

Women and Men in the Informal Economy: A Statistical Brief

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January 2019



International
Labour
Office

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Publication date: January, 2019

ISBN number: 978-92-95106-42-0

Please cite this publication as: Bonnet, Florence, Joann Vanek and Martha Chen. 2019. *Women and Men in the Informal Economy – A Statistical Brief*. Manchester, UK: WIEGO.

Layout: Julian Luckham of Luckham Creative

Cover photo: Waste pickers in Delhi are defining a plan of action to drive their advocacy around the implementation of new solid waste management rules. Rashmi Choudhary.

Published by Women in Informal Employment: Globalizing and Organizing (WIEGO)

A Charitable Company Limited by Guarantee – Company No. 6273538, Registered Charity No. 1143510

WIEGO Limited

521 Royal Exchange

Manchester, M2 7EN

United Kingdom

www.wiego.org

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Contents

1. Measuring the Informal Economy	1
2. Statistical Overview – Global	4
Size and Composition	4
Women and Men	5
Self-Employment and Wage Employment	5
Rural-Urban and Branch of Industry	7
3. Statistical Overview – Geographic Regions	10
Size and Composition	10
Women and Men	11
Self-Employment and Wage employment	11
Rural-Urban and Branch of Industry	13
4. Informality and Key Social Indicators	15
Poverty	15
Age	18
Education	18
5. Future Directions	19
Annex I. National Sources: List of Household Surveys	21
Annex II. Income and Regional Groupings	25

List of Tables

Table 2.1	Per Cent of Informal Employment and its Components in Total and Non-Agricultural Employment by Sex and Country Income Group, 2016.....	4
Table 2.2	Distribution of Total, Informal and Formal Employment by Status in Employment, Non-Agricultural Employment, Sex and Country Income Group, 2016 (per cent)	6
Table 2.3	Per Cent of Informal Employment in each Status in Employment by Total Employment, Non-Agricultural Employment, Sex and Country Income Group, 2016	7
Table 2.4	Per Cent of Informal Employment in Branch of Industry: Total, Rural, Urban and Non-Agricultural Employment and Country Income Groups, 2016	8
Table 3.1	Per Cent Informal Employment in Total and Non-Agricultural Employment by Sex and Geographic Region, excluding Developed Countries, 2016.....	10
Table 3.2	Distribution of Total, Informal and Formal Employment by Status in Employment, Sex and Geographic Region, excluding Developed Countries, 2016 (per cent)	12
Table 3.3	Per Cent of Informal Employment in Total, Rural and Urban Employment by Branch of Industry and Geographic Region, excluding Developed Countries, 2016.....	13
Table 3.4	Distribution of Total, Informal and Formal Employment by Branch of Industry, Sex and Geographic Region, excluding Developed Countries, 2016 (per cent)	14
Table 4.1	Per Cent of Workers in Informal and Formal Employment from Poor Households by Country Income Groups (latest year available)	16
Table 4.2	Per Cent of Workers in Informal Employment among Workers from Poor and Non-poor Households by Country Income Groups (latest year available).....	17
Table 4.3	Share of Informal Employment in Total Employment by Age and Sex, 2016 (per cent).....	18

List of Box and Figures

Box 1	Operational Definitions of Employment in the Informal Sector and Informal Employment Used to Generate these Harmonized Estimates	2
Figure 2.1	Distribution of Total, Informal and Formal Employment, by Branch of Industry, Sex and Country Income Group, 2016 (per cent)	9
Figure 4.1	Share of Informal employment in Total Employment by Education and Sex, 2016 (per cent)	18

Preface

The 3rd edition of *Women and Men in the Informal Economy: A Statistical Picture* published recently by the ILO represents a major advance in the development of data on informal employment for it shows the feasibility of producing world-wide statistical estimates of this key component of the labour force. This is possible because over 100 countries – both developed and developing – now collect the relevant data and share their micro-datasets with the ILO. Although the definitions of informal employment and the informal sector allow for national flexibility, a harmonized set of estimates was produced.

The United Nations' Sustainable Development Goals and the International Labour Organization's Recommendation (No. 204) on the Transition from the Informal to the Formal Economy, both adopted in 2015, highlight the importance of statistics on the informal economy in the development of policies and programmes to promote decent work and productive employment.

This Brief summarizes the main findings of the 3rd edition in a user-friendly format to give a wide audience of users an understanding of the size, components and characteristics of the informal economy worldwide. The tables are simplified to include fewer variables than in the full report. The global data are shown in four main groups of countries — world, developed (high-income), emerging (middle-income) and developing countries (low-income). For the geographic regions and sub-regions, key dimensions of employment are compared across all of the geographic regions rather than presented by individual regions as in the full report.

This Brief was prepared as a collaborative effort of the ILO – specifically the INWORK Branch, the Statistics and Employment Departments – and Women in Informal Employment: Globalizing and Organizing (WIEGO). WIEGO is a global network focused on securing livelihoods for the working poor, especially women, in the informal economy. It has partnered with the ILO Departments of Statistics and Employment in the development, analysis and promotion of statistics on the informal economy, including on the two earlier editions of *Women and Men in the Informal Economy: A Statistical Picture*.

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1. Measuring the Informal Economy

The 3rd edition of *Women and Men in the Informal Economy: A Statistical Picture* estimates that two billion (61 per cent) of the global employed population earn their living in the informal economy (ILO, 2018). It shows that informality exists in countries at all levels of socio-economic development. Although it is more prevalent in developing countries than developed countries, informality encompasses a wide range of jobs and economic activities with no work-based social protection: from street vending, home-based work in global and domestic value chains, waste-picking and domestic work to short-term contract work. Evidence shows that most informal workers do not work informally by choice but in the absence of other means of livelihood. Informal workers face multiple problems and are usually poorer and more vulnerable than workers in the formal employment. Generally, the existing legal and regulatory frameworks tend to be irrelevant for — or punitive towards — the informally employed and their livelihood activities.

Two recent global milestones call attention to the centrality of the informal economy to achieving decent work and social protection for all and equitable development more broadly. These two milestones are the UN 2030 Agenda for Sustainable Development and ILO Recommendation 204 concerning the Transition from the Informal to the Formal Economy. Both call for the collection, analysis and dissemination of statistical data and indicators on the informal economy as essential to formulating and monitoring policies and programmes that can improve the lives of the working poor. An important step in the development of these data is a statistical picture of the size, composition and characteristics of workers in the informal economy worldwide, as in this publication.

This publication is a brief version of the 3rd edition of *Women and Men* (ILO, 2018). For this edition, the ILO processed micro-data for more than 100 countries representing more than 90 per cent of the world's employed population aged 15 years and older. The estimates are based on a common set of operational criteria used to determine informal employment and employment in the informal sector for a person's main job (**Box 1**). The resulting statistics are comparable across countries and regions. Not all of the countries whose data were used in preparing the estimates publish statistics on informal employment and employment in the informal sector. However, the ILO was able to include these countries because the required data were collected in recent national surveys. Among countries that publish data on informal employment and employment in the informal sector, national estimates may not be consistent with the estimates produced by the ILO using harmonized criteria. The definitions of informal sector employment and informal employment are formulated with flexibility to adjust to national contexts and circumstances, while ensuring international harmonization. The objective of ILO's harmonized estimates is not to provide better country-specific estimates of the informal economy but primarily to ensure the best comparable cross-country estimates.

