

Statistical update on employment in the informal economy

ILO - Department of Statistics

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Preface

Informality in employment has always been a challenge for statistical measurement. In 2003, the International Conference of Labour Statisticians (ICLS) held in Geneva defined new concepts related to this topic. The main achievement was to develop guidelines for a new conceptual framework which distinguishes between informality from the perspective of production units as observation units on the one hand and that of jobs as observation units on the other. While the informal sector refers to informal enterprises, informal employment refers to informal jobs. Employment in the informal economy can be defined as the sum of employment in the informal sector and informal employment found outside the informal sector. This new conceptual framework is seen as a key advancement to allow the analysis of informality which can serve as input to support policy making at the national level.

Since the adoption of the new guidelines, the ILO Department of Statistics (STATISTICS) has been providing technical assistance to countries in order to support countries to introduce the new statistical measures in their national survey questionnaires. This has required a huge effort on the part of National Statistical Offices worldwide and also from ILO technical staff. Following this initial process, a project to compile and analyse the information was launched by STATISTICS and the Employment Policy Department (EMP/POLICY) in order to support the processing of statistical data on employment in the informal economy and make it more widely available for data users and policy makers worldwide.

The present statistical update presents information compiled for 47 countries from different regions. The data collection for the report represents a major achievement and effort carried out jointly by STATISTICS and the global research-policy network known as Women in Informal Employment Globalizing and Organizing (WIEGO). The set of countries will be expanded in the future and, from now on, the ILO will incorporate the data collected on this topic into its main databases and conduct regular updates.

This note is part of a set of efforts that the ILO Department of Statistics is undertaking to help in the statistical understanding and quantification of such a relevant topic. During 2012 two major publications will be launched by the ILO: *“Measuring Informality: a Statistical Manual on the Informal Sector and Informal Employment”* and *“Women and Men in the Informal Economy: a Statistical Picture 2011”*. The first one is a Statistical tool to guide a proper measurement, while the second one, will be published along with EMP/POLICY and WIEGO.

There are many offices and individuals whose efforts have made this report possible that I would like to acknowledge. First and foremost I would like to thank the National Statistical Offices which provided the information used in this report, having been open to changing their data collection instruments and processing in order to introduce the new variables and follow the latest ICLS recommendations.

Secondly, I want to thank Ralf Hussmanns, Valentina Stoevska, Pablo Fleiss, Elisa Benes, Stefanie Garry, Jean-Michel Pasteels and Monica Castillo for having contributed to this work. I also would like to thank the colleagues of ILO/SIALC who were responsible for collecting and processing the microdata files of the countries in Latin America. I would also like to thank Azita Berar Awad who joined efforts and helped the process and encouraged joint collaboration with our Department.

Rafael Diez de Medina, Director

ILO Department of Statistics

Main findings

In its most recent survey on employment in the informal economy conducted in the first half of 2011, the ILO collected the most recent data available on key variables from 47 medium and low-income countries.

The two main variables for which data were collected include employment in the informal sector and informal employment, which refer to different aspects of the informalization of employment. Employment in the informal sector is an enterprise-based concept which is defined as jobs in unregistered and/or small unincorporated private enterprises; such enterprises are not constituted as separate legal entities (and are thus not officially registered) and do not maintain a complete set of accounts. Informal employment is a job-based concept and encompasses those jobs that generally lack basic social or legal protections or employment benefits and may be found in the formal sector, informal sector or households.

Matrix: Employment in the Informal Economy

Production Units	Informal Jobs	Formal Jobs
Informal Sector Enterprises	A	B
Other Units of Production	C	D

A+C = Persons in Informal Employment

A+B = Persons Employed in the Informal Sector

C = Informal Employment outside the Informal Sector

B = Formal Employment in the Informal Sector

A+B+C = Total Employment in the Informal Economy

When putting aside China, for which data are limited to six main cities, six countries (India, Brazil, Mexico, Vietnam, Pakistan and the Philippines) concentrate three-fourths of the total informal employment estimated for the group of countries. In fifteen countries, informal employment represents at least two-thirds of non-agricultural employment. The lowest percentages of informal employment are observed in central and eastern European countries.

In all except two countries, the number of persons employed in the informal sector exceeds those in informal employment outside the informal sector, suggesting that the bulk of informal employment is concentrated in employment in the informal sector among the countries.

In 30 of the 41 countries for which data disaggregated by sex are available, the share of women in informal employment in non-agricultural activities outnumbered that of men. However, when looking at informal sector employment, the picture is different. The majority of the countries registered higher shares of men in informal sector employment as a share of non-agricultural employment as compared with women.

When looking at informal employment by sector in the largest developing countries, the share of women in informal employment in manufacturing activities is usually much higher than that of men. For example, in Brazil, 48.6% of women have an informal job in the manufacturing sector, as compared to 31.7% of men. In India, the share of women with an informal job in the manufacturing sector even reaches 94%.

Cross country data suggest that informal employment is paired with low income per capita and high poverty rates. There are many possible interpretations. People in extreme poverty may have no other option than informal employment. Also, they may not be aware of their rights to certain legal and social protections and worker benefits, or how to access such protections and benefits, when these actually exist in their respective countries.

TABLE I. Employment in the informal economy in non-agricultural activities by component, both sexes, latest year available, 47 Countries, (page 1/2)

Country (Year)	Persons in informal employment		Persons employed in the informal sector		Persons in informal employment outside the informal sector	
	Thousands	% of non-agricultural employment	Thousands	% of non-agricultural employment	Thousands	% of non-agricultural employment
Argentina (2009 IV Qtr.)	5,138	49.7	3,317	32.1	1,850	17.9
Armenia (2009)	138	19.8	71	10.2	67	9.6
Bolivia (2006)	2,069	75.1	1,436	52.1	647	23.5
Brazil (2009)	32,493	42.2	18,688	24.3	13,862	18.0
China ¹ (2010)	36,030	32.6	24,220	21.9	13,850	12.5
Colombia (2010 II Qtr.)	9,307	59.6	8,144	52.2	1,444	9.3
Costa Rica (2009 July)	754	43.8	638	37.0	193	11.2
Cote d'Ivoire (2008)	n.a.	n.a.	2,434	69.7	n.a.	n.a.
Dominican Rep. (2009)	1,484	48.5	898	29.4	593	19.4
Ecuador (2009 IV Qtr.)	2,691	60.9	1,646	37.3	1,062	24.0
Egypt (2009)	8,247	51.2	n.a.	n.a.	n.a.	n.a.
El Salvador (2009)	1,242	66.4	998	53.4	277	14.8
Ethiopia** (2004)	n.a.	n.a.	1,089	41.4	n.a.	n.a.
Honduras (2009)	1,454	73.9	1,146	58.3	334	17.0
India (2009/2010)	185,876	83.6	150,113	67.5	37,409	16.8
Indonesia (2009)	3,157	72.5	2,621	60.2	532	12.2
Kyrgyzstan (2009)	n.a.	n.a.	887	59.2	n.a.	n.a.
Lesotho (2008)	160	34.9	225	49.1	99	21.6
Liberia (2010)	343	60.0	284	49.5	62	10.8
Macedonia, FYR. (2010)	65	12.6	39	7.6	27	5.2
Madagascar (2005)	1,271	73.6	893	51.8	378	21.9
Mali (2004)	1,180	81.8	1,029	71.4	163	11.3
Mauritius (2009)	n.a.	n.a.	57	9.3	n.a.	n.a.
Mexico (2009 II Qtr.)	20,258	53.7	12,861	34.1	7,620	20.2

Sources: ILO, Department of Statistics; Country responses to ILO data request, special tabulations of labour force survey data, extracts from survey reports. For Latin American countries, ILO/SIALC household survey micro-data base.

Notes: Due to the possible existence of some formal wage employment in the informal sector, total informal employment may be slightly lower than the sum of informal sector employment and informal employment outside the informal sector. ¹ Six cities. ** Urban Areas. n.a. Non Available.

For a detailed definition of the concepts, see the conceptual framework in the annex. Persons in informal employment (a job-based concept) represents the sum of informal jobs in formal enterprises, informal sector enterprises, and households producing goods for own consumption or hiring paid domestic workers (cells A+C in the matrix). Persons employed in the informal sector (an enterprise-based concept) include the informal jobs in informal enterprises plus formal jobs in informal sector enterprises (cells A+B in the matrix). Persons employed in informal employment outside the informal sector (i.e., those employed in the formal sector and households producing goods for own use or employing paid domestic workers) corresponds with cell C in the matrix.

TABLE I. Employment in the informal economy in non-agricultural activities by component, both sexes, latest year available, (page 2/2)

Country (Year)	Persons in informal employment		Persons employed in the informal sector		Persons in informal employment outside the informal sector	
	Thousands	% of non-agricultural employment	Thousands	% of non-agricultural employment	Thousands	% of non-agricultural employment
Moldova, Rep. (2009)	136	15.9	62	7.3	73	8.6
Namibia (2008)	121	43.9	n.a.	n.a.	n.a.	n.a.
Nicaragua (2009)	1,024	65.7	847	54.4	234	15.0
Pakistan (2009/2010)	21,913	78.4	20,416	73.0	2,319	8.3
Panama (2009 Aug.)	517	43.8	327	27.7	192	16.3
Paraguay (2009)	1,473	70.7	790	37.9	683	32.8
Peru (2009)	7,458	69.9	5,223	49.0	2,313	21.7
Philippines (2008)	15,150	70.1	15,680	72.5	2,490	11.5
Russian Fed. (2010)	n.a.	n.a.	7,785	12.1	n.a.	n.a.
Serbia (2010)	113	6.1	66	3.5	57	3.0
South Africa (2010)	4,089	32.7	2,225	17.8	1,864	14.9
Sri Lanka (2009)	3,184	62.1	2,588	50.5	597	11.6
Tanzania (2005/2006)	3,467	76.2	2,353	51.7	1,137	25.0
Thailand (2010)	9,642	42.3	n.a.	n.a.	n.a.	n.a.
Turkey (2009)	4,903	30.6	n.a.	n.a.	n.a.	n.a.
Uganda (2010)	2,720	69.4	2,344	59.8	537	13.7
Ukraine (2009)	n.a.	n.a.	1,525	9.4	n.a.	n.a.
Uruguay (2009)	572	39.8	487	33.9	141	9.8
Venezuela BR (2009 I Qtr.)	5,131	47.5	3,920	36.3	1,275	11.8
Viet Nam (2009)	17,172	68.2	10,948	43.5	6,303	25.0
West Bank & Gaza (2010)	375	58.5	140	23.2	235	35.8
Zambia (2008)	920	69.5	854	64.6	155	11.7
Zimbabwe (2004)	909	51.6	698	39.6	n.a.	n.a.

