

ADVANCES IN STATISTICS: OVERVIEW

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New Statistics on the Informal Economy

- More than 60% of total employment worldwide is informal
- Nearly 70% of employment in developing and emerging countries is informal
 - □ From 86% of employment in Africa to 30% in emerging economies of Eastern Europe and Central Asia
- Self-employment represents 60% of informal employment globally and nearly 80% of informal employment in low-income countries
- □ The share of self-employed in informal employment increases as national GDP levels decrease while the share of employees/wage workers in informal employment increases as national GDP levels increase

Source: Prepared by Florence Bonnet (ILO) in 2017 based on ILO micro-data files for 118 countries, using harmonized criteria to identify informal employment with averages weighted by a country's total employment.

Road to Progress in Development of Statistics on Informal Employment: Outline of Remarks

- Starting point: statistical definitions for informal sector, informal employment and the informal economy
- Progress in the development of concepts and methods:
 WIEGO's role in bringing the voice of informal workers to the discussion of methods and classifications
- Improving the availability of statistics on informal employment and specific groups of informal workers: WIEGO's role in putting statistics into the hands of researchers, policy makers and advocates

International Conference of Labour Statisticians: Statistical Definitions

- □ **Informal Sector** (enterprise based) linked to SNA household sector) Resolution of 15th ICLS (1993)
- □ **Informal Employme**nt (job-based) Guidelines of 17th ICLS (2003)
 - Includes informal employment inside and outside the informal sector

□ **Informal Economy** – refers to all informal units, activities and workers so defined and the output from them (17th ICLS – 2003)

ICLS Definition: Informal Sector

- □ **Informal sector units** − criteria for determining (defined by absence of one or other of the following characteristics)
 - Are not constituted as a separate, legal entity but owned by persons/households
 - Do not have complete accounts
 - Are not registered at national level through
 - -- factories/commercial acts
 - -- tax/social security
 - -- professional groups
- □ The characteristic of the unit is used to classify whether employers and own account workers are in informal employment

ICLS Definition: Informal Employment

- □ **Informal employment** expands the scope of informality beyond the informal sector
- □ Informal employment, so defined, includes:
 - Employers and own-account workers in informal sector units or household units
 - All contributing family workers
 - Employees whose employment relationship is not subject in law or practice to:
 - --national labour legislation
 - --income taxation
 - --social protection
 - --entitlement to certain benefits (severance pay, paid or sick leave, advance notice of dismissal)

WIEGO's Strategy in Developing these Definitions and National Data

- 1997 to today –WIEGO is active member of the UN Statistical Commission's Expert Group on Statistics on the Informal Economy (the Delhi Group) - both began in 1997
- 2008 to today WIEGO launched efforts to apply the concept of informal employment to developed countries with a research conference at Harvard University in 2008; efforts continue through WIEGO membership in the UNECE Expert Group on Measurement of Quality of Employment where informal employment is an experimental indicator in the Q of E Framework
- 2013 –Publication of the ILO's Measuring Informality: A Statistical Manual on the Informal Sector and Informal Employment –WIEGO was a member of the team preparing the manual
- □ 2013 to today the concept of informal employment rests on the International Classification of Status in Employment (ICSE) and WIEGO is a member of the expert group revising the classification (Francoise Carre's presentation)

WIEGO's Strategy and Progress in Improving the Availability of Statistics on Informal Employment

Present the most complete statistics on informal employment, the informal sector, contribution of the informal economy to GDP and categories of informal workers in publications easily accessed by a wide range of interested users - 3 publications:

2 editions of Women and Men in the Informal Economy: A Statistical

Picture with the ILO (2003 and 2013)

WIEGO Working Paper # 2 Statistics on the Informal Economy: Definitions, Regional Estimates & Challenges (2014)

- Promote the development of a database on informal employment
 - 2011 ILO/WIEGO created Database on Statistics on the Informal Economy
 - 2015 ILO incorporated data on informal employment in main database ILOSTAT
 - 2017 ILO acquired micro-files of national data used to produce the new data presented in slide 2

WIEGO's Strategy and Progress in Improving the Availability of Statistics on Informal Employment (continued)

- Develop methods, tabulations and publications on informal workers domestic workers, home-based workers, street vendors and waste pickers in the WIEGO publication series and on the WIEGO dashboard
- With ILO, developed SDG Indicator 8.3.1 "identification of the share of informal employment in non-agricultural employment by sex" as an indicator for SDG # 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work