BRIEFING PAPER

CUTS Centre for International Trade, Economics & Environment
CUTS CITEE

9/2009

# Informal Sector: Definitions and its Implications for Growth

*The importance of the informal sector in supporting livelihoods and contributing to production and consumption activities of developing countries is widely evident. However, lack of consensus across countries in regard to a clear and uniform definition of the informal sector has hampered its identification and measurement for proper comparison. In addition, relationship between informality and economic growth is not straightforward and there is no concrete evidence that this sector enhances economic growth. This paper attempts to arrive at an operational definition of the informal sector and also provides an overview of the relationship between informality and economic growth.*

## 1. Introduction

The informal economy contributes significantly to production, consumption, employment and income generation in developing countries. It is a source of livelihood to a majority of the poor, unskilled, socially marginalised and female population and is an important means of survival for people in countries lacking proper social safety nets and unemployment insurance especially those lacking skills for formal sector jobs.

Apart from being a major source of employment, the informal economy also contributes significantly to the output of developing countries. According to the World Bank estimates, the informal economy accounts for 40 percent of Gross National Product (GNP) of low-income countries[1]. To illustrate, the 'unorganised sector' in India accounts for 62 percent of Gross Domestic Product (GDP), 50 percent of gross national savings and 40 percent of national exports[2]. In addition, the informal workforce is estimated to make up about 93 percent of total workforce and 83 percent of non-agricultural employment in India[3].

Such figures across countries, however, are arrived at using a varied range of measures of the informal economy. Obtaining a clear cut definition of the informal sector on which there is consensus across countries has been a challenge on many fronts as the sector itself exists in various forms depending on country characteristics. The sector is constantly evolving with the emergence of new forms of informal enterprises as a result of changes in technology, scale of production and economic structures, thereby adding to the difficulty of formulating definitions that are independent of time and geographic locations.

A proper operational definition of the informal sector facilitates accurate identification and measurement of the sector in regard to output, size, and capital utilisation, as well as its relationship and linkages with the formal and public sectors. Its uniform application across countries in cross-sectional studies will help to determine its comparable contributions to economic growth and development and policy options that can facilitate formalisation.

For this reason, in recent years there has been a renewed interest in defining, measuring and studying the informal economy to comprehend its reach, impact and contributions to the economy and society in developing countries. Governments are also realising the need for pro-active measures to ensure that the informal economy becomes an engine of inclusive economic growth and development.

This briefing paper attempts to arrive at an operational definition of the informal sector drawing from its evolution and current usage in the literature. It also discusses the informal sector in the Indian context and highlights some of the limitations of the definition. Lastly, it provides an overview of the relationship between informality and economic growth.

## 2. What is the Informal Economy?

The informal economy is, at many times, referred to as the non-observed economy. It should be noted that the informal economy is only a component of the non-observed economy and needs to be distinguished from underground and illegal production activities, although these may not always be mutually exclusive[4].

'Underground production' activities are legally not forbidden but are intentionally hidden from public authorities with the objective of evading tax and social security payments as well as to avoid bureaucratic procedures and regulatory compliance.

'Illegal production' activities are those that are 'forbidden by law' or become illegal when undertaken by unauthorised individuals. For example, drugs and narcotic production and trafficking, production of certain explosives, production and distribution of counterfeit goods, and services such as unlicensed medical practice. Underground production is illegal as it involves non-compliance with administrative rules, while 'illegal production' is associated with criminal behaviour.

In many instances, different terms such as the informal, shadow, parallel or black economy among others, are used interchangeably wherein informal sector operations are not distinguished from illegal and underground production activities. Informal sector operations pertain to activities where a legal counterpart exists and are not always performed with the deliberate intention of evading taxes and infringing labour and other regulations, hence departing from the concepts of illegal and underground production. Therefore, most informal sector activities in developing countries are not underground and not illegal as these are undertaken as measures for survival.

Some scholars have even objected to conceptualising informality through a dualistic economy, i.e. a distinct bifurcation between the formal and informal sectors[5] . As a result, a trichotomy approach is sometimes recommended wherein a third sector has been introduced to include activities that are neither in the formal nor in the informal sector[6]. In addition, there are important backward and forward linkages between formal and informal sector activities, particularly in developing countries. Decentralisation of production due to industrial restructuring has increased subcontracting from the formal to the informal sector in a bid to reduce costs.

