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| 9 | 74 | 1 | Contact point in international agency | Data Production and Analysis Unit, Department of Statistics  International Labour Organization (ILO)  Email: [ilostat@ilo.org](mailto:ilostat@ilo.org)  Website: www.ilo.org/ilostat |
| 9 | 74 | 2 | International agreed definition | Definition:  This indicator presents the share of employment which is classified as informal employment in the total economy, and separately in agriculture and in non-agriculture.  Concepts:  Employment comprises all persons of working age who, during a short reference period (one week), were engaged in any activity to produce goods or provide services for pay or profit.  Informal employment comprises persons who in their main or secondary jobs were in one of the following categories:  -Own-account workers, employers and members of producers’ cooperatives employed in their own informal sector enterprises (the characteristics of the enterprise determine the informal nature of their jobs);  -Own-account workers engaged in the production of goods exclusively for own final use by their household (e.g. subsistence farming);  -Contributing family workers, regardless of whether they work in formal or informal sector enterprises (they usually do not have explicit, written contracts of employment, and are not subject to labour legislation, social security regulations, collective agreements, etc., which determines the informal nature of their jobs);  -Employees holding informal jobs, whether employed by formal sector enterprises, informal sector enterprises, or as paid domestic workers by households (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).  For the purpose of classifying persons into formal or informal employment for this indicator, only the characteristics of the main job are considered.  An enterprise belongs to the informal sector if it fulfils the three following conditions:  -It is an unincorporated enterprise (it is not constituted as a legal entity separate from its owners, and it is owned and controlled by one or more members of one or more households, and it is not a quasi-corporation: it does not have a complete set of accounts, including balance sheets);  -It is a market enterprise (it sells at least some of the goods or services it produces);  -The enterprise is not registered, or the employees of the enterprise are not registered, or the number of persons engaged on a continuous basis is below a threshold determined by the country. |
| 9 | 74 | 3 | Method of computation | Proportion of informal employment in total employment = {(Informal employment/ Total employment) × 100}  Proportion of informal employment in agriculture = {(Informal employment in agricultural activities/ Total employment in agriculture) × 100}  Proportion of informal employment in non-agricultural employment = {(Informal employment in non-agricultural activities/ Total employment in non-agricultural activities) × 100} |
| 9 | 74 | 4 | Importance of the indicator in addressing gender issues and its limitation | In contexts where social protection coverage is limited, social security benefits (such as unemployment insurance) are insufficient or even inexistent, and/or where wages and pensions are low, individuals may have to take up informal employment to ensure their livelihood. In these situations, indicators such as the unemployment rate would provide a very incomplete picture of the labour market situation, overlooking major deficits in the quality of employment. Statistics on informality are key to assessing the quality of employment in an economy and are relevant to developing and developed countries alike.  The considerable heterogeneity of definitions and operational criteria used by countries to measure informal employment greatly hinders the international comparability of statistics on informality.  In order to counter this challenge, for the purpose of SDG global reporting and monitoring, the series is solely based on harmonized data produced by the ILO using the same operational process for all countries. Although some differences in criteria and definitions remain across countries, the process is designed to produce data that are as internationally comparable as possible given the underlying data sources. |
| 9 | 74 | 5 | Sources of discrepancies between global and national figures | Although some international standards do exist for the compilation of informal employment statistics, the relevant concepts and definitions have been left relatively flexible so as to accommodate national contexts and needs. This means that, in practice, the operational criteria used by countries to compile data at the national level vary significantly from country to country, hindering the international comparability of statistics. The comparability of informal employment statistics is also highly sensitive to differences in the geographical areas covered, the economic activities covered and the treatment of special groups of workers. |
| 9 | 74 | 6 | Process of obtaining data | The preferred source of data for this indicator is a labour force survey, with sufficient questions to determine the informal nature of jobs and whether the establishment where the person works in belongs to the formal or the informal sector.  The ILO Department of Statistics processes national household survey microdata sets in line with internationally agreed indicator concepts and definitions set forth by the International Conference of Labour Statisticians.  The ILO engages in annual consultations with member States through the ILOSTAT questionnaire and related Statistics Reporting System (StaRS). National data providers receive a link to the portal where they can review all national SDG data available on ILOSTAT. |
| 9 | 74 | 7 | Treatment of missing values | * At country level   Not applicable   * At regional and global levels   Values for missing countries are imputed on the basis of average (mean) values for each country income group (based on the World Bank’s classification of four country income groups) within each ILO broad sub-region. If imputations cannot be carried out at the level of ILO broad sub-region and four income groups, they are done at the level of ILO region and four income groups. For some upper-middle- income countries for which imputations are not feasible through the above methodologies, the imputations are carried out according to three income groups (merging all upper- and lower-middle- income countries into a single middle-income group) and ILO broad sub-region. |
| 9 | 74 | 8 | Data availability and assessment of countries’ capacity | Data availability:  Data for this indicator is available for 89 countries and territories. This submission does not include data for regional aggregates of Oceania (excluding Australia and New Zealand) because of low data availability.  Time series: The submission covers data from 2000 to 2019.  Disaggregation: Data on this indicator is requested disaggregated by sector and sex. Here, sector refers to the breakdown by agriculture/non-agriculture. Where necessary and possible, the disaggregation by sector could go into a more detailed breakdown by economic activity, but for the purpose of global and regional monitoring, the aggregate categories of agriculture and non-agriculture are used.  In order to produce this indicator, employment statistics disaggregated by formal / informal employment and by economic activity (agriculture / non-agriculture) are needed. |
| 9 | 74 | 9 | Expected time of release | Continuous |
| 9 | 74 | 10 | Source | Data: https://unstats.un.org/sdgs/indicators/database/  Metadata: https://unstats.un.org/sdgs/metadata/files/Metadata-08-03-01.pdf  (Accessed on 11 May 2021) |