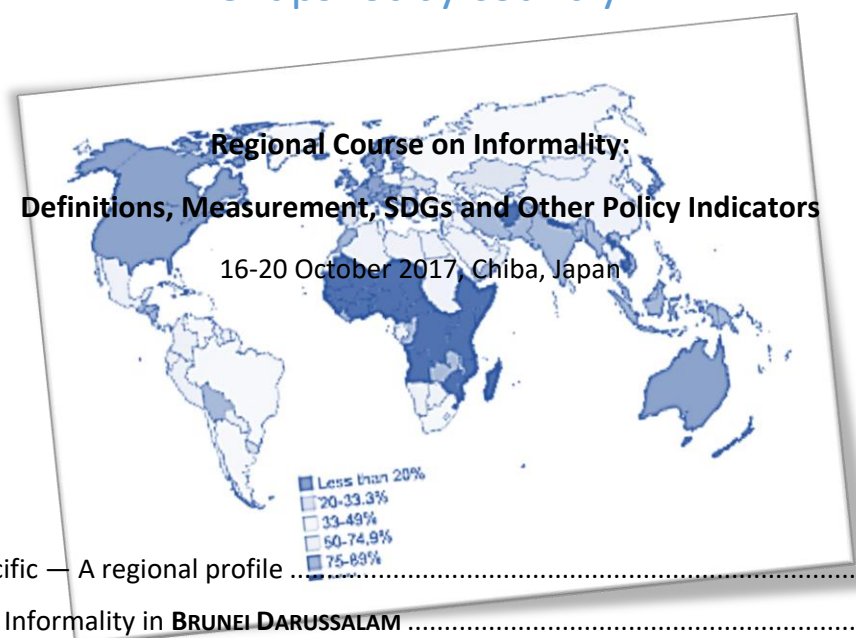


# Informality at a glance

## Snapshot by country



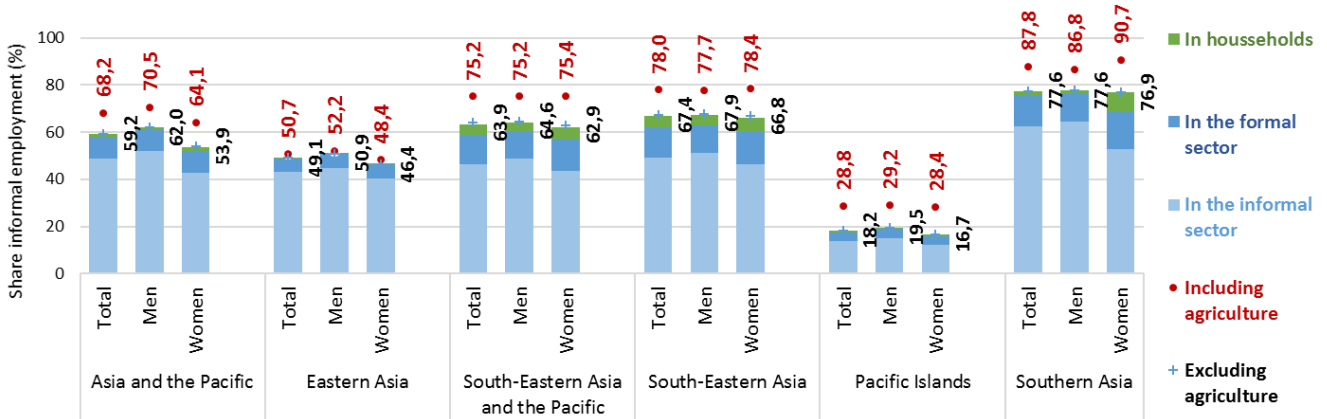
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An Overview on Informality in <b>CAMBODIA</b> .....	6
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International and operational definitions of informal employment and employment in the informal sector .....	20



# Asia and the Pacific — A regional profile

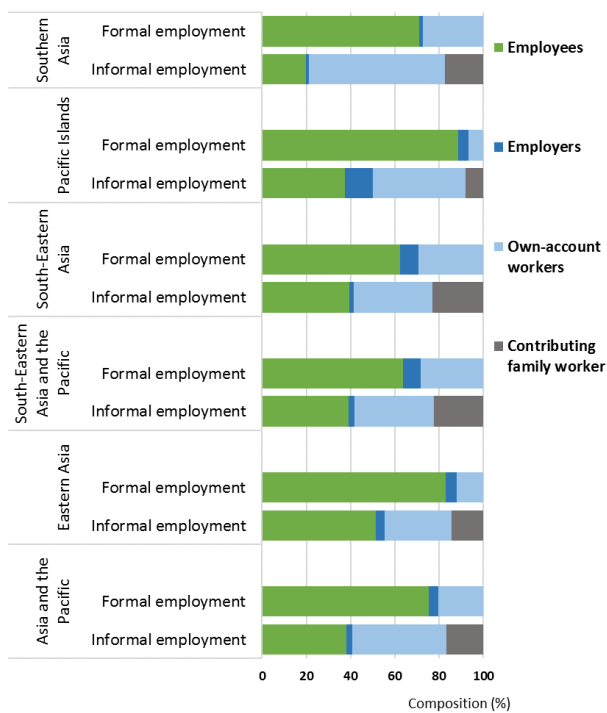
G1

Share of informal employment in and outside of the informal sector



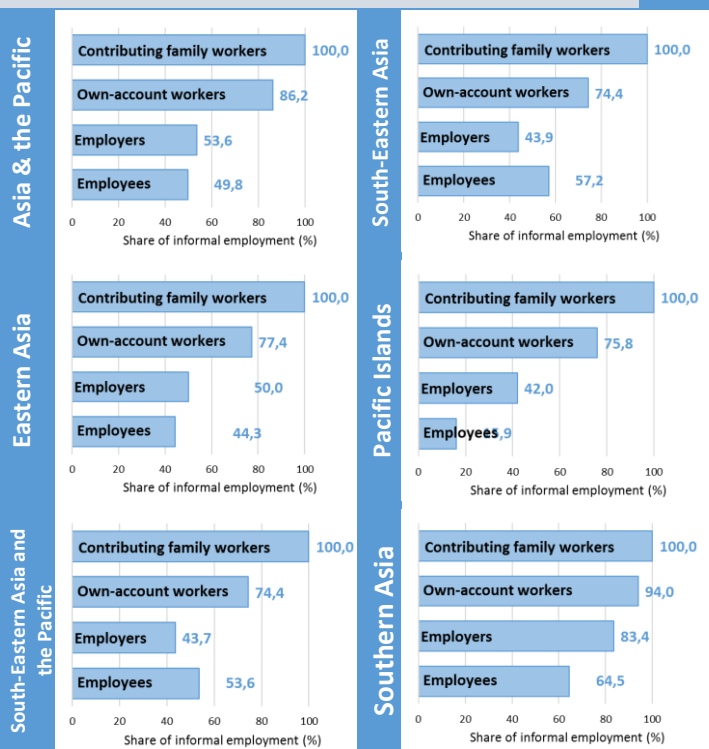
G2

Composition if informal employment by status in employment



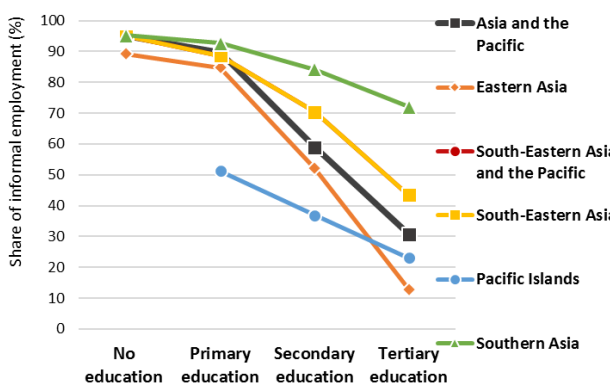
Informal employment by employment status

G3



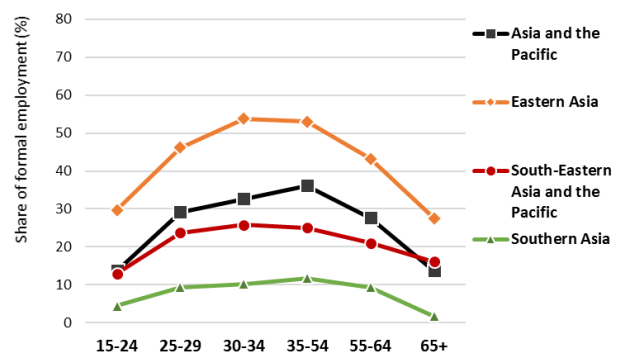
G4

Composition of informal employment by level of education



The age profile of formality

G5



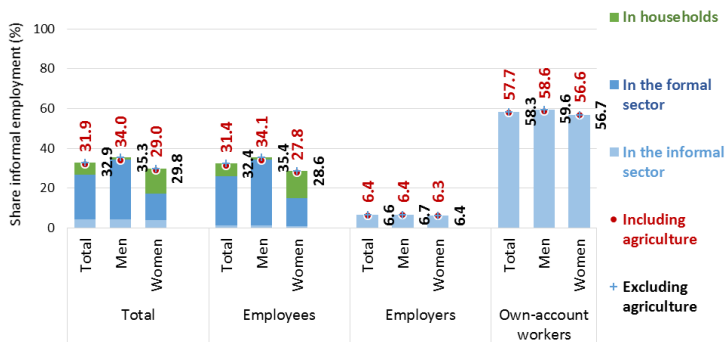
## Asia and the Pacific

	Asia and the Pacific	Without China	Eastern Asia	Without China	South-Eastern Asia and the Pacific Islands	South-Eastern Asia	Pacific Islands	Southern Asia
<b>Informal employment (including agriculture)</b>	68,2	77,6	50,7	26,6	75,2	78,0	28,8	87,8
In the informal sector	58,6	65,5	44,7	21,5	57,4	59,4	22,6	77,4
in the formal sector	6,9	7,4	5,9	4,3	9,7	10,0	4,4	6,9
in households	2,5	4,2	0,1	0,8	6,9	7,2	1,7	3,5
<b>Employment in the informal sector</b>	58,9	66,1	44,9	23,2	57,7	59,5	27,3	77,8
<b>Informal employment (excluding agriculture)</b>	59,2	64,8	49,1	21,7	63,9	67,4	18,2	77,6
In the informal sector	48,9	50,5	43,0	16,4	46,6	49,1	13,7	62,5
in the formal sector	8,8	11,2	6,0	4,5	12,2	12,8	3,9	12,7
in households	1,4	2,8	0,1	0,9	4,7	5,0	0,5	2,4
<b>Employment in the informal sector (excluding agriculture)</b>	49,4	51,4	43,2	18,1	47,1	49,3	19,3	63,3
Informal employment rate by:								
<b>Sex</b>								
Male	70,5	78,4	52,2	25,4	75,2	77,7	29,2	86,8
... excluding agriculture	62,0	67,3	50,9	20,5	64,6	67,9	19,5	77,6
Female	64,1	48,4	48,4	28,3	75,4	78,4	28,4	90,7
... excluding agriculture	53,9	58,6	46,4	23,2	62,9	66,8	16,7	76,9
<b>Age</b>								
Youth (15-24)	86,3		70,3		87,0	87,0		95,5
Adults (25+)	67,1		49,5		76,0	89,6		89,6
25-29	70,8		53,8		76,3	76,3		90,6
30-34	67,3		46,2		74,2	74,2		89,8
35-54	63,8		47,0		74,9	74,9		88,3
55-64	72,4		56,8		79,1	79,1		90,6
65+	86,3		72,4		83,9	83,9		98,3
<b>Highest level of education</b>								
No education	94,9		89,2		95,0	95,0		95,2
Primary education	89,7		84,8		88,7	88,7	51,3	92,7
Secondary education	58,9		52,1		70,3	70,4	36,8	84,2
Tertiary education	30,7		12,8		43,5	43,5	23,0	72,0
<b>Residence area</b>								
Rural	85,2		80,4		75,5	75,9	63,7	92,8
Urban	47,4		32,9		55,3	58,8	16,3	75,1
<b>Industrial sectors</b>								
Agriculture	94,7	96,9	82,3	88,6	91,7	91,9	86,3	99,3
Industry	68,8	71,1	49,0	25,3	67,8	70,4	15,4	81,9
Services	54,1	60,9	46,1	20,2	60,6	64,3	19,6	75,7

## Extent and composition of informal employment

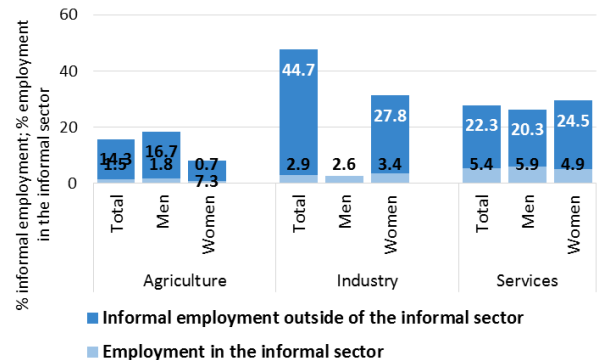
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