There are two approaches to defining informality: an enterprise-based approach and a job-based approach, which identifies informal employment. However, it should be noted that informal employment is much larger in scope as it can include both formal and informal sector workers as well as paid domestic and own account workers in households.

## 3. Defining the Informal Sector

The notion of the informal sector came into international use in 1972 when it was defined in the International Labour Organisation's (ILO) Report of a Comprehensive Employment Mission to Kenya as "a way of doing things" characterised by various factors such as "small scale, low resource base and entry barriers, family ownership, labour intensive methods of production and adapted technology, skills acquired outside the formal sector and unregulated and competitive markets"[7] . It was only in January 1993 during the 15th International Conference of Labour Statisticians (ICLS) that the informal sector acquired a proper definition based on production units, both in conceptual and statistical terms. This definition, largely intact in its original form, is used even today along with some added recommendations from the UN Expert Group on Informal Sector Statistics (called the Delhi Group)[8] .

The 15th ICLS definition views informal sector enterprises as those which are not only unincorporated entities without separate complete accounts but are also units of production with specific characteristics such as operating in small scales, using obsolete technology with low level of organisation, etc. Moreover, it recognises unincorporated enterprises from the household sector with at least some market production as falling under the ambit of the informal sector (see Box 1).

The definition makes a point to distinguish informal sector activities from other aspects of the non-observed economy such as underground and illegal production as well as household production solely for own consumption purposes. In addition, it also avoids use of the formal/ informal dichotomy. Nevertheless, to facilitate international acceptance, the definition is kept rather broad and allows for flexibility in many areas such as the enterprise size threshold, the inclusion/exclusion of paid domestic workers and agricultural sector activities in the informal sector, among others. Street vending and hawking activities account for a large portion of informality and provisions for their inclusion are made depending on their consistency with defined criteria. Allowing for such flexibility undermines proper international comparison of informal sector across countries.

With the objective of harmonising the definitions of the informal sector across countries to obtain internationally comparable statistics, the Delhi Group suggested additional guidelines for reporting informal sector statistics. For instance, separation of enterprises employing less than five workers for international reporting and use of the criteria of "legal organisation, type of accounts and product destination"[9] . The objective was to confine the informal sector to a smaller subset for international comparison.

The Delhi Group, in association with the ILO, has commissioned work to prepare a *Manual on Surveys of Informal Employment and Informal Sector*, with the objective of facilitating a better understanding of the

**Box 1: Definition of the Informal Sector based on 15th ICLS**

***Concept:***
"Units engaged in the production of goods and services with the primary objective of generating employment and incomes to the persons involved".

*Characteristics of production units:* "typically operate at a low level of organisation; with little or no division between labour and capital as factors of production and on a small scale; labour relations – when they exist – are based mostly on casual employment, kinship or personal/social relations rather than contractual arrangements with formal guarantees".

***Criteria for Identification:***

(i) Subset of the Household sector
- Absence of legal organisation (unincorporated enterprises)
- Absence of separate complete accounts

(ii) Household unincorporated enterprises by two types of employment:
- *Informal own-account enterprises:* enterprises run by own account owners, family workers which do not employ on a continuous basis
- *Enterprises of Informal employers*: enterprises where at least one employee is employed on a continuous basis; these enterprises are further classified on the basis of:
  - Size of unit below a certain threshold level of employment
  - Non-registration of enterprise and/or
  - Non-registration of employees in an enterprise

(iii) Market Production: At least some production is destined for sale or barter
(iv) Economic Activity: Non-agricultural activity including units in the secondary agricultural sector

***Excluded from the Informal Sector:***
*Household enterprises that*
(i) Produce goods for own final use (non-market production)
(ii) Produce services employing paid domestic workers
(iii) Engage exclusively in agricultural activities

*Note:* Various special cases are also specified

*Source: International Labour Office (2000): Resolution concerning statistics of employment in the informal sector, adopted by the 15th International Conference of Labour Statisticians (January 1993)*

concepts and providing technical guidelines for measuring the informal sector[10].

In the present context, when measuring the informal sector at the country level, there appears to be considerable departure from the international operational definition as countries adopt national circumstances to the measurement criteria. For example, some countries do not even conform to the criteria of legal organisation, and hence include small scale quasi-incorporated or incorporated enterprises in the informal sector. Other types of cross-country variations are seen in enterprise size criteria, inclusion/exclusion of agricultural activity, inclusion/exclusion of domestic paid work as well as rural/urban coverage among others. Nevertheless, a widely used norm is to use the criteria of legal organisation (unincorporated enterprises) and/or non-registration of the enterprise. Others use the enterprise size criterion by itself or in addition to legal organisation and/or non-registration[11].