The micro-data used as a basis for the estimates span a number of years from mid-2000 to 2016. For 90 per cent of the countries considered, the data are from 2010 onwards and for more than half of the countries the data are from 2013 onwards. The national data sources and years are listed in Annex I. The regional and global estimates are weighted by the denominator of the indicator using 2016 data from the ILO Trends Econometric Models. Similarly, the absolute numbers in the report refer to 2016 by multiplying the estimated regional or global estimate by absolute numbers for 2016 from the ILO Trends Econometric Models.¹

Section 2 presents the harmonized estimates at the World level and in three country income groupings – Developing (low-income), Emerging (middle-income) and Developed (high-income). Section 3 shows the estimates by geographical regions and sub-regions with a focus on developing and emerging countries. The regional and income groupings are listed in Annex II. Section 4 presents estimates of the links between informal employment and key social indicators – poverty, age and education – at the world level and across the three country income groups.

¹ ILOSTAT, ILO Trends Econometric Model. See ILO estimates and projections methodological note, available at: https://www.ilo.org/empelm/projects/WCMS_114246/lang--en/index.htm

Box 1 Operational Definitions of Employment in the Informal Sector and Informal Employment Used to Generate these Harmonized Estimates

International statistical standards distinguish between employment in the informal sector and informal employment. Employment in the informal sector is an enterprise-based concept and is defined by the characteristics of the enterprise in which workers are engaged. By contrast, informal employment is an employment-based concept and it is defined in terms of the employment relationship and protections associated with the worker's job.

Employment in the Informal Sector

According to the international statistical standards adopted by the 15th International Conference of Labour Statisticians (ICLS), the informal sector consists of a subset of unincorporated enterprises (i.e. not constituted as separate legal entities independent of their owners) that are also not registered with a national government authority (ILO, 1993). Most informal enterprises are single-person operations or family firms/farms; very few are owned or operated by employers with hired workers. Typically, they operate at a low level of organization, on a small scale and with little or no division between labour and capital as factors of production. Households with persons working in a farm or private business in which the destination of production is wholly for own final use are excluded from the scope of the informal sector but included as part of the household sector.

Criteria used to identify the informal sector and employment in the informal sector:

Registration of the economic unit at the national level: registration can be with social security, sales or income tax authorities. If registered, the economic unit is considered part of the formal sector. If not registered or in the process of registering or the information is missing or not collected, then there is a need to consider the next criteria.



Bookkeeping: this criterion assesses whether the economic unit maintains a set of accounts required by law (e.g. balance sheets) or keeps some official accounts. If the unit maintains formal bookkeeping so defined, it is considered formal. If the unit does not maintain formal bookkeeping or if the respondent does not know or does not provide information or if the information has not been collected, then one or other of the following **alternative** criteria are used.



Alternative Criteria applied only if information about registration and bookkeeping is missing (no question, no answer or don't know).

Employer contribution criterion (for employees): If the employer contributes to social security on behalf of employee, then the unit is formal.



Economic unit size and fixed visible location criteria (for all with missing or don't know for previous alternative criterion, i.e. enterprise in which employer contributes to social security): if the unit has more than five workers and is located in a fixed visible premise then it is formal; units with five or less workers or not in fixed premises are informal.

Informal Employment

In contrast to the concept of the informal sector that refers to production units as the unit of observation, the concept of informal employment refers to the job or worker as the unit of observation (ILO, 2003; Hussmanns, 2004). However, in the case of own-account workers and employers, whether they are considered informal is determined by whether their enterprise is informal.

In the case of employees, informal employment is defined in terms of the employment relationship. According to international statistical standards, for a job held by an employee to be considered as informal, the employment relationship should not be, in law or in practice, subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severance pay, paid annual or sick leave, etc.). In practice, the formal or informal nature of a job held by an employee is determined on the basis of operational criteria, notably social security contributions by the employer (on behalf of the employee), but also entitlement to and effective benefit from paid sick leave as well as paid annual leave. Criteria used in the harmonized approach to identify informal employment are detailed below.

The starting point is the employment status of the respondent.

1. If the respondent is a *contributing family worker*, the person is classified as having an informal job.
2. If the respondent is recorded as an *employer, own-account worker or member of a producer cooperative*, the formal or informal nature of the job is determined according to the formal or informal nature of the economic unit of the person's job.
3. The statistical treatment of *employees* depends on the criteria of social security contributions by the employer or, alternatively, entitlements to and benefit from paid annual leave and sick leave.

– **Contributions to social security scheme** (ideally pension) **by the employer** on behalf of the employee, and usually complementing an employee contribution, is the option most commonly used in countries and the one applied by the ILO. If such a contribution is made then the employee is considered to be formally employed. If no contribution is made, then the employee is considered to be informally employed.

For a number of countries where there is a lack of information regarding contributions made by employers, if a contribution to the social security scheme was made by the employee, then the employee is considered as formal. If the survey respondent does not know or does not answer, then two other criteria are considered.

– **Entitlement to and benefit from paid annual leave and sick leave:** If the employee is not only entitled to but effectively benefits from paid annual leave (or compensation instead of it) **and** paid sick leave, then he/she is considered as having a formal job. Otherwise he/she is considered as being informally employed.

2. Statistical Overview – Global

Size and Composition

The majority of the world's global employment aged 15 and above — 61 per cent — are informally employed: a total of 2 billion workers (**table 2.1**). Informality is highest in countries with the lowest levels of income.² Informality is 90 per cent of employment in developing (low-income) countries, 67 per cent in emerging (upper-middle and lower-middle) countries and 18 per cent in developed (high income) countries.

Excluding agriculture the level of informal employment falls globally and in each country income group but remains at one half of global employment. Informal employment is 73 per cent of non-agricultural employment in developing countries, 59 per cent in emerging countries and 17 per cent in developed countries.

Table 2.1 Per Cent of Informal Employment and its Components in Total and Non-Agricultural Employment by Sex and Country Income Group, 2016

	Total employment				Non-Agricultural employment			
	World	Developed	Emerging	Developing	World	Developed	Emerging	Developing
Informal employment	61	18	67	90	51	17	59	73
Men	63	19	69	87	53	18	61	70
Women	58	18	64	92	46	17	55	78
In the informal sector	52	15	57	81	41	13	48	59
Men	54	16	59	78	44	15	51	53
Women	48	13	52	85	36	12	42	66
In the formal sector	7	3	8	5	8	3	9	10
Men	7	3	7	6	8	3	9	13
Women	7	4	8	3	8	4	9	6
In households*	2	0	3	3	2	0	2	5
Men	2	0	2	3	1	0	1	3
Women	3	0	4	4	3	0	3	6

Note: Due to rounding, some totals may not correspond with the sum of the separate figures (informal employment in the informal sector, in the formal sector, in households).

