



**Women in Informal Employment
Globalizing and Organizing**

INFORMAL EMPLOYMENT – IMPORTANCE AND MEASUREMENT

ROME 28-29 NOVEMBER 2018

Key Facts Related to Focus of this Meeting: ILO Harmonized Global Estimates

- **61% of world employment is informal—2 billion workers**
- **A somewhat higher percentage of men workers (63%) than women workers (58%) world-wide are informally employed:**
 - and in emerging countries: 69% men and 64% women
 - but not in developing countries: 92% women and 87% men
- **77% of youth employment (ages 15-24) world-wide is informal: 73 % of young women and 79 % of young men**
 - in developing countries: 97% of young women and men
 - in emerging countries: 79% of young women and 85 % of young men
- **80 % of rural employment world-wide is informal:**
 - in developing countries: 90%
 - in emerging countries: 83%

Importance of ILO Harmonized Estimates

- **Based on data for more than 100 countries** (=90 % of world population) and on a **common set of operational criteria**
 - show that there are data for many countries
 - show that cross-country harmonization is possible
- **First-ever world-wide estimates:** which include
 - data from developed, emerging and developing countries
 - data for both agriculture and non-agricultural employment

International Standards

Three related **official statistical terms and definitions** which are often used imprecisely and interchangeably by analysts and observers:

- ❑ **informal sector** refers to the production and employment that takes place in unincorporated or unregistered enterprises (1993 ICLS)
- ❑ **informal employment** refers to employment not covered or insufficiently covered by formal arrangements through their work, including:
 - **own account workers** and **employers** in informal sector enterprises
 - **employees** who do not received social insurance through their job or lack the right to paid vacation or sick leave, whether they work in informal or formal enterprises or in households
 - **unpaid contributing family workers** (2013 ICLS)
- ❑ **informal economy** refers to all units, activities, and workers so defined and the output from them

Informal Sector: Criteria/Questions for Identification

Criteria/Questions to identify the informal sector (and employment in the informal sector)

- **Institutional**– whether it is an economic unit distinguished from government, public and private corporations, non-governmental and international organizations and other institutions clearly recognized as in the formal sector.

Then whether it is a separate legal entity

- **Registration of the economic unit at the national level**--including with social security, sales or income tax authorities at the national level
- **Bookkeeping** - whether the economic unit maintains a set of accounts required by law (e.g. balance sheets) or keeps some official accounts

Key Question: is the enterprise where you work registered with national social security, sales or income tax authorities?

Informal Employment: Process/Questions for Identification

- If the respondent is an *unpaid contributing family worker*, the person is classified as being informally employed.
- If the respondent is an *employer, own-account worker* or *member of a producer cooperative*, the person is classified as informally employed if the economic unit the person is engaged in is informal.
- If the respondent is an *employee*, the person is classified as being informally employed if s/he does not receive social security contributions by the employer or, alternatively, is not entitled to paid annual leave or sick leave.

Key question: Does your employer contribute to your social security (ideally a pension)?

General Points and Future Directions

- There are official international standards for defining the informal sector and informal employment inside and outside the informal sector – these concepts are NOT in flux or controversial
- At the October 2018 International Conference of Labour Statisticians, there was broad agreement across countries about these standards but also about the need to:
 - ▣ better align the current operational definitions with country practices
 - ▣ develop new standards for...
 - own use-production and informal employment in agriculture
 - unpaid trainees
 - dependent contractors
 - informal employment in developed countries
- A resolution for this review had overwhelming support at the 2018 ICLS and will take place in coming years in time for discussion at the next ICLS in 2023