

WIEGO Impact Evaluation – Evaluator’s Assessment Report
Mainstreaming the Measurement of the Informal Economy
In Labour Force and Economic Statistics

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Background

The use of statistics to drive arguments is not uncommon among activists, but to place it at the forefront of their work agenda is rare. At the very outset of its formation in 1997, WIEGO recognized the power of statistics in drawing public attention to its key messages and, accordingly, set up an ambitious goal of mainstreaming the measurement of the informal economy in national economic and labour statistics. The goal, as formulated, is not only to draw public attention to the size and plight of women and men in the informal economy, but also to make sure that sufficient and adequate information exists to understand how this part of the economy works and what indicators to use to monitor its changes over time.

Now, twelve years later, this report aims at assessing the progress made by WIEGO in achieving the objectives it laid out for its statistics programme, namely, (a) development of concepts and definitions on the informal economy; (b) supply of comparative and integrated data; (c) development of analytical tools for studying and understanding the informal economy; and (d) working with and influencing national and international producers and users of statistics in areas of WIEGO’s concerns

This assessment is based on two sets of information: One obtained by interviewing 15 persons throughout the world who have been involved in different capacities with the statistics programme of WIEGO;¹ the other obtained by reviewing key websites and a collection of statistical and analytical documents produced by WIEGO or associated organizations in collaboration with WIEGO.²

The report is organized in four core sections, in addition to this background section and the overall summary section at the end of the report. The four core sections deal with (1) the development of concepts and definitions; (2) the supply of data; (3) the analytical contribution; and (4) the interaction with producers and users of statistics.

¹ The interviews were carried out over the period from 27 July to 21 September 2009. All interviews were by telephone except two personal interviews and one written comments. The list of persons interviewed and their affiliations is presented in Annex 1 of the present report. Interview notes have been document and submitted to the WIEGO Evaluation Consultant.

² Annex 2 lists the main websites and documents consulted for this report.

1. Development of concepts

- Informal employment

Home-based producers, street vendors, waste collectors, domestic workers are examples of categories of workers of concern to WIEGO. One obvious common denominator among these workers is their non-standard place of work. But a more crucial and analytically more meaningful feature shared by these workers is the *informal* nature of their employment. To be measurable across countries and over time, however, the concept of *informality* requires an operational and widely accepted definition.

WIEGO pursued a clever strategy to contribute to the development of such a concept. It associated itself with the ILO, which a few years earlier, in 1993, at the Fifteenth International Conference of Labour Statisticians (ICLS) had adopted a standard definition of employment in the informal sector, a related concept defined in terms of the characteristics of the production unit in which employment takes place. WIEGO recognized that this already existing statistical standard could be the logical point for tying the new concept of informal employment. WIEGO pursued this strategy first by associating itself with the report on informal employment discussed at the 2002 International Labour Conference (ILC) and then with the guidelines concerning a statistical definition of informal employment adopted by the Seventeenth ICLS in 2003.

This has been a major achievement. There is now an internationally accepted definition of informal employment, defined in the case of employers and own-account workers in terms of the characteristics of their enterprise,³ and in the case of employees in terms of the characteristics of their employment relationship.⁴ Other categories of workers such as contributing family workers, own-account workers engaged in the production of goods exclusively for own final use by their household and members of informal producers' cooperatives are also considered to have informal employment.

Informal employment is thus a broader concept including (a) employment in the informal sector (except those rare employees in that sector who may have formal employment), and (b) informal employment outside the informal sector. The term *informal economy*, although not explicitly defined, may be interpreted to refer to the union of the informal employment and employment in the informal sector.

³ For operational purposes, informal own-account enterprises are defined as either all own-account enterprises or only those which are not registered under specific forms of national legislation. Enterprises of informal employers are defined in terms of one or more of the following criteria: (i) size of the unit below a specified level of employment; (ii) non-registration of the enterprise or its employees.

⁴ The employment relationship is informal if, in law or in practice, it is not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severance pay, paid annual or sick leave, etc.).

- Application to developed countries

The concept of informal employment as presently defined finds its main relevance mostly in developing countries where the bulk of the workers are self-employed and the coverage of formal institutions such as national labour legislations, income taxation and social protection systems is often limited. To broaden the relevance of the concept to all countries, WIEGO set in 2007 a new research priority to develop a common framework for labour statistics relating to informal employment applicable to both developed and developing countries. Arguments have been made that the framework is actually in place, the requirement is to find an adequate approach in applying it to the situations relevant in developed countries.

A promising beginning in that direction has been made in late 2008 when a number of experts from western industrialized countries and eastern European countries were invited to a workshop on informal employment in developed countries, organized by WIEGO at Harvard University in October-November 2008. This workshop was a means to establish a network of individuals and organizations in developed countries working on the topic and to review the overlap of the concept of the informal economy, particularly informal employment, with related concepts used in some of the developed countries.

In Canada, for example, the concept of precarious employment is used rather than informal employment. It refers essentially to any employment other than full-time, full-year employment. In the United States, the term non-standard employment is used referring to a range of employment situations such as part-time employment, unstable employment, workers without health insurance coverage, or without other specific benefits. Still another similar concept being considered for specific legal purposes in the United States is that of “unregulated work” dealing with violations of employment laws at the workplace, and also with problems of low wage payments.