In most cases, enterprise surveys have been used to obtain measures of informal operation. As such surveys alone do not always cover all types of enterprises, a mixed survey approach (household and enterprise surveys) is recommended for obtaining a comprehensive measure of the informal sector, particularly to capture the large share of unincorporated household enterprises in market production. Generally, for practical measurement purposes, in developing countries the informal sector is usually defined as household unincorporated enterprises operating with less than 11 workers.

### 3.1 Informal Sector in the Indian Context

Even within a nation the definition of the informal sector varies by organisational use and has evolved over time, as exemplified by India's case. This sector is referred to as the unorganised sector in various statistical measures; however, the informal sector is only a subset of the unorganised sector. In many cases the 'informal sector' and the 'unorganised sector' are used as interchangeable terms.

The National Account Statistics (NAS) takes a dichotomic view of the economy by defining enterprises not included in the organised sector as being in the unorganised sector. A similar approach has been utilised by the National Sample Survey Organisation (NSSO) in its unorganised sector enterprise surveys since 1978-79, i.e. including all manufacturing units not classified under Annual Survey of Industries (ASI) as the unorganised sector.

The first informal sector survey conducted by the NSSO in its 55th Round (1999-2000) defined the informal sector as "all non-agricultural enterprises, excluding those covered under the ASI, with type of ownership as either proprietary or partnership"[12].

With the view of harmonising the national definition with the international one for the informal sector, a Task Force was set up in 2005 by the National Commission for Enterprises in the Unorganised Sector (NCEUS). Based on its recommendation, the definition of the informal sector/ unorganised sector in India was reformulated as:

"All unincorporated private enterprises owned by individuals or households engaged in the sale or production of goods and services, operated on a proprietary or partnership basis and with less than ten total workers"[13].

Other than crop production and plantation, all other agricultural activities conforming to the above definition are included in the informal sector.

This particular definition appears to be basic enough to be used as a standard functional definition of the informal sector for cross country measurement and comparison. Many countries such as Brazil, Mexico, Panama, Moldova, Ethiopia, Mali, Tanzania, Pakistan and the Philippines, among others, use the legal status criteria (household unincorporated enterprises) and a size threshold ranging from less than five to less than 11[14]. Among the above mentioned countries, Mexico, Ethiopia, Mali and Moldova also use non-registration of the enterprise, while Ethiopia, Moldova and the Philippines have included agricultural activities as well.

Therefore, taking stock of various national and international definitions, a functional definition of the informal sector for practical measurement and cross country comparison can be stated as follows:

"Unincorporated enterprises owned by individuals or households operating with less than five workers, engaged in at least some market production".

### 3.2 Limitations of the Definition

Description of the informal sector whether through an internationally agreed or nationally formulated definition, measures only a subset of informal operations. Cross-border informal trade, also referred to as 'suitcase trade' is a significant part of informality, but most probably escapes the ambit of informal sector measurement. Such informal trade is rampant in South Asian countries particularly among India, Nepal and Bangladesh. About one-fifth of Zimbabwean women in the informal economy are engaged in cross-border trade with South Africa and Zambia while over 50 percent of informal sector workers in Angola, Nigeria, South Africa and Uganda are engaged in retail trade[15]. Informal retail traders have intricate links with formal sector enterprises. For instance, multinational corporations like Unilever and Coca-Cola have utilised street vendors to expand their markets in rural areas and cater to low income groups[16].

Cross-border trade and formal and informal sector linkages are not addressed by standard definitions and therefore no provisions for measurement through informal sector surveys exist. The definitions and concepts are usually designed with informality in the urban sector in mind. Even the mentioned international definition calls for initially conducting surveys of the informal sector in urban areas and then extending these to rural areas depending on resource availability[17]. However, such an approach leaves room for error: not only do characteristics of informal sector enterprises differ across rural and urban locations; informality may be dominant in rural areas of most developing countries.

Given the wide diversity within the informal sector, it may even be necessary to formulate multiple sub-definitions and measure the various sub-sectors accordingly to ensure that policies can be tailored suitably to address the concerns of various informal sector groups.