TABLE II. 47 Countries: Employment in the informal economy in non-agricultural activities by component and sex, latest year available, (page 1/ 3)

Country (Year)	Sex	Persons in informal employment		Persons employed in the informal sector		Persons in informal employment outside the informal sector	
		Thousands	% of non-agricultural employment	Thousands	% of non-agricultural employment	Thousands	% of non-agricultural employment
Argentina (2009 IV Qtr.)	Female	2,189	49.6	1,131	25.7	1,071	24.3
	Male	2,949	49.8	2,186	36.9	779	13.2
Armenia (2009)	Female	37	12.7	15	5.2	22	7.5
	Male	101	24.8	56	13.7	45	11.1
Bolivia (2006)	Female	972	78.5	664	53.6	311	25.2
	Male	1,097	72.4	772	51.0	336	22.1
Brazil (2009)	Female	15,909	45.9	6,982	20.1	8,944	25.8
	Male	16,585	39.2	11,706	27.7	4,918	11.6
China ¹ (2010)	Female	17,230	35.7	11,150	23.1	7,100	14.7
	Male	18,794	30.1	13,062	20.9	6,761	10.8
Colombia (2010 II Qtr.)	Female	4,532	62.7	3,702	51.2	943	13.0
	Male	4,775	57.0	4,442	53.1	502	6.0
Costa Rica (2009 July)	Female	323	46.0	246	35.0	109	15.5
	Male	432	42.2	392	38.4	84	8.2
Cote d'Ivoire (2008)	Female	n.a.	n.a.	1,194	82.8	n.a.	n.a.
	Male	n.a.	n.a.	1,240	60.5	n.a.	n.a.
Dominican Rep. (2009)	Female	615	51.4	283	23.6	335	28.0
	Male	869	46.7	616	33.1	258	13.9
Ecuador (2009 IV Qtr.)	Female	1,214	63.7	682	35.8	537	28.2
	Male	1,477	58.8	964	38.4	525	20.9
Egypt (2009)	Female	572	23.1	n.a.	n.a.	n.a.	n.a.
	Male	7,675	56.3	n.a.	n.a.	n.a.	n.a.
El Salvador (2009)	Female	693	72.5	555	58.1	153	16.0
	Male	549	60.1	443	48.5	123	13.5
Ethiopia** (2004)	Female	n.a.	n.a.	561	47.9	n.a.	n.a.
	Male	n.a.	n.a.	528	36.3	n.a.	n.a.
Honduras (2009)	Female	724	74.8	580	59.9	158	16.3
	Male	729	73.0	566	56.6	176	17.6
India (2009/2010)	Female	34,921	84.7	24,475	59.4	10,793	26.2
	Male	150,955	83.3	125,639	69.4	26,615	14.7
Indonesia (2009)	Female	1,180	72.9	1,034	63.9	227	14.0
	Male	1,977	72.3	1,788	65.4	305	11.1

TABLE II. 47 Countries: Employment in the informal economy in non-agricultural activities by component and sex, latest year available, (page 2/ 3)

Country (Year)	Sex	Persons in informal employment		Persons employed in the informal sector		Persons in informal employment outside the informal sector	
		Thousands	% of non-agricultural employment	Thousands	% of non-agricultural employment	Thousands	% of non-agricultural employment
Kyrgyzstan (2009)	Female	n.a.	n.a.	321	50.7	n.a.	n.a.
	Male	n.a.	n.a.	566	65.4	n.a.	n.a.
Lesotho (2008)	Female	70	36.1	94	48.1	46	23.7
	Male	90	34.1	131	49.9	53	20.0
Liberia (2010)	Female	206	72.0	188	65.4	19	6.6
	Male	136	47.4	96	33.4	42	14.6
Macedonia, FYR (2010)	Female	16	8.1	5	2.8	11	5.6
	Male	49	15.4	33	10.7	16	5.0
Madagascar (2005)	Female	671	81.0	528	63.8	143	17.2
	Male	600	66.8	365	40.7	235	26.2
Mali (2004)	Female	652	89.2	582	79.6	74	10.1
	Male	528	74.2	447	62.9	89	12.6
Mauritius (2009)	Female	n.a.	n.a.	14	6.7	n.a.	n.a.
	Male	n.a.	n.a.	43	10.6	n.a.	n.a.
Mexico (2009 II Qtr.)	Female	9,066	57.8	4,993	31.8	4,115	26.2
	Male	11,192	50.8	7,868	35.7	3,504	15.9
Moldova, Rep. (2009)	Female	50	11.4	11	2.6	39	8.8
	Male	85	20.8	51	12.4	35	8.4
Namibia (2008)	Female	62	47.0	n.a.	n.a.	n.a.	n.a.
	Male	59	41.1	n.a.	n.a.	n.a.	n.a.
Nicaragua (2009)	Female	505	66.6	400	52.7	130	17.2
	Male	519	64.9	447	55.9	104	13.0
Pakistan (2009/2010)	Female	2,079	75.7	1,979	72.1	219	8.0
	Male	19,834	78.7	18,437	73.1	2,100	8.3
Panama (2009 Aug.)	Female	232	46.5	130	26.0	103	20.6
	Male	285	41.8	197	28.9	90	13.2
Paraguay (2009)	Female	666	74.4	328	36.7	338	37.7
	Male	806	67.9	462	38.9	345	29.1
Peru (2009)	Female	3,691	75.7	2,650	54.3	1,081	22.2
	Male	3,767	65.1	2,572	44.4	1,232	21.3
Philippines (2008)	Female	6,854	70.2	6,618	67.8	1,646	16.9
	Male	8,296	69.9	9,062	76.4	843	7.1

TABLE II. 47 Countries: Employment in the informal economy in non-agricultural activities by component and sex, latest year available, (page 3/ 3)

Country (Year)	Sex	Persons in informal employment		Persons employed in the informal sector		Persons in informal employment outside the informal sector	
		Thousands	% of non-agricultural employment	Thousands	% of non-agricultural employment	Thousands	% of non-agricultural employment
Russian Fed. (2010)	Female	n.a.	n.a.	3,536	10.9	n.a.	n.a.
	Male	n.a.	n.a.	4,249	13.3	n.a.	n.a.
Serbia (2010)	Female	35	4.3	17	2.1	21	2.6
	Male	79	7.5	48	4.6	35	3.3
South Africa (2010)	Female	2,018	36.8	922	16.8	1,096	20.0
	Male	2,071	29.5	1,303	18.6	768	10.9
Sri Lanka (2009)	Female	933	55.7	700	41.8	232	13.9
	Male	2,252	65.2	1,888	54.7	364	10.6
Tanzania (2005/2006)	Female	1,672	82.8	1,006	49.8	672	33.3
	Male	1,795	70.9	1,347	53.2	465	18.4
Thailand (2010)	Female	4,730	43.5	n.a.	n.a.	n.a.	n.a.
	Male	4,912	41.2	n.a.	n.a.	n.a.	n.a.
Turkey (2009)	Female	1,116	32.6	n.a.	n.a.	n.a.	n.a.
	Male	3,788	30.1	n.a.	n.a.	n.a.	n.a.
Uganda (2010)	Female	1,232	71.9	1,066	62.2	209	12.2
	Male	1,488	67.5	1,277	57.9	328	14.9
Ukraine (2009)	Female	n.a.	n.a.	518	6.4	n.a.	n.a.
	Male	n.a.	n.a.	1,006	12.4	n.a.	n.a.
Uruguay (2009)	Female	270	40.3	194	28.9	101	15.0
	Male	302	39.4	294	38.3	41	5.3
Venezuela BR (2009 I Qtr.)	Female	2,159	47.4	1,552	34.1	623	13.7
	Male	2,972	47.5	2,367	37.8	652	10.4
Viet Nam (2009)	Female	7,800	66.8	5,106	43.7	2,738	23.4
	Male	9,372	69.4	5,842	43.3	3,565	26.4
West Bank & Gaza (2010)	Female	42	42.0	14	14.0	28	28.0
	Male	333	59.9	126	22.7	207	37.2
Zambia (2008)	Female	407	80.1	357	70.3	63	12.4
	Male	513	62.9	497	60.9	92	11.3
Zimbabwe (2004)	Female	447	65.9	360	53.1	n.a.	n.a.
	Male	462	42.7	338	31.2	n.a.	n.a.

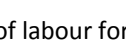
Sources: ILO, Department of Statistics; Country responses to ILO data request, special tabulations of labour force survey data, extracts from survey reports. For Latin American countries, ILO/SIALC household survey micro-data base.

Notes: Due to the possible existence of some formal wage employment in the informal sector, total informal employment may be slightly lower than the sum of components. ¹ Six cities. * Employees only. ** Urban Areas. n.a. Non Available.

TABLE III. 47 Countries: Selected Indicators, Latest Annual Data, (page 1/ 2)

Country	Persons in informal employment	Persons employed in the informal sector	Labour force participation rate	Unemployment rate	Gross Domestic Product per capita	Poverty
	% of non-agricultural employment	% of non-agricultural employment	% of Working age population	% of Economically active population	In current US\$ (year 2010)	% of population living below national poverty line
Argentina	 49.7	32.1	46.0	7.7	9,138	 n.a.
Armenia	 19.8	10.2	59.2	18.7	2,846	 26.5
Bolivia	 75.1	52.1	56.9	7.9	1,858	 60.1
Brazil	 42.2	24.3	62.0	7.1	10,816	 21.4
China ¹	 32.6	21.9	70.1	4.1	4,382	 2.8
Colombia	 59.6	52.2	62.7	11.8	6,273	 45.5
Costa Rica	 43.8	37.0	60.5	7.8	7,843	 21.7
Cote d'Ivoire	n.a.	69.7	40.7	22.6	1,036	 42.7
Dominican Rep.	 48.5	29.4	64.3	14.3	5,228	 50.5
Ecuador	 60.9	37.3	65.3	6.5	3,984	 36.0
Egypt	 51.2	n.a.	33.0	9.0	2,789	 22.0
El Salvador	 66.4	53.4	42.4	6.4	3,701	 37.8
Ethiopia**	n.a.	41.4	46.0	16.7	350	 38.9
Honduras	 73.9	58.3	37.9	2.9	2,016	 60.0
India	 83.6	67.5	39.1	4.3	1,265	 27.5
Indonesia	 72.5	60.2	67.8	7.3	3,015	 13.3
Kyrgyzstan	n.a.	59.2	64.4	8.4	864	 43.1
Lesotho	 34.9	49.1	42.3	25.3	837	 56.6
Liberia	 60.0	49.5	62.8	3.7	226	 63.8
Macedonia, FYR.	 12.6	7.6	55.7	32.0	4,431	 19.0
Madagascar	 73.6	51.8	86.9	2.3	392	 68.7
Mali	 81.8	71.4	49.4	8.8	692	 47.4
Mauritius	n.a.	9.3	59.8	7.7	7,593	n.a.
Mexico	 53.7	34.1	58.7	5.5	9,566	 47.4