While the 2008 Workshop should be considered as a success in gathering together specialists from developed countries and exchanging national issues and experiences, clearly more needs to be done. The workshop recommended a number of further actions that WIEGO could take⁵ to which others such as the followings could be added:

- more rigorous identification of the intersection between informal employment and areas of concern in developed countries (non-standard employment, precarious employment, unregulated work, etc.);
- more efforts in finding areas where the concept of informal employment as presently defined is already relevant in both developed and developing countries, such as the employment situation of the tribal or indigenous

⁵ http://www.wiego.org/reports/statistics/nov-2008/Carre_and_Heintz_Common_Framework.pdf (Section 5: Lessons from the October 2008 Workshop), Revised May 2009.

populations, often falling outside the scope of labour force surveys in both developed and developing countries;

- stronger advocacy not only at national statistical offices, but also at line ministries that can influence the agenda of national statistical programmes.

The recommendations of the workshop included also the revision of the International Classification of Status in Employment to ensure that the main categories of informal employment and the categories of concerns in developed countries are all recognized and appropriately identified in the classification.

- Delhi Group

The Delhi Group is one of the so-called “city groups” set up by the United Nations Statistical Commission to meet informally to address selected problems of statistical methods.⁶ The Delhi Group, called after the city where it first met, was established in May 1997 to deal with the statistical problems of the informal sector, in particular, “to exchange experience in the measurement of the informal sector, document the data-collection practices, including definitions and survey methodologies followed by member countries, and recommend measures for improving the quality and comparability of informal sector statistics“.

WIEGO was an early member of the Delhi Group⁷, actively participating in its debates, contributing to its work and more importantly influencing its agenda. At the fifth meeting of the group in 2001, the term “informal employment” was introduced in the work programme of the Delhi Group, with the aim of developing “criteria for the identification of persons in informal (or precarious, non-standard etc.) employment inside and outside the informal sector”. Later, other technical issues related to informal employment were added to the agenda, to the extent that by 2006 the measurement and analysis of informal employment became completely integrated into the Group’s work programme.

Teaming up with the Delhi Group and influencing its agenda should be considered as another clever statistical strategy of WIEGO. This partnership will probably continue to bear fruits in the future, particularly, with regard to other outstanding statistical issues, such as the measurement of the contribution of the informal economy to the GDP, and the preparation of the ILO manual on Surveys of Informal Employment and Informal Sector.

- MDG Gender indicators

For monitoring progress towards the Millennium Development Goals (MDG), the United Nations established an Inter-agency and Expert Group on MDG Indicators. The indicators pertaining to gender are the special tasks of a sub-committee on education, reproductive health and employment aspects.

⁶ <http://unstats.un.org/unsd/methods/citygroup/delhi.htm>.

⁷ WIEGO joined the Delhi Group at its 2nd meeting in Ankara, Turkey, in 1998.

As a member of the Sub-Committee, WIEGO together with the ILO have reviewed the MDG gender indicator on employment (MDG#3 share of women in wage employment in the non-agricultural sector), and have pointed to a number of its limitations, in particular that it covers only a small percentage of total employment in many developing countries, it is difficult to interpret; unless information is provided on the share of women in total employment, it does not distinguish between the different types of non agricultural wage employment which may vary in terms of earnings, social protection, etc., and it does not measure the various dimensions of women's employment that are relevant to women's status and empowerment—such as status in employment, wages, benefits, labour regulations and policies.⁸

Accordingly, a more comprehensive background indicator, proposed by the ILO in consultation with WIEGO, has now been recommended by the Sub-Group on Gender Indicators for use by countries in monitoring progress towards MDG#3. The indicator, shown below in its essential form, covers both agricultural and non-agricultural employment, status in employment categories and distinguishes between formal and informal employment:⁹

Background indicator for MDG#3: Gender Differences in Structure of Employment

	Women	Men
TOTAL EMPLOYMENT		
Agricultural Employment		
• Own-account workers, employers & members of producers' cooperatives		
• Contributing family workers (informal)		
• Employees		
- Formal		
- Informal		
Non-Agricultural Employment		
• Own-account workers, employers & members of producers' cooperatives		
- Formal (1)		
- Informal (2)		
• Contributing family workers (informal) (3)		
• Non-domestic employees		
- Formal (4)		
- Informal (5)		
• Domestic employees		
- Formal (6)		
- Informal (7)		
Formal Non-Agricultural Employment (1+4+6)		
Informal Non-Agricultural Employment (2+3+5+7)		

⁸ Minutes of Meeting, Sub-group on Gender Indicators, Inter-Agency and Expert Group on MDG Indicators, United Nations, New York, 26 September, 2005.

⁹ A version of this indicator was earlier introduced in United Nations Development Fund for Women (UNIFEM), *Progress of the World's Women 2005, Women, Work & Poverty*, by Martha Chen, Joann Vanek, Francie Lund, James Heintz with Renana Jhabvala and Christine Bonner, UNIFEM, New York, 2005, p. 41.

The recommended background indicator gives not only a more comprehensive picture of gender differences in the structure of employment, but also provides a convenient framework for consolidating the presentation of data on informal employment, in general. This is again an example of WIEGO's effectiveness in pushing its statistical agenda forward, and in the process improving the international statistical system.

