

Statistics on the Informal Economy – Planning Meeting 7-8 June 2002

Report of Meeting

Women in Informal Economy: Globalizing and Organizing (WIEGO) in cooperation with the International Labour Organization (ILO) organized a side meeting in Geneva during the International Labour Conference to discuss future work to improve statistics on the informal economy. The meeting followed up on discussions of the Statistics Working Group at the WIEGO Annual Meeting January 2002 in Ahmedabad India. At the January meeting, two new initiatives were discussed: a.) Farhad Mehran discussed the plans of ILO to prepare global estimates of the informal economy and b) Dr. G. Raveendran presented the recommendation of the Expert Group on Informal Sector Statistics to establish a data archive to compile national data on the informal economy. As both initiatives are key interests of WIEGO, it was agreed that WIEGO would organize a planning meeting to further discuss and plan user needs and the technical requirements of these projects.

The meeting began with an informal discussion over dinner on 7 June. An all day meeting was held on Saturday, 8 June. The meeting participants were: Richard Anker (International Labour Organization –ILO), M.S. Asthana (Council for Social Development – India), Grace Bediako (United Nations Statistics Division), Lincoln Chen (Harvard University), Martha Chen (Harvard University and WIEGO), Margarita Guerrero (United Nations Statistical Institute for Asia and the Pacific), Ralf Hussmanns (ILO), Farhad Mehran (ILO), Rodrigo Negrete, (Instituto Nacional de Estadística Geografía e Informática – Mexico), N.S. Sastry (Council for Social Development – India), Joann Vanek (WIEGO). Renana Jhabvala (SEWA and WIEGO) attended on Friday evening and Eivind Hoffmann and Brigitte Du Jeu of ILO participated on Saturday. G. Raveendran (National Sample Survey Organization – India) and Jacques Charmes (University of Versailles and WIEGO) were invited but were unable to attend.

The agenda and a list of papers prepared for the meeting are attached. The main points which emerged from the discussion are the following:

1. Farhad Mehran presented a methodology used by ILO to produce global and regional estimates of child labour and unemployment and proposed that the same methodology be used for informal employment. It was emphasized that to apply the method, it is important to have data for China. The group supported this approach and encouraged ILO to undertake the necessary work to produce global and regional estimates of informal employment..

2. A priority for future work on statistics proposed in *Women and Men in the Informal Economy: A Statistical Picture*, a statistical document prepared for the 90th Session of the International Labour Conference, is the development of a comprehensive database linking data on informal employment with data on total employment. WIEGO emphasized the importance of this approach to the development of a database/ data

archive to allow for a complete statistical picture of the total work-force, including the share of informal employment (and its constituent parts) in total employment.

3. Participants expressed concern with the limited use of available national data on the informal sector, noting that these data are used mainly by national accountants and not by policy makers. An important new use of these data would be in the analysis of the links between employment in the informal economy and poverty. It was recommended that analytical work be undertaken to use existing national data to analyze the links between working in the informal economy and being poor.

4. The development of a common module covering both employment in the informal sector and in informal jobs to be included in national labour force surveys was highlighted as an important next step in the improvement and harmonization of statistics on informal employment. To prepare such a module, new methodological work would need to be undertaken to develop methods for collecting data on informal jobs.

5. In view of the limited availability and use of data on informal employment, the problems of comparability of data and the complexity of setting up a data archive, an incremental approach was seen as the best way to proceed in the development of a data archive. Stage # 1 would involve developing a data base of existing macro data from as many countries as possible, structured to reflect all components of informal employment. In addition steps would be taken to preserve existing national micro-data sets on informal employment; otherwise they will probably be destroyed. CD-ROMS of these existing data sets would be collected from as many countries as possible and could be distributed to interested users. Stage #2, that is, a more complex approach to archiving, would require improvement in the available data on informal employment as well as more widespread use of the data. As these conditions improve, the micro data for as many countries as possible would be harmonized and archived into a common database to facilitate international comparisons.

Based on these general points, four specific papers will be proposed for preparation and presentation at the September meeting of the Delhi Group. These in turn would be core activities in a proposal for a general programme of work to improve statistics on informal employment and to strengthen the Expert Group on Informal Sector Statistics (the Delhi Group) that would be submitted to potential funding organizations. The four specific papers are as follows:

1. Analysis linking data on work in informal employment and poverty: Case Study India . Note to be prepared by N.S. Sastry
2. General strategy to promote the development of statistics on informal employment and its economic dimensions. Note to be prepared by Rodrigo Negrete.
3. Module on informal employment, including employment in informal jobs, for labour force surveys. Note to be prepared by Ralf Hussmanns.

4. Preservation of Micro-data at the National Level: Case Study of India. Note to be prepared by N.S. Sastry.

In addition, WIEGO will prepare a note on what kind of data it needs and wants as a network of informed data users.