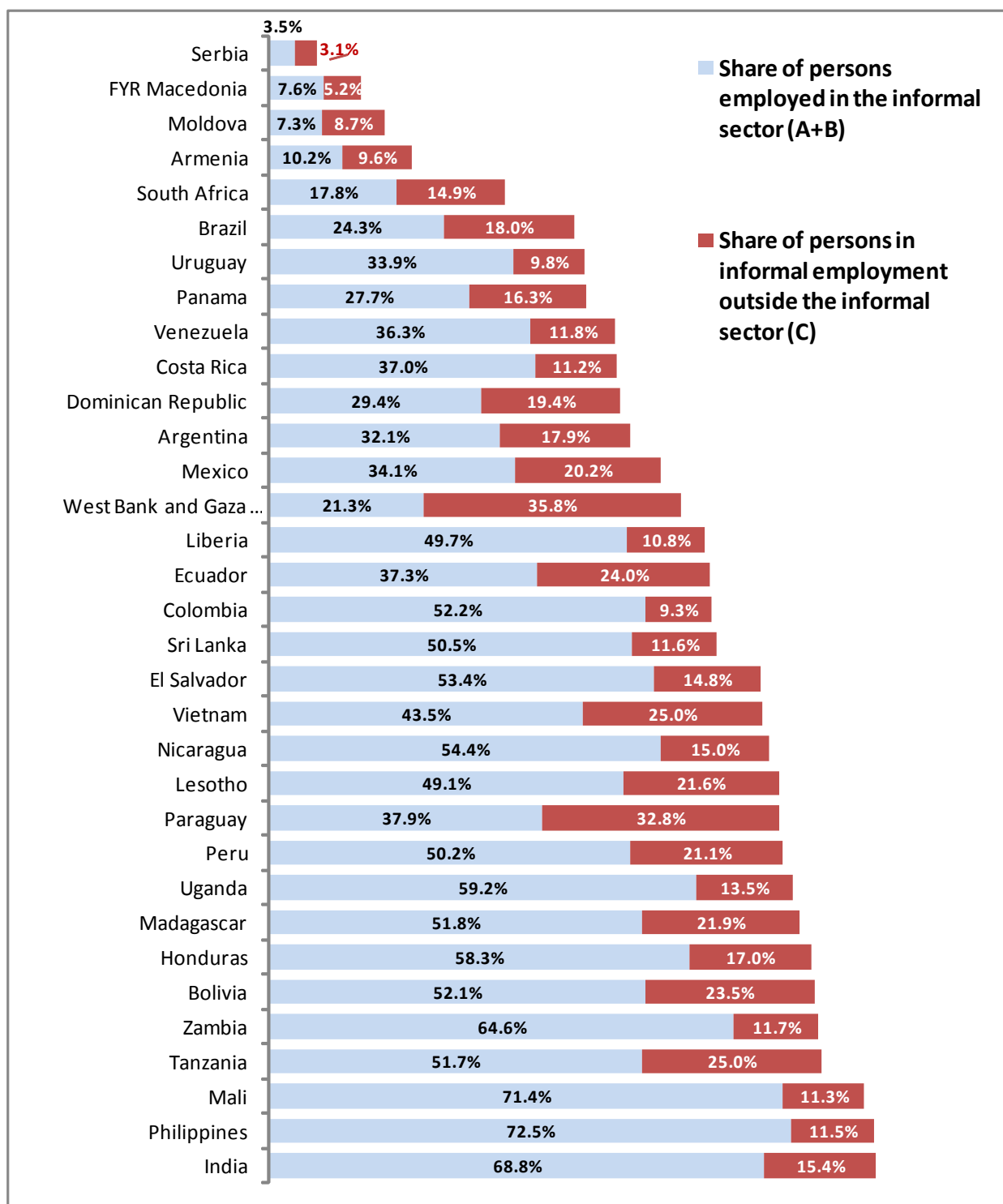
TABLE III. 47 Countries: Selected Indicators, Latest Annual Data, (page 2/ 2)

Country	Persons in informal employment	Persons employed in the informal sector	Labour force participation rate	Unemployment rate	Gross Domestic Product per capita	Poverty
	% of non-agricultural employment	% of non-agricultural employment	% of Working age population	% of Economically active population	In current US\$ (year 2010)	% of population living below national poverty line
Moldova, Rep.	 15.9	7.3	41.9	7.4	1,630	 29.0
Namibia	 43.9	n.a.	28.6	21.9	5,652	 38.0
Nicaragua	 65.7	54.4	39.7	4.9	1,127	 46.2
Pakistan	 78.4	73.0	32.2	5.2	1,050	 22.3
Panama	 43.8	27.7	63.7	6.4	7,593	 32.7
Paraguay	 70.7	37.9	62.9	6.4	2,886	 35.1
Peru	 69.9	49.0	70.0	7.9	5,172	 34.8
Philippines	 70.1	72.5	64.1	7.3	2,007	 26.5
Russian Fed.	n.a.	12.1	67.7	7.5	10,437	 11.1
Serbia	 6.1	3.5	43.4	13.6	5,233	 6.6
South Africa	 32.7	17.8	54.3	24.9	7,158	 23.0
Sri Lanka	 62.1	50.5	49.2	5.7	2,435	 15.2
Tanzania	 76.2	51.7	n.a.	n.a.	548	 33.4
Thailand	 42.3	n.a.	71.9	1.0	4,992	 8.1
Turkey	 30.6	n.a.	48.8	11.9	10,399	 18.1
Uganda	 69.4	59.8	38.1	3.2	501	 24.5
Ukraine	n.a.	9.4	65.9	8.1	3,000	 7.9
Uruguay	 39.8	33.9	62.9	6.9	11,998	 20.5
Venezuela, RB	 47.5	36.3	64.7	8.5	9,960	 29.0
Viet Nam	 68.2	43.5	71.4	2.1	1,174	 14.5
West Bank & Gaza	 58.5	23.2	39.5	24.6	n.a.	 21.9
Zambia	 69.5	64.6	55.7	12.9	1,221	 59.3
Zimbabwe	 51.6	39.6	71.1	6.0	594	 72.0

Sources: ILO, Department of Statistics; Country responses to ILO data request, special tabulations of labour force survey data, extracts from survey reports. For Latin American countries, ILO/SIALC household survey micro-data base. ILO Laborsta and Short term indicators database (Labour Force Participation & Unemployment rate), IMF (GDP for year 2010) and World Bank (Poverty).

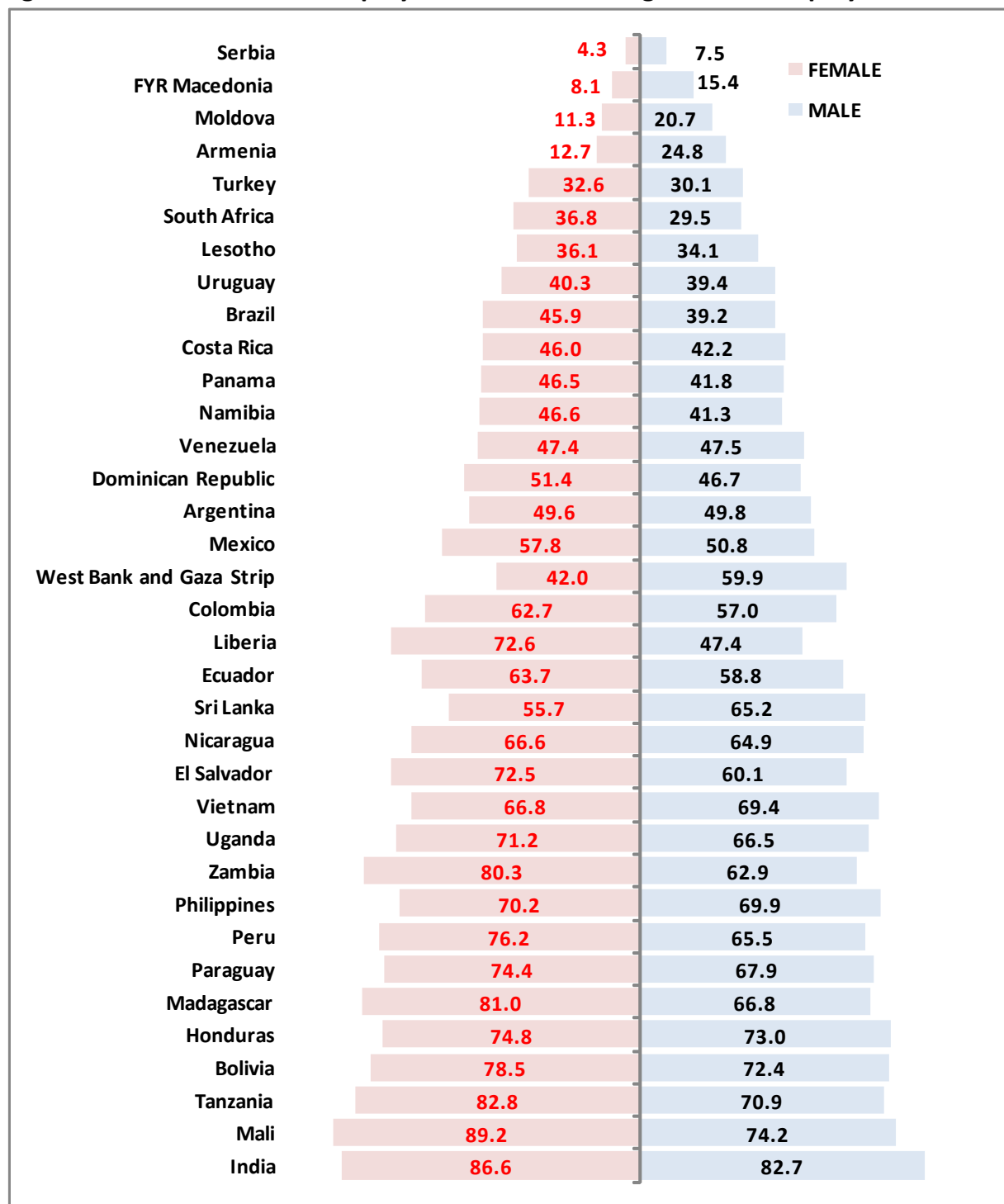
Notes: ¹ Six cities. ** Urban Areas (data for employment in the informal economy). n.a. Non Available.

Figure 1. Share of persons employed in the informal economy, latest year available



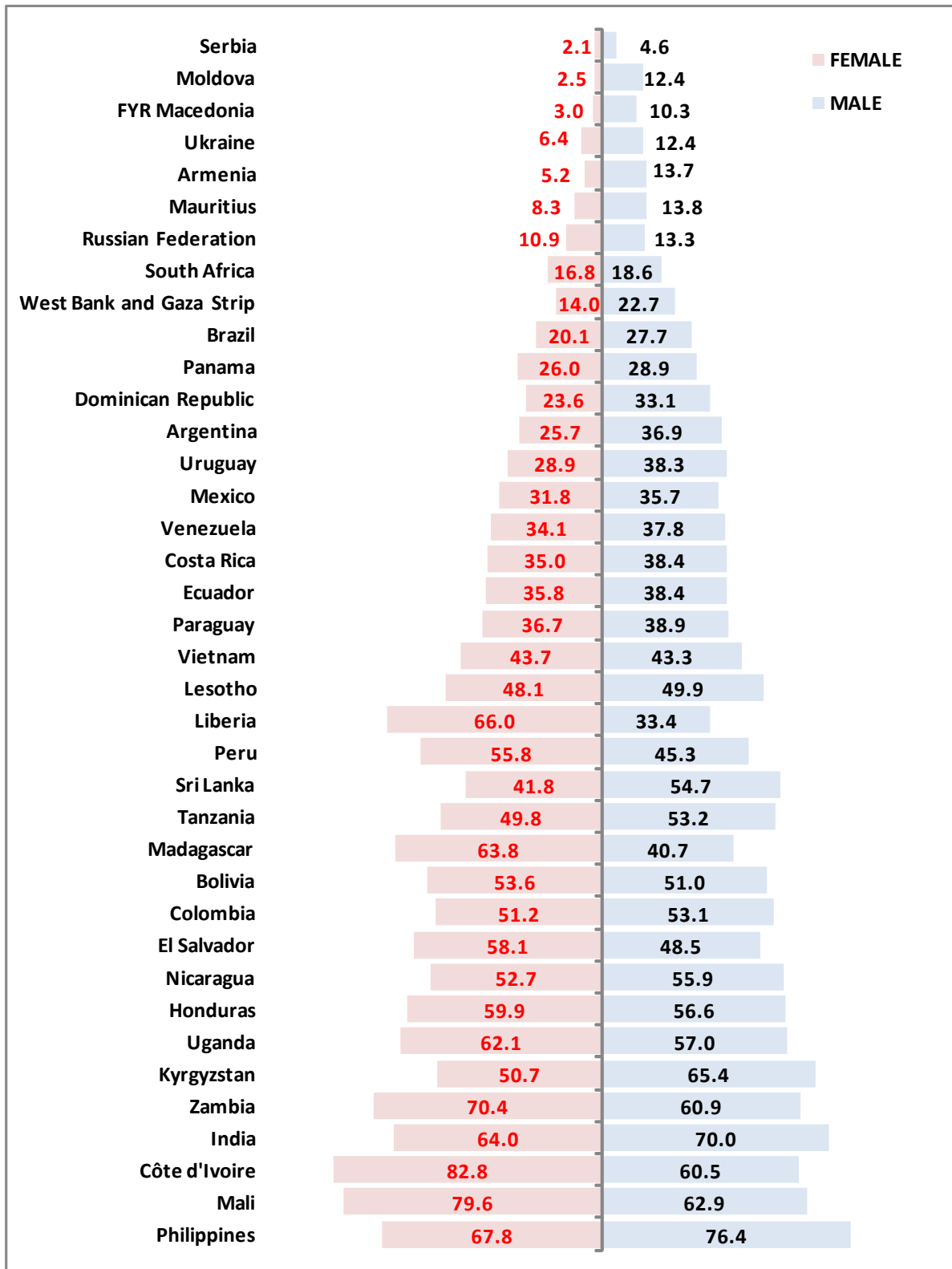
Note: The data refer to non-agricultural employment and the latest year available for each country.