- Measurement of the Quality of Employment

The Task Force on the Measurement of the Quality of Employment was established by the Conference of European Statisticians in June 2007, following the recommendations of the UNECE/ILO/Eurostat Seminar on the Quality of Work, April 2007, with the goal of revising and streamlining the draft Conceptual Framework discussed at the seminar and to test the feasibility and validity of proposed indicators.

WIEGO was an initial member of the Task Force and more recently a member of its Steering Committee. In that capacity it could bring the WIEGO concerns into the agenda of the Task Force, and at the same time learn more on the development that is taking place in developed countries, and contribute to the understanding of the relationship that may exist between the concepts of "quality of employment" and "informal employment".

The final report of the Task Force including the conceptual framework and the list of indicators for measuring the quality of employment is planned to be submitted to the Conference of European Statisticians in 2010. The work is also being considered as part of the ILO programme on the measurement of "decent work", thus providing another opportunity for WIEGO to establish linkages between the concept of "informal employment" with the broader frameworks of "quality of employment" and "decent work."

This is particularly important because from an advocacy point of view it is not enough to provide accurate data on the size and composition of informal employment, but it is also necessary to give adequate information highlighting the conditions of work and life of the workers involved.

- ILO Manual on Surveys of Informal Sector and Informal Employment

The resolution concerning statistics of employment in the informal sector (15th ICLS, Geneva, 1993) called for the ILO to prepare a manual providing technical guidelines on the contents of the resolution, reflecting such improvements in concepts and techniques that it will acquire from experiences in designing and implementing informal sector surveys and surveys of household economic activities in different countries (Article 37). The manual has been somewhat delayed due to various considerations including the introduction of the new concept of informal employment.

WIEGO had advocated early on for the preparation of the manual, and moved the Delhi Group to obtain financial support for it. These efforts have bore fruits and thanks to financial supports from Government of India through the auspices of the Delhi Group, the ILO manual is now under completion and a final draft should be submitted to the next meeting of the Delhi Group, scheduled to be held in Geneva, in December 2009. A member of WIEGO, Joann Vanek, on her personal capacity, is editor of the manual and author of its introduction and one of its substantive chapters.

The manual when completed will be a major achievement in the field of labour statistics, providing the basic material for training survey statisticians and mainstreaming the measurement of informal sector and informal employment in large scale national surveys. A special chapter on the measurement of income from employment in the informal sector and informal employment provides a link with the SNA chapter on the informal economy.

- SNA Chapter on the Informal Economy

In 2003, the UN Statistical Commission called for an update of the System of National Accounts, SNA 1993, to bring it into line with the new economic environment, the advances in methodological research and the needs of users. Volume 2 of the updated SNA is envisaged to contain a chapter entitled “Informal aspects of the economy.” It will be a new chapter, with no reference to an existing chapter in SNA 1993. The pre-edit draft of the chapter is available at <http://unstats.un.org/unsd/nationalaccount/snarev1.asp>.

WIEGO, through the person of Joann Vanek, Director, Statistics Programme, has been a close collaborator to the author of the 1st draft of the SNA chapter, providing helpful counsel and acting as a link between the SNA chapter and a corresponding chapter in the ILO Manual on Surveys of Informal Sector and Informal Employment, of which she is the editor.

Despite these efforts, the SNA chapter as it stands, falls short of expectation. One would have hoped that the contents will describe how to measure the contribution of the informal economy to the GDP, and how this process itself will help to improve the measurement of total production in the overall system. Based on the comments posted on the website, it appears that the confusion between the informal and the non-observed economy persists. Perhaps, WIEGO needs to do more needs to help bridge the gap between labour statisticians and national accountants.

2. The supply of data

- Statistical picture

In 2002, the ILO published a major document containing the first international compilation of statistics on the informal economy with regional

estimates and substantive analyses.¹⁰ WIEGO was a main driving force behind the project. A WIEGO team compiled the data and prepared the publication, following the new conceptual framework for the informal economy proposed in the report on *Decent Work and the Informal Economy* submitted to the International Labour Conference in June 2002.¹¹

The publication used an indirect residual approach to derive the national estimates of informal employment. The indirect methodology was essentially due to the absence of direct measurement of informal employment in national surveys at the time. In broad terms, the methodology consisted of deducting an estimate of formal employees from the non-agricultural workforce to obtain residually an estimate of total informal employment outside agriculture. In countries where informal sector surveys or mixed household and enterprise surveys existed, the methodology were improved by using direct estimates of employment in informal enterprises, and therefore applying the indirect residual approach only to estimate the informal employment outside the informal sector.

Altogether, the publication contained national estimates of informal employment for 35 countries, 25 with data on women and men separately (4 in North Africa, 5 in Sub-Saharan Africa, 11 in Latin America and 5 in Asia). The publication also included direct estimates of self-employment, the major component of informal employment, for 70 developing countries and 30 developed countries.

