Revision of the Standards for statistics on informality
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
Policy framework

- the Resolution concerning decent work and the informal economy (ILO, 2002)

- Recommendation 204 concerning the transition from the informal to the formal economy (ILO, 2015)

- SDG indicator 8.3.1 The share of informal employment
Background to the revision

Recent changes in labour standards

- Resolution I concerning statistics of work, employment and labour underutilization (19\textsuperscript{th} 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 (20\textsuperscript{th} ICLS, 2018)

- Introduced a new ICSE-18
  - Including: Dependent contractors

- Introduced ICSaW-18

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

- 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

- Still a very broad umbrella concept, not particular useful as such

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
- Complemented with essential categories of informal productive activities outside the IME but within the IE.
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 productive activities 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
<table>
<thead>
<tr>
<th>Informal productive activities</th>
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</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
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<tr>
<td><strong>Workers</strong></td>
</tr>
</tbody>
</table>

### Informal work

- **Formal sector with partly informal activities**
- **Informal sector**
- **Households (HOP-sector)**

- **Informal employment**
  - 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**
- **Informal sector**
- **Households (HOP-sector)**

- **Labour input**
  - Informal employment
  - Informal unpaid trainee work
  - 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**
In addition…

Refinements of the definitions:
- Including the informal sector and informal employment
- Clarify their conceptual meaning
- Strengthening the definitions, based on current country practices

Introduce a supporting indicator framework:
- Provide data on the structure of informality within a country
- Contextualize the dichotomies of informal/formal employment and informal/formal enterprises, reflecting that informality is a continuum
- Based on the ILO diagnostic tool to create a link with policy making.
Thank you
<table>
<thead>
<tr>
<th>Production</th>
<th>For pay or profit</th>
<th>Not for pay or profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers</td>
<td>Liable to become formal or already formal</td>
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### Informal work

- **Informal employment**
  - Own use production work,
  - Unpaid trainee work,
  - Volunteer work carrying out informal productive activities

- **Either main or secondary informal jobs**

### Informal production

- **Informal sector with partly informal production for pay or profit**

### Labour input

- Informal employment
- Informal unpaid trainee work
- Informal volunteer work

### Economic units

- Liable to become formal or already formal
- Partial regulated or not at all but liable to be regulated

### Relation to 2008 SNA

- **SNA production boundary**
- **SNA general production boundary**

### Type of production

- **Informal market economy**
- **Informal non-market economy**

### Informal Economy