## 4. Informality and Growth

The informal sector was originally treated as a residual emanating from the insufficient absorptive capacity of the formal economy. It has been emphasised in the literature that productivity growth in the formal sector acts as a 'pull' factor in drawing informal sector workers and enterprises towards it. Paradoxically, informal sectors of most developing countries have actually increased over time. Informality has been characterised as a response to high transaction costs caused by cumbersome bureaucratic procedures for business start-ups, and irksome compliance with unclear and prohibitive rules and regulations.

Rise in informality is associated with economic restructuring and economic crisis. For example, the structural adjustment programmes (SAPs) of the 1980s and 1990s is said to have increased the informal economy due to retrenchment of the public sector and associated liberalisation policies[18].

The relationship between informality and growth is not only inconclusive but it can go in both directions: (i) Economic growth can have expansionary or contractionary effects on the informal economy; and (ii) The informal economy can have a positive or negative impact on economic growth.

Sustained economic growth that is pro-poor is believed to reduce informality. Developing countries with (i) no growth, (ii) capital intensive growth (jobless growth), or (iii) high-tech growth (rise in demand for skilled service sector jobs rather than unskilled manufacturing jobs) could experience an expansion in their informal sectors[19]. For example, in India's case, its GDP growth has been largely capital and information technology intensive rather than labour intensive, with limited formal employment generated in the manufacturing sector till 2002[20]. The informal economy is assumed to be counter cyclical, i.e. contracting during economic booms and expanding during recessions. However, informal sector activities can also rise during times of economic boom, as exemplified by an Indonesian study, where the informal enterprises were able to quickly respond to a rise in demand by evading the bureaucratic impediments of a formal business setup[21].

**4.1 How does Informality affect Economic Growth?**

The contribution of the informal sector or informal enterprises to non-agricultural GDP is substantial, ranging from 13 percent for Mexico to 58 percent for Ghana for various years. Region-wise estimates show that the informal sector contribution to non-agricultural GDP was 27 and 41 percent for Northern and sub-Saharan Africa (SSA) respectively while Latin America and Asia accounted for 29 and 31 percent[22].

Street vending units usually referred to as 'informal traders' make up a large proportion of informal sector enterprises. Their contribution to total trade value added (GDP from trade) ranges from 50 to 90 percent for select Asian and African countries. Informal sector's share in total trade related value added in the Indian economy was 90 percent[23].

Despite substantial contribution from the informal sector to the GDPs of many developing countries, there is inadequate evidence of informal sector enterprises contributing to economic growth. On the contrary, the growing informal economies in most developing countries are believed to be impeding economic growth[24].

Loayza (1997) shows that in countries with weak government institutions and tax rates exceeding the optimal level, there exists a negative correlation between informal sector size and the rate of economic growth. This theoretical prediction is supplemented by empirical evidence from Latin American countries. The size of the informal sector has a negative impact on economic growth because it not only contributes to a rise in inefficient use of public services but also diminishes the availability of such services to the remaining agents in the economy. A large informal sector limits fiscal revenue, which can impact government spending on infrastructure and social services and thereby hamper economic growth[25].

Productivity growth of enterprises is cited to be an important component of a country's overall economic growth and development. A recent study[26] lays out three viewpoints in regard to the contribution of informal firms (i.e. those not registered with the government) to productivity growth and economic development. Using three sets of official and unofficial firm level surveys, the authors investigate whether these viewpoints stand the data test[27]. These viewpoints can be classified as follows:

1. *Romantic View* – This view is drawn from the pioneering work of Hernando de Soto[28] which indicates that unofficial firms are constrained by various fiscal and regulatory requirements, thereby impeding their formalisation. Proper fiscal and regulatory reform and reduction of entry barriers to formalisation supplemented with necessary credit would facilitate their entry into the formal sector and subsequently contribute to economic growth. A crucial assumption of this view is that there is no fundamental difference between formal and informal firms in terms of their characteristics.

However, this view receives inadequate support not only because there is substantial productivity difference between registered and unregistered firms, but also due to differences in other aspects such as use of technology, capital intensity, scale and human capital. As a result, formalisation of these firms may not lead to any considerable productivity growth.