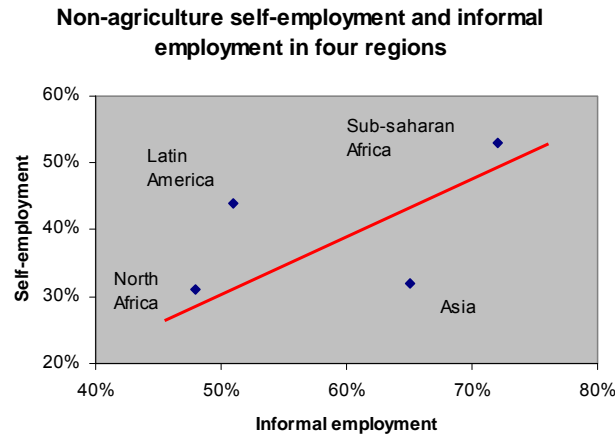
The overlap between non-agricultural self-employment and informal employment is greatest where informal paid employment and formal self-employment outside agriculture are smallest. Thus, one would expect that (a) the share of non-agriculture self-employment be smaller than the share of non-agriculture informal employment; and (b) the higher the share of non-agriculture self-employment, the higher the relative size of informal employment outside agriculture.

A feature of the *Statistical picture* is the aggregate estimates for the major geographical regions of the world. The regional estimates cover 4 regions on informal employment (Table 2.1, p. 19) and 17 regions and sub-regions in the case of self-employment (Table 2.5, p.22). The methodology for regional aggregation is not described in the report, but the results permit here to verify the two assertions (a) and (b) made in the preceding paragraph in relation to the relative size of self-employment and informal employment.

¹⁰ ILO, Employment Sector, *Women and Men in the Informal Economy: A statistical picture*, Geneva, 2002. Earlier, based on the same the dataset, the ILO had released statistics on the more restricted concept of employment in the informal sector, covering xx countries, xx with distinction by men and women, in ILO *Key Labour Market Indicators* (KILM), Geneva, 1999, KILM 13, pp. 169-188.

¹¹ The co-authors of *Statistical Picture* and co-directors of the project were all members of WIEGO (Marta Chen, Joann Vanek and Jacques Charmes).

The following graph shows that (a) the share of non-agriculture self-employment is in all cases lower than the share of non-agriculture informal employment and (b) in general the higher the share of non-agriculture, the higher the share of non-agriculture informal employment.



Other particular features of *Statistical picture* are the estimation of the contribution of informal employment to GDP and the detailed analysis of data for three particular countries (India, Mexico and South Africa) and two categories of informal workers (Home-based workers and Street vendors).

- Outreach

Statistical picture has been quoted extensively. A Google search of the title “Women and men in the informal economy: a statistical picture” (including the quotes) on 6 September 2009 gave about 10,700 results. A few examples demonstrating the breadth of the citations is listed below:

- *Women in the Economy*. American University, Department of Economics, Fall Semester 2006. Supplementary reading.
- *Informal Employment Re-loaded*, Johannes Jütting, Jante Parlevliet and Theodora Xenogiani, OECD Development Centre, Working Paper No. 216, January 2008.
- *Is Informal Normal? Towards More and Better Jobs in Developing Countries*, Johannes Jütting, Juan R. de Laiglesia. Development Centre Studies, OECD Publishing, 30 March 2009.
- *Wenn der Markt seine Schatten Wirft ... Ein Überblick über die Schattenwirtschaftsforschung*, Giuseppe Pietrantuono and Raphaela Hettlage, Working Paper No. 0804, Kalaidos University of Applied Sciences, Switzerland.
- *Investigating Informal Employment and its Implications for Closing the Coverage Gap in Trinidad and Tobago*, 5th International Conference on Social Security, March 5-7, 2007.
- *Informelle und prekäre Arbeit: ein globales phänomen*, Dossier, Schweizerisches Arbeiterhilfswerk/œuvre suisse d'entraide ouvrière.

- *An Economic Snapshot, Kenya*, US Agency International Development (US AID), January 2006.
- *Informal Economy and Trade Unions in Germany*, Karin Pape, Global Labour Institute, July/August 2005.
- *Informal Sector: Definitions and Its Implications for Growth*, CUTS Centre for International Trade, Economics & Environment, Briefing Paper 9/2009.
- *Women and Production Uses of Energy: Some light on a shadowy area*, Joy Clancy and Soma Dutta, UNDP Meeting on Productive Uses of Renewable Energy, Bangkok, Thailand, 9-11 May 2005.
- *Organizing informal women workers under solidarity economy framework*, Poonsap S. Tulaphan, Foundation for Labour and Employment Promotion, Or Home Net, Thailand.

A specific example of the use of the WIEGO data is in connection with the preparation of the special reports of the US Bureau of Labor Statistics on wages and hourly compensation cost, and manufacturing employment in Asian countries, particularly, India and China. The data on India published in the *Statistical picture* and in general the Asian regional estimates on informal employment found in the publication were used as background materials for the BLS reports.