Figure 2. Share of informal employment in total non-agricultural employment



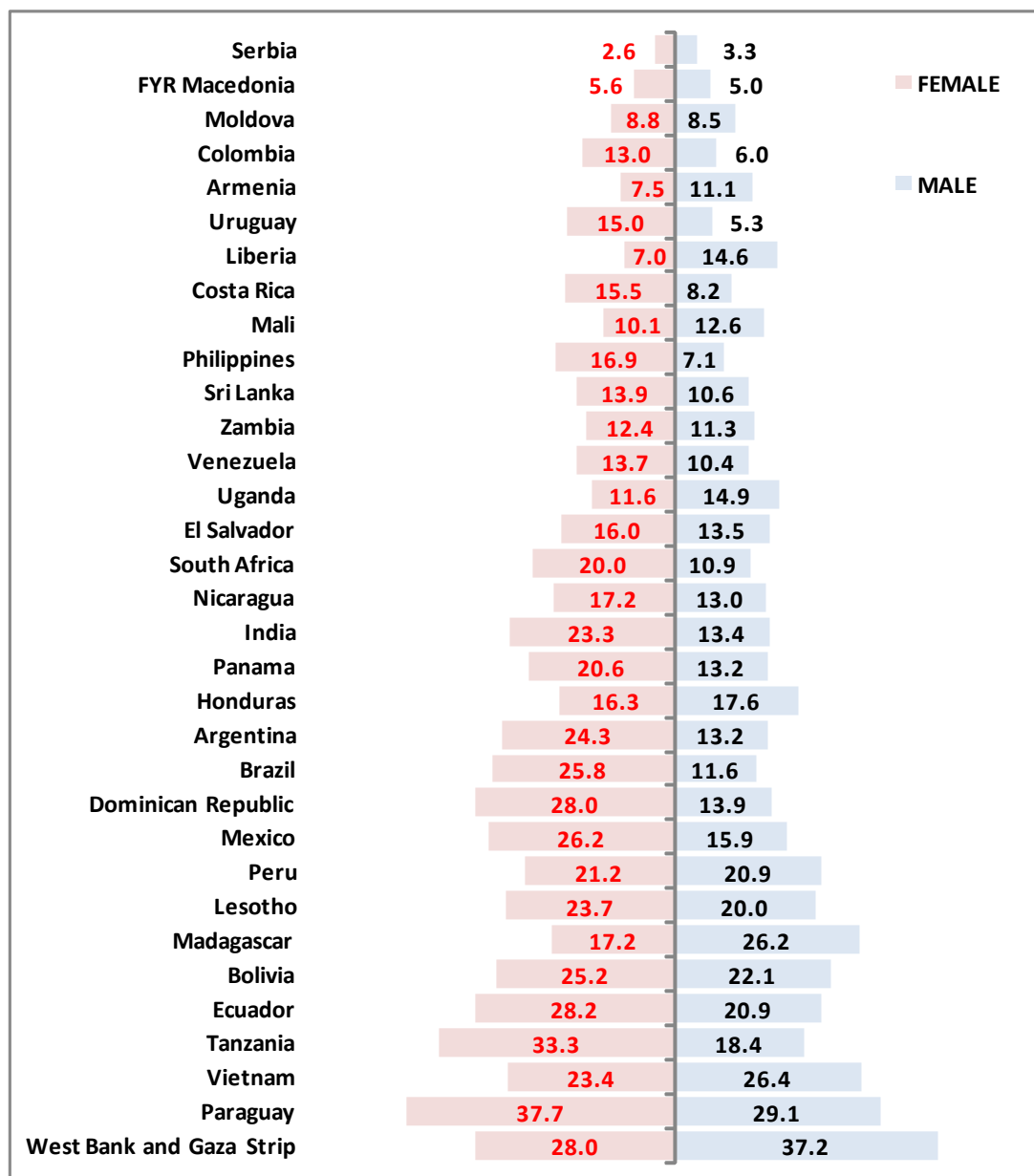
Note: The data refer to non-agricultural employment and the latest year available for each country.

Figure 3. Share of persons employed in the informal sector



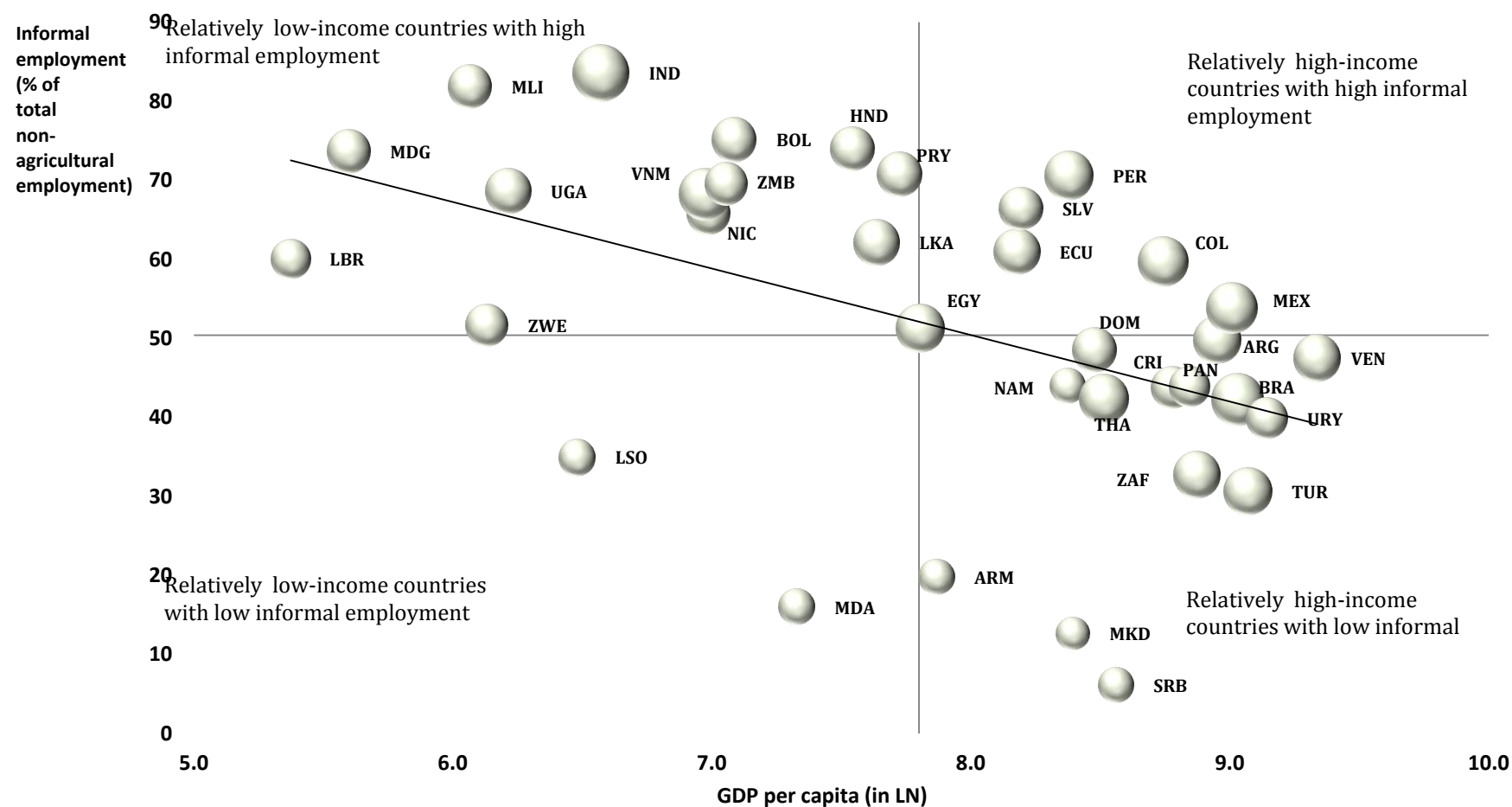
Note: The data refer to non-agricultural employment and the latest year available for each country.

Figure 4. Share of persons in informal employment outside the informal sector



Note: The data refer to non-agricultural employment and the latest year available for each country.

