

UNITED NATIONS ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC
STATISTICAL INSTITUTE FOR ASIA AND THE PACIFIC (SIAP)

INTERNATIONAL LABOUR ORGANIZATION (ILO)

**Regional Course on Statistics on Informality: Definitions, Measurement, SDG's and other
Policy Indicators**

15 – 18 October 2024

Chiba, Japan

CONCEPT NOTE

Collaborating agencies: United Nations Statistical Institute for Asia and the Pacific (**SIAP**); International Labour Organization (**ILO**); Women in Informal Employment: Globalizing and Organizing (**WIEGO**); Ministry of Internal Affairs and Communications, Government of Japan (**MIC**).

I. Introduction and Objectives

The causes and consequences of informal employment and employment in informal sector and their impact on achieving sustainable development continues to gain attention in national development agendas. The evidence in developing and emerging economies shows that on average the proportions of people in informal employment ranges from close to two thirds in emerging economies to nearly 90% in low-income countries. Therefore, every national policy targeting poverty, social protection, or decent work needs to recognise the role of the informal economy in national development. Yet, the lack of data and statistics on the informal economy hinders the capacity of countries to better inform decisions and development policies. This regional training course brings together statisticians and labour analysts from Asia-Pacific national statistical systems to discuss technical aspects and share experiences in the production and use of statistics on informality with the objectives of:

- 1) Assessing progress in the production of statistics on informal employment and employment in the informal sector in Asia and the Pacific Region, and major hindrances in data production;
- 2) Providing technical information and illustrations of good practices on collecting and tabulating data on informal employment and employment in the informal sector aligned to the latest development in labour market standards, and categories of informal workers as well as related data needed for the preparation of SDG indicators;
- 3) Promoting the collection of data and improvement of statistics on informal employment and employment in the informal sector as an integral part of national labour force statistics; and
- 4) Providing guidance and illustrations of good practices on how to conduct diagnoses of informality and how to contextualize indicators to decide on priorities and inform policy development and monitoring.

Statistics on informality have been discussed at the 21st International Conference of Labour Statisticians (21st ICLS, October 2023), and the adoption of the new resolution on statistics of informal economy provides a comprehensive improved statistical framework on the informal economy. A framework that will therefore be presented and discussed at this Regional Course.

II. Target Countries (by invitation only): Countries in Asia and the Pacific (a) with existing data collection initiatives on the informal economy, such as those with labour force surveys, aiming to review and improve their data and (b) countries with immediate plans to collect data on the informal economy.

The provisional list of proposed countries is as follows: Bangladesh, Brunei Darussalam, Fiji, India, Indonesia, Malaysia, Maldives, Mongolia, Nepal, Pakistan, Papua New Guinea, Philippines, Tonga, Vanuatu and Viet Nam.

III. Target participants: Countries will be invited to nominate potential participants. Nominees should be middle-level to senior-level (a) statisticians of national statistical offices or (b) officials from ministries of labour and employment responsible for labour statistics or labour market information systems. Nominees should have experience working on labour force statistics as survey statisticians and/or data analysts in support of policy analysis on informal sector and informal employment, and have some awareness of sustainable development goals. One or two participants per country will be accepted for the training depending on availability of resources; selection will be based on the information provided in the nomination form for the course, and on the past experience of nominees in working with informal employment statistics. Nominations of women candidates will be given a priority.

IV. Main Topics:

Module One: Framing the Discussion

- Statistical definition of the informal economy
 - International statistical definition of the informal sector and employment in the informal sector
 - International statistical definition of informal employment
- Changes in labour market standards and the impact on the standards for statistics on informality
 - The revision of the current standards
 - The statistical definition of work and informality
 - The new international classification of status in employment (ICSE-18) and informality
- Mapping national definitions to international definitions: Issues and practices in aiming for international comparability
- National policies and programmes on the informal economy and implications for statistical work
 - Country policies on informal economy and current status
 - Ministry/ies responsible and type of coordination mechanisms if any
 - Types and characteristics of economic units in the informal sector
 - Categories of informal workers
 - Measures to enhance formalization of economic units

Module Two: Measuring Informality, Statistically Speaking

- Measurement objectives and methods for producing statistics on the informal economy: Practices and Issues
 - Measurement objectives: Overview of statistics on the informal economy (informal employment, employment in the informal sector and contribution to the economy)
 - Data requirements for estimating (Going from concepts to questions, and from questions to derived variables):
 - Informal employment
 - Employment in the informal sector (and characteristics of economic units)
 - Categories of informal workers; socio-demographic features and exposure to decent work deficits
 - Contribution of the informal sector to the economy
 - Statistical units
 - Overview of methods of data collection: matching methods and measurement objectives
- Data sources for producing statistics on the informal economy: Practices and Issues
 - Household surveys, with focus on the labour force survey
 - Establishment surveys
 - Mixed surveys, with focus on the 1-2 survey

Module Three: Producing and Presenting: Increasing Value for Policy Needs

- Producing estimates of employment and economic contribution of the informal economy: Practices and Issues
 - Going from derived variables to indicators
 - Employment-related indicators
 - SNA-related indicators
 - Producing SDG and other indicators
- Analysing and using statistics and indicators on the informal economy
 - The informal economy indicator framework to guide regular monitoring of key informality indicators (incl. SDG 8.31) and support the development and monitoring of formalization strategies in countries
- National diagnostic of informality or how data support decisions about priorities and inform the development and monitoring of policy
 - Understanding the diversity of situations in informal economy and exposure to decent work deficits
 - Extent and composition of the informal economy: who the most exposed to informality?
 - Working conditions in the informal economy and exposure to decent work deficits: income security, employment security, health and safety issues and working hours, skills security, voice and representation security, etc
 - Main drivers of informality: those that are quantifiable
 - Contextualizing data and indicators and the analysis of other drivers as part of the economic and institutional environment

Module Four: Way forward

- ESCAP regional capacity building programmes on statistics in Asia and the Pacific: what possible focus on the informal economy
- Next steps: country action plans

V. Training Design: The training course will cover the topics listed above. It is designed to present/review concepts and definitions and measurement methods and to discuss practical issues and possible solutions relating to their applications and use. The course is organized into modules; each module consists of a set of training sessions. Training activities within each training session will be a mix of expert presentations on the main topics, country-led discussions and presentations on applications, issues and lessons learned and working with data/ concepts in small-group work.

VI. Preparatory Activities: Participants to the course need to prepare a short summary country report/ presentation (maximum 10 slides) that covers the following:

- Status of labour force data and statistics (3 slides)
 - Existing data collection activities and methodologies/ or plans
 - Presentation of time series of key labour force indicators
 - SDG decent work related indicators, with a focus on those for which ILO is proposed as the custodian agency
- Country policies on the informal economy and status, main actors involved (responsible ministry/ies, agencies or inter-ministerial structure and coordination mechanisms if any) (3 slides)
- Status of statistics on informal employment, employment in the informal sector and contribution of the informal sector to the economy (4 slides)
 - Existing data collection activities and methodologies/or plans
 - Discussion of issues
 - Presentation of existing statistics and indicators on the informal economy; ongoing efforts on computing harmonized comparable data on:
 - Extent and composition of informality
 - Informality and decent work deficits
 - Informality and poverty
- ANNEXES to body of report/ presentation
 - Data collection instruments (questionnaires ; schedules)
 - List of publications and accessibility (e.g., website links) of survey results
 - List of analytical reports on informal economy linkages to development issues and accessibility (e.g., website links)
 - Employment and income generation in the informal economy
 - Women workers in the informal economy
 - Poverty and the informal economy
 - Data and microdata accessibility mechanisms.