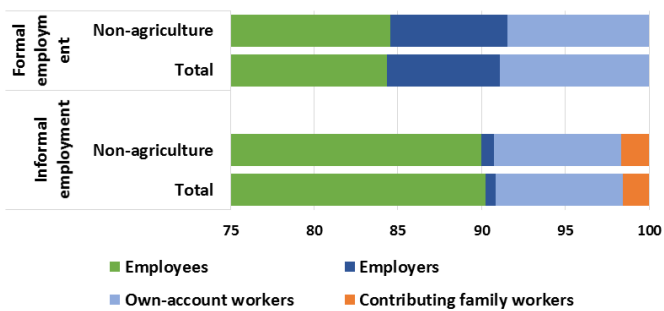
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

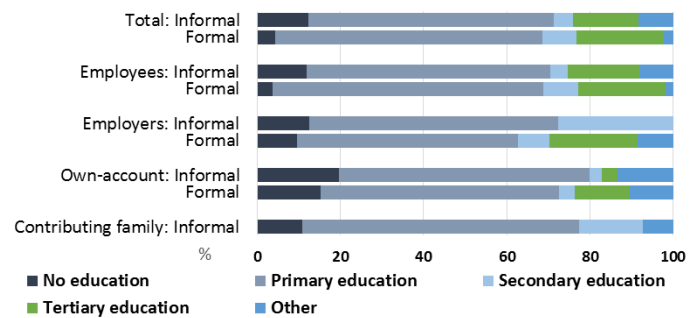
G3

Composition of informal/ formal employment by status in employment



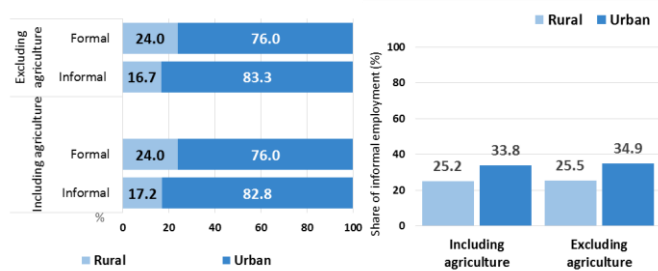
Composition of informal/ formal employment by level of education

G4



G5

Informality and urban/rural division



Share of informal employment: Domestic workers and other wage workers

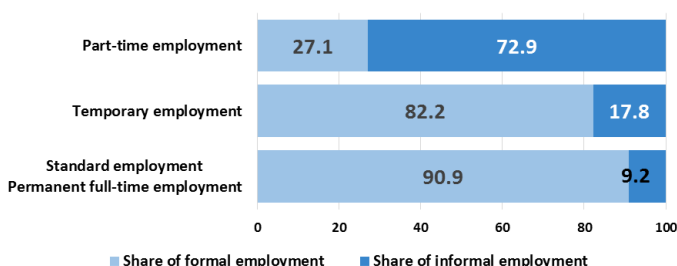
G6



## Additional indicators

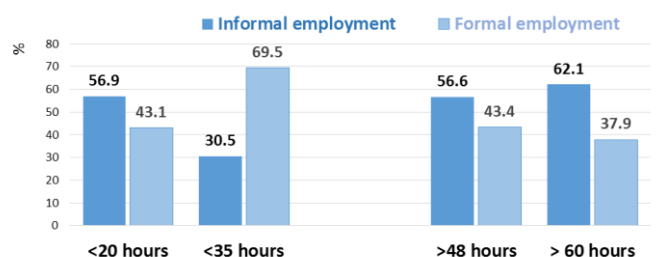
G7

Informality & working conditions Informal employment & non-standard employment (employees)



Working time and informality

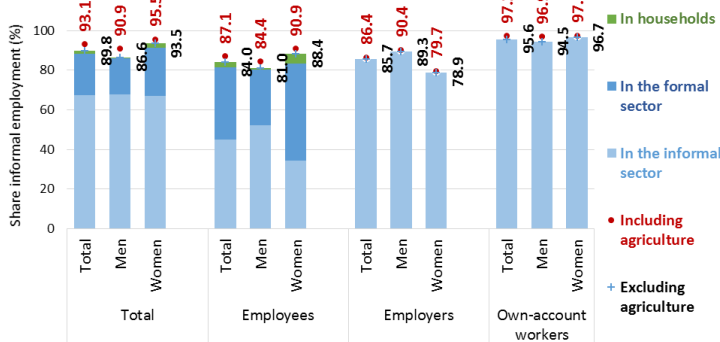
G8



## Extent and composition of informal employment

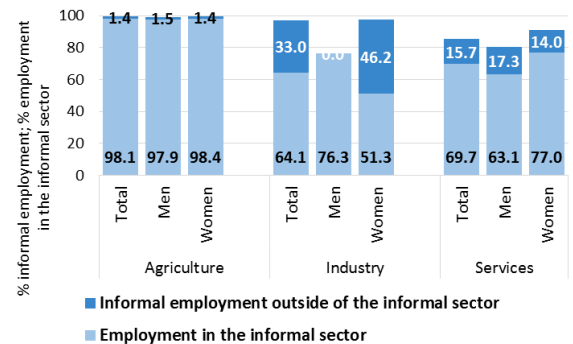
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

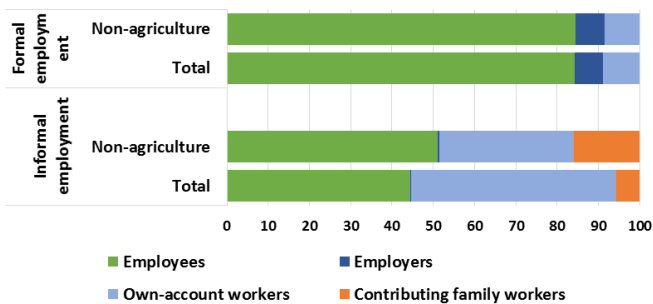
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

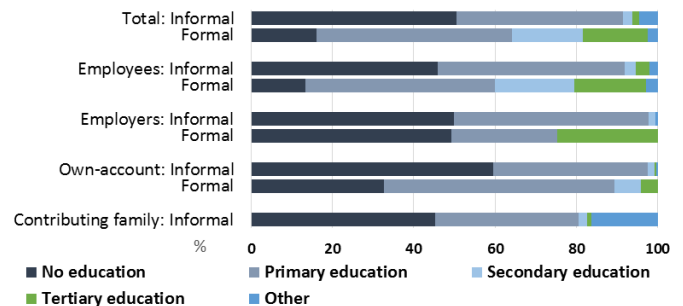
G3

Composition of informal/ formal employment by status in employment



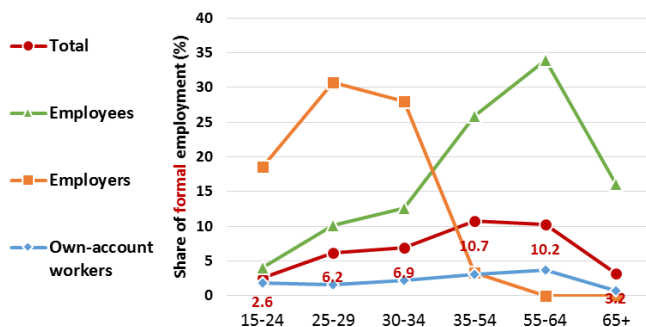
Composition of informal/ formal employment by level of education

G4



G5

Share of formal employment: age profile



Share of informal employment: Domestic workers and other wage workers

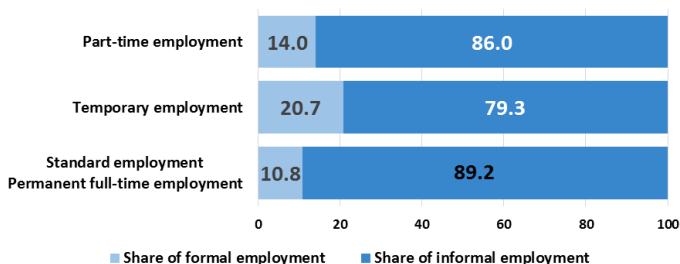
G6



## Additional indicators

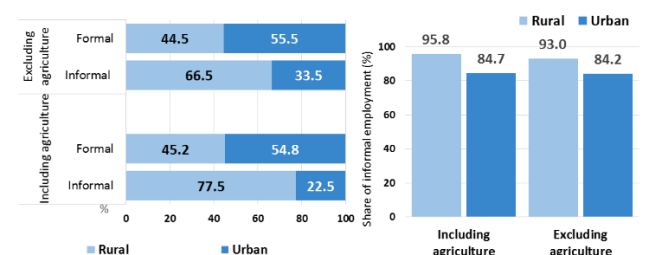
G7

Informality & working conditions Informal employment & non-standard employment (employees)



Informality and urban/rural division

G8

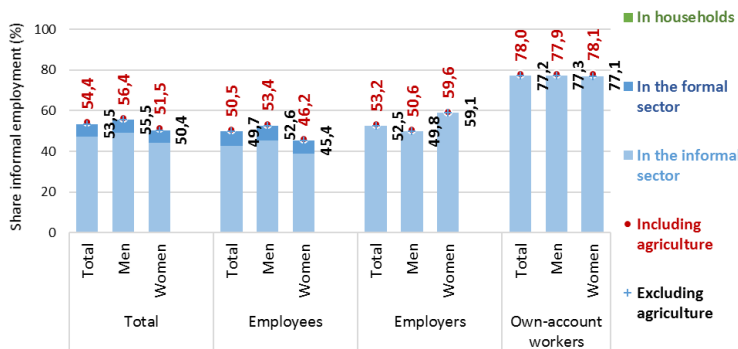


## Informality profile

## Extent and composition of informal employment

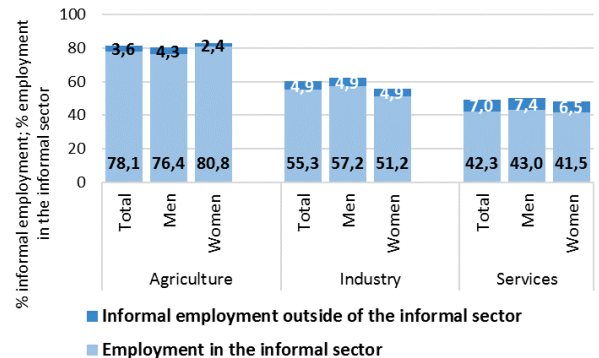
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

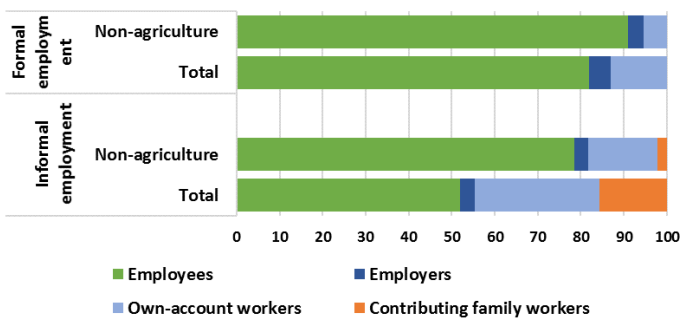
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

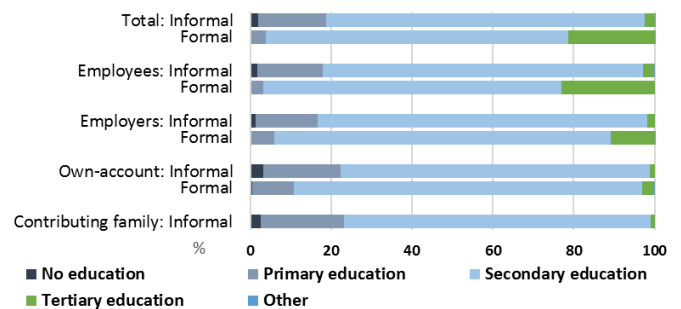
G3

Composition of informal/ formal employment by status in employment



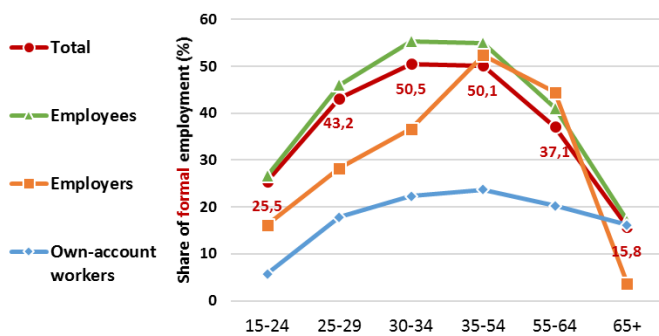
Composition of informal/ formal employment by level of education