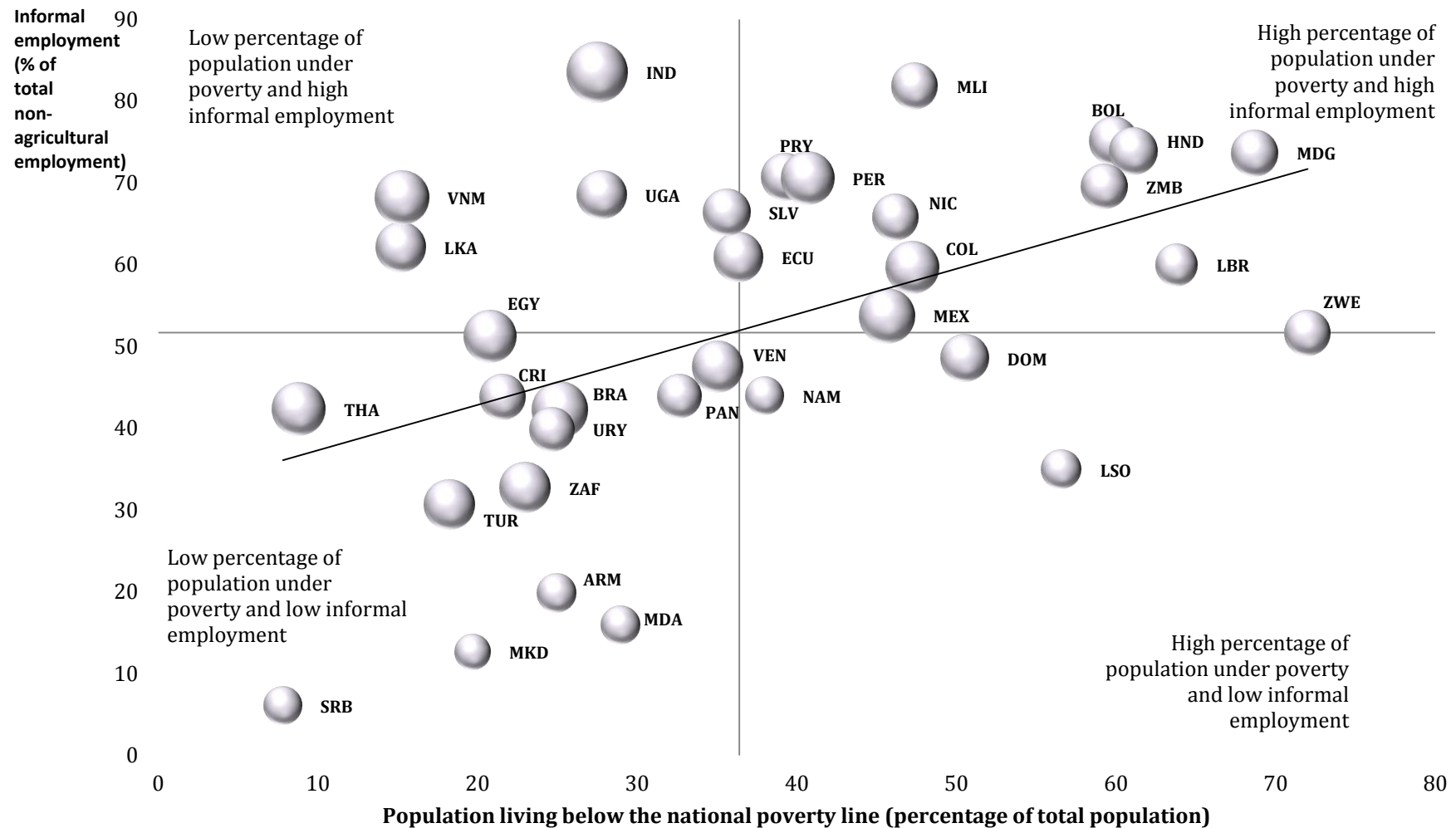
Figure 5. Informal Employment vs GDP per capita, sub-sample of 38 countries



Source: ILO, Department of Statistics, and IMF, World Economic Outlook

This graph shows for each country the percentage of informal employment in total non-agricultural employment and the value of income per capita (expressed in natural logarithm). Country names have been abbreviated due to space constraints. The axis passes through the unweighted sample means. A linear trend line is depicted, and the size of the bubbles reflects the size of total informal employment (in logarithms). Only countries with data on persons in informal employment have been included. GDP data correspond to the same year as latest year available on employment in the informal economy.

Figure 6: Informal Employment and Poverty, sub-sample of 36 countries



Source: ILO, Department of Statistics, and IMF, World Economic Outlook

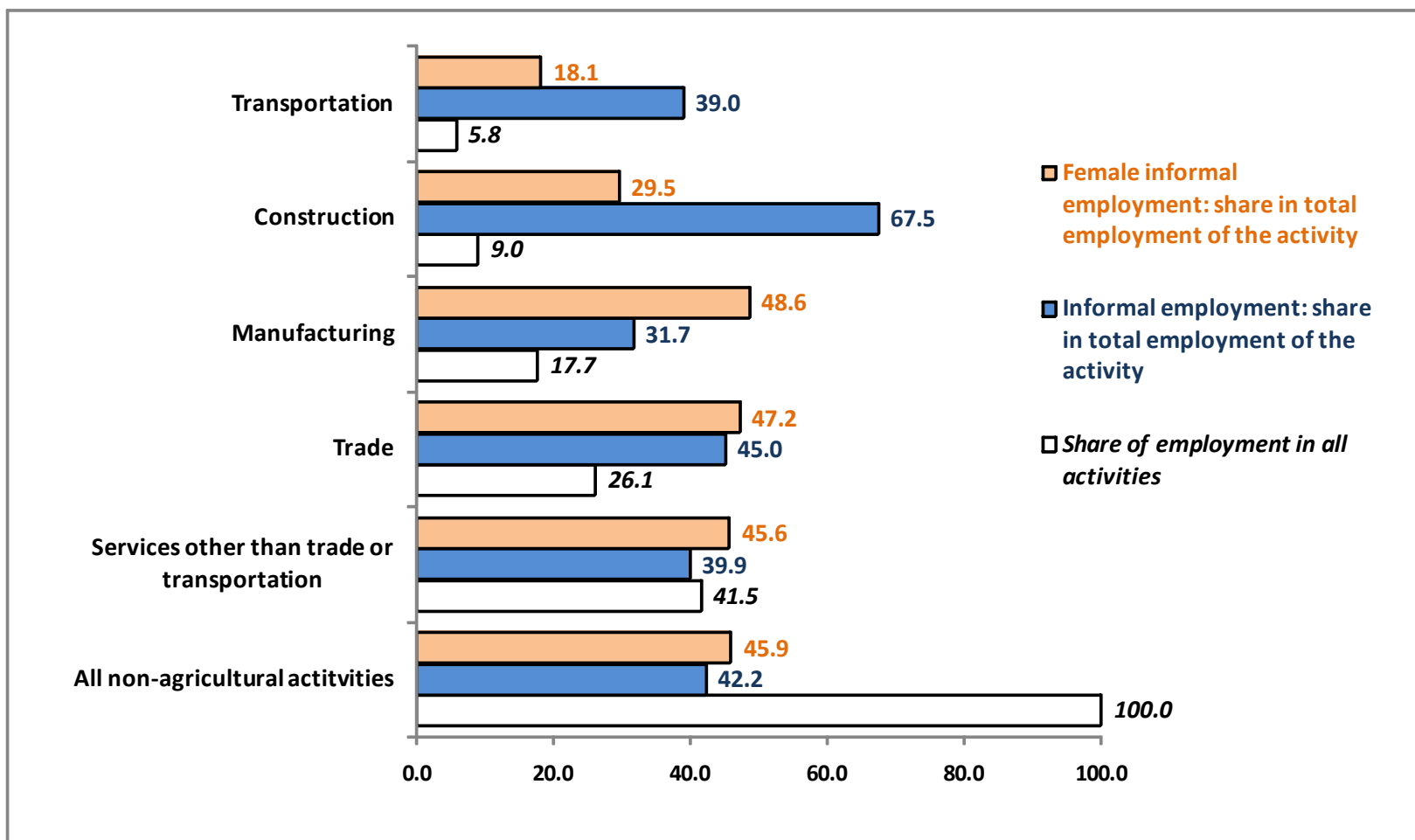
This graph shows for each country the percentage of informal employment in total non-agricultural employment and the percentage of the population living below the national poverty line (World Bank). Country names have been abbreviated due to space constraints. The axis passes through the unweighted sample means. The size of the bubbles is proportional to the size of total informal employment (in logarithms). Only countries with data on persons in informal employment have been included. Poverty figures are computed using 2006-2010 averages.

