

The Reality of Informality

Informal jobs provide livelihoods for billions of people worldwide, serving as a crucial source of income and supplying countries with vital goods and services. However, informality also impacts individual vulnerability, national instability, and global socioeconomic insecurity.



WORKERS

Unrecognized and unprotected, workers in the informal economy suffer from:



Twice the probability of living in poor households



High exposure to decent work deficits



Increased job insecurity



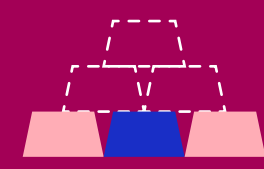
Limited or no access to employment benefits or social protection, such as:

- Payment during sickness
- Paid annual leave
- Pension plan



BUSINESSES

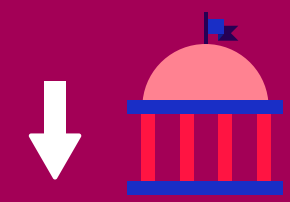
Businesses in the informal sector are also at a disadvantage:



Limited access to capital



Lower productivity



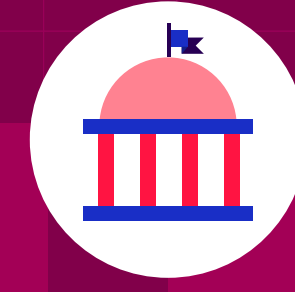
Less government support



Fewer development opportunities



Barriers to market entry

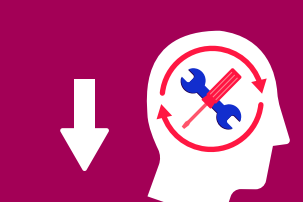


GOVERNMENTS

The informal economy also creates critical challenges for governments:



Lost taxation revenue



Reduced understanding of the labour market

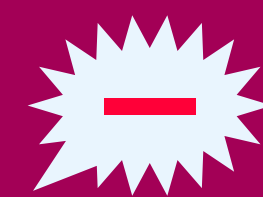


Less effective policymaking



WOMEN

Women in informal employment suffer disproportionately from:



Harassment



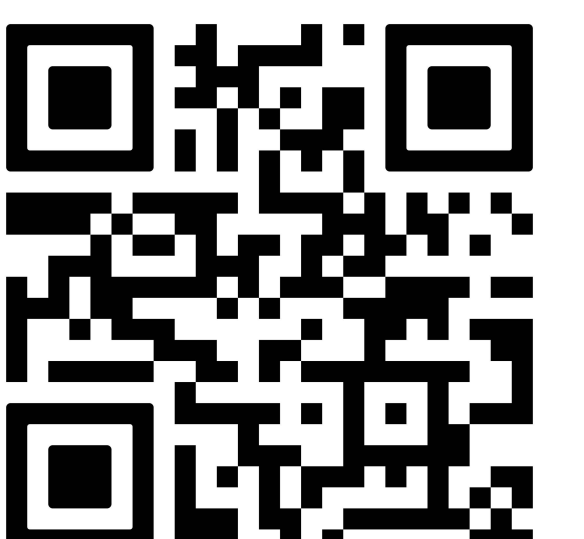
Unsafe working conditions



Irregular and lower levels of labour income

New international labour statistics standards, enhanced data collection tools, and innovative methodologies ensure the accurate measurement of the informal economy. Together, they deepen our understanding of the world of work and shape policies that lead the transition of jobs and enterprises from the informal to the formal economy.

To learn more or to receive specialized guidance, contact ILO's Department of Statistics at statistics@ilo.org or visit www.ilostat.ilo.org



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