2. *Informal Firms as Parasites* – Based on the extensive work of the McKinsey Global Institute[29], unofficial firms are viewed as a 'threat' to official firms and as an obstacle to economic growth. Impediments to growth arises from two channels: first, not only does the small scale of informal firms lead to inefficient production, but they also have an incentive to remain small in order to avoid detection from public authorities. As a result, absence of surpluses for technological change confines informal firms to a 'low-productivity trap' which adversely impacts the overall productivity growth of a country. The same study finds that informal firms operate about 50 percent below the average productivity level of formal firms within the same sector.

Second, the cost advantage enjoyed by informal firms due to tax evasion and regulatory non-compliance gives them an edge over formal firms, thereby allowing them to impinge on the formal sector's market share. Formal firms are subjected to unfair competition which reduces their incentive to invest, expand and improve productivity. In addition, low tax revenue as a result of the large informal sector may induce more stringent taxation of the formal sector, which may then further fuel informality. Proponents of this view call for stronger fiscal and regulatory enforcement as well as reforms to curb informality.

Firm level surveys do not find enough evidence to support this view either. Practices by informal firms are not viewed as a substantial obstacle to business operation by formal firms. However, aggregate results mask variations across countries and firms.

A different study[30] based on enterprise surveys in select Latin American countries shows that small formal sector firms operating in industries with low barriers to entry view informal firms with similar characteristics as a threat. However, these results depend on the institutional and regulatory enforcement quality of the studied countries.

3. *Dual View* – This is attributed to the dual economy theory, where informal firms are perceived to be considerably different from their formal sector counterparts due to the former being inefficient and operating in traditional sectors with low capital and obsolete technology. Both formal and informal firms co-exist and operate in segmented markets catering to different consumer bases. Hence, not only are informal firms not viewed as a 'threat' to the formal sector, but they also do not contribute to economic growth. As the informal sector provides subsistence to millions of poor people, any fiscal and regulatory policy amendments that are potentially costly to informal firms are discouraged. Proponents of this view support policies that create new formal firms rather than formalise existing informal ones. They are of the belief that informality diminishes with economic growth and development.

Survey data yields results that are consistent with this view because informal firms not only differ considerably from formal firms; but also there is insufficient evidence that informal firms are a 'threat' to formal firms. Unregistered firms are smaller, less productive, pay lower wages and operate with lower human capital compared to their registered counterparts.

Hence, the informal sector is crucial for developing countries as it contributes to a substantial share of employment and output as well as provides livelihood to millions, but there is no concrete evidence that this sector enhances economic growth. On the contrary, it may obstruct and slow down growth.

As mentioned before, firm level surveys only capture a subset of the vast informal sector. For this reason, there may still be some empirical justifiability of all three viewpoints as well as some growth benefits emanating from the informal sector.

The provision of certain goods and services (e.g. transport) by the informal sector at prices below formal rates can be seen as enhancing household savings and therefore physical and human capital accumulation. Positive implications for growth may follow. Hence, a fourth viewpoint is presented.

4. *CUTS View* – Informal sector operations provide a way out of the draconian reigns confronting the formal sector. Low entry barriers and low operation costs in certain sectors (e.g. food, repair, trade and transport) imply dominance of informal firms. The large number of small producers and sellers producing almost identical products, for example in the fruit and vegetable markets, also facilitates a high degree of competition. As a result, consumers, mostly from the low and middle income brackets, can avail of relatively low prices. This leads to a rise in household savings, which can potentially translate into economic growth.

## 5. Conclusion

The wide diversity, non-observable nature and constantly evolving structure of the informal sector have posed a challenge in defining the sector. Although an international operational definition exists, it does not entirely correspond to the various statistical definitions utilised for measuring the informal sector at the national level. Efforts towards conceptualising, defining and measuring the informal sector have evolved and progressed over time both at the national and international levels. However, our knowledge of the sector, its impact and inter-linkages with various economic and social spheres is still rudimentary. This calls for more research and study to comprehend the heterogeneity and reach of the informal sector for targeted policy making.