Selected country examples

Country: Brazil

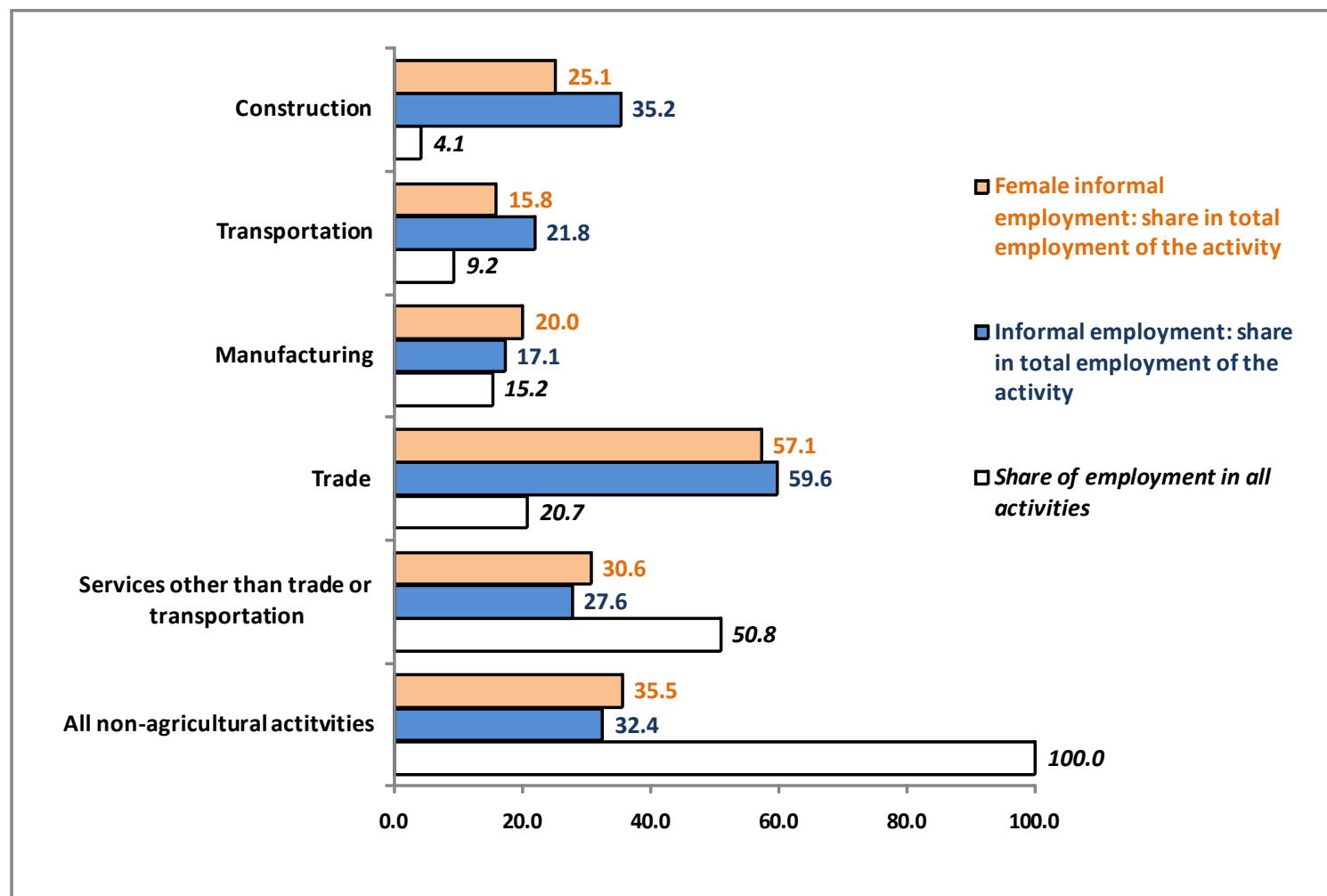
Year: 2009

Non-agricultural employment



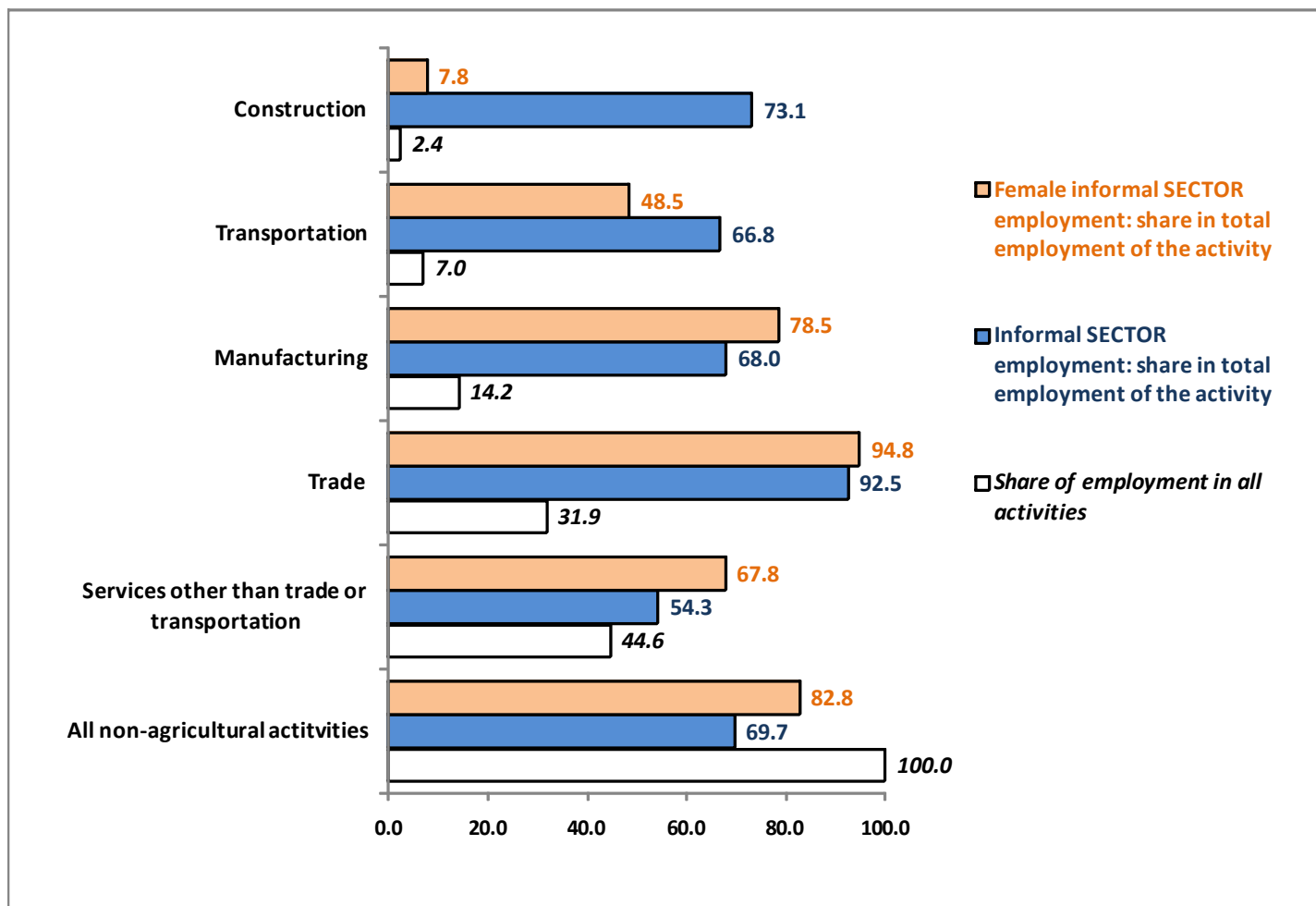
Source: Pesquisa Nacional por Amostra de Domicílios

Country: China
Year: 2010
Non-agricultural employment



Source: China Urban Labor Survey (six cities)

Country: Côte d'Ivoire Year: 2008
Non-agricultural employment

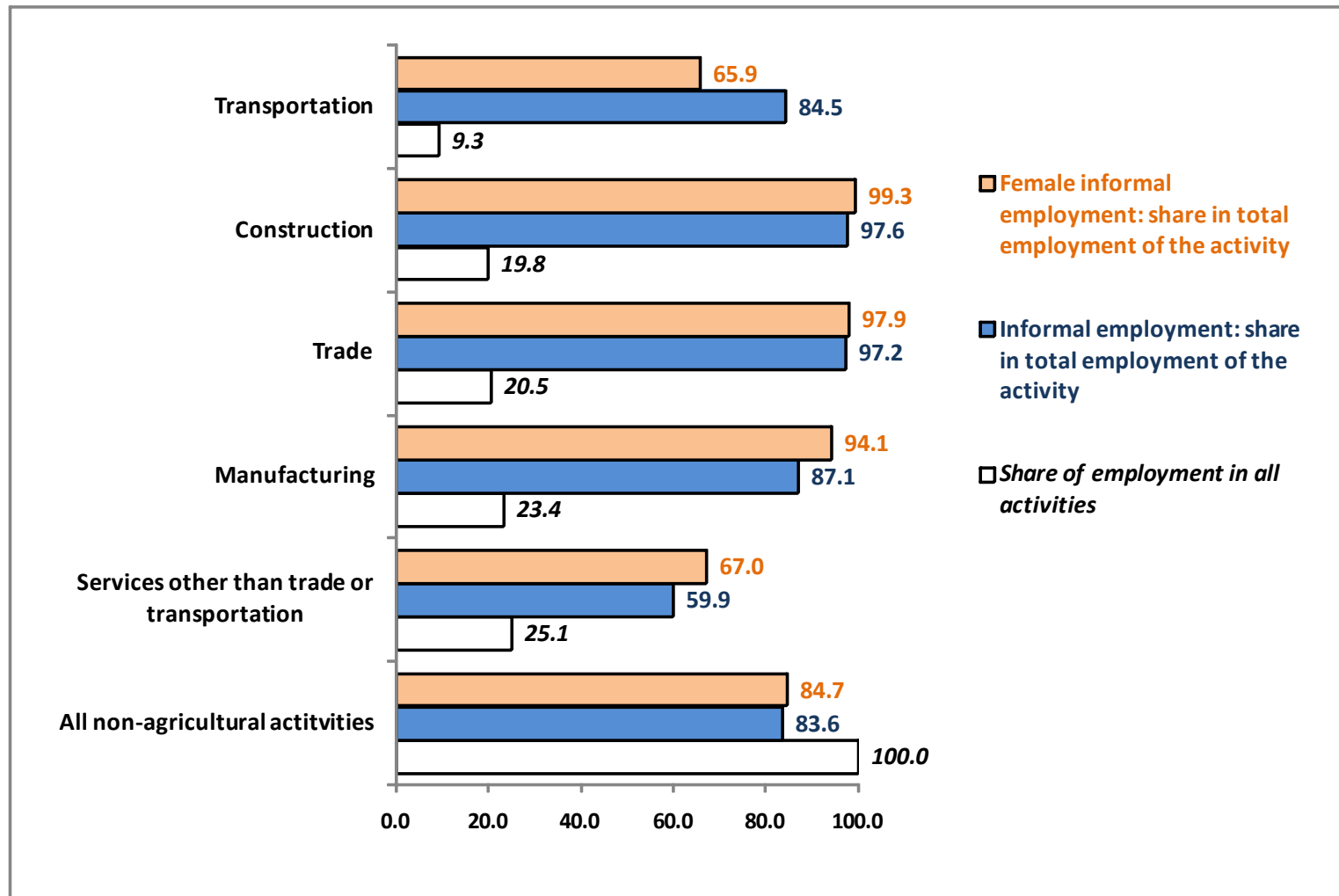


Source: Enquête sur le Niveau de Vie des Ménages

Country: India

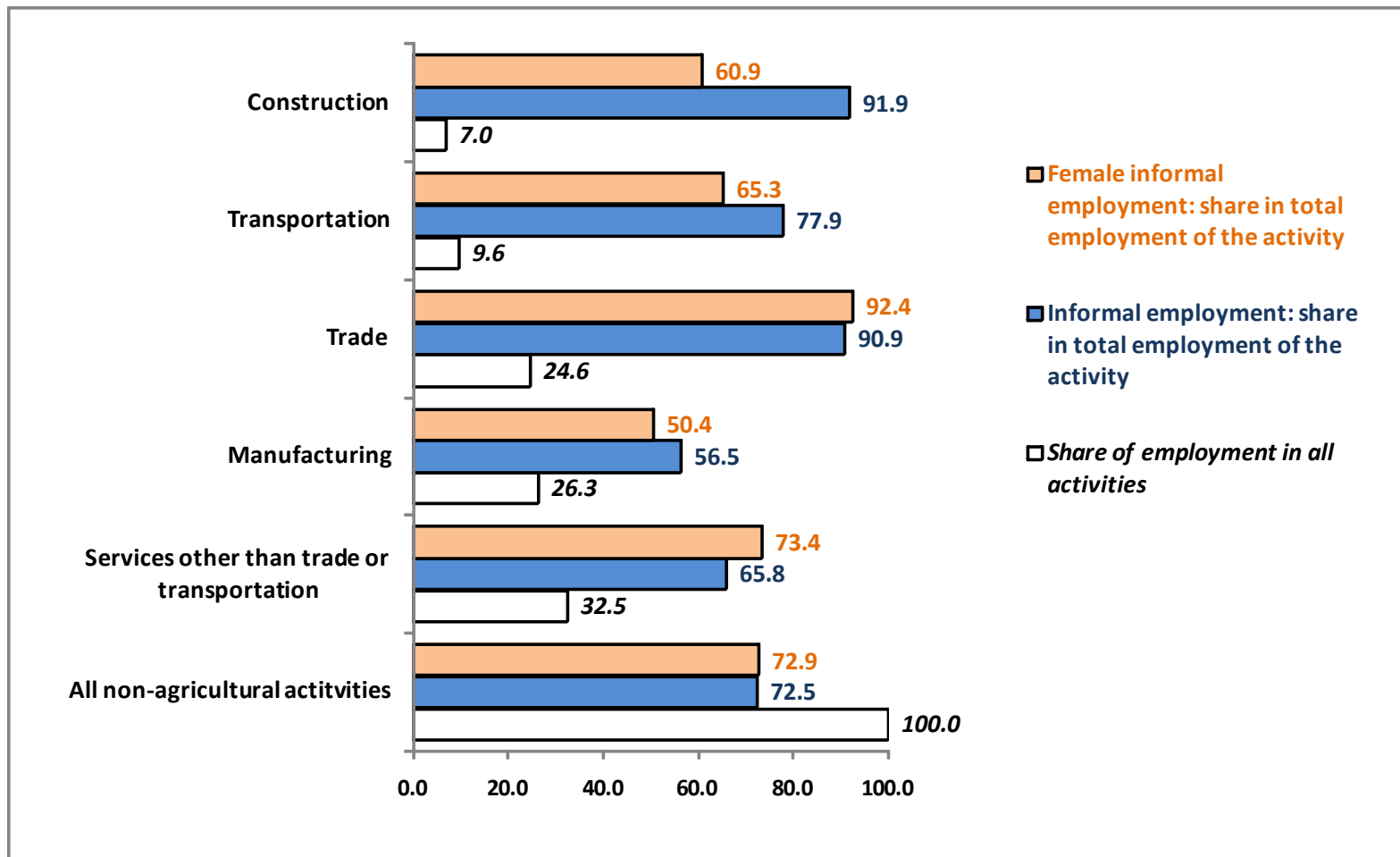
Non-agricultural employment

Year: 2009-2010



Source: National Sample Survey, 66th Round

Country: Indonesia (Banten and Yogyakarta)
Non-agricultural employment Year: 2009