* Includes paid domestic workers employed by households and producers of goods for own consumption.

Source: ILO calculations based on household survey micro datasets.

The components of informal employment are informal employment in the informal sector, in the formal sector and in households. Employment in the informal sector (i.e., informal enterprises) is comprised of employers, employees, own-account workers and contributing family workers. Informal employment in the formal sector includes employees and contributing family workers in formal enterprises who do not receive social protection contributions by their employer or, in the absence of information on social protection, do not receive paid annual and paid sick leave. Informal employment in households consists of domestic workers employed by households who do not receive social protection contributions from their employers

² Following the World Bank definition for 2018 fiscal year, countries are grouped into developing (low-income), emerging (lower-middle and upper-middle income) and developed (high-income). See income groupings in Annex II. This annex also shows the countries grouped by geographic region.

or, alternatively, do not receive paid annual and paid sick leave. And in some countries also includes producers of good wholly for own final consumption.³

Employment in the informal sector follows the same general pattern as informal employment as a whole. It is highest in developing countries where it accounts for 81 per cent of total employment and almost all of informal employment. Employment in the informal sector represents 57 per cent of total employment in emerging countries but only 15 per cent of total employment in developed countries. The share of informal sector employment in non-agricultural employment drops to 59 per cent in developing countries but remains the largest share of non-agricultural employment globally and in all income groups. Informal sector employment represents just under half of non-agricultural employment in emerging countries and only 13 per cent in developed countries.

Women and Men

Informal employment is a greater source of employment for men than for women at the world level (63 vs 58 per cent), in developed countries (19 vs 18 per cent) and in emerging countries (69 vs 64 per cent). However in developing countries the percentage of women workers who are informally employed (92 per cent) is substantially higher than the percentage of men workers (87 per cent). Further, in a majority of countries (56 per cent), the percentage of women workers in informal employment exceeds the percentage of men workers. This does not result in higher global averages due to higher shares of informal employment for men relative to women in emerging countries with large populations such as Russia and China as well as most countries of the Middle East and Northern Africa. Further, although more women workers than men workers, are informally employed in India and Pakistan and in some other countries of Southern Asia, low female labour force participation rates limit the effect of high female informal employment rates in the global and regional estimates.

Self-Employment⁴ and Wage Employment

Globally, 56 percent of all workers are employees/wage workers and 44 percent are self-employed⁵ (**table 2.2**). However, there are significant differences across the country groupings. In developing countries, an overwhelming 72 per cent of all workers are self-employed. The reverse is true in developed countries where 86 per cent of all workers are wage employed. In emerging countries, just over half (51 per cent) are wage employed.

In non-agricultural employment, as in total employment, wage employment represents a higher percentage of all workers globally (72 per cent) with significant differences across the country groupings. The percentage of wage workers in non-agricultural employment is lowest in developing countries (42 per cent), increases to 69 per cent in emerging countries and reaches a high of 87 percent in developed countries.

³ The 19th ICLS (2013) excluded production exclusively for own final use from the definition of employment. However most of the surveys on which these estimates are based relied on the definition of employment from the 13th ICLS which included production exclusively for own final use.

⁴ Self-employment includes own-account workers, employers, and contributing family workers.

⁵ ILOSTAT, 2016 data from ILO's Trends Econometric Models

Table 2.2 Distribution of Total, Informal and Formal Employment by Status in Employment, Non-Agricultural Employment, Sex and Country Income Group, 2016 (per cent)

	Total employment												Non-Agricultural employment											
	World			Developed			Emerging			Developing			World			Developed			Emerging			Developing		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Composition of total employment																								
Employees	56	55	57	86	84	89	51	51	53	28	33	23	72	70	75	87	84	90	69	67	73	42	49	31
Employers	3	4	2	6	5	2	3	4	2	2	4	2	3	4	2	7	4	2	3	4	2	3	5	2
Own-account workers	32	36	25	9	10	7	35	41	35	50	51	48	22	24	18	9	11	7	24	27	20	47	41	56
Contributing family workers	10	5	16	1	1	2	11	6	19	19	12	27	3	2	4	1	1	1	3	2	5	7	5	10
Composition of informal employment																								
Employees	36	37	34	51	47	57	37	38	36	21	25	17	55	55	55	52	46	59	57	56	58	29	38	18
Employers	3	3	1	6	8	4	3	3	1	2	3	1	3	4	2	7	9	5	3	3	2	3	5	2
Own-account workers	45	50	36	36	42	28	44	50	34	54	57	51	36	38	33	35	40	28	35	37	30	57	50	66
Contributing family workers	16	9	28	6	3	10	16	8	29	22	14	31	6	4	10	6	4	9	6	4	10	10	7	13
Composition of formal employment*																								
Employees	76	83	90	94	93	96	76	78	86	69	70	67	82	80	85	94	92	95	82	80	86	71	72	68
Employers	4	5	2	2	3	1	4	6	2	5	9	8	4	4	2	3	3	2	4	4	2	5	6	5
Own-account workers	20	12	8	4	4	2	20	16	12	26	21	24	14	15	12	4	4	3	15	16	12	24	22	27

Note: Due to rounding, the totals of proportions by status may not sum to 100. The distribution of total employment is based on national micro-datasets used for the estimates of informal and formal employment. Global and regional estimates might slightly differ from those presented in ILOSTAT Employment by Sector -- ILO modelled estimates, May 2018.

* Contributing family workers are by definition all in informal employment and not displayed here.

Source: ILO calculations based on household survey micro datasets.

In informal employment, unlike total employment, self-employment predominates except in developed countries. Self-employment is 64 per cent of informal employment at the world level, 79 per cent in developing countries, 63 per cent in emerging countries and 49 per cent in developed countries. The predominance of self-employment in agriculture contributes to this pattern. Globally, excluding agriculture, self-employment represents 45 per cent of informal employment. Self-employment is the majority of non-agricultural informal employment only in the developing countries where it is 71 per cent of non-agricultural informal employment.

By contrast, in formal employment, wage employment predominates across the country income groups and in both total and non-agricultural employment. Employees are 76 per cent of formal employment at the world level and range from 94 per cent in developed countries to 69 per cent in developing countries. Even in emerging and developing countries where only a small share of total employment is formal and self-employment predominates, *employee* is the dominant category in formal employment.

Self-employment can be further disaggregated into employers, own-account workers and contributing family workers. Across all levels of economic development, employers are by far the smallest status category in total employment, non-agricultural employment and informal employment. Globally, employers represent 3 per cent of total employment and of informal employment and 4 per cent of formal employment. Also, employers represent a smaller per cent of women's than men's employment everywhere, in total, formal and informal employment.

