UNITED NATIONS ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

STATISTICAL INSTITUTE FOR ASIA AND THE PACIFIC (SIAP)

ECONOMIC COOPERATION ORGANISATION (ECO)

Regional Workshop on Measuring the Informal Sector and the Non-Observed Economy
4 – 7 October 2015
Tehran, Islamic Republic of Iran

CONCEPT NOTE

I.   Introduction

Informal and non-observed economic activities are dominant in most developing countries, yet their contribution to the economy is still inadequately captured in measures of economic production and growth. Measuring their exact contribution to the national and local economies is complex for reasons that are well documented and with necessary sources and methods a continuing challenge. This training workshop on measuring the informal sector and the non-observed economy aims to support member States of the Economic Cooperation Organisation (ECO) in their initiatives to develop and strengthen data collection and estimation methods to better measure the size of their economies.

The 4-day workshop is a collaborative undertaking between the Economic Cooperation Organisation (ECO) and the United Nations Statistical Institute for Asia and the Pacific (SIAP), in cooperation with the Statistical Research and Training Centre of the Islamic Republic of Iran, the United Nations Statistics Division and the International Labour Organization. It will be conducted in Tehran from 4 October-7 October 2015.

II.   Course Objectives

The course is designed to enhance the capacity of participating organizations to take practical steps in improving their measurement of the contribution to the economy of the informal sector and non-observed economy by:

- providing new and updated knowledge and enhancing understanding of definitions, concepts, scope and classifications relating to the measurement of the informal sector and non-observed economy;
- assessing adequacy of their current methods on estimation of value added for the informal and non-observed economic activities; and
- presenting tools and methods that may address the gaps in data sources and methodologies for better reflecting these activities in their national accounts measures and determining their applicability in their own country contexts.

Participants are expected to use the knowledge gained from this training to develop an actionable plan for improving the measurement of the non-observed economy on the basis of the topics covered.
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III.   Learning Objectives

At the end of the training, participants are expected to be able to:

a) Identify different components of the non-observed economy and the informal sector in their respective economies;
b) Identify appropriate key data sources and develop effective techniques to estimate value added for non-observed and informal sector activities into their national accounts; and
c) Develop an action plan identifying key steps that may be undertaken to expand the coverage of informal and non-observed economy in their GDP estimates.

IV.   Target Participants

The course is designed for statisticians compiling national accounts. More specifically, the participant is one with the following profile:

a) Is a middle- to senior- level statistician working in national statistical agencies;
b) Has comprehensive knowledge of the theoretical framework of national accounting at least at the level of the SIAP Intermediate-Level e-Learning Course on SNA 2008;
c) Has experience in and demonstrated ability to apply different methods for compiling GDP at current and constant prices;
d) Current job involves estimation and compilation of the items covered in the course;
e) Holder of a university degree or its equivalent; and
f) Able to read, write and express themselves well enough in the English or Russian language to participate fruitfully in discussions, presentations and be in a position to share their technical experiences with other participants.

V.   Course Content and Design

The course is designed to facilitate the sharing of knowledge and experience of experts, demonstrating understanding of the contents of lectures and country presentations and setting out a roadmap for applying the knowledge and skills learned in measuring the non-observed economy and the informal sector. Training sessions will consist of lectures, demonstrations, country presentations, group discussions and workshops.

The course will highlight the updates to the System of National Accounts 2008 including its impact on prevailing GDP estimates. Subsequent sessions will review and discuss concepts and definitions of the non-observed economy, with a special focus on the informal sector, specifically highlighting international guidelines. Sessions will highlight specific measurement issues on key problematic areas of the non-observed economy-- their production characteristics, data sources and estimation procedures of value added—and present tested and possible solutions.

Main Topics

A. Overview of SNA 2008: Main Changes from 1993 SNA
B. Conceptual Framework for the Non-Observed Economy
  • Production Boundary
  • Labour Related Concepts
  • Frameworks for the non-observed economy
C. Notions of the Non-Observed Economy
  • Underground production
  • Illegal production
  • Informal sector production
  • Household production for own use
D. Assessment of National Accounts

- Data confrontation and discrepancy analysis
- Upper bound estimation
- Multi-purpose Surveys
- Quality assurance

E. Estimation Methods
- Production Approach-General Methods
- Expenditure Methods
- Supply and Use approach

VI.   Pre-Course Requirement: Country Report

All participants need to submit a comprehensive country report which will be the basis for (a) sharing of experiences and practices; (b) consultation sessions with experts and (c) inputs to the action plan.

The report should cover the following:

A. Current Practices and Status
1)   Describe the estimation methods or current state of affairs. Outline the data sources that are critical and currently available on the topic.
2)   State any achievements/accomplishments that your country has made in improving measurement of NOE and the informal sector over the years.
3)   Quality assurance practices in national accounts compilation

B. Challenges
1)   Describe three main methodological challenges that need to be addressed in order to be able to compile /implement recommendations on NOE and informal sector to the highest quality standards in line with SNA 2008.
2)   Put up some specific questions that may be raised with experts to obtain guidance on what actions may be taken to address these challenges.