Informal Employment

In 2016, more than 60 per cent of the world’s workers were informal. Informal employment is strongly linked to instances of poverty and precarious living and working conditions. This is why the ILO has made the formalization of employment a priority. This priority is also reflected in Goal 8 of the 2030 Agenda for Sustainable Development.

In informal employment, workers make up the major share of informal employment. Also in informal employment are workers holding informal jobs (not covered by social protection, for example) in the formal sector or employed by households.

Formal Employment

- Employees in the informal sector with formal contracts
- Workers in other sectors with formal contracts

In informal employment is widespread in developing and emerging countries. It is particularly pervasive in Africa. It also tends to be more prevalent in the agricultural sector than in the industrial and service sectors.
Status in employment

Globally, 45 per cent of those in informal employment are own-account workers. Employees account for 36 per cent while contributing family workers account for 16 per cent and employers for 3 per cent. The high shares of own-account workers and contributing family workers in the world’s informal employment result mostly from the strong prevalence of these two groups in the employment composition of developing and emerging countries.

Informal employment by sector

Globally, 94 per cent of workers who have jobs in the agricultural sector are in informal employment. Around half of workers in the industrial and service sectors are in informal employment.

Agriculture is the sector with the highest share of informal employment in all regions while the industry and service sectors are relatively less exposed to informality. However, in regions with many developing and emerging countries, informality is common in all sectors.