## References


Bangasser, P E (2000), "ILO and the Informal Sector: An Institutional History" ILO, 2000

Becker, K F (2004) "The Informal Economy" Fact Finding Study, SIDA

Blunch, N Canagarajah, S and Raju, D (2001), "The Informal Sector Revisited: A Synthesis Across Space and Time" Social Protection Discussion Paper Series, World Bank

Carr, M and Chen, M.A. (2001), "Globalization and the Informal economy: How Global Trade and Investment Impact on the Working Poor" WIEGO, May 2001

Charmes, J (1998), "Informal Sector, Poverty and Gender: A Review of Empirical Evidence", Paper prepared for PREM, World Bank, as contribution to the WDR 2000

Farrell, D (2004),"The Hidden Dangers of the Informal Economy." McKinsey Quarterly 2004, no3:26-37

Fields, G (1990), "Labour Market Modelling and the Urban Informal Sector: Theory and Evidence", in: D. Turnham, B. Salomé, and A Schwarz (eds.) *The Informal Sector Revisited,* Paris: OECD

ILO (2002a), "Decent Work and the Informal Economy" Report IV, 90th Session, ILO

ILO (2002b), "Women and Men in the Informal Economy: A Statistical Picture" ILO

ILO and Delhi Group (2007a), "Draft Chapter 2: Concepts, definitions and sub-classifications" *Manual on Surveys of Informal Employment and Informal Sector*

ILO and Delhi Group (2007b) "Draft Chapter 3: Measurement Objectives and Data Collection Strategies" *Manual on Surveys of Informal Employment and Informal Sector*

ILO and Delhi Group (2007c) "Draft Chapter 5: Informal Sector Establishment Surveys" *Manual on Surveys of Informal Employment and Informal Sector*

Marjit, S and S Kar (2009), "A contemporary perspective on the informal labour market: Theory, policy and the Indian experience." Economic and Political WEEKLY Vol XLIV No 14

OECD; IMF; ILO; CIS STAT (2002): *Measuring the Non-Observed Economy – A Handbook*; Paris, 2002

Raveendran, G, Murthy, SVR and Naik, A K (2006), "Re-defining of Unorganised Sector in India" Delhi Group, Paper No. 2

## Endnotes

1 Farrell, D. (2004)

2 ILO (2002a). Unorganised sector includes "units run by cooperative societies, trusts, private and public limited companies not included in Annual Survey of Industries (ASI) in manufacturing in addition to unincorporated proprietary and partnership enterprises" (see Page 7) in ILO and Delhi Group ( 2007c)

3 ILO (2002b)

4 OECD; IMF; ILO; CIS STAT (2002)

5 Hussmanns, R. And F. Mehran: Statistical definition of the informal sector- International standards and national Practices, ILO.

6 OECD; IMF; ILO; CIS STAT (2002)

7 Bangasser, P. E. (2000)

8 The Delhi Group on Informal sector statistics- *http://unstats.un.org/unsd/methods/citygroup/delhi.htm*

9 ILO and Delhi Group (2007a) (see Page 13)

10 The manual was expected to be completed by the 11th meeting of the Delhi Group scheduled to be held in New Delhi in January 2009, which has been postponed. (*http://mospi.gov.in/11th_meeting_postponed_6jan09.htm)*

11 ILO and Delhi Group (2007a)

12 Raveendran, G., Murthy, SVR and Naik, A K (2006)

13 ILO and Delhi Group (2007c) (see page 8)

14 ILO and Delhi Group (2007b)

15 ILO (2002a)

16 Carr, M and Chen, M A (2001)

17 ILO and Delhi Group (2007b)

18 Becker, K F (2004)

19 Carr, M and Chen, M A (2001)

20 ILO (2002b)

21 ILO (2002a)

22 Charmes, J (1998)

23 ILO (2002a) (see Table 3.7 in page 53)

24 The Economist (2004) "In the Shadows" 17th June, 2004

25 Loayza, N A (1997), "The Economics of the Informal Sector-A Simple Model and Some Empirical Evidence from Latin America" Policy Research Working Paper 1727, World Bank

26 La Porta, R and A Shleifer (2008), "The Unofficial Economy and Economic Development" NBER Working Paper 14520

27 The three surveys are conducted by the World Bank: Enterprise Surveys, Informal Surveys and Micro Surveys.

28 de Soto, H (1989) The Other Path: The Invisible Revolution in the Third Worlds. New York: Harper and Row Publishers

29 MGI (2006), "Driving Growth: Breaking Down Barriers to Global Prosperity", Harvard Business School Press

30 Gonzalez, A S and F Lamanna (2007), "Who Fears Competition from Informal Firms? Evidence from Latin America" Policy Research Working Paper 4316, World Bank

*This Briefing Paper is written by Niru Yadav, Senior Research Associate, CUTS International*