Own-account and contributing family workers are important components of self-employment. Globally, these two categories, which are considered vulnerable statuses of employment, together comprise 42 per cent of total employment and 61 per cent of informal employment. Among non-agricultural workers, these statuses comprise a smaller percentage of all workers (25 per cent), of informal workers (42 per cent) and of formal workers (14 per cent). In developing countries, most women are employed as own-account or contributing family workers, representing 82 per cent of all women in informal employment. Working as a contributing family worker is especially significant for women in developing and emerging countries where they represent 27 and 19 per cent, respectively, of all women workers and 31 and 29 per cent, respectively, of women informal workers. The comparable percentages for men workers are far lower in both developing and emerging countries: contributing family workers represent 12 and 6 per cent, respectively, of all men workers and 14 and 8 per cent, respectively, of men informal workers.

Table 2.3 Per Cent of Informal Employment in each Status in Employment by Total Employment, Non-Agricultural Employment, Sex and Country Income Group, 2016

	Total employment				Non-Agricultural employment			
	World	Developed	Emerging	Developing	World	Developed	Emerging	Developing
Employees	40	10	49	63	38	10	47	51
Men	42	10	51	63	41	10	50	54
Women	35	11	45	63	33	11	43	46
Employers	51	29	55	66	49	41	50	67
Men	51	28	55	67	49	39	50	66
Women	49	31	53	64	50	44	50	69
Own-account workers	86	69	86	93	82	67	83	88
Men	87	68	87	93	82	66	84	85
Women	85	70	84	93	82	69	82	92

Note: All contributing family workers are classified as having informal employment, irrespective of whether they work in formal or informal sector enterprises. They are not displayed here.

Source: ILO calculations based on household survey micro-datasets.

Another approach to analysing the relationship between informality and status in employment is to consider the share of each status category that is informal (**table 2.3**). Apart from contributing family workers, all of whom are considered as informally employed by statistical definition, the category with the highest share of informal employment is own-account workers, both globally and in all of the country income groupings. Globally, 86 per cent of own-account workers are informal and the share ranges from 93 per cent in developing countries, to 86 per cent in emerging to 69 per cent in developed. By contrast globally, 40 per cent of employees are informal with 63 in developing, 49 per cent in emerging and 10 per cent in developed countries. Globally, among wage workers, the share of women workers who are informally employed (35 per cent) is lower than the share of men (42 per cent): with emerging countries accounting for most of that difference. However, among own-account workers, the share who are informal are roughly equal for women (85 per cent) and men (87 per cent).

Rural-Urban and Branch of Industry

Globally, 80 per cent of rural employment compared to 44 per cent of urban employment is informal (**table 2.4**). The majority of agricultural workers everywhere are informal: 98 per cent in developing countries, 93 per cent in emerging and 59 per cent in developed countries. Considering only non-agricultural workers,

61 per cent in rural areas and 44 per cent in urban areas are informal. While employment in the industry sector is also largely informal in developing (73 per cent) and emerging (67 per cent) countries, only 16 per cent of workers in industry are informal in developed countries. Comparable shares of employment in services are informal: with developing countries (74 per cent), emerging countries (55 per cent) and developed countries (18 per cent).

Table 2.4 Per Cent of Informal Employment in Branch of Industry: Total, Rural, Urban and Non-Agricultural Employment and Country Income Groups, 2016

	World	Developed	Emerging	Developing
Total Employment	61	18	67	90*
Rural	80	22	83	90
Urban	44	17	51	79
Agriculture	94	59	93	98
Rural	95	64	95	98
Urban	87	49	82	98
Industry	57	16	67	73
Rural	69	17	75	87
Urban	49	15	61	65
Services	47	18	55	74
Rural	65	19	71	79
Urban	39	17	47	70
Non-agricultural employment	51	17	59	73
Rural	61	18	72	74
Urban	44	16	50	71

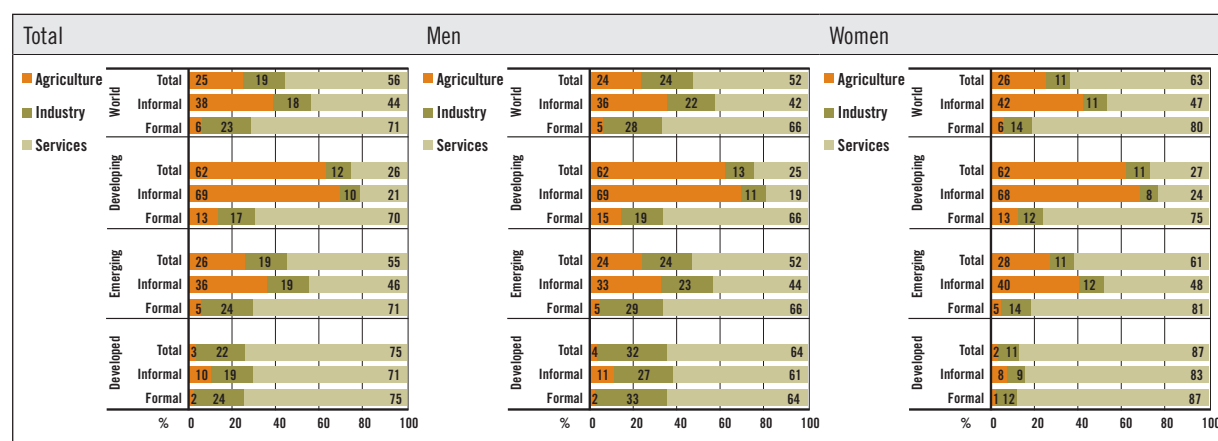
Source: ILO calculations based on household survey micro-datasets.

As country incomes rise, the proportion of the employed working in agriculture decreases, the proportion working in industry increases and the proportion working in services increases even more (**figure 2.1**). Agriculture comprises 62 per cent of employment in developing countries, 26 per cent in emerging and 3 per cent in developed. By contrast the service sector comprises only 26 per cent of employment in developing countries, 55 per cent in emerging countries and 75 per cent in developed countries.

In the more developed countries, informal employment is dominated by service activities such as trade and transportation. Services account for 71 per cent of informal employment in developed countries, 46 per cent in emerging countries and only 21 per cent in developing countries. Industry comprises 10 per cent of informal employment in developing countries and 19 per cent in both emerging and developed countries.

* For developing countries, the estimate of informal employment in rural and urban areas are based on a smaller number of countries (with available data) than the estimates for total employment. This accounts for the same estimate for total and rural in developing countries.

Figure 2.1 Distribution of Total, Informal and Formal Employment, by Branch of Industry, Sex and Country Income Group, 2016 (per cent)



Note: Industry is composed of manufacturing; mining and quarrying; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities; and construction. The distribution of total employment is based on national micro-datasets used for the estimates of informal and formal employment. Global and regional estimates might slightly differ from those presented in ILOSTAT Employment by Sector -- ILO modelled estimates, May 2018.

Source: ILO calculations based on household survey micro datasets.