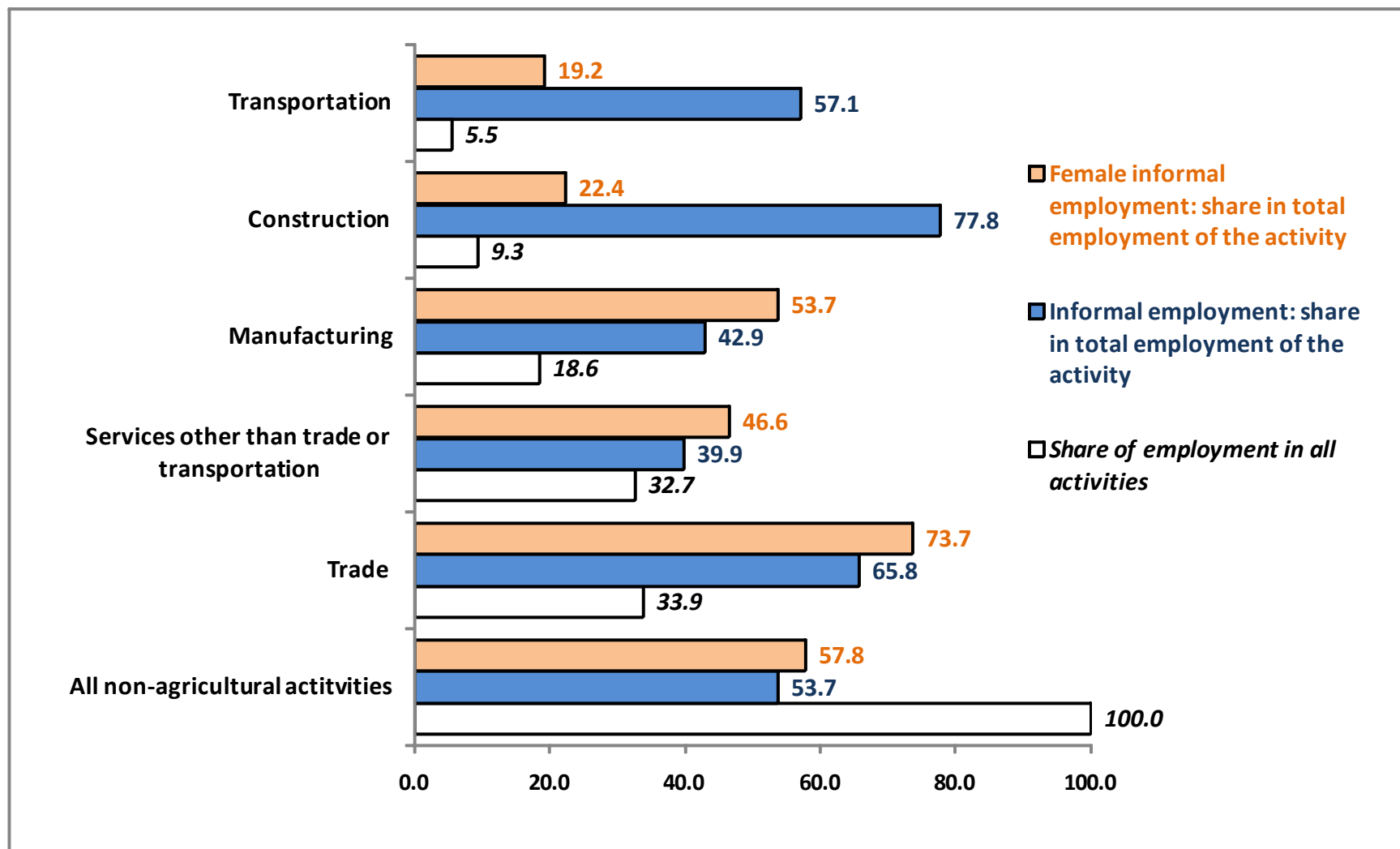


Source: Informal Sector Survey

Country: Mexico

Non-agricultural employment

Year: 2009 (II)

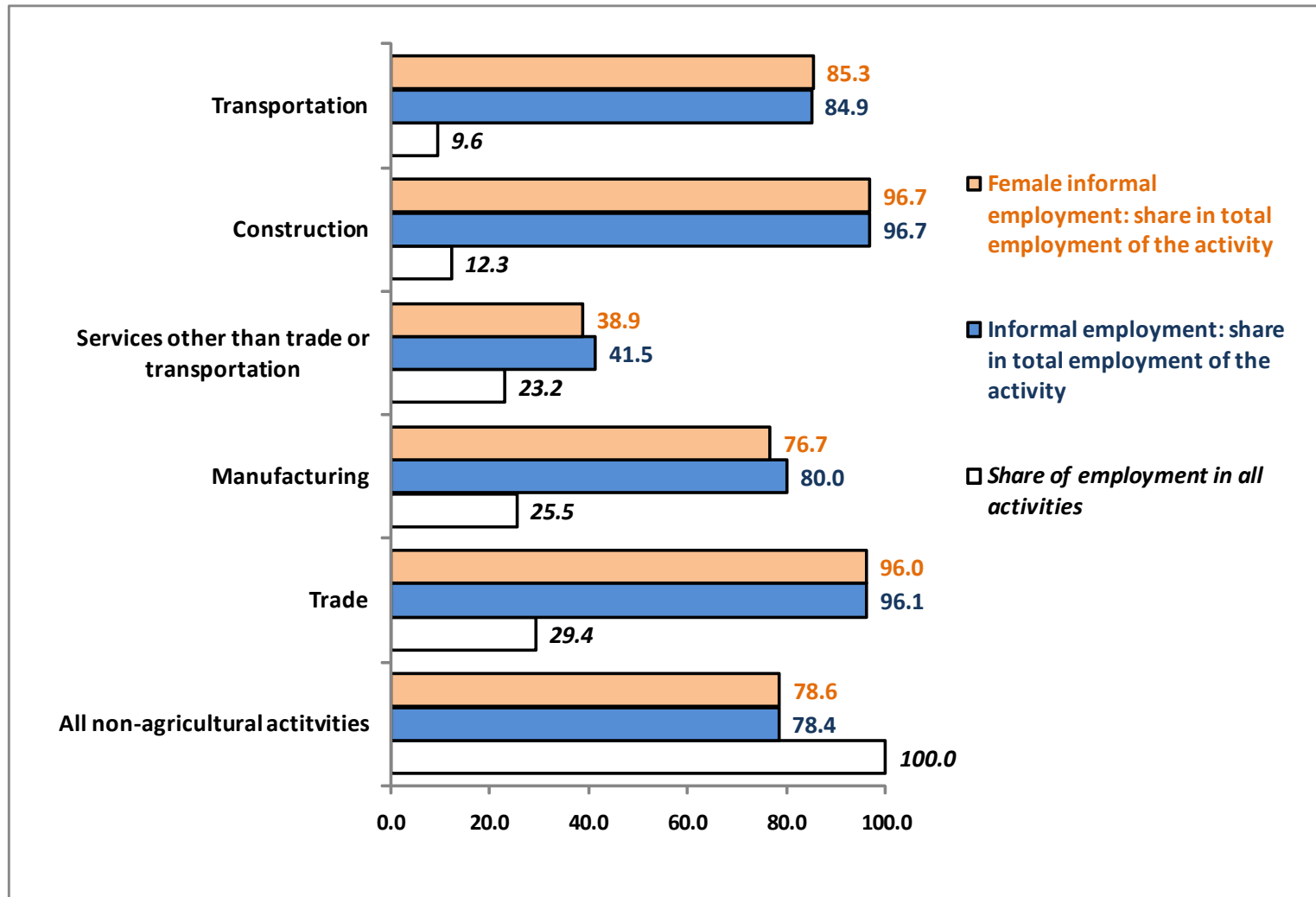


Source: Encuesta Nacional de Ocupación y Empleo

Country: Pakistan

Non-agricultural employment

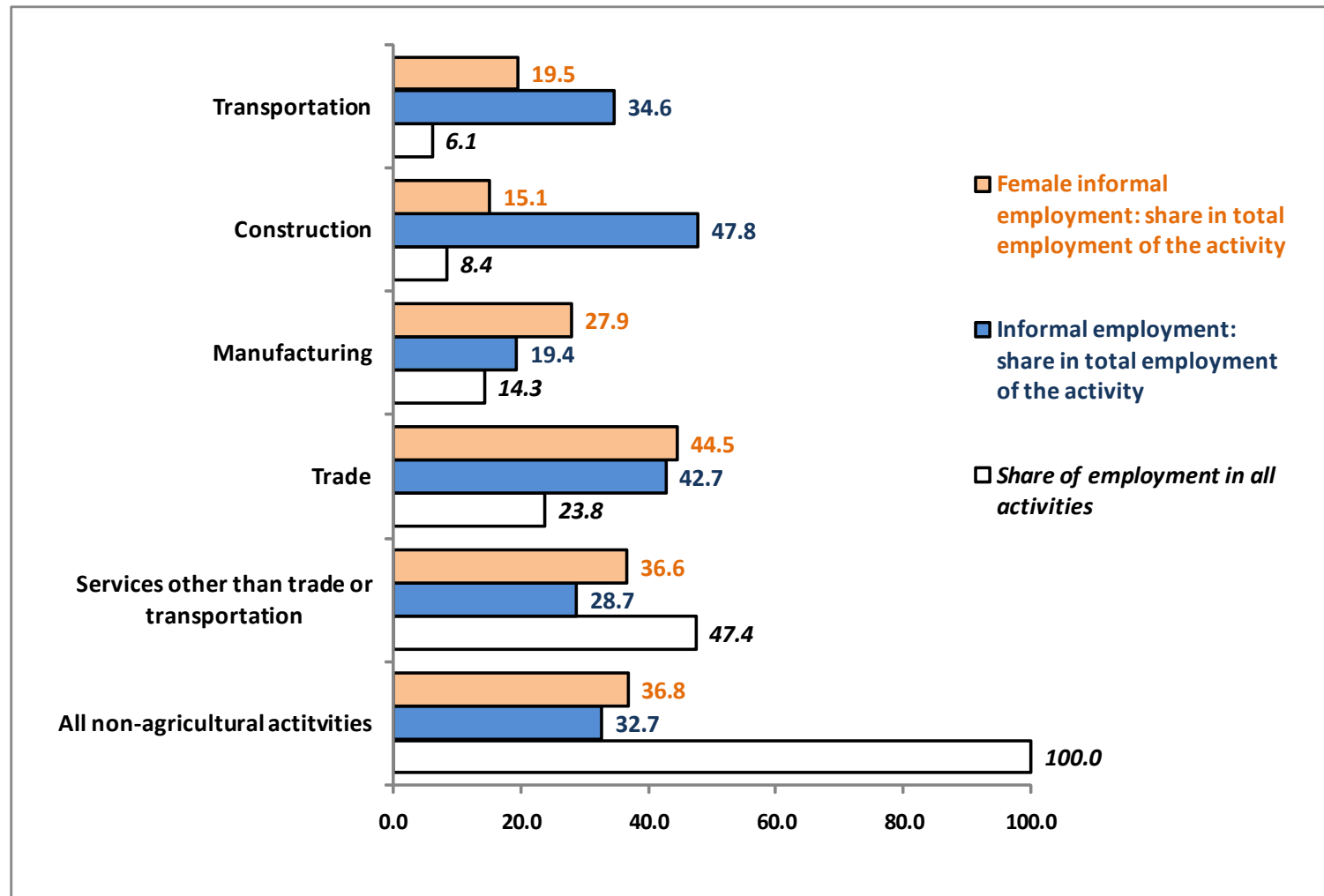
Year: 2009-2010



Source: Labour Force Survey

Country: South Africa
Non-agricultural employment

Year: 2010 (IV)

