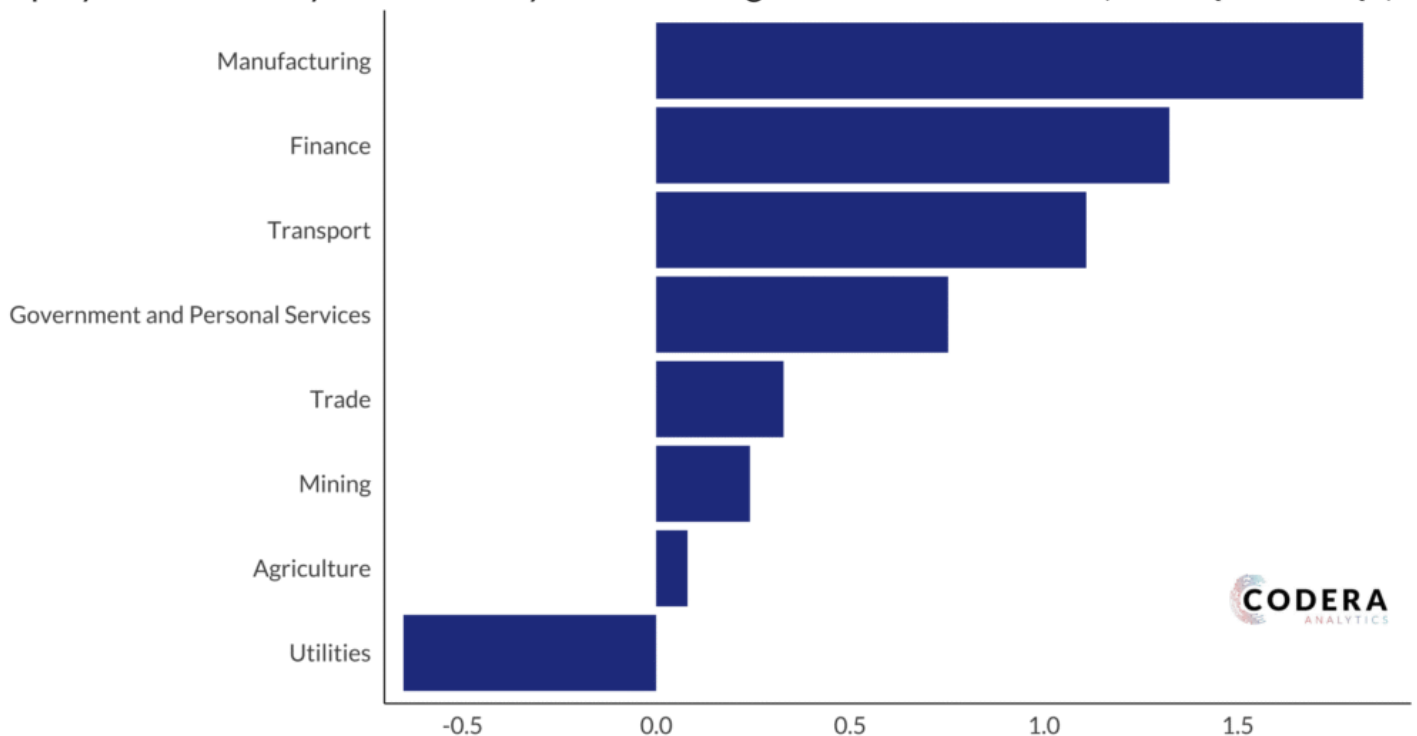
Weak employment reaction to GDP growth

Employment elasticity from industry value added growth in South Africa (2008Q1-2025Q1)



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Employment elasticity from industry value added growth in South Africa (2008Q1-2025Q1)



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ANALYTICS

Source: Stats SA, EconData.