G4



G5

Share of formal employment: age profile



Share of informal employment: Domestic workers and other wage workers

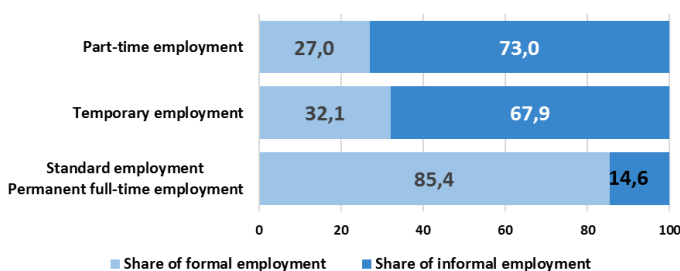
G6



## Additional indicators

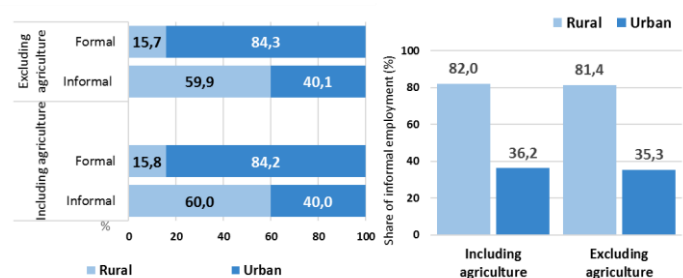
G7

Informality & working conditions Informal employment & non-standard employment (employees)



Informality and urban/rural division

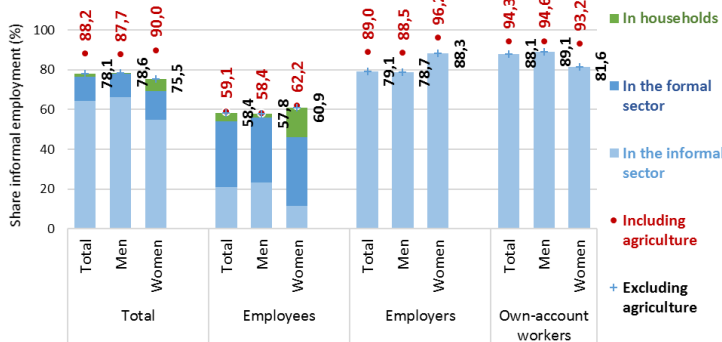
G8



## Extent and composition of informal employment

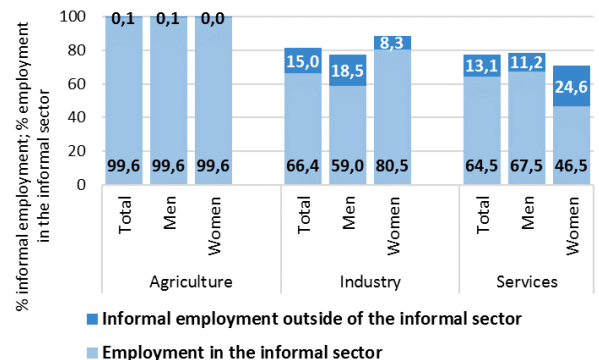
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

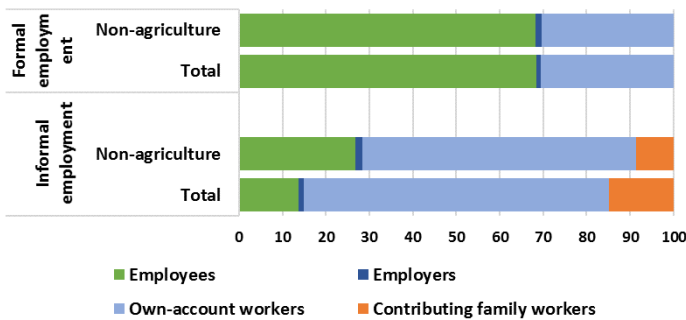
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

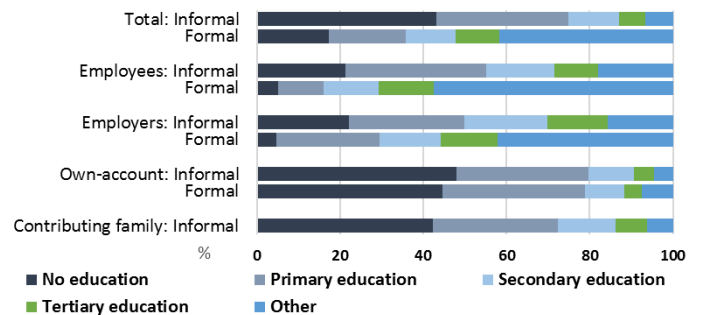
G3

Composition of informal/ formal employment by status in employment



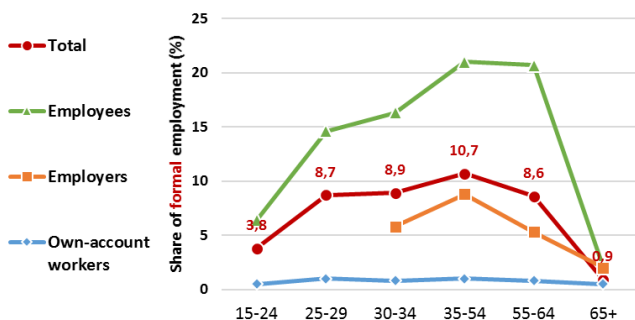
G4

Composition of informal/ formal employment by level of education



G5

Share of formal employment: age profile



G6

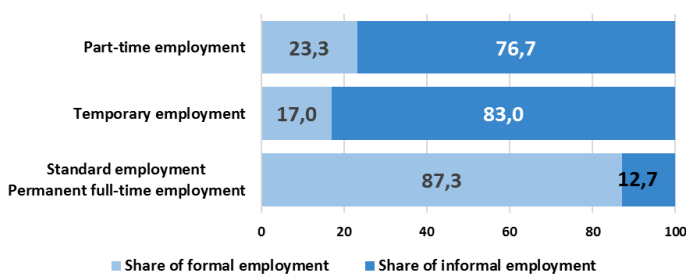
Share of informal employment: Domestic workers and other wage workers



## Additional indicators

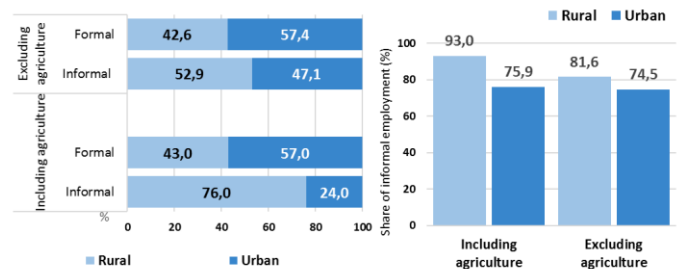
G7

Informality & working conditions Informal employment & non-standard employment (employees)



G8

Informality and urban/rural division



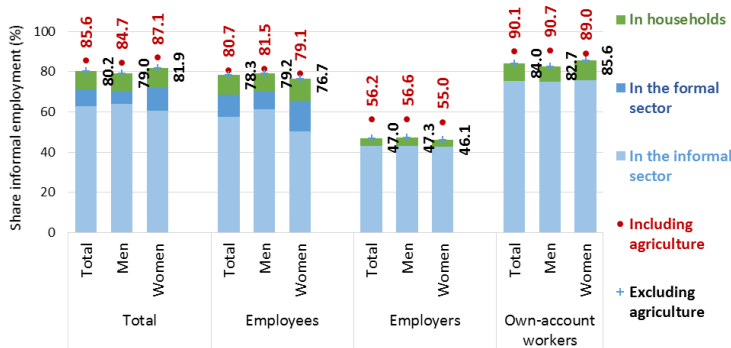
## Informality profile



## Extent and composition of informal employment

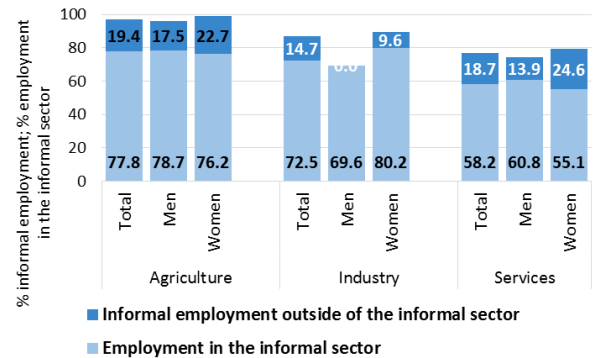
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

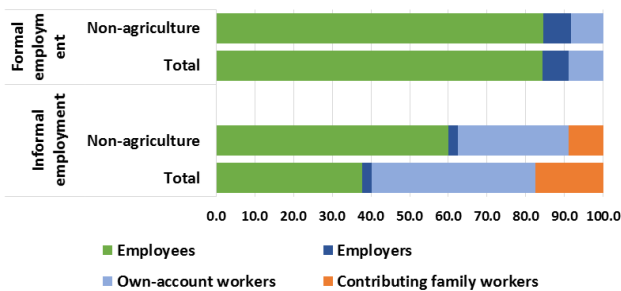
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

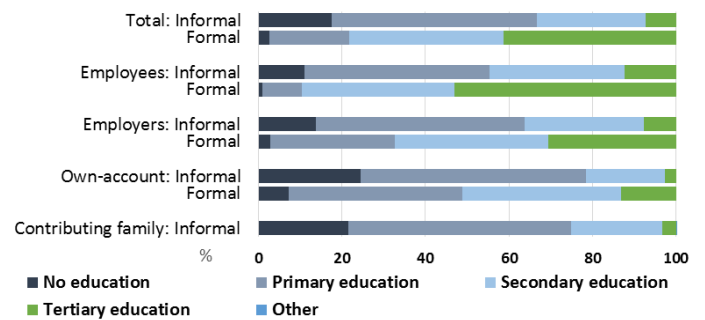
G3

Composition of informal/ formal employment by status in employment



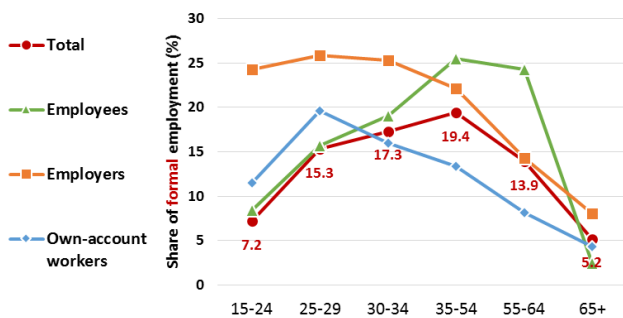
G4

Composition of informal/ formal employment by level of education



G5

Share of formal employment: age profile



G6

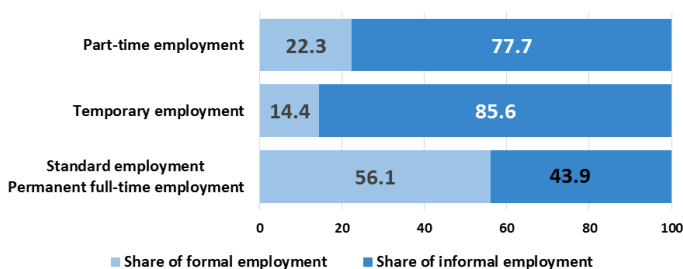
Share of informal employment: Domestic workers and other wage workers



## Additional indicators

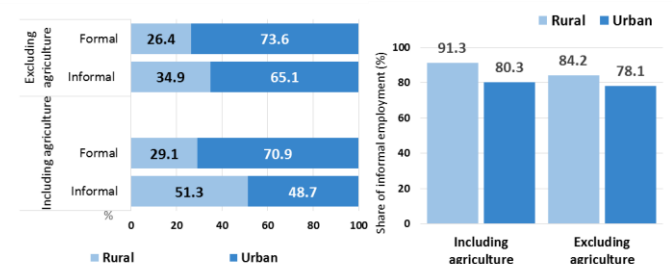
G7

Informality & working conditions Informal employment & non-standard employment (employees)



G8

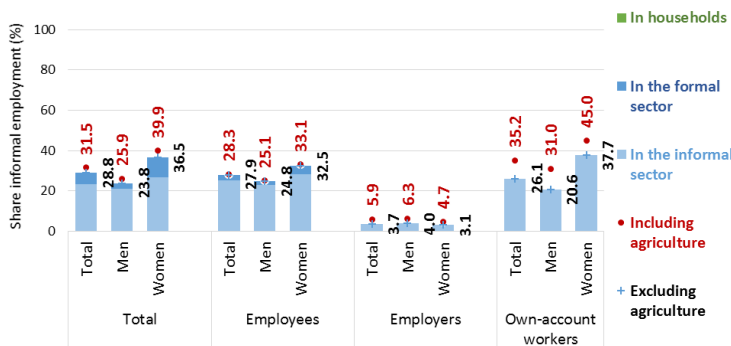
Informality and urban/rural division



## Extent and composition of informal employment

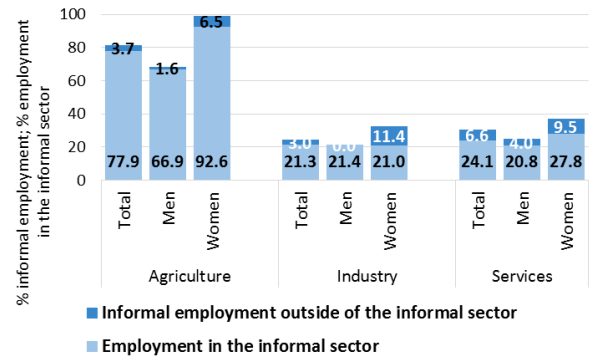
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

