



The second economy refers to the **range of activities that are often marginal, outside the regulatory net and survivalist in character**. Large numbers of South Africans are employed in the second economy, which overlaps with what is referred to as the informal economy. The structural features of the economy create a symbiotic relationship between the first and second economies, yet without the transfer of incomes and sustainable dynamism that is required.

The purpose of this sub-programme is to develop policies that will transform second economy activities into dynamic, competitive activities that are part of the economic mainstream and included in the country's tax and other arrangements. The goal is to ensure decent incomes for entrepreneurs and workers. It will involve a mapping exercise that shows the links between the first and second economies and that develops policy proposals to transform the second economy. Close cooperation with other government departments will be necessary.