- Update

The ILO with the cooperation of WIEGO is planning to update the 2002 statistical publication. The new publication will cover more countries with as many direct estimates of informal employment as possible. A review of national statistics on employment in the informal sector and informal employment carried out in 2007 indicated that the ILO database on informal sector contained statistics for 65 countries and the database for formal and informal employment contained statistics for 12 countries, including six countries in Latin America.¹²

The release of updated and improved estimates of women and men in the informal economy will be a major accomplishment. It should provide for the first time estimates of trends both in terms of number of workers and in terms of share of GDP, at least for one or more countries. Also, it would be instructive if the update could provide calculations of both the direct and indirect estimates for a few countries. This would enable to obtain an assessment of the accuracy of the indirect estimates relative to the direct estimates. Another area where improvement could be made is the presentation of the data. It would be particularly helpful if the basic data follow the structure of the proposed MDG gender background indicator on employment (reproduced above).

¹² James Heintz, "Statistics on Employment in the Informal Sector and Informal Employment: A summary of updated estimates from the ILO Bureau of Statistics database" ILO, 2007.

3. Analytical contributions

- Link between gender, informal employment and poverty

One of the major analytical contributions of WIEGO is the articulation of the link between gender, informal employment and poverty. In the 2004 publication *Mainstreaming Informal Employment and Gender in Poverty Reduction - A Handbook for Policy-makers and Other Stakeholders*, the three authors, all WIEGO members, examine the issue of poverty and employment and argue that the central key strategy to poverty reduction is to address “the specific constraints and opportunities facing the working poor, especially women, in the informal economy.”¹³ The basic element of the analysis is the careful use of the available data to show that there is a significant overlap between being a woman, working in the informal economy and being poor.

The statistical analysis requires particular care because two of the variables (gender and employment) refer to the individual worker while the other, poverty, refers to the household in which the worker lives. Also, between employment and poverty, there is a hidden variable (earnings). Earnings is a flow variable while employment is a stock. A more complete analysis carried out in a subsequent publication, *Progress of the World's Women 2005, Women, Work & Poverty*, used additional information on the volume of employment in terms of hours of work, so that the earnings data could be made comparable, for example, by calculating hourly earnings.¹⁴

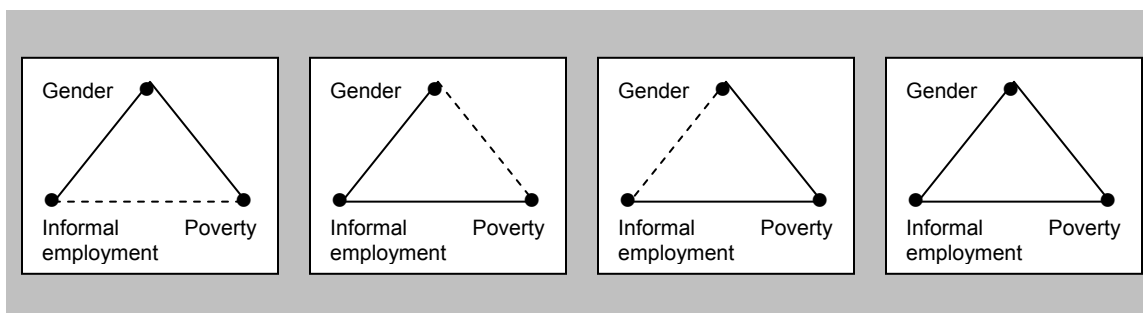
The WIEGO analysis properly accounts for these technicalities, and examines the various linkages, two variables at the time. It shows in particular that (a) women are more likely than men to work in the informal economy; (b) women in poor households are more likely to work in the informal economy than men in poor households or women in non-poor households; and (c) the average wages or earnings of women in the informal economy are lower than those of men in the informal economy.

A fuller analysis would consider the three variables simultaneously. As shown in the diagrams below the linkage between the variables may take different forms according to their dependency structure. For example in the left-most diagram, informal employment and poverty appear to be related, but their link vanishes once gender is taken into account. Thus according to this model, informal employment and poverty are statistically independent given gender.

¹³ Martha Alter Chen, Joann Vanek and Marilyn Carr, *Mainstreaming Informal Employment and Gender in Poverty Reduction, A Handbook for Policy-makers and Other Stakeholders*, The Commonwealth Secretariat, London, 2004, p. ix.

¹⁴ Martha Chen, Joann Vanek, Francie Lund, James Heintz with Renana Jhabvala and Christine Bonner, *Progress of the World's Women 2005, Women, Work & Poverty*, UNIFEM, New York, 2005, pp. 46-50.

In the next diagram, gender and poverty appear to be related, but the link vanishes once the nature of employment is taken into account. Only in the last diagram on the right, all variables are simultaneously linked together. Which of the four models fits best the available data requires the use of more appropriate statistical methodologies such as log-linear or graphical models.¹⁵



The WIEGO methodology of linking gender, informal employment and poverty and, in general, the WIEGO publications and website provide ample examples of tabulation plans and statistical tools for presenting and analyzing national datasets. They have been used, for instance, in India for analyzing the results of the latest quinquennial rounds (2000, 2004, and 2009) of the National Sample Survey, and in the Philippines for analyzing the results of the ESCAP-funded Informal Sector Survey conducted by the National Statistics Office of the Philippines in April 2009.

The WIEGO analysis provides a good example, showing that gender statistics is more than simply disaggregation of data by sex.