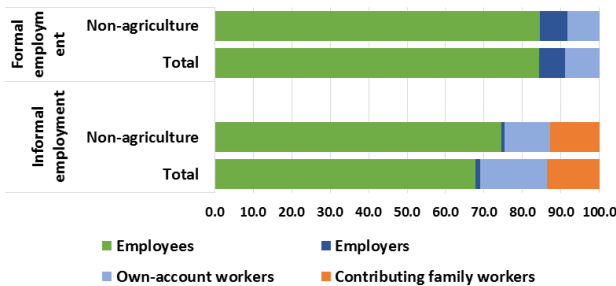
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

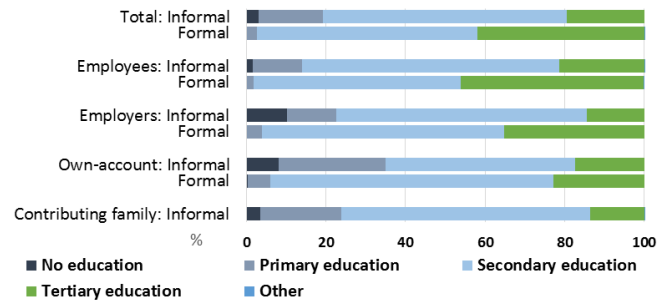
G3

Composition of informal/ formal employment by status in employment



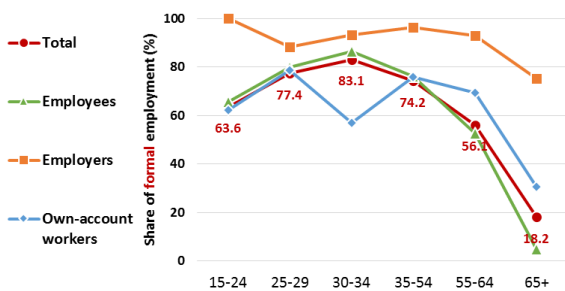
Composition of informal/ formal employment by level of education

G4



G5

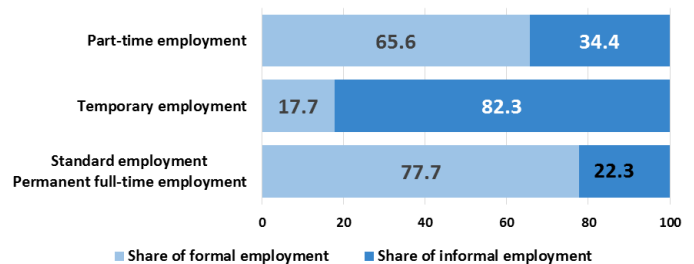
Share of formal employment: age profile



Informality & working conditions Informal

employment & non-standard employment (employees)

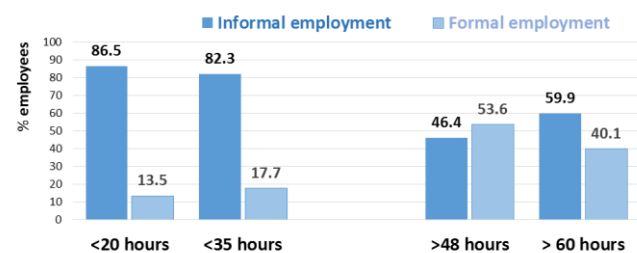
G6



## Additional indicators

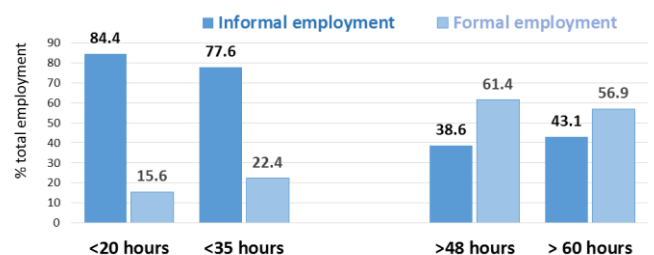
G7

Informality & working time (employees)



Informality and working time (total employment)

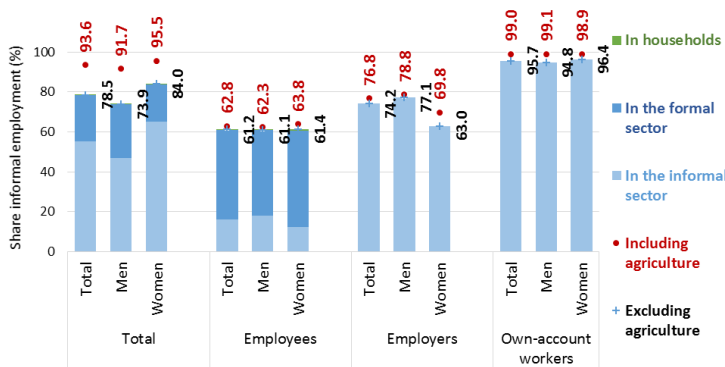
G8



## Extent and composition of informal employment

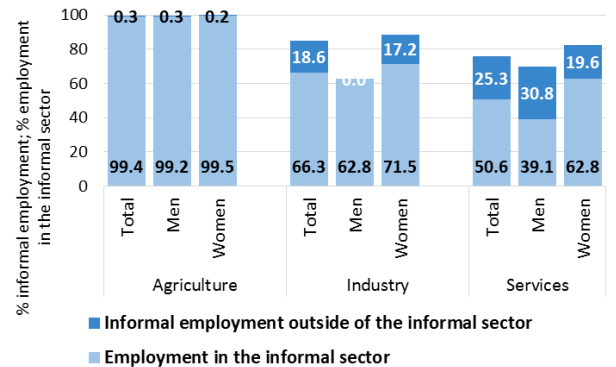
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

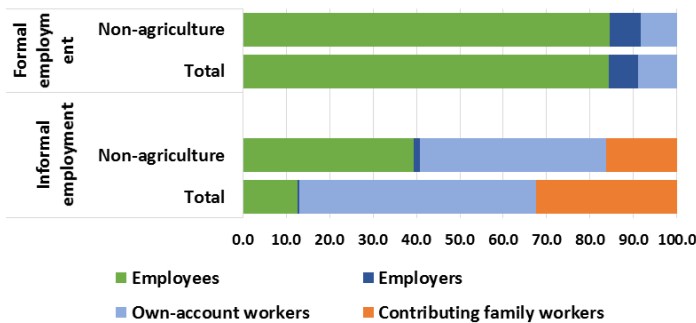
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

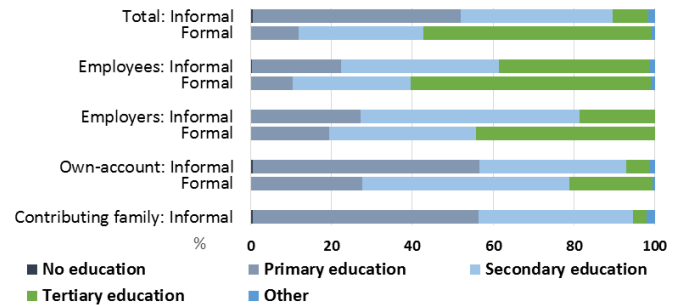
G3

Composition of informal/ formal employment by status in employment



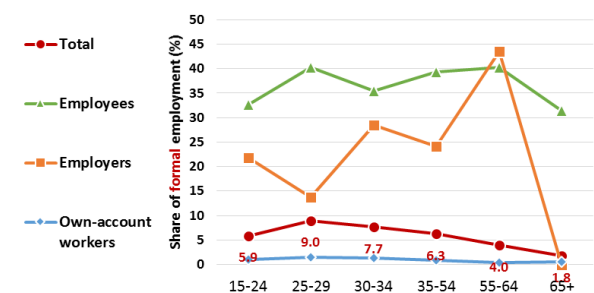
Composition of informal/ formal employment by level of education

G4



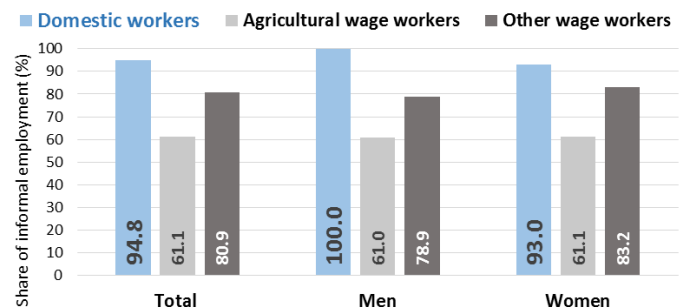
G5

Share of formal employment: age profile



Share of informal employment: Domestic workers and other wage workers

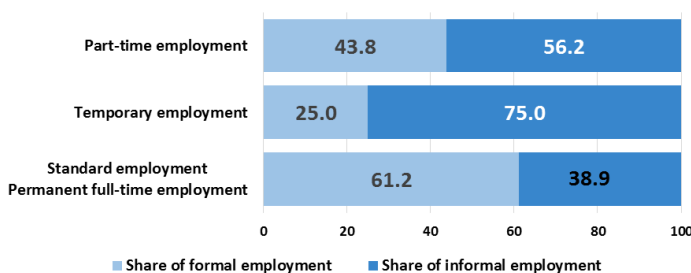
G6



## Additional indicators

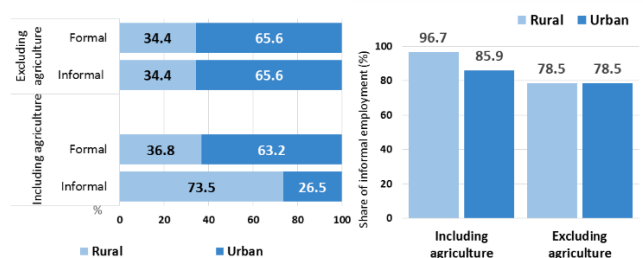
G7

Informality & working conditions Informal employment & non-standard employment (employees)



Informality and urban/rural division

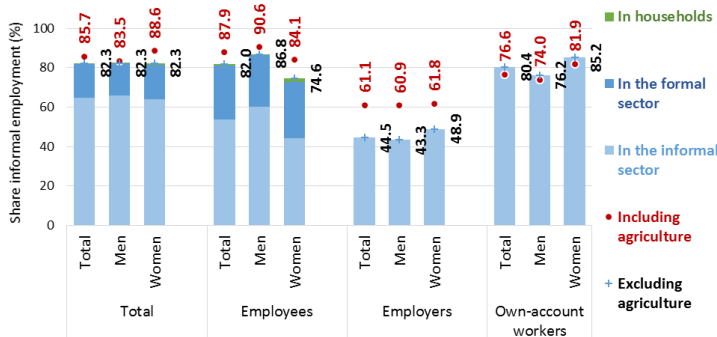
G8



## Extent and composition of informal employment

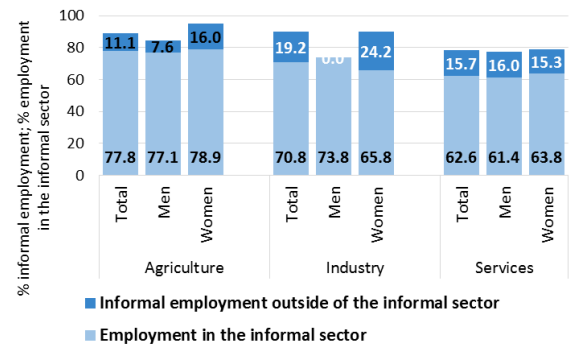
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

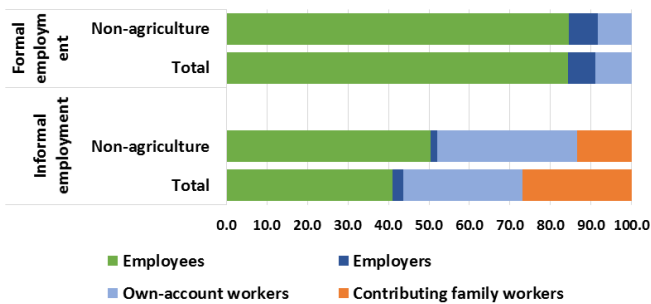
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