There is clear evidence of gender segmentation in informal employment across the sectors. However, the differences are less sharp in developing countries than in emerging and developed. Agriculture represents a large proportion of work for both women and men in developing countries (two thirds of informal employment). And there is only a 5 percentage point gap between women's and men's employment in services and a 3 percentage point gap in industry. However in emerging and, especially, developed countries, gender segmentation is greater. In emerging countries, services is the dominant sector of informal employment for both women and men with 48 per cent of women employed in this sector compared to 44 per cent of men. In emerging countries, a higher percentage of men workers (23 per cent) than women workers (12 per cent) are in industry. In developed countries, services again dominate informal employment for both women and men but the gender differences are very large: 83 percent of women informal workers are in services compared to 61 per cent of men informal workers. Also, in developed countries, industry comprises only 9 per cent of women's informal employment but 27 per cent of men's.

The evidence for gender segmentation is even stronger in formal employment across the sectors and again the gap is largest in the developed countries. Globally and in all regions employment in services dominates formal employment: representing at least 75 per cent of women's employment and at least 64 per cent of men's. The gap between women's and men's formal employment in services ranges from 23 percentage points in developed countries to 15 in emerging and 8 in developing. Industry comprises less than 15 per cent of women's employment for all levels of economic development but ranges from 33 per cent of men's formal employment in developed countries to 29 per cent in emerging countries and 19 per cent in developing countries.

3. Statistical Overview – Geographic Regions

Size and Composition

In this section, the data for emerging and developing countries are analysed according to geographical regions and sub-regions. The countries in each geographical region are shown in Annex II. Countries classified as developed (high-income) in these regions are not included in the estimates presented in this section, as they are presented in the previous section.

Informal employment as a share of total employment is highest, at 92 per cent, in the countries of sub-Saharan Africa (excluding Southern Africa) (**table 3.1**). In sub-Saharan Africa (including Southern Africa), 89 per cent of employment is informal. Southern Asia is next highest with 88 per cent of employment as informal followed by East and South-Eastern Asia (excluding China) at 77 per cent. In the Middle East and North Africa 68 per cent of employment is informal and in Latin America and the Caribbean 54 per cent is informal. Only in Eastern Europe and Central Asia does informal employment represent less than half (at 37 per cent) of total employment.

The share of informal employment in non-agricultural employment is lower than in total employment but follows the same general pattern. Sub-Saharan African countries (excluding Southern Africa) remain highest (82 per cent) followed by all of sub-Saharan Africa, Southern Asia and East and South-Eastern Asia (excluding China). All have rates of informal employment slightly higher than three-quarters of non-agricultural employment. Informal employment is 59 per cent of non-agricultural employment in the Middle East and North Africa, 50 per cent in Latin America and the Caribbean and 30 per cent in Eastern Europe and Central Asia.

Table 3.1 Per Cent Informal Employment in Total and Non-Agricultural Employment by Sex and Geographic Region, excluding Developed Countries 2016*

	Total employment			Non-Agricultural employment		
	Total	Men	Women	Total	Men	Women
Asia and the Pacific	71	74	67	63	65	58
Southern Asia	88	87	91	78	78	77
East and South-Eastern Asia (including China)	61	63	59	56	58	54
East and South-Eastern Asia (excluding China)	77	77	77	66	67	65
Sub-Saharan Africa	89	86	92	77	72	83
Southern Africa	40	38	42	36	34	38
Rest of sub-Saharan Africa	92	89	95	82	76	88
Latin America and the Caribbean	54	53	55	50	47	52
Middle East and North Africa	68	69	62	59	62	44
Eastern Europe and Central Asia	37	38	36	30	32	27

Note: Due to rounding, some totals may not correspond with the sum of the separate figures (informal employment in the informal sector, in the formal sector, in households).

Source: ILO calculations based on household survey micro datasets.

* These data are for emerging and developing countries only, not developed countries, in the regions.

Women and Men

As discussed in the previous section, differences in women's and men's participation in the informal economy are affected by differences in the employment rates of women and men. The employment to working age population ratio is lower for women than for men across all regions: ranging from 15 per cent in the Middle East and North Africa to 61 per cent in sub-Saharan Africa (excluding Southern Africa).⁶ The ratios of men's employment to the working age population are less varied across regions: ranging from 48 per cent in Southern Africa to 76 per cent in Southern Asia. The gap between women's and men's ratios are high in the group of emerging countries especially in Southern Asia and in the Middle East and North Africa. These differences are reflected in the relatively lower global percentage of women than men in informal employment (58 per cent versus 63 per cent). Although informal employment is a greater source of employment for women than for men in Southern Asia, women's lower employment to population ratios limits the effect of their high rates of informality on the estimates at the global level and among emerging countries. Another factor explaining the gap is the type of employment that women have in the Middle East and North Africa. While women in these regions have low labour force participation rates, a substantial portion of their employment is in public sector jobs, which are mainly formal. Another factor is the low rates of women's informal employment relative to men's in China and Russia, countries with large populations which therefore have an impact on the global average.

In many of the geographic regions, women have higher rates of informal employment than men (**table 3.1**). For example, in sub-Saharan Africa (excluding Southern Africa), 95 per cent of women workers are informally employed compared to 89 per cent of men workers. In Southern Asia, 91 per cent of women workers are informally employed compared to 87 per cent of men workers. And in Latin America and the Caribbean 55 per cent of women workers are informally employed compared to 53 per cent of men workers. However in the Middle East and North Africa, Eastern Europe and Central Asia and East and South-Eastern Asia (excluding China) rates of informal employment are higher for men than for women.

If agriculture is excluded, the rates of informal employment for women and for men decrease in all regions. In Asia and the Pacific, the Middle East and North Africa and Eastern Europe and Central Asia, men have higher rates of non-agricultural informal employment than women. In sub-Saharan Africa women have substantially higher rates of non-agricultural informal employment than men and in Latin America and the Caribbean women have slightly higher rates than men.

Self-Employment and Wage Employment

There are considerable differences across the sub-regions in the percentage of wage workers in total employment (**table 3.2**). In emerging and developing countries, employees/wage workers are 26 per cent of total employment in Southern Asia, 35 per cent in sub-Saharan Africa (excluding Southern Africa), 46 per cent in East and South-Eastern Asia (excluding China), 60 per cent in the Middle East and North Africa, 63 per cent in Latin America and the Caribbean, 79 per cent in Eastern Europe and Central Asia and 84 per cent in Southern Africa.

Employers represent less than 4 per cent of total employment and less than 3 per cent of informal employment. Own-account workers are a more important component of both total and informal employment in the sub-regions of Asia (excluding China) and in sub-Saharan Africa (excluding Southern Africa) than in the other sub-regions in which wage workers are the more important component. Own-account workers are 58 per cent of total employment and 62 per cent of informal employment in Southern Asia and just under one half of total employment (47 per cent) and just over one half of informal employment (53 per cent) in sub-Saharan Africa (excluding Southern Africa). In all sub-regions except in sub-Saharan Africa, own-account work is a larger source of total employment and of informal employment for men than for women.

