Statistics on Informality in Indonesia

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Regional Course on Statistics on Informality
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OUTLINE

1. Overview of Indonesia
2. Indonesia National Labour Force Survey
3. Employment Structure
4. Categories of Employment in the Informal Sectors
5. Statistics on Informality
## 1. Overview of Indonesia

### GEOGRAPHY CONDITION (2013)

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total area</td>
<td>1,910,931 km²</td>
</tr>
<tr>
<td>Islands</td>
<td>17,504</td>
</tr>
<tr>
<td>Provinces</td>
<td>34</td>
</tr>
<tr>
<td>Districts</td>
<td>511 (413 R + 98 C)</td>
</tr>
<tr>
<td>Sub Districts</td>
<td>6,982</td>
</tr>
<tr>
<td>Villages</td>
<td>80,714</td>
</tr>
</tbody>
</table>

Note: Based on Rep of Indonesia Law No. 20/2012

### DEMOGRAPHY INDICATORS (2015)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>255.46 million</td>
</tr>
<tr>
<td>Annual pop growth</td>
<td>1.38% (2010-2015)</td>
</tr>
<tr>
<td>Sex ratio</td>
<td>101</td>
</tr>
<tr>
<td>Dependency ratio</td>
<td>48.6</td>
</tr>
<tr>
<td>Life exp rate (e0)</td>
<td>M (68.5); F (72.4)</td>
</tr>
<tr>
<td></td>
<td>M+F (70.4)</td>
</tr>
<tr>
<td>Ageing</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

Note: Based on Population Projection 2010-2035

## 2. Indonesia NLFS

- **Household survey**
- **Specifically designed to collect information on labor force statistics**
- **Time of data collection:**
  - Firstly conducted in 1976
  - Annually conducted in 1986-2004
  - Semi-annually conducted since 2005
  - **February**: Provincial estimate
  - **August**: District estimate
Sampling method: Stratified Block Census

District estimate (3 stages stratified sampling):
- 1st: selecting 25% CB with Probability Proportional to Size
- 2nd: selecting n CB with systematic sampling in each strata
- 3rd: selecting 10 hh with systematic sampling in each CB
- Sample size: 200,000 hh

Provincial estimate (2 stages stratified sampling):
- 1st: selecting 5,000 of 20,000 CB of district level with syst. sampling
- 2nd: selecting 10 hh with systematic sampling
- Sample size: 50,000 hh

Main data on individual hh members
- Persons aged 10 years and over
- Tabulation data covers persons aged 15 years and over

Individual data
- Identity
  Name, relation to head of hh, sex, age, marital status, and educational attainment
- Activities (refers to previous week period)
  Working (at least one hour), temporarily not working, looking for job, established a new business, attending school, doing housekeeping, others (retired, incapacitated, etc)
- For those who were working or on leave
  Total working days, total number of hours of work, industry, occupation, employment status, and total monthly wage/salary
- For those who were looking for job or established a new business
  Main reason for looking a job, type of effort to find out a job, duration of looking for a job, and type of job (full-time or part-time)
Some Basic Concepts

- **Working age population**
  Persons aged 15 years and over

- **Working**
  An activity done by a person who worked for pay or assisted others in obtaining pay or profit for at least one hour during reference time (previous week), including unpaid worker for any economic activity

- **Labor force**
  Persons aged 15 years and over who were working, temporarily absent from work but having jobs, or did not have work but look for a work during the previous week

- **Not in labor force**
  Persons aged 15 years and over who are not labor force, such as student, housekeeper, and others, excluding personal activity

- **Unemployment**
  - Persons without work but looking for a work
  - Persons without work but not looking for a work since feel impossible (hopeless) to get a work
  - Persons who have made arrangements to start work on a date subsequent to the reference period (future starts)

Status & Occupation Categories

- **Employment status category**
  1. Own account worker
  2. Employer assisted by temporary (unpaid) workers
  3. Employer assisted by permanent (paid) workers
  4. Employee
  5. Casual employee in agriculture
  6. Casual employee not in agriculture
  7. Family (unpaid) workers

- **Occupation category**
  1. Professional, technical, and related worker
  2. Administrative and managerial worker
  3. Clerical and related worker
  4. Sales worker
  5. Services worker
  6. Agriculture, animal husbandry, forestry worker, fisherman, and hunters
  7/8/9 Production and related worker, transport equipment operators, and laborers
  10. Others
### 3. Employment Structure