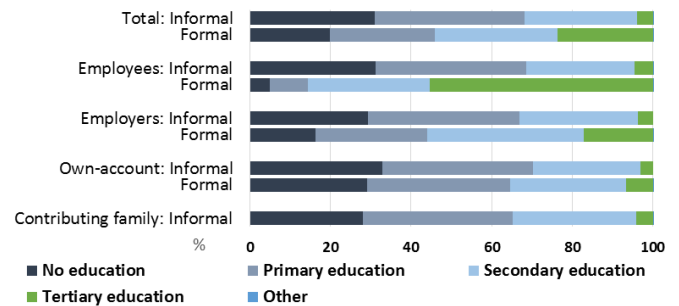
G3

Composition of informal/ formal employment by status in employment



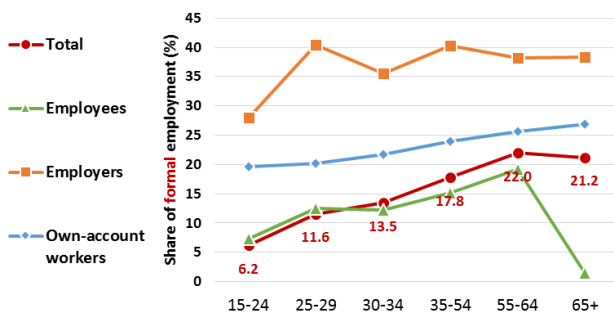
G4

Composition of informal/ formal employment by level of education



G5

Share of formal employment: age profile



G6

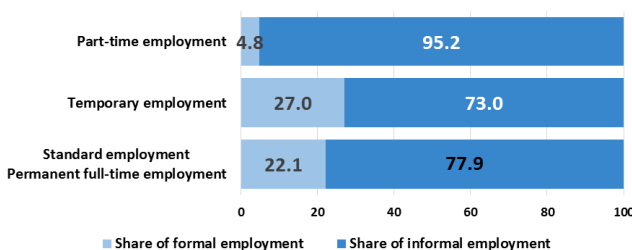
Share of informal employment: Domestic workers and other wage workers



## Additional indicators

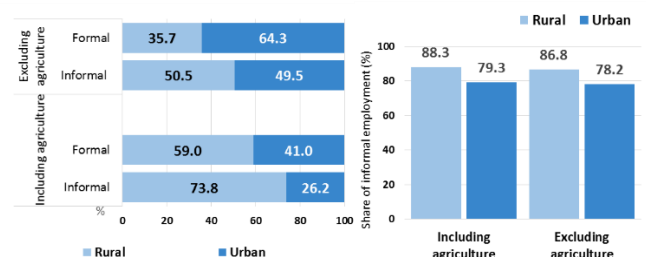
G7

Informality & working conditions Informal employment & non-standard employment (employees)



G8

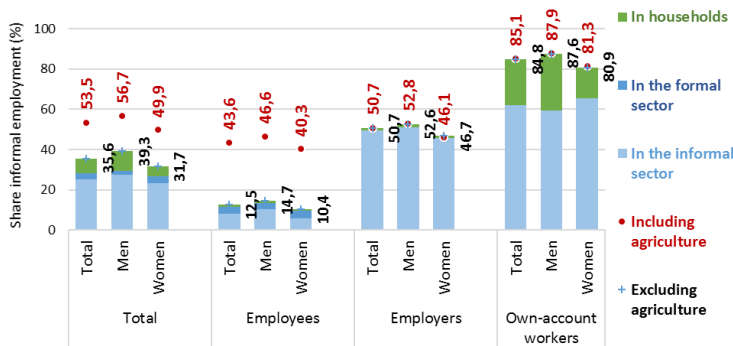
Informality and urban/rural division



## Extent and composition of informal employment

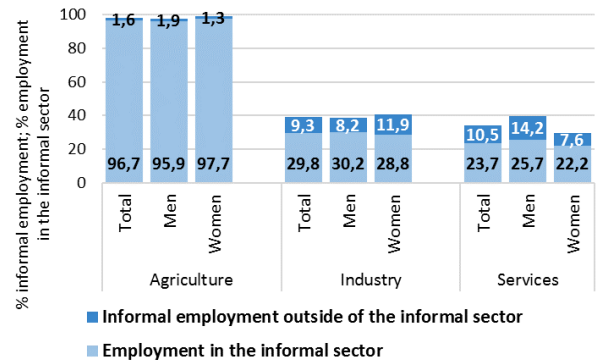
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

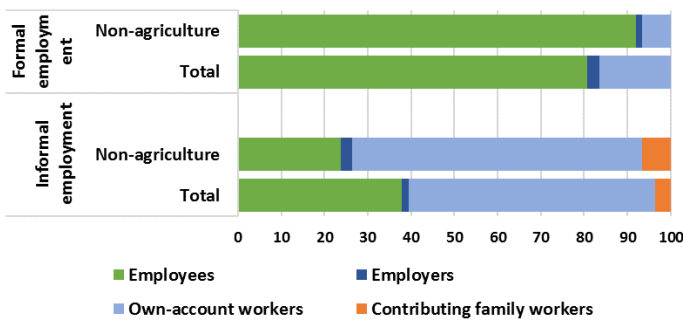
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

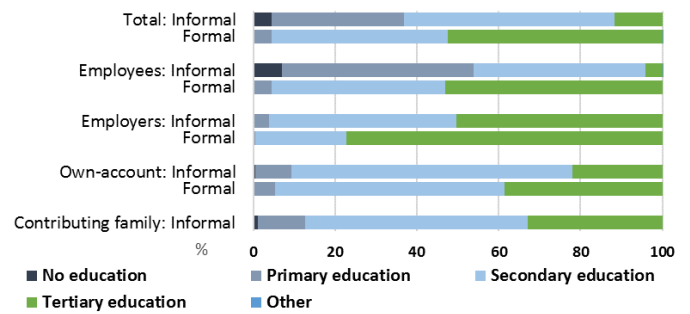
G3

Composition of informal/ formal employment by status in employment



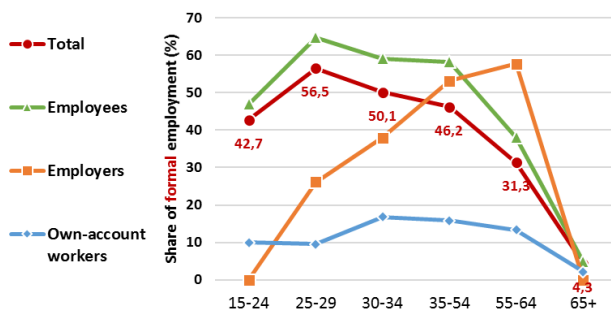
G4

Composition of informal/ formal employment by level of education



G5

Share of formal employment: age profile



G6

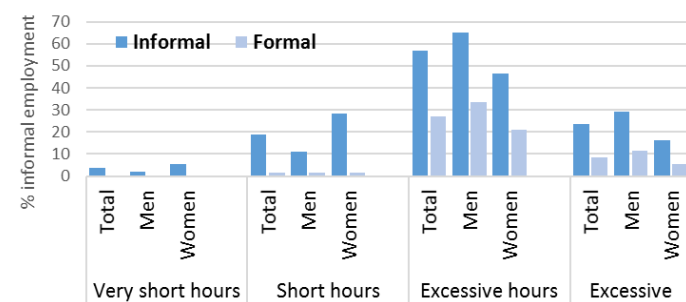
Share of informal employment: Domestic workers and other wage workers



## Additional indicators

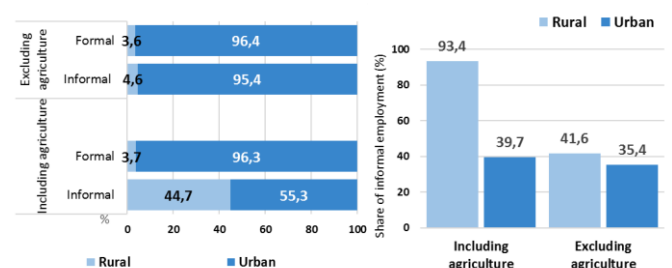
G7

Informality & working conditions Informal employment & working time



Informality and urban/rural division

G8

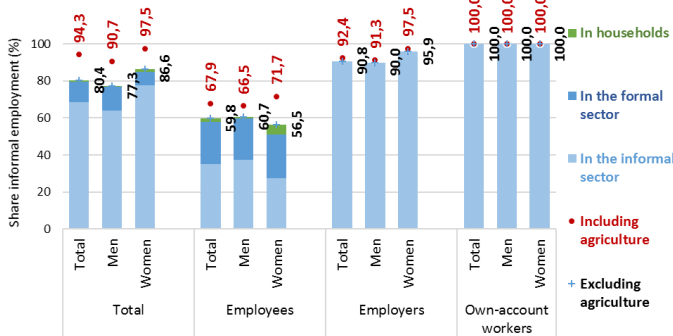


## Informality profile

## Extent and composition of informal employment

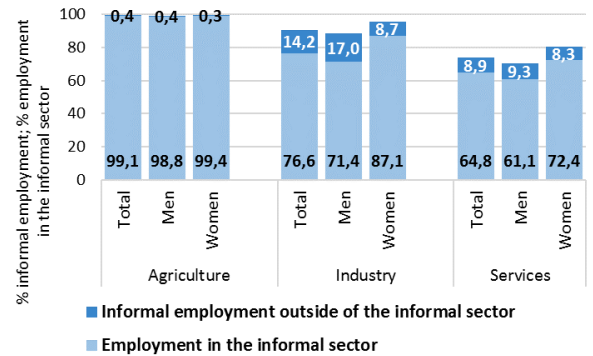
G1

Extent and composition of informal employment (including & excluding agriculture)



Employment in the informal sector and informal employment outside of the informal sector by industrial sector

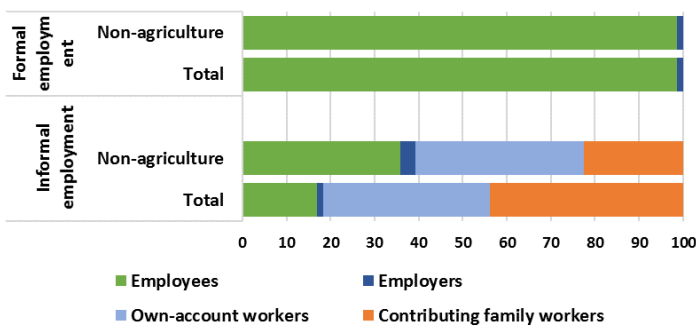
G2



## Who are those in informal employment

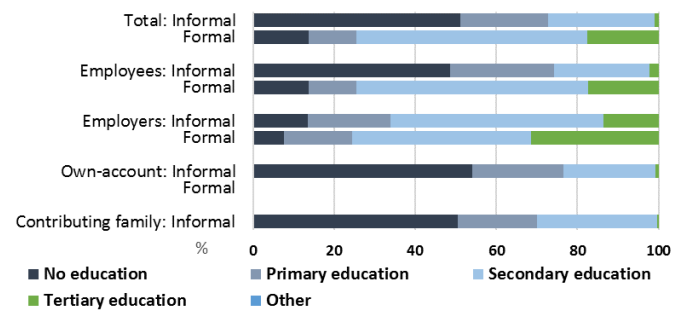
G3

Composition of informal/ formal employment by status in employment



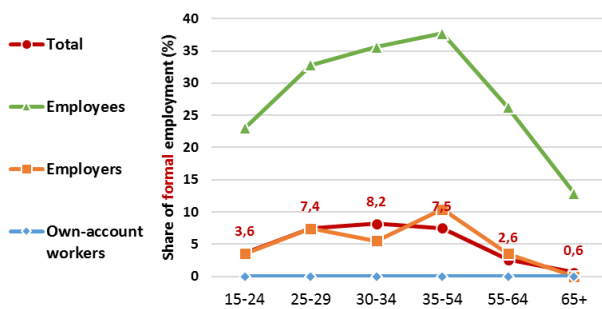
Composition of informal/ formal employment by level of education

G4



G5

Share of formal employment: age profile



Share of informal employment: Domestic workers and other wage workers

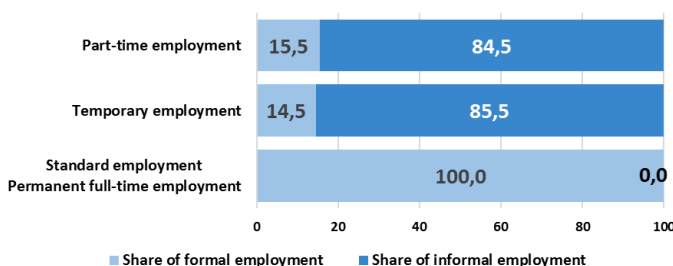
G6



## Additional indicators

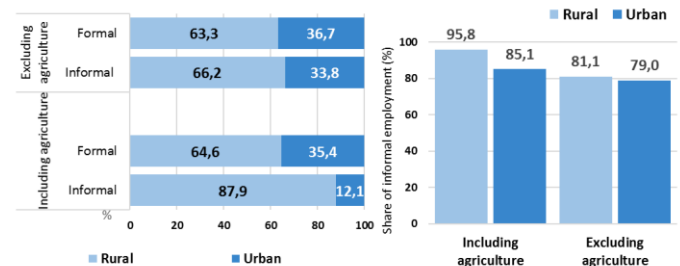
G7

Informality & working conditions Informal employment & non-standard employment (employees)