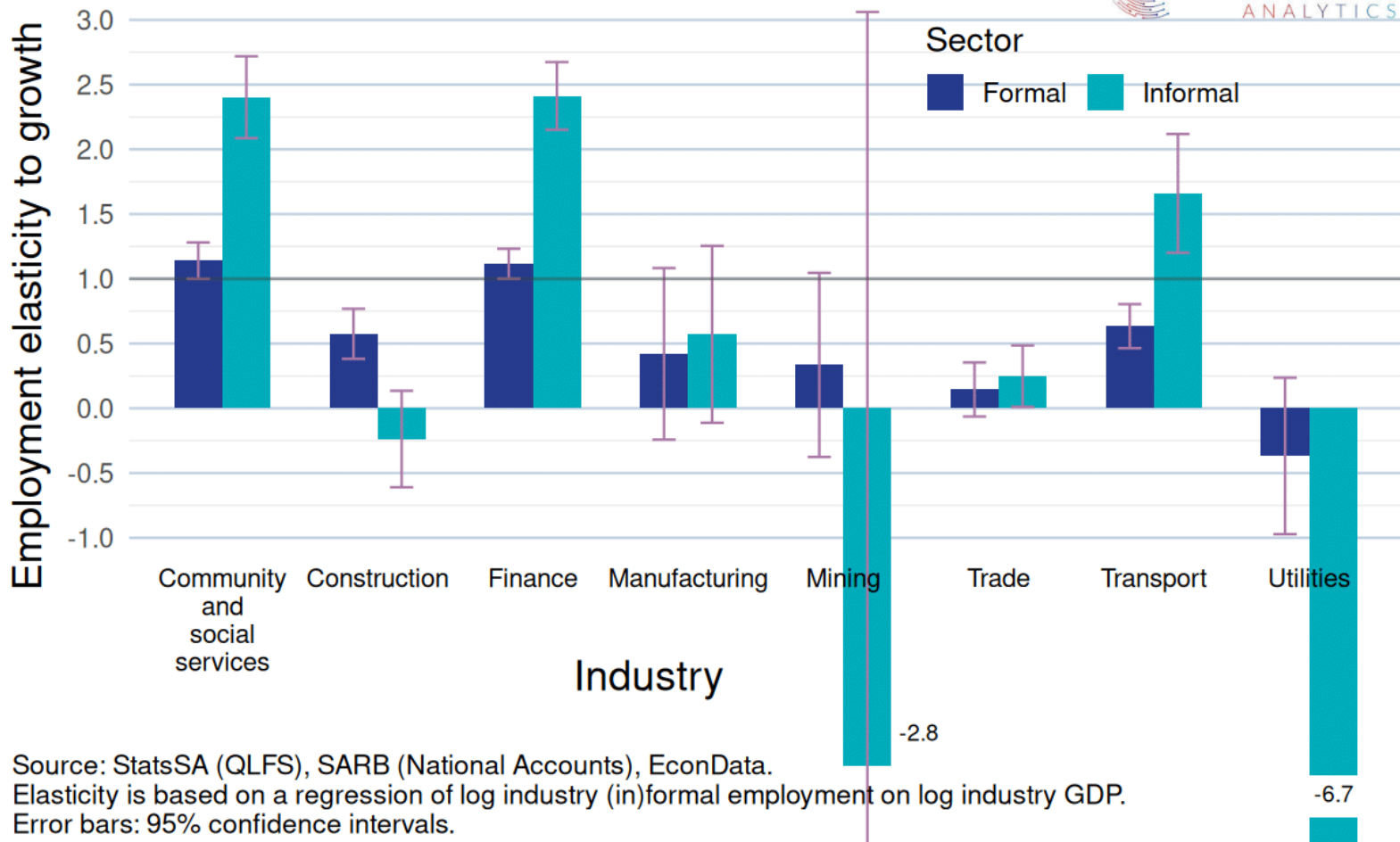
Note: Estimated % change in employment for a 1% change in industry growth using Error Correction Models, based on quarterly data.

<https://codera.co.za/industry-employment-elasticities-in-sa/>



Large differences between formal and informal and industries

Employment elasticity to growth, by industry





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