⁶ ILOSTAT, [Employment-to-population ratio](#) 2016 data from ILO's Trends Econometric Models

Table 3.2 Distribution of Total, Informal and Formal Employment by Status in Employment, Sex and Geographic Region, excluding Developed Countries, 2016 (per cent)*

	Employees			Employers			Own-Account workers			Contributing family workers		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Composition of total employment												
Asia and the Pacific	46	45	47	3	4	2	38	45	27	13	6	24
Southern Asia	26	28	21	1	2	0	58	62	45	15	9	34
East and South-Eastern Asia (including China)	58	59	57	4	6	2	27	30	21	11	5	20
East and South-Eastern Asia (excluding China)	46	48	43	4	6	2	35	39	30	15	8	25
Sub-Saharan Africa	37	43	30	2	3	1	46	45	47	15	10	22
Southern Africa	84	83	86	5	7	2	10	9	10	1	1	1
Rest of sub-Saharan Africa	35	40	27	2	3	1	47	47	49	16	10	23
Latin America and the Caribbean	63	62	64	5	6	3	28	29	26	4	3	6
Middle East and North Africa	60	61	55	6	8	2	25	26	18	9	5	25
Eastern Europe and Central Asia	79	78	81	2	3	1	14	16	12	4	3	6
Composition of informal employment												
Asia and the Pacific	34	35	32	2	3	1	46	53	32	18	9	34
Southern Asia	20	21	177	1	1	0	62	68	45	17	10	38
East and South-Eastern Asia (including China)	47	51	41	3	4	2	32	36	25	18	8	32
East and South-Eastern Asia (excluding China)	39	43	33	3	4	1	36	40	30	23	13	36
Sub-Saharan Africa	28	34	22	2	2	1	52	52	52	18	12	25
Southern Africa	70	68	72	5	7	2	22	22	23	3	3	3
Rest of sub-Saharan Africa	27	33	21	2	2	1	53	53	53	18	12	25
Latin America and the Caribbean	45	44	46	4	5	2	43	45	40	8	5	11
Middle East and North Africa	44	47	31	9	11	2	36	36	34	11	6	33
Eastern Europe and Central Asia	65	65	64	2	3	1	23	26	18	11	6	16
Composition of formal employment												
Asia and the Pacific	73	74	84	4	7	2	23	20	14			
Southern Asia	71	72	70	1	2	0	28	26	30			
East and South-Eastern Asia (including China)	74	75	85	7	8	3	19	18	12			
East and South-Eastern Asia (excluding China)	63	63	72	9	10	5	28	27	23			
Sub-Saharan Africa	76	80	79	3	4	3	21	15	18			
Southern Africa	94	92	96	4	6	2	2	2	2			
Rest of sub-Saharan Africa	75	77	70	3	4	3	22	19	27			
Latin America and the Caribbean	84	81	88	5	7	4	10	12	8			
Middle East and North Africa	94	95	97	2	2	1	4	3	2			
Eastern Europe and Central Asia	89	85	91	2	4	1	9	11	8			

Note: The distribution of total employment is based on national micro-datasets used for the estimates of informal and formal employment. Global and regional estimates might slightly differ from those presented in ILOSTAT Employment by status — ILO modelled estimates, May 2018.

Source: ILO calculations based on household survey micro datasets.

* These data are for emerging and developing countries only, not developed countries, in the regions.

In the case of contributing family workers, there are marked differences between women and men. In the sub-regions of Asia, in sub-Saharan Africa (excluding Southern Africa) and in the Middle East and North

Africa contributing family workers represent one quarter to one third of women's employment but a far lower percentage of men's employment. Among informal workers, the percentage of women working as contributing family workers is even higher. In Southern Asia contributing family workers increase from 34 per cent of women's total employment to 38 per cent of women's informal employment, in East and South-Eastern Asia, excluding China from 25 per cent to 36 per cent, including China from 20 per cent to 32 per cent and in the Middle East and Northern Africa from 25 to 33 per cent.

Rural-Urban and Branch of Industry

In developing and emerging countries, except in Eastern Europe and Central Asia where a little less than half of rural employment is informal, the majority of rural workers are informal (**table 3.3**). In Southern Asia and in sub-Saharan Africa (excluding Southern Africa) over 90 percent of rural employment is informal, 93 and 92 per cent respectively. In rural employment, in East and South-Eastern Asia 80 per cent including China and 78 per cent excluding China is informal, and in the Middle East and North Africa 74 per cent is informal.

Table 3.3 Per Cent of Informal Employment in Total, Rural and Urban Employment by Branch of Industry and Geographic Region, excluding Developed Countries, 2016*

	Total			Agriculture			Industry			Services		
	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
Asia and the Pacific	71	86	51	95	97	80	73	81	66	57	78	46
Southern Asia	88	93	75	99	99	97	82	85	79	76	80	71
East and South-Eastern Asia (including China)	61	80	42	88	92	76	63	76	50	52	76	41
East and South-Eastern Asia (excluding China)	77	78	58	92	92	92	67	69	65	64	63	65
Sub-Saharan Africa	89	90	81	98	98	98	73	86	72	76	81	72
Southern Africa	40	57	33	74	77	59	34	46	30	38	56	33
Rest of sub-Saharan Africa	92	92	85	98	99	98	87	89	85	80	82	79
Latin America and the Caribbean	54	69	48	80	80	79	50	51	49	50	53	48
Middle East and North Africa	68	74	60	95	96	94	73	77	70	52	49	52
Eastern Europe and Central Asia	37	47	29	76	78	57	33	46	32	28	32	27

Note: The category "not classified" for missing data on an industrial sector is not displayed in this table.

Source: ILO calculations based on household survey micro-datasets

* These data are for emerging and developing countries only, not developed countries, in the regions.

Urban employment is less informal than rural employment in all of the regions: but the rate of informal employment in urban areas is high in sub-Saharan Africa (excluding Southern Africa) (85 per cent) and in Southern Asia (75 per cent). The rate of urban informality drops to 60 per cent in the Middle East and North Africa, 48 per cent in Latin America and the Caribbean, 42 per cent in East and South-Eastern Asia (including China) and 29 percent in Eastern Europe and Central Asia.

Agriculture predominates in both total and informal employment in sub-Saharan Africa (excluding southern Africa) at 60 and 65 percent respectively and in Southern Asia at 43 and 48 per cent respectively (**table 3.4**). In the other regions and sub-regions, including Southern Africa, the service sector is predominant in total employment (41 to 68 per cent) and in informal employment (35 to 64 per cent). In formal employment, services is the predominant sector in all regions and agriculture comprises less than 10 per cent except in East and South-Eastern Asia (excluding China) and sub-Saharan Africa (excluding Southern Africa) at 11 and 12 percent, respectively.

In Asia as a whole (excluding China) and in sub-Saharan Africa (excluding Southern Africa) agriculture is a major source of employment for both women and men. However, there are significant differences between

women and men in some regions. In Southern Asia, agriculture is the primary source of employment for women (57 per cent of total employment and 62 per cent of informal employment) but a less important source of employment for men (38 per cent and 44 per cent, respectively).