Informality and urban/rural division

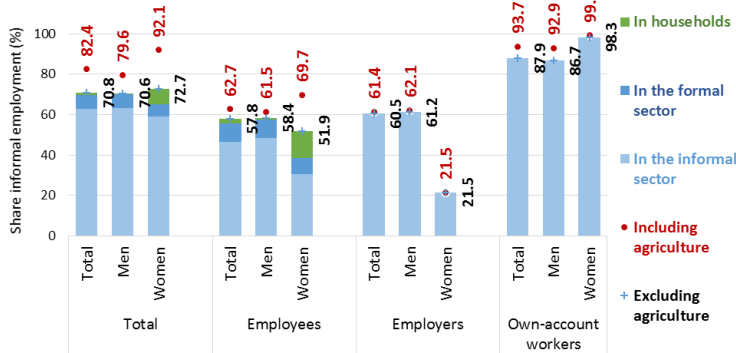
G8



## Extent and composition of informal employment

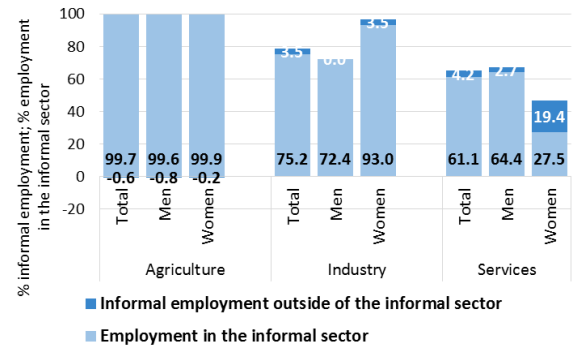
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

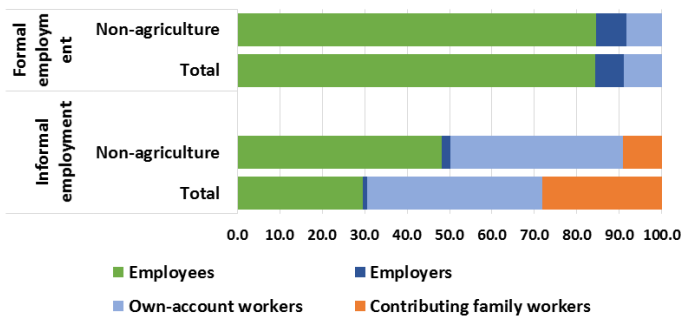
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

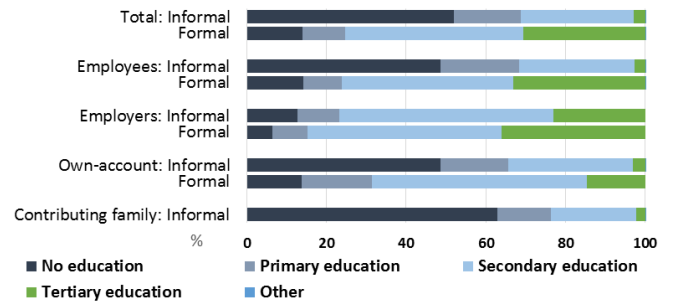
G3

Composition of informal/ formal employment by status in employment



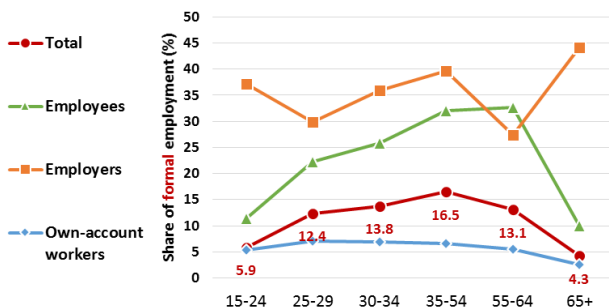
Composition of informal/ formal employment by level of education

G4



G5

Share of formal employment: age profile



Share of informal employment: Domestic workers and other wage workers

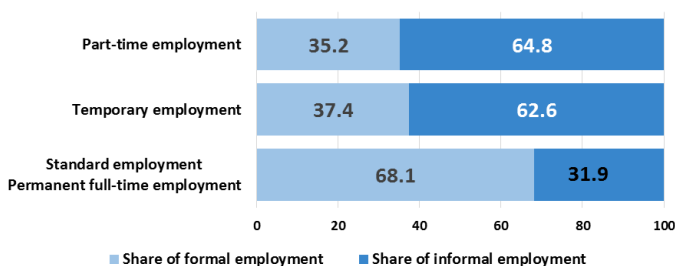
G6



## Additional indicators

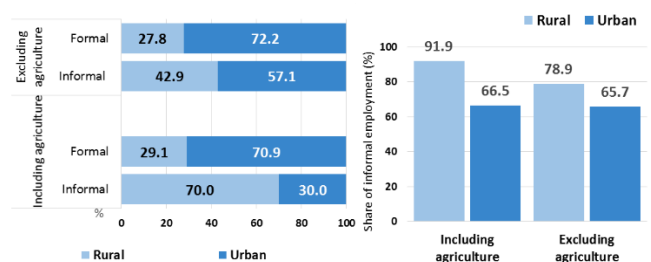
G7

Informality & working conditions Informal employment & non-standard employment (employees)



Informality and urban/rural division

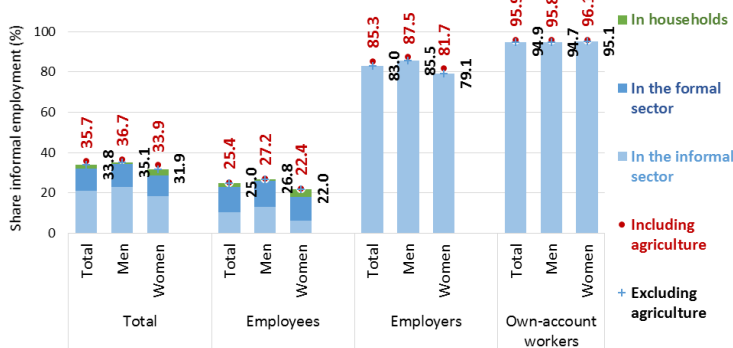
G8



## Extent and composition of informal employment

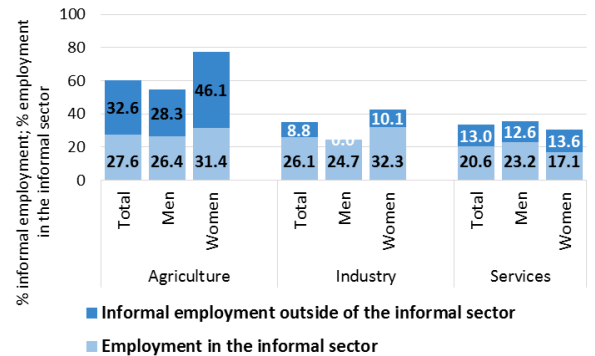
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

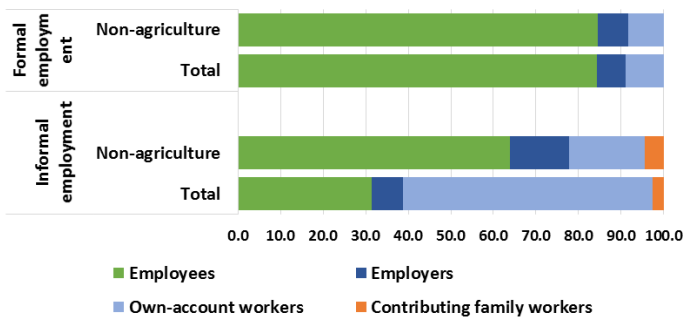
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

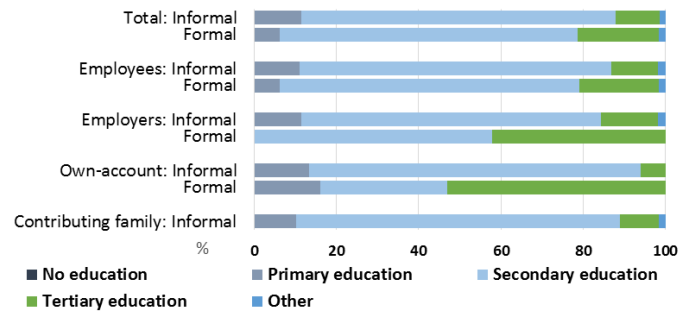
G3

Composition of informal/ formal employment by status in employment



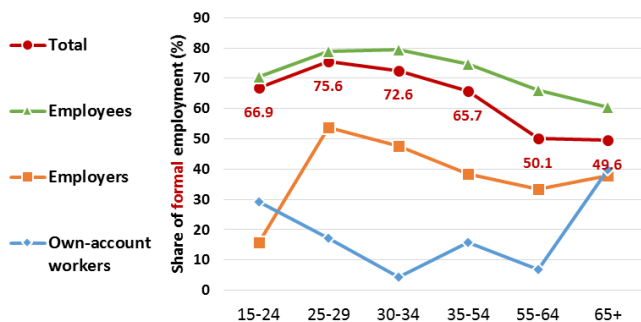
G4

Composition of informal/ formal employment by level of education



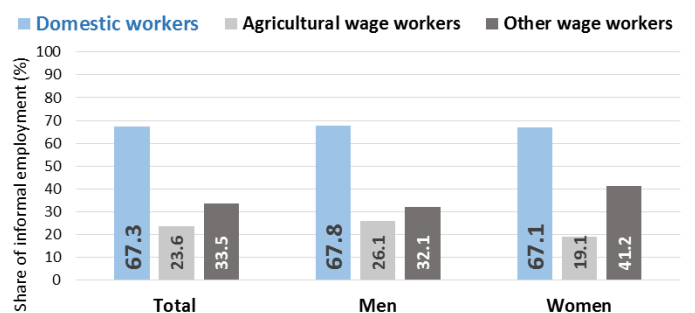
G5

Share of formal employment: age profile



G6

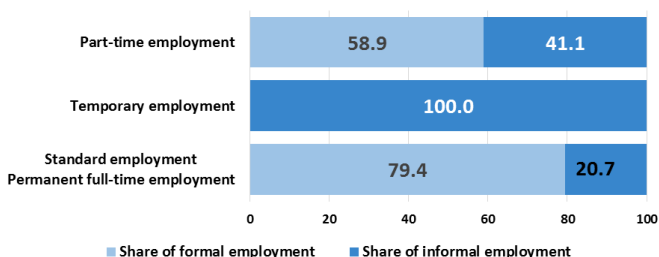
Share of informal employment: Domestic workers and other wage workers



## Additional indicators

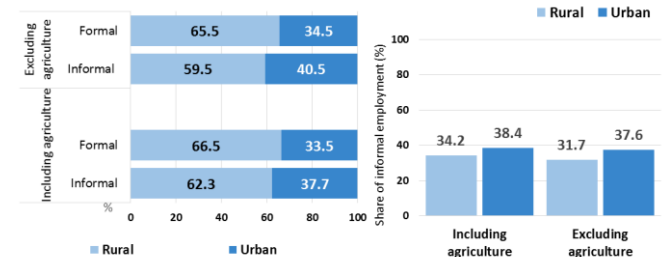
G7

Informality & working conditions Informal employment & non-standard employment (employees)



G8

Informality and urban/rural division

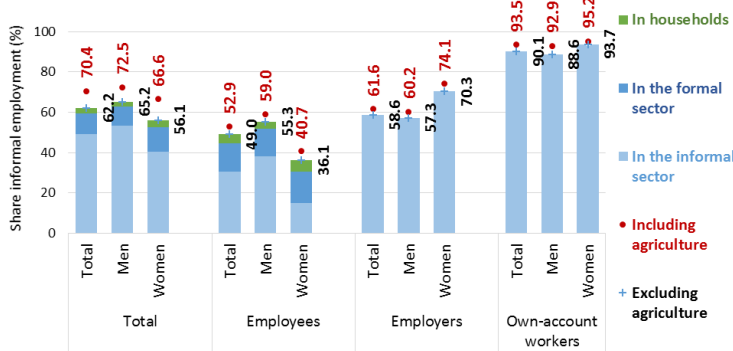




## Extent and composition of informal employment

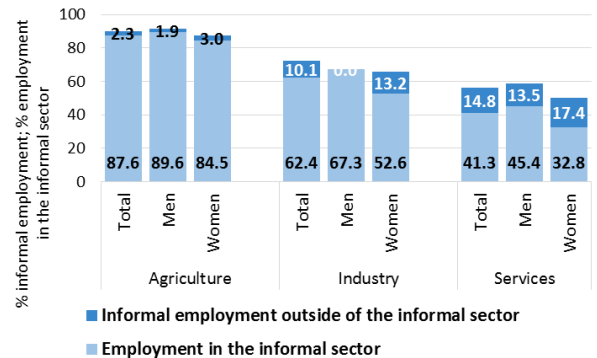
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

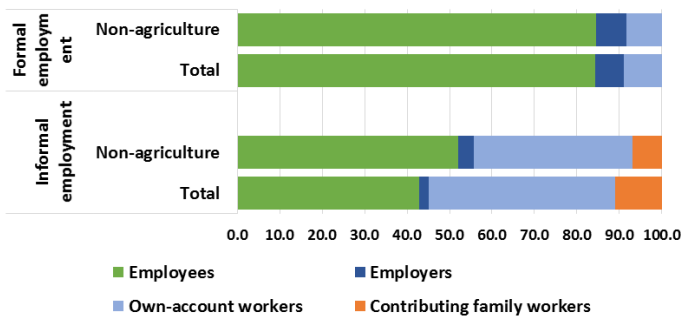
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