- Costs and benefits of informality

Another methodological contribution of WIEGO which can provide a base for national analysis is the study of the costs and benefits of informality examined in *Progress of the World's Women 2005, Women, Work & Poverty*, (*op. cit.*, pp. 58-73). Although the WIEGO analysis is qualitative, it provides a useful framework for quantification based on national survey data and perhaps also other sources of information. Such quantitative analysis will help to shed more light on some of the current controversies regarding the root causes of the informal economy, for example, exclusion from the circuit of the modern economy or voluntary exit from formal institutions to benefit from informality.¹⁶

¹⁵ Joe Whittaker, *Graphical Models in Applied Multivariate Statistics*, John Wiley & Sons, Chichester, England, 1990.

¹⁶ *Informality: Exit and Exclusion*, Guillermo E. Perry, William F. Maloney and Omar S. Aria, World Bank Publications, May 2007.

4. Interactions between of producers and users of statistics

In addition to the various institutions and individuals mentioned in the preceding discussions, WIEGO has been working directly with some producers and users of statistics, promoting the collection and analysis of data on the informal economy. Here two examples of interactions with producers and two with users are given for illustration purposes.

- UN Development Accounts Project

The UN Economic and Social Commission for Asia and the Pacific (ESCAP) is implementing in 2007-2009 a UN Development Accounts-funded project on statistics on informal sector and informal employment, with WIEGO serving as member of its Steering Committee. The ultimate aim of the project is to increase the number of countries which regularly collect and disseminate informal employment and informal sector data and integrate them into employment and National Accounts estimates. The project is interregional in scope and has covered so far Mongolia, the Philippines, and Sri Lanka in Asia, St. Lucia in the Caribbean, and Palestine in the Middle East. WIEGO in collaboration with ILO has contributed on methodological issues in collection of the data and also in the tabulation of the results.

The methodological novelty of the project, particularly the Philippines survey, is its sample design which provides links both to the national labour force survey and to the household income and expenditure survey. This feature of the survey lays a solid framework for the measurement of informal employment through the link with the labour force survey and the corresponding measurement of income through the link with the household income and expenditure survey. In particular, WIEGO staff members, James Heintz and Joann Vanek, prepared a paper at the beginning of the project discussing methodological issues to facilitate the use of the data collected for analysis of poverty, gender and employment, especially informal employment. Together with Ralf Hussmanns, Senior Statistician, at the ILO Bureau of Statistics, they also reviewed and prepared a tabulation plan for the project.

- Asian Development Bank

The Asian Development Bank (ADB) is supporting surveys on the informal economy in three countries: Armenia, Bangladesh and Indonesia. The surveys are currently in progress. Their design has benefitted extensively from the experience of the earlier ESCAP-funded surveys, especially, the Philippines survey conducted in June 2008.

WIEGO's involvement in these surveys is instructive and worth describing. In preparing the project, ADB visited the WIEGO website and later contacted WIEGO directly inviting Professor Marty Chen, WIEGO coordinator to give a

lecture on the informal economy in Manila, and to establish the grounds for collaboration in the design of the surveys. As a result, Joann Vanek, Director, Statistics Programme of WIEGO, and James Heintz reviewed the survey questionnaires and provided substantial comments. She also provided support for the Bangladesh survey, currently at an early stage of preparation.

A particular feature of these surveys is the inclusion of a special questionnaire for measuring the contribution of the informal sector and informal employment to GDP. This will not only make significant improvements in the availability of data in the region, but also provide rare national experience on the measurement of value-added of the informal sector and informal employment.

- World Bank

WIEGO has worked with the World Bank in different capacities, in particular, by providing advisory services to the Poverty Reduction Group, clarifying the role of the informal economy in development and drawing attention to the vulnerability of disadvantaged groups, many of whom women, in the face of the current financial crisis. The strength of WIEGO in these interactions has been its capability to bring vivid details in the debates, for example, showing how waste-collectors in developing countries have been hardly hit by the financial crisis generated in the developed countries. Also, the WIEGO data on informal economy have been used for the preparation of the World Bank report for the G20 meeting on the financial crisis. The data and some warning that “the informal economy is not a cushion to fall back on” has also entered in the Report of the UN Secretary General for that meeting.

- IUF

The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF) is a member of WIEGO's organizing committee. As part of its preparatory work for the forthcoming ILO discussions on decent work for domestic workers (International Labour Conference 2010), IUF has drafted for its trade union members suggestions and replies to the ILO questionnaire on the subject that could be used when consulted by their respective member States.

As response to the last question asking for “any other problems not covered by the present questionnaire that ought to be taken into consideration when drafting the instruments?” the IUF suggested comments, admittedly inspired by WIEGO and SEWA¹⁷, are:

¹⁷ Self Employed Women's Association (SEWA) is a trade union registered in India. Its founder, Ela Bhatt, is also a founding member of WIEGO who served as chair of the WIEGO Steering Committee until 2005.

"At present, there is a lack of statistics on domestic workers. Consideration should therefore be given in the instruments on the adoption of appropriate measures so that labour statistics include, to the extent possible, domestic workers. Without adequate statistics domestic work will remain invisible and hence vulnerable."

The same recommendation has also been made by the International Trade Union Confederation (ITUC) to its member organizations. This provides an interesting example of how WIEGO's statistics have been used to potentially influence instruments of international labour standards. IUF's use of statistics has not been with the numbers themselves but the inspiration that it got of their prospective force.

