

Contents the informal economy

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What is the informal economy?

Ever since Keith Hart (1973) first introduced the concept of the "informal economy" in his study of Ghana nearly half a century ago, there has been an ongoing debate about how to define this sphere of economic activity and differentiate it from the formal economy. Indeed, what is here referred to as the "informal economy" has been alternatively denoted using over 45 different adjectives and 10 different nouns. It has been variously called the "black", "cash-in-hand", "hidden", "irregular", "invisible", "shadow", "subterranean", "undeclared", "underground", "unobserved", "unorganized" or "unregulated" economy, sector, work, employment, activity, sphere or realm, to name but a few.