

▶ Revision of the Standards for statistics on informality

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The current statistical standards

- ▶ Resolution concerning statistics of employment in the informal sector, adopted at the 15th ICLS, 1993
 - ▶ Defines informal sector, employment in the informal sector

- ▶ Guidelines concerning the statistical definition of informal employment, endorsed at the 17th ICLS, 2003
 - ▶ Defines informal employment

▶ Background to the revision

Changes in labour standards

- ▶ *Resolution I concerning statistics of work, employment and labour underutilization (19th ICLS, 2013)*
- ▶ Introduced the concept of work
- ▶ Five forms of work: Own-use production work, Employment, Volunteer work, Unpaid trainee work, Other work activities
- ▶ Re-defined employment
- ▶ *Resolution I concerning statistics on work relationships (20th ICLS, 2018)*
- ▶ Introduced a new ICSE-18
 - Including: *Dependent contractors*

Need to align the statistical framework of informality to the latest statistical developments

Increased experiences

- ▶ Current definitions of informal sector and informal employment are flexible
- ▶ More than 60 countries have a regular measurement
- ▶ Estimates can be produced for more than 100 countries
- ▶ “Consensus” around main criteria to use
- ▶ Based on country practices these definitions can be strengthened

▶ Process for revision

- ▶ A strong mandate by the 20th ICLS to develop a revised framework
- ▶ Establish a working group of individuals with relevant technical expertise including:
 - Experts representing all regions
 - Experts in labour statistics as well as economic statistics
 - NSO's, ministries, workers and employers representatives
 - International organisations
- ▶ Strong collaboration with UNSD and IMF
 - The outcomes of the WG is fed into the Joint Task Team on Informal Economy (UNSD,IMF)
 - Guidance note for the revision of the SNA
- ▶ 1st WG group meeting 2019, 2nd online WG meeting 2020
- ▶ Draft resolution(s) to Tripartite Meeting of Experts on Labour Statistics
- ▶ Final consideration at the 21st ICLS (in 2023)

► Underlying ideas of the new framework

► Introduce the underlying concept of *informal productive activities*:

- *defined as all productive activities carried out by persons and economic units that are – in law or in practice – not covered by formal arrangements*
- Recognizing that informal productive activities are carried out by economic units as well as by persons
- Includes productive activities within the SNA general production boundary
- Smaller conceptual unit than economic unit, worker, job etc.

► Informal economy: Include all informal productive activities

- Very broad umbrella concept, capturing all informal activities within the SNA general production boundary.

► Informal *market* economy: Include all informal productive activities for pay or profit

- More focused concept
- would include the informal sector, informal employment and partly informal productive activities

▶ A broad but focused statistical framework

Enables compilation and analysis of data from different perspectives:

- ▶ Informal market economy from the perspective of:
 - The economic unit (informal sector)
 - Worker (informal employment)

 - Complemented with:
 - Partly informal productive activities carried out by formal enterprises and workers with formal jobs
- ▶ Informal economy still essential:
 - Recognizes that informal production is also carried out by households
 - That forms of work other than employment can be informal
 - Identification of essential categories of informal work outside the IME but within IE e.g. unpaid trainee work, subsistence work
 - Sectorial analyses including different form of work/production such as care work or agriculture

Informal productive activities

Production	For pay or profit				Not for pay or profit		
Workers	Liable to become formal or already formal				Partial regulated or not at all but liable to be regulated		
Informal work							
	Formal employment with party informal activities	Informal employment			<ul style="list-style-type: none"> • Own use production work, • Unpaid trainee work, • Volunteer work carrying out informal productive activities [Essential categories]		
	Either main or secondary formal jobs with partly informal activities	Either main or secondary informal jobs					
Carry out the work for Economic units in:	Formal sector	Formal sector	Informal sector	Households (HOP-sector)	Formal sector	Informal sector	Households (HOP-sector)
Economic units	Liable to become formal or already formal				Partial regulated or not at all but liable to be regulated		
Informal production							
	Formal sector with partly informal production for pay or profit	Informal sector			Household producing for own final use (incl. direct volunteer work, non-formal NPI)		
Labour input	Informal employment Informal unpaid trainee work Informal volunteer work	Informal employment Informal unpaid trainee work Informal volunteer work			Informal own-use production work Informal employment Informal volunteer work		
Relation to 2008 SNA	SNA production boundary				Goods		Services
	SNA general production boundary						
Type of production	Informal market economy				Informal non-market economy		
Informal Economy							

Refinements of the definitions:

▶ The definitions of informal-, formal- HOP-sector:

- **Are built on two dimensions:**
 - *The formal status of the economic unit*
 - *The intended destination of the production*
- **Strengthening the operational definition of informal sector:**
 - Shifted threshold of market production from *some* to *mainly*
 - The option of exclude agriculture, removed
 - Less flexibility around the operational criteria to use
- ▶ Supporting indicator framework
 - Provide data on the structure of informality within a country
 - Allows the identification of workers highly represented or exposed to informality
 - Contextualize the degree of informality/formality, reflecting that informality/formality is a continuum

▶ The definition of informal employment:

- Align to ICSE-18, including integrating dependent contractors
- Removing the possibility for employees to have formal jobs in an informal enterprise
- Allowing for the possibility for contributing family workers to have formal jobs
- **Strengthening the operational definition of informal employment:**
 - Less flexibility around the operational criteria to use, in particular for informal jobs held by employees
- ▶ Improve data collection
 - Improve tools for countries to use for measuring informal employment and informal sector
 - Different projects are carried out to create a more effective measurement

▶ Linked work among Arabic states

➤ **Initialized a project funded by Ford foundation to:**

- The project aims at:
- Increase the degree of harmonization between Arabic states
- Improve operational definitions of informal employment
- Develop improved data collection tools that takes the national specifics into account while ensuring that international standards are met.
- Provide input to the discussion of the revision of the statistical standards on informality from the perspective of the region

Work plan:

- A report is being finalized addressing current statistical practices and challenges facing Arab NSOs in compiling informal employment statistics; and the social protection schemes of countries.
- 2022: cognitive and quantitative tests in four project countries: Jordan, Morocco, Lebanon, Tunisia
- The products should have relevance beyond the four project countries
- We very much encourage you all to actively take part of this work



International
Labour
Organization

Thank you



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