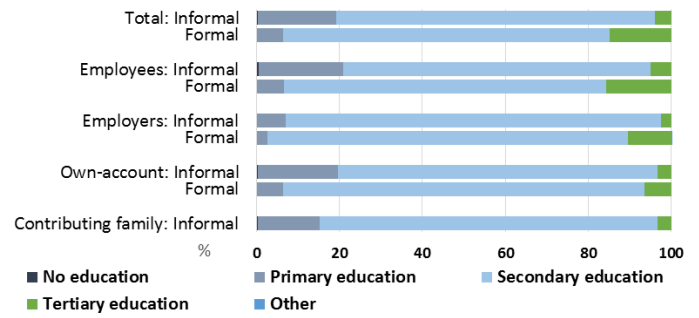
G3

Composition of informal/ formal employment by status in employment



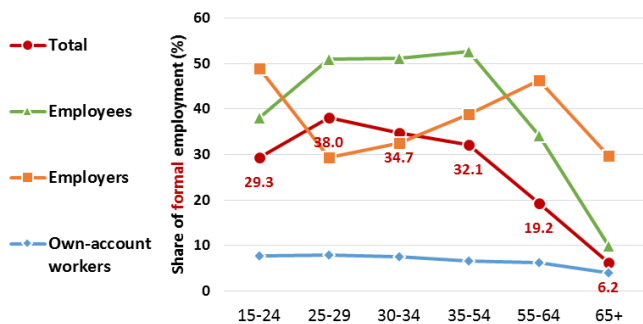
Composition of informal/ formal employment by level of education

G4



G5

Share of formal employment: age profile



Share of informal employment: Domestic workers and other wage workers

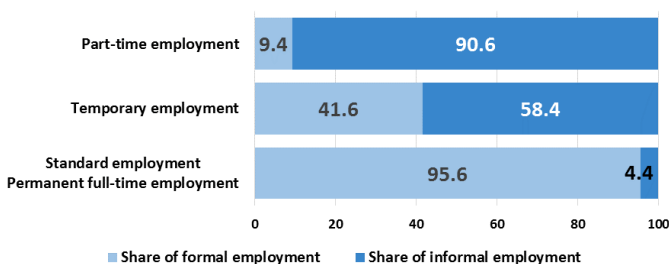
G6



## Additional indicators

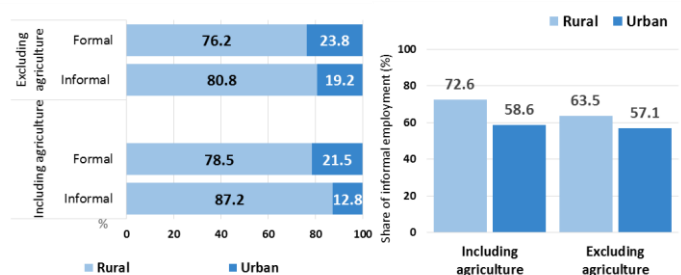
G7

Informality & working conditions Informal employment & non-standard employment (employees)



Informality and urban/rural division

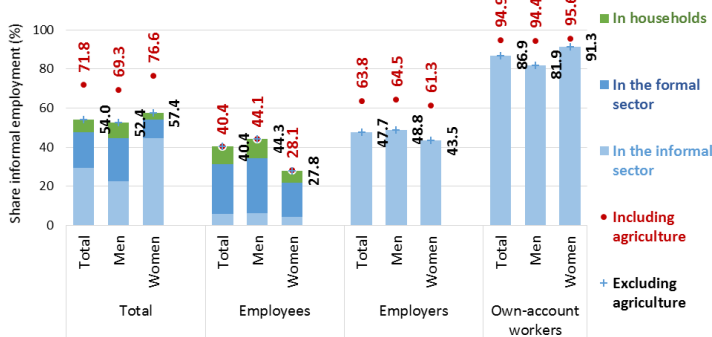
G8



## Extent and composition of informal employment

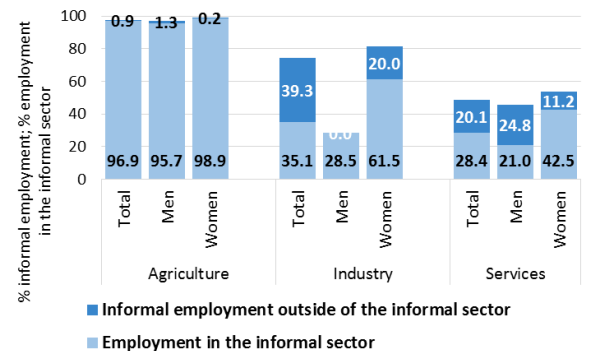
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

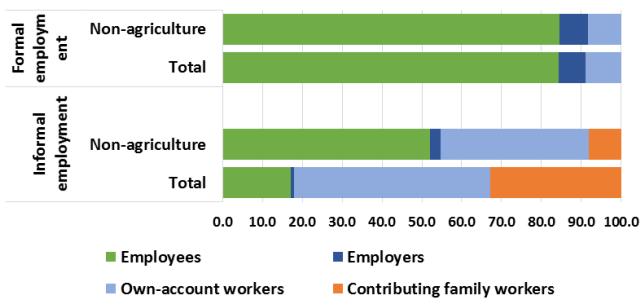
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

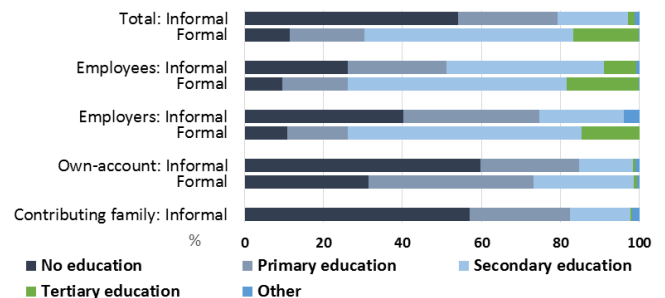
G3

Composition of informal/ formal employment by status in employment



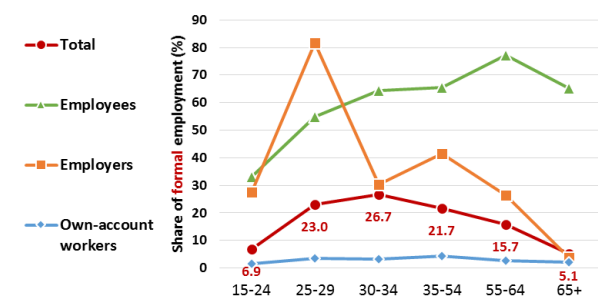
G4

Composition of informal/ formal employment by level of education



G5

Share of formal employment: age profile



G6

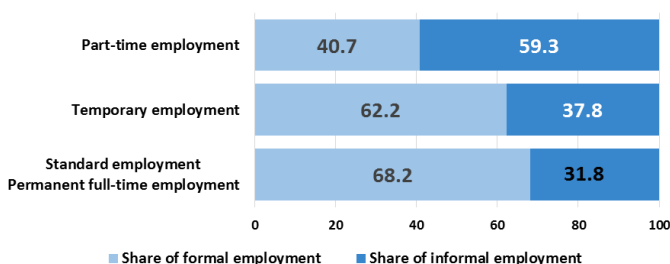
Share of informal employment: Domestic workers and other wage workers



## Additional indicators

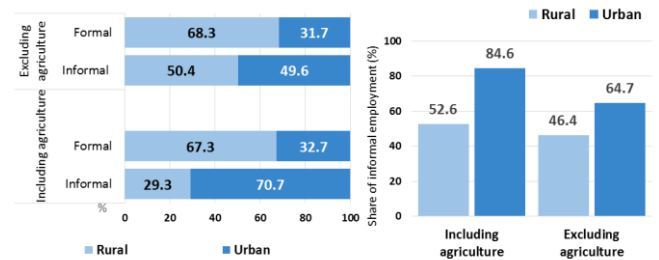
G7

Informality & working conditions Informal employment & non-standard employment (employees)



Informality and urban/rural division

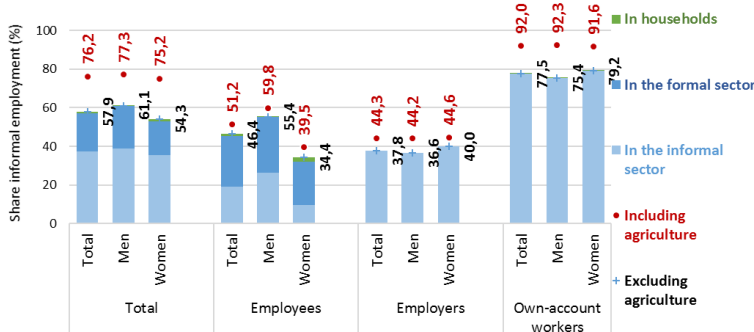
G8



## Extent and composition of informal employment

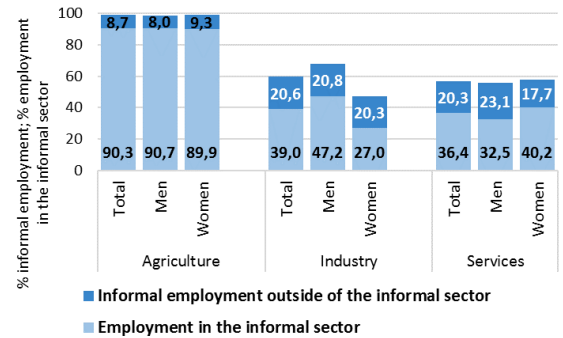
G1

Extent and composition of informal employment (including & excluding agriculture)



G2

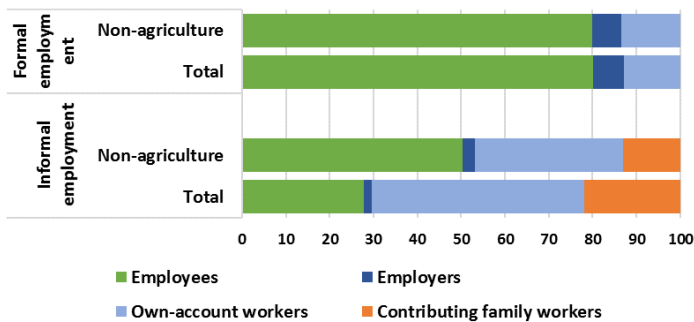
Employment in the informal sector and informal employment outside of the informal sector by industrial sector



## Who are those in informal employment

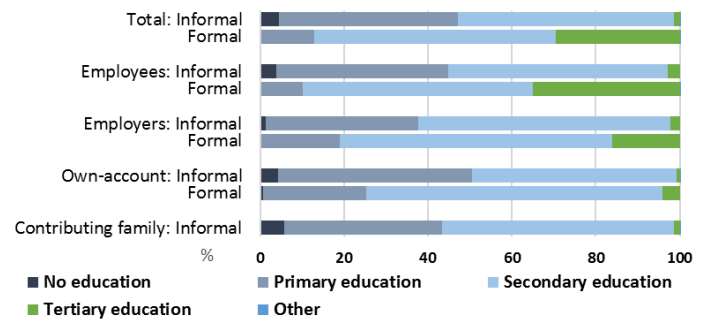
G3

Composition of informal/ formal employment by status in employment



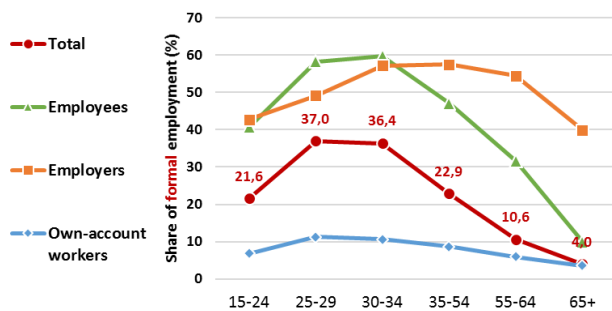
G4

Composition of informal/ formal employment by level of education



G5

Share of formal employment: age profile



G6

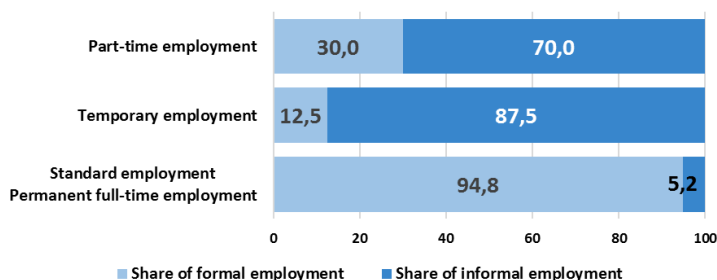
Share of informal employment: Domestic workers and other wage workers



## Additional indicators

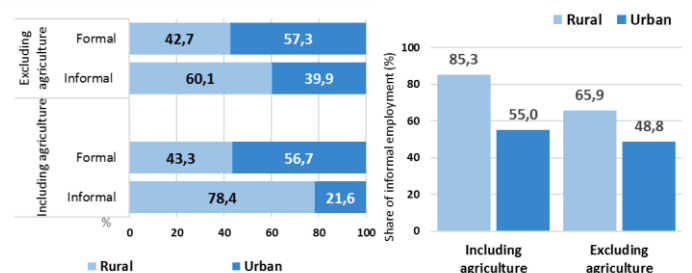
G7

Informality & working conditions Informal employment & non-standard employment (employees)



Informality and urban/rural division

G8



# International and operational definitions of informal employment and employment in the informal sector

## A. Employment in the informal sector

The international standards distinguish between *employment in the informal sector* and *informal employment*. Employment in the informal sector is an enterprise-based concept and it is defined in terms of the characteristics of the place of work of the worker. By contrast, informal employment is a job-based concept and it is defined in terms of the employment relationship and protections associated to the job of the worker.