Table 3.4 Distribution of Total, Informal and Formal Employment by Branch of Industry, Sex and Geographic Region, 2016, excluding Developed Countries (per cent)*

	Agriculture			Industry			Services		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Composition of total employment									
Asia and the Pacific	27	25	31	18	22	12	55	53	57
Southern Asia	43	38	57	26	27	21	32	35	22
East and South-Eastern Asia (including China)	17	14	22	14	18	8	69	68	70
East and South-Eastern Asia (excluding China)	36	37	36	23	24	21	41	40	43
Sub-Saharan Africa	58	58	57	10	12	7	33	29	37
Southern Africa	10	11	8	22	31	11	68	59	81
Rest of sub-Saharan Africa	60	61	59	9	11	6	31	28	35
Latin America and the Caribbean	16	20	9	22	29	12	62	51	79
Middle East and North Africa	24	21	37	23	27	9	52	52	54
Eastern Europe and Central Asia	16	16	16	26	34	16	58	50	68
Composition of informal employment									
Asia and the Pacific	36	33	43	19	23	13	45	45	44
Southern Asia	48	44	62	24	25	21	27	31	17
East and South-Eastern Asia (including China)	26	20	33	15	20	9	60	60	58
East and South-Eastern Asia (excluding China)	45	44	46	20	22	18	35	34	36
Sub-Saharan Africa	64	66	61	9	11	6	28	24	32
Southern Africa	17	19	15	19	28	8	64	53	77
Rest of sub-Saharan Africa	65	67	62	8	10	6	27	23	31
Latin America and the Caribbean	23	29	14	20	27	11	57	44	75
Middle East and North Africa	34	29	51	25	29	12	41	42	38
Eastern Europe and Central Asia	33	29	38	24	33	12	43	38	50
Composition of formal employment									
Asia and the Pacific	5	4	5	25	30	15	70	66	79
Southern Asia	2	2	4	37	42	24	61	56	73
East and South-Eastern Asia (including China)	7	6	6	14	17	11	79	77	83
East and South-Eastern Asia (excluding China)	11	13	7	24	24	23	65	63	70
Sub-Saharan Africa	12	13	11	14	17	9	74	70	80
Southern Africa	5	7	4	23	31	13	71	62	84
Rest of sub-Saharan Africa	12	13	11	14	16	9	75	71	80
Latin America and the Caribbean	7	9	2	24	30	15	69	61	83
Middle East and North Africa	5	4	6	19	22	9	76	74	85
Eastern Europe and Central Asia	8	9	6	27	35	17	65	55	77

Note: The distribution of total employment is based on national micro-datasets used for the estimates of informal and formal employment. Global and regional estimates might slightly differ from those presented in ILOSTAT Employment by sector -- ILO modelled estimates, May 2018.

Source: ILO calculations based on household survey micro-datasets.

* These data are for emerging and developing countries only, not developed countries, in the regions.

Across most geographic regions and in each type of employment — total and informal — the service sector is a greater source of employment for women than for men, with the exception of Southern Asia, East and South-Eastern Asia (including China) and the Middle East and North Africa. However in these three regions as well as in all regions, the rates of formal employment in services are higher for women than for men. For example, in the Middle East and North Africa, 85 per cent of women formal workers are in services in comparison to 74 per cent of men formal workers. By contrast, industry is a greater source of employment for men than for women. in each type of employment— total, formal and informal — across the geographic regions.

4. Informality and Key Social Indicators

This section examines the relationship of informal employment with poverty, age and education. In so doing, the section does not seek to determine causality between informal employment and these social indicators but, rather, to report the co-relationship between them.

The relationship between informality and income per capita of countries — a key economic indicator — has been detailed in Section 2. In presenting the linkages with social indicators, it is important to recall that the share of informal employment is highest among low-income countries and lowest among high-income countries. Specifically, the share of informal employment in total employment is 18 per cent in developed countries, 67 per cent in emerging countries, and 90 per cent in developing economies. It is also important to highlight that developing countries have the highest rates of self-employment, especially own-account workers and contributing family workers; while developed countries have the lowest rates of self-employment and the highest rates of wage employment.

Poverty

Not all informal workers are from poor households and not all formal workers are from non-poor households. However, there is significant overlap between being informally employed and being poor.

Higher percentages of informal workers than formal workers are from poor households in developed, emerging and developing countries (**table 4.1**). Out of 28 developing and emerging countries, the poverty rate of informal workers is at least twice that of formal workers in 19 countries, five times or more in eight of those countries and over 10 times as much in three countries (Bulgaria, Colombia and Romania). Out of 27 developed countries, the poverty rate of informal workers is twice that of formal workers in 22 countries and five times as much in one country (Slovenia).

The close relationship between poverty and informality is also shown when comparing the percentage of workers from poor and non-poor households who are informally employed (**table 4.2**). In all of the developing and emerging countries, among workers from poor households, anywhere from just over 50 per cent to as high as 98 per cent (in Cameroon and Rwanda) are informally employed. More than 80 per cent of workers from poor households are informally employed in 21 out of 28 countries. Among workers from non-poor households, half or more are informally employed in 19 countries. In nine of these countries 80 per cent or more are informally employed. But in another nine less than half are informally employed. In developed countries, the percent of informally employed ranged from 14 per cent to 62 per cent among workers from poor households and from 4 per cent to 34 per cent among workers from non-poor households.

Table 4.1 Per Cent of Workers in Informal and Formal Employment from Poor Households by Country Income Groups (latest year available)