- **Working Age Population (184.6)**
  - **Labor Force (128.3)**
    - Employment (120.8)
      - Working (118.3)
      - Temporarily absent from Work (2.5)
      - Looking for work (5.2)
      - Establishing a new business/firm (0.2)
    - Unemployment (7.5)
      - Hopeless of getting a job (1.9)
      - Have a job but has not started yet (0.2)
  - Not in Labor Force (56.3)

Source: NLFS Sakernas, February 2015

### Some Basic Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
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<tbody>
<tr>
<td>1. Employment to Population Ratio – EPR (%)</td>
<td>65.46</td>
</tr>
<tr>
<td>2. Unemployment Rate (%)</td>
<td>5.81</td>
</tr>
<tr>
<td>3. Full Time Workers (more than 35 hours a week) (%)</td>
<td>70.48</td>
</tr>
<tr>
<td>4. Underemployment rate (%)</td>
<td>8.24</td>
</tr>
<tr>
<td>5. Gender Wage Gap (%)</td>
<td>20.00</td>
</tr>
<tr>
<td>7. Low Pay Rate (%)</td>
<td>30.50</td>
</tr>
<tr>
<td>8. Excessive hours (%)</td>
<td>28.23</td>
</tr>
<tr>
<td>9. Employment in Informal Sectors (%)</td>
<td>51.85</td>
</tr>
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Source: NLFS Sakernas, February 2015
## 4. Categories of Employment in the Informal Sectors

### PROXY 1

<table>
<thead>
<tr>
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<th>Main Occupation</th>
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<td></td>
<td>Professional</td>
</tr>
<tr>
<td>Own account worker</td>
<td>INF</td>
</tr>
<tr>
<td>Employer assisted by temporary / unpaid worker</td>
<td>INF</td>
</tr>
<tr>
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</tr>
<tr>
<td>Employee</td>
<td></td>
</tr>
<tr>
<td>Casual employee in agriculture</td>
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<tr>
<td>Casual employee in non-agriculture</td>
<td>INF</td>
</tr>
<tr>
<td>Family worker</td>
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### PROXY 2

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**Percentage of Employment in the Informal Sectors**

![Graph showing percentage of employment in informal sectors from February 2011 to February 2015.](image)

Source: NLFS Sakernas, 2011-2015

**Distribution of Employment in the Informal Sectors by Area (%)**

- **Urban**: 58.0%
- **Rural**: 42.0%

Source: NLFS Sakernas, February 2015

**Note:** Based on Proxy 2 approach
Distribution of Employment in the Informal Sectors by **Age** (%)

- 15-24: 13.2%
- 25-59: 76.2%
- 60+: 10.6%

Source: NLFS Sakernas, February 2015
Note: Based on Proxy 2 approach

Percentage of Employment in the Informal Sectors by **Age**

- 15-24: 41.7%
- 25-59: 57.8%
- 60+: 86.1%

Distribution of Employment in the Informal Sectors by **Education** (%)

- Primary school and below: 78.6%
- Junior high school: 61.3%
- General senior high school: 18.9%
- Vocational senior high school: 11.8%
- Diploma I/II/III: 5.6%
- University: 0.8%
- Vocational senior high school: 1.6%

Source: NLFS Sakernas, February 2015
Note: Based on Proxy 2 approach
Distribution of Employment in the Informal Sectors by Industry (%)

- Agriculture: 25.6%
- Mining and Quarrying: 39.9%
- Manufacturing Industry: 28.4%
- Electricity, gas, and water: 3.6%
- Construction: 56.6%
- Trade, restaurant, and Hotels: 67.3%
- Transportation, storage, and communication: 50.5%
- Financing and business services: 15.4%
- Community, social, and personal services: 19.8%

Source: NLFS Sakernas, February 2015
Note: Based on Proxy 2 approach

Distribution of Employment in the Informal Sectors by Occupation (%)

- Professional and technical worker: 23.8%
- Administrative and managerial worker: 50.3%
- Clerical and related workers: 8.0%
- Sales worker: 2.8%
- Service worker: 30.3%
- Agricultural worker: 43.6%
- Production/operation/laborer: 0.0%
- Others: 0.0%

Source: NLFS Sakernas, February 2015
Note: Based on Proxy 2 approach
Distribution of Employment in the Informal Sectors by Hours of work (%)

- <= 48: 73.1%
- > 48: 26.9%

Percentage of Employment in the Informal Sectors by Hours of work

- > 48: 58.6%
- <= 48: 56.3%

Source: NLFS Sakernas, February 2015
Note: Based on Proxy 2 approach

THANK YOU