Summary assessment

Overall, the present review of the statistical activities of WIEGO may be summarized in four points as follows:

- Clear vision

The founding members of WIEGO had a clear vision on the powerful role that statistics could play in the hands of activists. They put statistics in the forefront of WIEGO's programme of work, thus enriching public debates and strengthening the advocacy role of the institutional members of WIEGO. The very fact that this evaluation is now taking place is a result of their clear vision.

- Strategic mission

The statistical mission of WIEGO, mainstreaming the measurement of the informal economy in labour force and economic statistics, has been strategically formulated. It means incorporating the collection and analysis of data on the informal economy into the national statistical programmes of countries. Thus, when achieved, it becomes a fixture of national statistics, with a life of its own, regularly collected and disseminated, publicly scrutinized and analyzed, and in the process most likely enhanced and improved with no need for further WIEGO involvement.

Although, not many countries have yet included data on informal employment as part of their national statistical system, WIEGO's efforts in that direction have given some fruits and set the base for further advances, both in developing and developed countries.

- Strong advocacy

Virtually all persons contacted for this evaluation have brought out the strong advocacy of WIEGO as the single most effective activity of WIEGO in its statistical pursuit. Advocacy has come in the forms of WIEGO meetings and workshops, WIEGO analytical papers and publications, and WIEGO participation in discussions, inside and outside of conferences and other forums. Many particular examples of these have been described in the present report.

Perhaps, the best indicator of the effectiveness of the statistical advocacy of WIEGO is the adoption of the *Guidelines concerning a statistical definition of informal employment*, adopted by the International Conference of Labour Statisticians in 2003, and the breadth of citations of the ILO publication in 2002, compiled with large input from WIEGO, entitled *Women and Men in the Informal Economy: A statistical picture*. The sample of citations listed earlier in this report includes a range of government agencies, trade unions, civil societies, international agencies and universities (not only academic papers but also reading assignments for courses).

The analytical work of WIEGO, as exemplified by the 2004 handbook on *Mainstreaming Informal Employment and Gender in Poverty Reduction*, has provided its constituents with strong evidence-based arguments, bringing visibility and understanding of the informal economy. It has also clarified a number of misconceptions about the relationship between poverty, gender and informal employment.

- Clever partnership

WIEGO has been particularly intelligent in choosing its partners to achieve its statistical goals. The ILO Bureau of Statistics (now Department of Statistics), the UN Statistical Division, the Delhi Group on Informal Sector Statistics are all institutions with mandates in promoting international statistics. Associating with them, first to influence their agenda, then to set international statistical standards on informal employment, and finally to assist national statistical systems to collect and analyze data on the topic has been a clever strategy and probably the main reason for the statistical success of WIEGO as documented in the present evaluation.

Possible future activities

At the WIEGO evaluation meeting examining the various case studies and their interrelationships (Dedham, Massachusetts, 24-25 October 2009), a number of issues were raised regarding the impact of the statistics programme on other WIEGO's other activities and overall change goals, the strengths and weaknesses of the programme in relation to WIEGO's strategies, messages,

target audiences and partners, as well as on its future activities in the field of statistics. Some of the key points are incorporated in the preceding sections of the present report. Others dealing with future activities are reported below.

During a special meeting off the main evaluation event, a small group met to review the main statistical issues that emerged from the plenary discussions and to formulate recommendations on priority areas for future work by WIEGO. These are grouped into three broad areas: (a) development work; (b) analytical work; and (c) relationship with data producers and users.

Under development work, three priority areas were singled out:

- Working with the ILO to review and revise the International Classification on Status in Employment (ICSE-93) with the view of identifying within the classification system the main categories of workers in informal employment, including those relevant in the developed countries.

One approach would be to transform the existing ICSE into a multi-digit classification system according to which the present ICSE categories form the first digit of the classification system, and the categories of workers in informal employment (and perhaps other categories relevant for other purposes) form the sub-categories of the classification system at the second or third digit level. Sub-categories that cut across the existing ICSE categories would be split accordingly with appropriate labels to avoid confusion. Informal employment would not necessarily enter directly into the classification system but would be derivable by aggregation of relevant sub-categories of the classification.

- Working with the ILO, the ECE and the UN Statistics Division to supplement the existing standards on concepts and definitions of informal employment with corresponding standards for measuring the conditions of work of workers in informal employment. This work could build on the present effort of the ILO on decent work indicators and those with the ECE on the measurement of quality of employment. Another relevant area mentioned in the meeting is the UN programme on indicators for the Millennium Development Goal of eradicating extreme poverty and hunger (MDG1). MDG1 includes three labour-related indicators: (1) Proportion of own-account and contributing family workers in total employment; (2) Proportion of employed people living below \$1.25 a day; and (3) Labour productivity or output per person.
- Working with the ILO, the Delhi Group and the UN statistics Division to measure the production and value-added of workers in informal employment. This area of work will emphasize the establishments in which the workers are employed and would supplement the present work on the development of the System of National Accounts. It should help WIEGO to

provide policy-makers and other decision makers evidence on the productive role of the informal economy, not just its vulnerability and poor conditions.