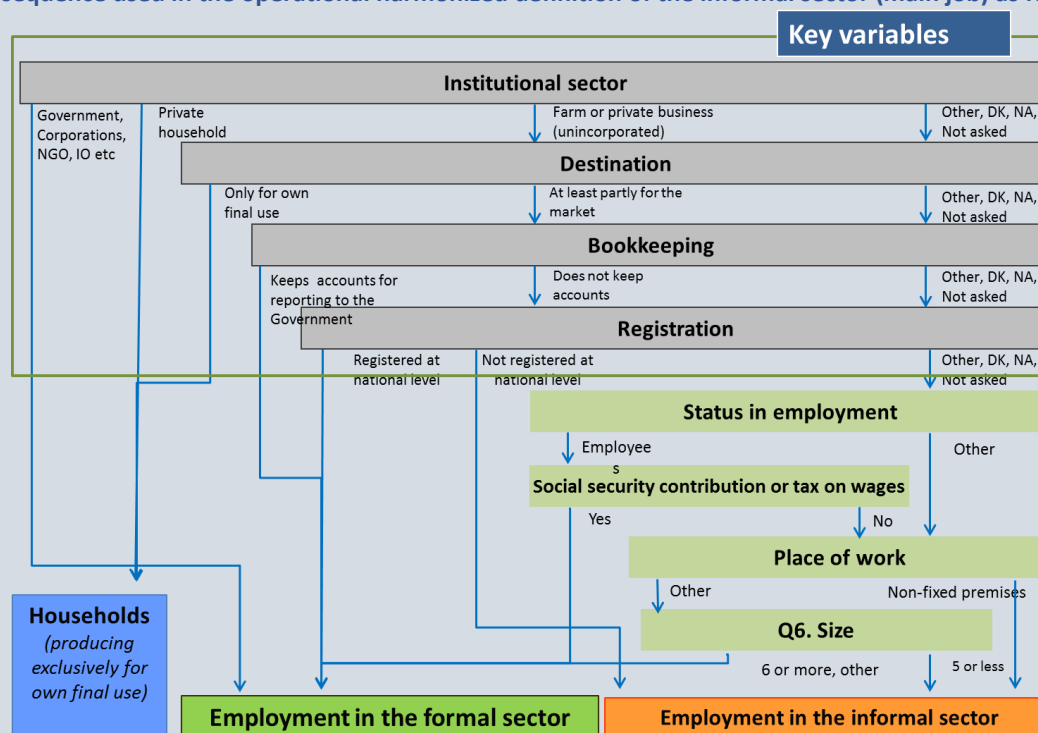
According to the international standards adopted by the 15<sup>th</sup> International Conference of Labour Statisticians, the informal sector is a subset of unincorporated enterprises not constituted as separate legal entities independently of their owners.<sup>1</sup> They are owned by individual household members, or several members of the same or different households. Typically, they are operating at a low level of organization, on a small scale and with little or no division between labour and capital as factors of production.

In order to allow international comparisons, the ILO adopted a harmonized operational definition of employment in the informal sector using the following criteria:

1	Institutional sector (government/ public enterprises/ NGOs; private sector; households). The “institutional sector” is meant to separate persons working in government, public and private corporations, non-governmental and international organizations, and other institutions clearly recognized as belonging to the formal sector. It also serves to identify persons working in private households producing wholly for own final.	<ul style="list-style-type: none"> <li>○ Government/ public corporations, NGOs and INGOs =&gt; Formal sector</li> <li>○ Households =&gt; Households</li> <li>○ Private economic units =&gt; Next criteria</li> </ul>
2	Final destination of production: the purpose of the second criterion “destination” is to exclude from the scope of informal sector persons working in a farm or private business (unincorporated enterprise) where the main intended destination of the production is wholly for own final use.	<ul style="list-style-type: none"> <li>○ Produce at least partially for sales on the market =&gt; Next criteria</li> <li>○ If final use only =&gt; Households</li> </ul>
3	Registration of the economic unit under national legislation (in the process of registration is considered as not registered). This includes registration with social security authorities, sales or income tax authorities and should be at a national level. It identifies enterprises that are similar to corporations (quasi-corporations) and therefore outside the scope of the informal sector. The appropriate forms of registration relevant to the concept of informal sector should be examined in the national context.	<ul style="list-style-type: none"> <li>○ If registered to relevant institution(s) =&gt; Formal sector</li> <li>○ If not registered / missing/ don’t know =&gt; Next criteria</li> </ul>
4	Bookkeeping: whether the economic unit maintain a set of accounts required by law (e.g., balance sheets) or keeps some official accounts. The information on bookkeeping practices of the farm or private unincorporated enterprise has as objective to identify whether the economic unit is constituted as separate a legal entity independently of their owners.	<ul style="list-style-type: none"> <li>○ If formal bookkeeping =&gt; Formal sector</li> <li>○ If no formal bookkeeping / missing/ don’t know =&gt; Next criteria (alternative approach)</li> </ul>
Alternative criteria <b>applied only in case criteria 3 and 4 are missing</b> (no question/ no answer / don’t know)		
5	For employees: Contribution of employer (and employee) to social security or alternatively declaration of labour income (ex: does the employer contribute to social security or declare labour income in order to pay income tax?)	<ul style="list-style-type: none"> <li>○ If contributing to social security (preferably for pensions) =&gt; Formal sector</li> <li>○ No, Other, No answer, Don’t know =&gt; Next criteria</li> </ul>
6	Size: differentiate between units 5 or less workers and those with more than 5 workers engaged/employed on a continuous basis.	<ul style="list-style-type: none"> <li>○ If unit have more than 5 workers and is located in fixed visible premises =&gt; Formal sector</li> <li>○ If below 6 or not in fixed premises =&gt; Informal sector</li> </ul>
7	Location of workplace: Differentiate among economic units that are located in the owners' dwelling, in the street, in construction sites, in agricultural plots, that are itinerant, etc. and economic units that have fixed visible premises, such as offices, factories, etc.	

<sup>1</sup> ILO, *Resolution concerning the measurement of employment in the informal sector*, Fifteenth International Conference of Labour Statisticians (ICLS), Geneva, 1993.

Criteria and sequence used in the operational harmonized definition of the informal sector (main job) as follows:



**B. Informal employment**

In contrast to the concept of informal sector that refers to production units as observation units, the concept of informal employment refers to jobs as observation units.<sup>2 3</sup> In the case of own-account workers and employers, the informal employment status of the job is determined by the informal sector nature of the enterprise. Thus, own-account workers (without hired workers) operating an informal enterprise are classified as in informal employment. Similarly, employers (with hired workers) operating an informal enterprise are classified as in informal employment. All contributing family workers are classified as having informal employment, irrespective of whether they work in formal or informal sector enterprises.

In the case of employees, informal employment is defined in terms of the employment relationship. According to the international standards, for a job held by an employee to be considered as informal, the employment relationship should not, in law or in practice, be 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.). In practice, the formal or informal nature of a job held by an employee is determined on the basis of operational criteria such as social security contribution by the employer, and entitlement to paid sick leave and paid annual leave.

Criteria adopted for harmonized ILO estimates of informal employment:

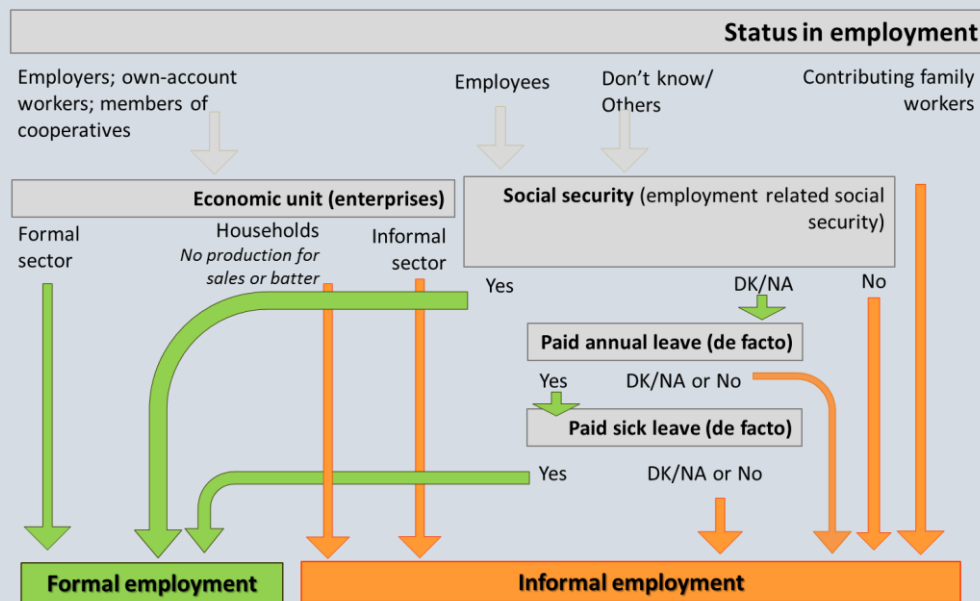
<p>1</p>	<p>The starting point is the status in employment of the person.</p> <ol style="list-style-type: none"> <li>1) If the person is reported as a contributing family worker, no further questions are required and the person is classified as having an informal job.</li> <li>2) If the person is recorded as an employer, or own-account worker, or member of a producer's cooperative, no additional questions are also required and the formal or informal nature of the job is determined according to the formal or informal nature of economic unit of the person. Employers, own-account workers and members of producers' cooperatives with enterprises in the formal sector are classified as having a formal job. Similarly, employers, own-account workers and members of</li> </ol>	<ul style="list-style-type: none"> <li>○ Contributing family workers =&gt; Informal job</li> <li>○ Employers, own-account workers, members of cooperatives =&gt; Formal / informal nature of job determined by the formal/informal nature of the economic unit</li> <li>○ Employees =&gt; Next criteria</li> </ul>
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<sup>2</sup> ILO, *Guidelines concerning a statistical definition of informal employment*, Seventeenth International Conference of Labour Statisticians, Geneva, 2003.

<sup>3</sup> Hussmanns, Ralf, *Measuring the informal economy: From employment in the informal sector to informal employment*, Working paper No. 53, ILO Policy Integration Department, Bureau of Statistics, Geneva, December 2004.

	<p>producers' cooperatives with enterprises in the informal sector are classified as having an informal job. If the enterprise is a household enterprise or a private business producing wholly for own or family use, the owner is also classified as having an informal job.</p> <p>3) The statistical treatment of 'employees' and 'not stated' is however different and depends on the criteria of social security contribution by employer or alternatively to entitlements to paid annual leave and paid sick leave.</p>	
2	<p>For employees</p> <p>Contribution to a social security (pension) scheme by the employer (complementing the employee's contribution) is the option most commonly used in countries and the one applied here. It should also be noted that the question is whether the employer makes contribution on behalf of the employee to the scheme, and NOT whether the employee is currently benefitting from the scheme with respect to a previously held job.</p>	<ul style="list-style-type: none"> <li>○ Contribution to social security =&gt; Formal job</li> <li>○ No contribution to social security =&gt; Informal job</li> <li>○ Don't, No answer =&gt; Next criteria</li> </ul>
3	<p>Entitlement to and benefit from paid annual leave: Paid annual leave refers to paid vacation time, home leave, festival leave, obsequies leave, or other casual leave. In some cases, the employee may get paid compensation for some types of unused leave that has been accumulated. Such compensation is also included.</p>	<p>For employees where the information on social security is not available or not relevant (national non-contributory type of scheme being the norm):</p> <ul style="list-style-type: none"> <li>○ Entitlement to paid annual leave AND paid sick leave =&gt; Formal job</li> <li>○ Otherwise, informal job</li> </ul>
4	<p>Entitlement to and benefit (when needed) from paid sick leave. Paid sick leave refers to entitlement of being paid by the employer during days that the employee is absent from work due to own illness or injury. Its scope should clearly be defined, particularly, with respect to maternity or paternity leave that may apply paid by sources other the employer under national legislations.</p>	

**Criteria used in the operational harmonized definition of the informal employment (main job):**



Those criteria and sequence were applied systematically to more than 100 countries with available data from the national labour force survey or similar national household survey. The main purpose is to allow international comparisons. They may differ from the approach adopted at the national level resulting in slightly different estimates of employment in the informal sector and informal employment.