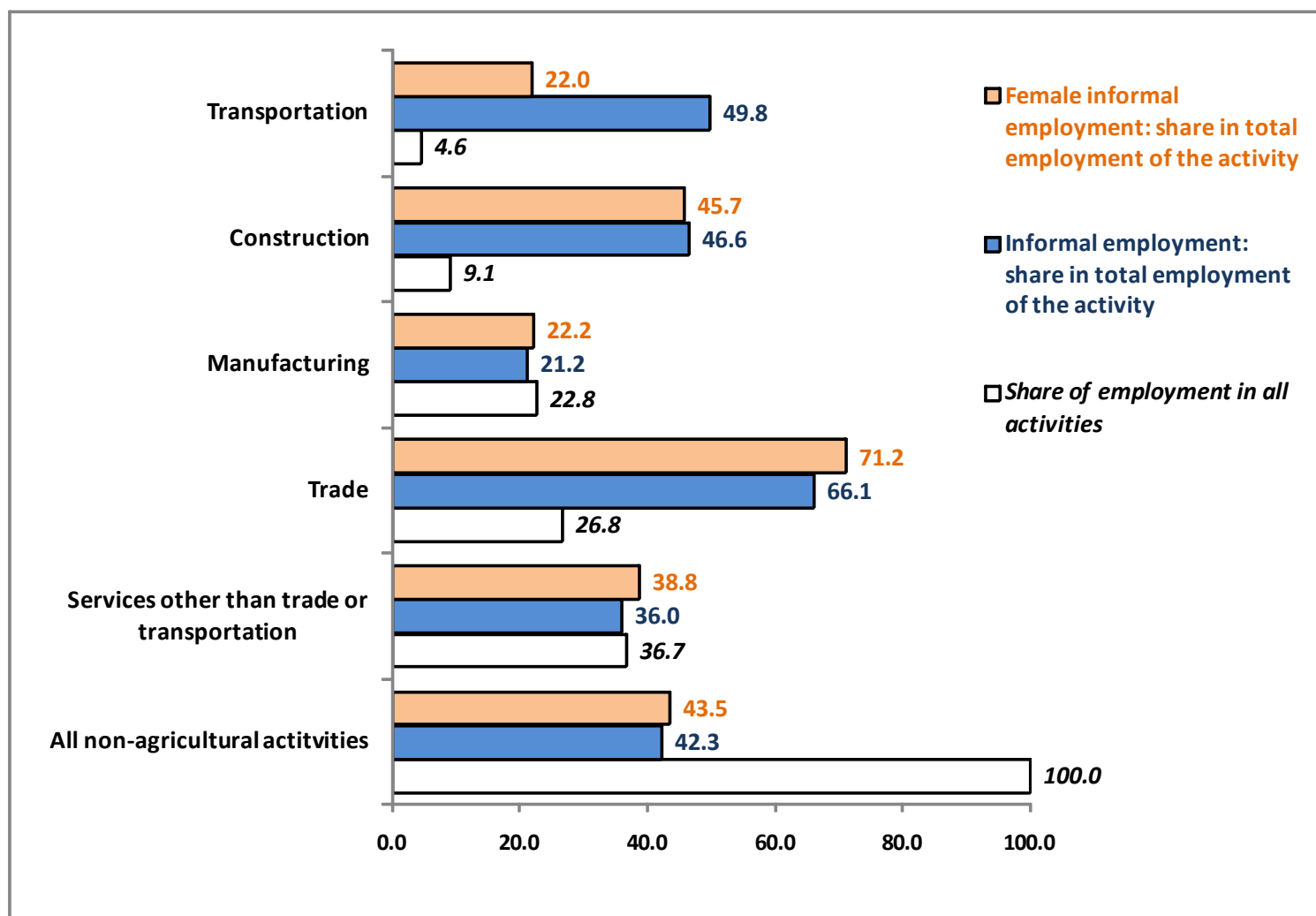


Source: Quarterly Labour Force Survey

Country: Thailand

Non-agricultural employment

Year: 2010

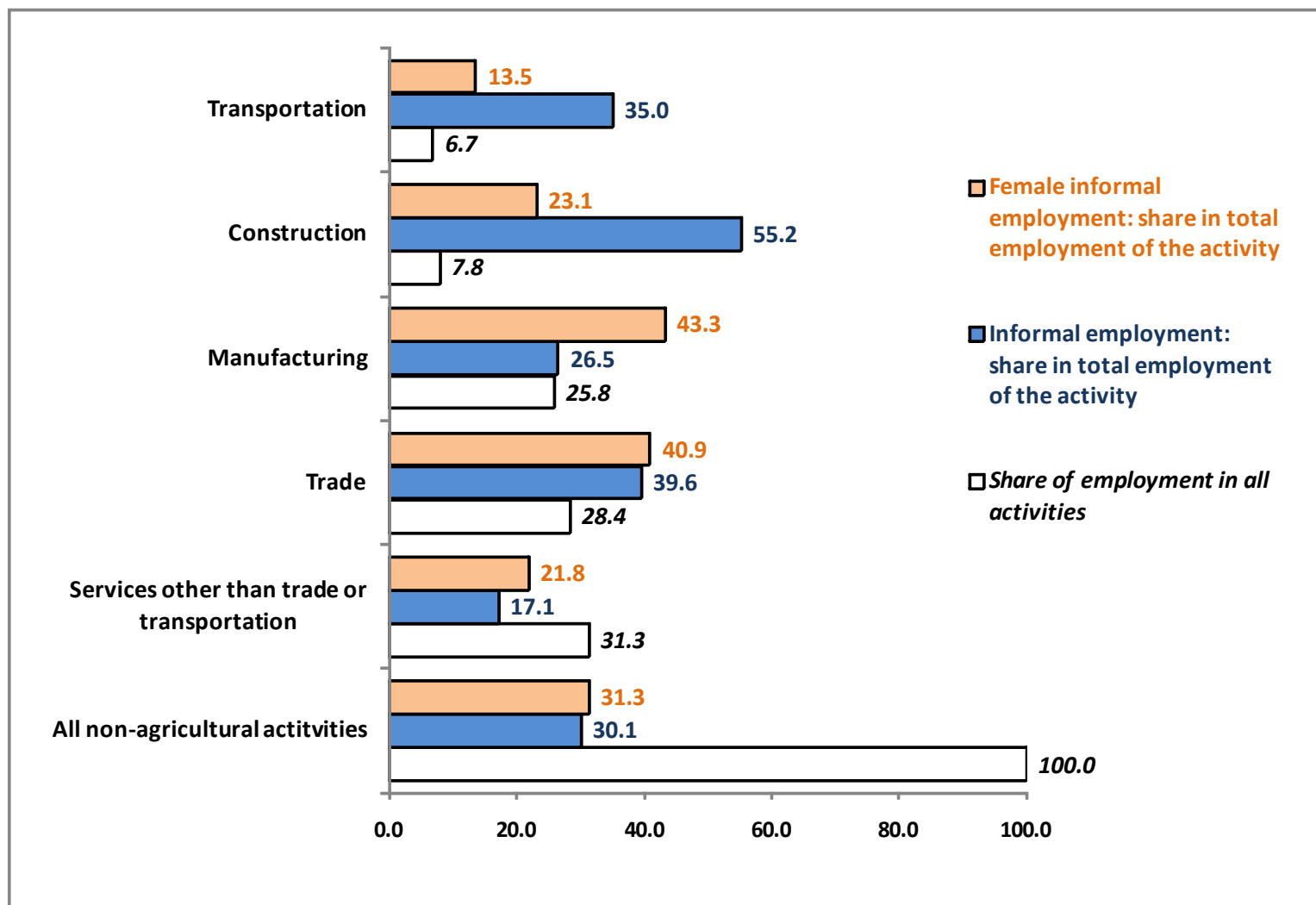


Source: Informal Employment Survey

Country: Turkey

Non-agricultural employment

Year: 2009



Source: Household Labour Force Survey

Annex: Conceptual Framework. Employment in the Informal Economy

The concept of total employment in the informal economy is used by the ILO to refer to the sum of the jobs in the informal sector and the jobs in informal employment, counting only once those jobs which are classified in both categories. These concepts refer to different aspects of the informalization of employment, as employment in the informal sector is an enterprise-based concept and informal employment is a job-based concept.

The informal sector consists of unregistered and/or small unincorporated private enterprises engaged in the production of goods or services for sale or barter. The enterprises typically operate at a low level of organisation, with little or no division between labour and capital as factors of production and on a small scale. Labour relations are based mostly on casual employment, kinship or personal and social relations. The fixed and other assets used do not belong to the production units as such but to their owners, and the units cannot engage in transactions or enter into contracts with other units, nor incur liabilities, on their own behalf. An unincorporated enterprise is a production unit that is not constituted as a separate legal entity independently of the individual (or group of individuals) who owns it, and for which no complete set of accounts is kept. An enterprise is unregistered when it is not registered under specific forms of national legislation (e.g. factories' or commercial acts, tax or social security laws, professional groups' regulatory acts). Issuing of a trade license or business permit under local regulations does not qualify as registration. An enterprise is considered small when its size in terms of employment is below a specific threshold (e.g. five employees) to be determined according to national circumstances. Employment in the informal sector refers to the total number of jobs in informal sector enterprises. For practical reasons, the concept is measured as the number of persons employed in informal sector enterprises in their main job.

Informal employment, which encompasses all of the jobs included in the concept of employment in the informal sector except those which are classified as formal jobs in informal sector enterprises, refers to those jobs that generally lack basic social or legal protections or employment benefits and may be found in the formal sector, informal sector or households. Informal employment includes the following types of jobs: (i) own-account workers employed in their own informal sector enterprises; (ii) employers employed in their own informal sector enterprises; (iii) contributing family workers, irrespective of whether they work in formal or informal sector enterprises; (iv) members of informal producers' cooperatives; (v) employees holding informal jobs in formal sector enterprises, informal sector enterprises, or as paid domestic workers employed by households; (vi) own-account workers engaged in the production of goods exclusively for own final use by their household, if considered employed given that the production comprises an important contribution to total household consumption. For operational reasons the concept is measured as the number of persons employed (and not the number of jobs) in informal employment in their main job.

As regards (v) above, employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (e.g., advance notice of dismissal, severance pay, paid annual or sick leave, etc.). The reasons may be the following: non-declaration of the jobs or the employees; casual jobs or jobs of a limited short duration; jobs with hours of work or wages below a specified threshold; employment by unincorporated enterprises or by persons in households; jobs where the employee's place of work is outside the premises of the employer's enterprise; or jobs for which labour regulations are not applied, not enforced, or not complied with for any other reason.

Components of informal employment outside the informal sector are: Employees holding informal jobs in formal sector enterprises (FSE); contributing family workers working in (FSE); paid domestic workers employed by households in informal jobs; and own-account workers engaged in production of goods exclusively for own final use by their household. Where they exist, employees holding formal jobs in informal sector enterprises should be excluded from informal employment.

References: see the Resolution concerning statistics of employment in the informal sector adopted by the 15th ICLS (January 1993) and the Guidelines concerning a statistical definition of informal employment adopted by the 17th ICLS (November 2003). "