Under analytical work, four major areas of studies were identified, namely,

- Deepening the study of the overlap between informal employment and other forms of labour market vulnerability and precariousness
- Analysis of the cost and benefits of informal employment, and testing the notion of voluntarism advanced by some researchers
- Development of indicators of social protection and in particular indicators of risks faced by workers in informal employment, for advocacy purposes as well as for better understanding the alternative ways of extending social protection to workers in informal employment, and for identifying the most effective schemes for different categories of workers
- Review of the available data on occupational health and safety of workers in informal employment, and comparing the incidence rates with other workers in formal employment to identify areas of particular concerns.

Under relationship with data producers and users,

- An area of work identified to be probably most effective at this stage of the process of mainstreaming data collection on informal employment in national labour statistics programmes was training. WIEGO could collaborate with the ILO Turin Center for Training, the ILO Bureau of Statistics, the Delhi Group, and the UN Statistics Division, to develop and deliver training programmes on statistics of informal employment taking advantage of the forthcoming ILO manual on Surveys of Informal Employment and Informal Sector. The objectives of the training programme would be to introduce national statisticians and data analysts with the concepts and definitions of informal employment, the methods of data collection, including survey design and questionnaire design, data processing, data quality assessment and tabulation plans, and finally analysis and interpretation of the results.
- More focused attention to the specificity of data users was recognized. For example, it may be helpful to provide the Workers' Group and trade union affiliates with data on informal employment in the relevant sector with indication on its share in total employment. With respect to the Employers' Group, the effective type of information may be data showing the contribution of the informal economy to growth with details on the role of small and micro-enterprises.

- Finally, it was also agreed that WIEGO should address the data needs of a more varied sets of users, including its own constituents and programme activities. WIEGO may prepare special tabulated data for trade unions and grass-root organizations (MBOs) anticipating their data needs, and in parallel may form task forces to identify the main data required by each of the other WIEGO programmes. This engagement should, however, be properly calibrated as it may be turn to a prohibitive amount of data requests, not within the reach of WIEGO's statistical programme.
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Annex 1
List of persons interviewed

1. Grace Bediako, Government Statistician, Ghana (Telephone interview, 31 August 2009)
2. Annette Bernhart, Policy Co-Director, National Employment Law Project, New York, NY (Telephone interview, 4 August 2009)
3. Enrico Bisogno, Former Staff of UN ECE Statistics Division, Currently Research Expert, Statistics and Surveys Section, Division for Policy Analysis and Public Affairs, United Nations Office on Drugs and Crime (Telephone interview, 28 July 2009)
4. Geoff Bowlby, Director, Labour Statistics, Statistics Canada (Telephone interview, 5 August 2009)
5. Barbro Budin, International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF), Geneva (Personal interview, 21 September 2009)
6. Carol Carson, Former Director of Department of Statistics, IMF, Washington, DC (Telephone interview, 27 August 2009)
7. Rafael Diez de Medina, Director, ILO Bureau of Statistics, Geneva (Personal interview, 31 July 2009)
8. Henrik Huitfeldt, Former staff member of SIDA, Currently at IDCO E3 Social and Human Development and Migration, European Commission, Luxembourg (Telephone interview, 18 August 2009)
9. Ralf Hussmanns, Senior Labour Statistician, Bureau of Statistics, ILO, Geneva (Telephone interview, 10 August 2009)
10. Renana Jhabvala, Self-Employed Women Association (SEWA), India (Telephone interview, 4 August 2009)
11. Dalisay S. Maligalig, Senior Statistician, Asian Development Bank, Manila (Telephone interview, 10 August 2009)
12. Rodrigo Negrete, INE, Mexico (Written comments, 3 August 2009)
13. Pierella Paci, World Bank, Washington, D.C. (Telephone interview, 11 September 2009)
14. Nittala S. Sastry, Former Director General & Chief Executive Officer, National Sample Survey Organization, and Former Director General, Commercial Intelligence & Statistics, Government of India (Telephone interview, 28 August 2009)
15. Connie Sorrentino, Chief, International Labor Comparisons, US Bureau of Labor, Washington, DC (Telephone interview, 27 July 2009)

Annex 2

List of main websites and documents consulted

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3. ILO, *Resolution concerning the International Classification of Status in Employment (ICSE)* adopted by the Fifteenth International Conference of Labour Statisticians, Geneva, January 1993.
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5. ILO, *Key Indicators of the Labour Market 1999*, KILM 7 Urban informal sector employment, Geneva, 1999, pp. 169-188.
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8. Minutes of WIEGO Statistics Programme Advisory Committee, Tele-conference, 20 May 2008.
9. United Nations Statistics Division, "Informal aspects of the economy," Draft Chapter 25, Volume 2, System of National Accounts, 2008
10. United Nations Development Fund for Women (UNIFEM), *Progress of the World's Women 2005, Women, Work & Poverty*, by Martha Chen, Joann Vanek, Francie Lund, James Heintz with Renana Jhabvala and Christine Bonner, UNIFEM, New York, 2005.
11. http://www.ilo.org/global/What_we_do/Statistics/lang--en/index.htm
12. <http://unstats.un.org/unsd/nationalaccount/snarev1.asp>
13. <http://unstats.un.org/unsd/methods/citygroup/delhi.htm>
14. <http://www.wiego.org>