Developing and Emerging Countries: Absolute Poverty Rate (at US \$3.10 PPP per capita per day)				Developed Countries* Relative Poverty Rate (relative poverty line at 60 per cent of the national median household disposable income)			
	Workers in informal employment	Workers in formal employment	Ratio between workers in informal and formal employment		Workers in informal employment	Workers in formal employment	Ratio between workers in informal and formal employment
Albania (2012)	5.2	1.2	4.2	Austria (2012)	30.7	10.0	3.1
Angola (2009)	56.0	33.9	1.7	Chile (2013)	20.5	11.8	1.7
Armenia (2014)	16.8	7.7	2.2	Croatia (2012)	25.7	7.0	3.7
Benin (2011)	72.3	32.4	2.2	Cyprus (2012)	17.2	7.4	2.3
Bolivia (2014)	17.8	15.4	1.2	Czech Republic (2012)	16.7	7.1	2.3
Botswana (2012)	28.5	18.1	1.6	Denmark (2012)	22.6	4.9	4.6
Brazil (2014)	4.8	2.0	2.4	Estonia (2012)	34.3	8.3	4.1
Bulgaria (2012)	5.1	0.4	12.8	Finland (2012)	19.5	5.0	3.9
Burkina Faso (2014)	82.5	54.9	1.5	France (2012)	22.5	9.6	2.3
Cameroon (2007)	54.2	12.7	4.3	Germany (2012)	23.9	8.4	2.9
China (2008)	36.5	10.3	3.6	Greece (2012)	31.4	10.4	3.0
Colombia (2015)	13.2	1.3	10.4	Hungary (2012)	9.4	8.3	1.1
Costa Rica (2013)	5.2	0.9	5.8	Iceland (2012)	26.5	7.2	3.7
Ghana (2013)	25.6	12.6	2.0	Italy (2012)	22.6	11.3	2.0
Honduras (2014)	40.4	4.6	8.7	Latvia (2012)	30.4	9.7	3.1
India (2012)	67.0	33.4	2.0	Lithuania (2012)	24.1	9.6	2.5
Madagascar (2012)	92.0	59.5	1.5	Malta (2012)	24.1	8.0	3.0
Nicaragua (2014)	25.6	6.1	4.2	Poland (2012)	24.2	9.1	2.7
Niger (2011)	83.6	50.0	1.7	Portugal (2012)	35.8	8.4	4.3
Nigeria (2013)	72.3	43.6	1.7	Russian Federation (2014)	23.3	15.9	1.5
Peru (2015)	11.4	1.2	9.2	Slovakia (2012)	20.1	7.3	2.8
Romania (2012)	22.7	1.3	17.5	Slovenia (2012)	31.9	6.3	5.1
Rwanda (2014)	81.8	25.5	3.2	Spain (2012)	22.0	11.8	1.9
South Africa (2012)	22.0	3.9	5.6	Sweden (2012)	22.3	6.4	3.5
Tanzania, United Republic of (2013)	75.1	41.9	1.8	Switzerland (2012)	17.9	10.6	1.7
Togo (2011)	65.6	49.0	1.3	United Kingdom (2012)	20.8	8.6	2.4
Viet Nam (2008)	52.0	18.7	2.8	Uruguay (2015)	36.6	8.3	4.4
Zambia (2015)	79.3	14.7	5.4				

Note: In developing and emerging countries, poverty status is defined in reference to the absolute poverty line of US\$3.10PPP. In developed countries poverty is defined on the basis of a relative poverty line as workers and family members with an income below 60 per cent of the national median household disposable income. Consumption and income are calculated on a per capita basis, including for developed countries. The analysis of informality and poverty is based for some countries on different datasets than those used for other indicators presented in the report. Country datasets used for the joint poverty and informality analysis are presented in Annex I.

* With the exception of Croatia and the Russian Federation.

Source: ILO calculations based on national labour force or similar household survey data.

In countries with high rates of poverty, women informal workers are more likely than men informal workers to be from poor households while women formal workers are less likely than men formal workers to be from poor households. This finding speaks to the intersection of gender and class in determining where women and men are employed in the labour force.

Table 4.2 Per Cent of Workers in Informal Employment among Workers from Poor and Non-poor Households by Country Income Groups (latest year available)

	Developing and Emerging Countries (based on the absolute moderate poverty line UD \$3.10 PPP per capita per day)			Developed Countries* (based on the relative poverty line at 60 per cent of the national median household disposable income)			
	Among the poor	Among the non-poor	Ratio between the poor and the non-poor	Among the poor	Among the non-poor	Ratio between the poor and the non-poor	
Albania (2012)	81.5	50.0	1.6	Austria (2012)	25.6	7.9	3.2
Angola (2009)	93.5	85.4	1.1	Chile (2013)	24.5	14.4	1.7
Armenia (2014)	66.2	44.9	1.5	Croatia (2012)	35.4	10.6	3.3
Benin (2011)	97.6	88.2	1.1	Cyprus (2012)	29.2	13.7	2.1
Bolivia (2014)	51.3	47.0	1.1	Czech Republic (2012)	19.2	8.3	2.3
Botswana (2012)	50.5	36.1	1.4	Denmark (2012)	36.4	9.1	4.0
Brazil (2014)	64.2	42.3	1.5	Estonia (2012)	22.3	4.7	4.7
Bulgaria (2012)	69.6	15.0	4.6	Finland (2012)	20.7	5.4	3.9
Burkina Faso (2014)	95.5	84.6	1.1	France (2012)	20.1	8.5	2.4
Cameroon (2007)	98.3	87.8	1.1	Germany (2012)	24.5	8.6	2.8
China (2008)	79.3	43.3	1.8	Greece (2012)	59.1	26.8	2.2
Colombia (2015)	92.0	49.3	1.9	Hungary (2012)	13.6	12.1	1.1
Costa Rica (2013)	50.4	14.4	3.5	Iceland (2012)	15.6	3.8	4.1
Ghana (2013)	87.8	75.1	1.2	Italy (2012)	31.9	16.9	1.9
Honduras (2014)	97.1	70.5	1.4	Latvia (2012)	32.2	10.4	3.1
India (2012)	88.2	64.8	1.4	Lithuania (2012)	26.5	10.8	2.5
Madagascar (2012)	95.7	74.2	1.3	Malta (2012)	21.0	6.8	3.1
Nicaragua (2014)	93.5	73.0	1.3	Poland (2012)	62.0	33.8	1.8
Niger (2011)	96.4	83.9	1.1	Portugal (2012)	37.0	8.8	4.2
Nigeria (2013)	97.6	92.4	1.1	Russian Federation (2014)	45.3	34.0	1.3
Peru (2015)	96.9	75.5	1.3	Slovakia (2012)	35.6	14.7	2.4
Romania (2012)	80.9	15.9	5.1	Slovenia (2012)	21.2	3.7	5.7
Rwanda (2014)	98.1	80.0	1.2	Spain (2012)	40.4	24.2	1.7
South Africa (2012)	88.5	52.5	1.7	Sweden (2012)	22.9	6.6	3.5
Tanzania, United Republic of (2013)	95.7	84.3	1.1	Switzerland (2012)	16.3	9.6	1.7
Togo (2011)	95.3	91.0	1.0	United Kingdom (2012)	27.4	11.8	2.3
Viet Nam (2008)	91.6	69.9	1.3	Uruguay (2015)	58.7	18.2	3.2
Zambia (2015)	98.0	69.1	1.4				

Note: In developing and emerging countries, poverty status is defined in reference to the absolute poverty line of US\$3.10PPP. In developed countries poverty is defined on the basis of a relative poverty line as workers and family members with an income below 60 per cent of the national median household disposable income. Consumption and income are calculated on a per capita basis, including for developed countries. The analysis of informality and poverty is based for some countries on different datasets than those used for other indicators presented in the report. Country datasets used for the joint poverty and informality analysis are presented in Annex I.

* With the exception of Croatia and the Russian Federation.

Source: ILO calculations based on national labour force or similar household survey data.

Age

Globally, the share of informal employment in total employment is higher among young workers (15-24 years of age) and older workers (65 years or older) than among adult workers (25-64 years of age), (**table 4.3**). Among those who are employed, over three quarters of both young and older persons are informally employed — 77 per cent of young and older workers. The shares among both the young and older workers are lowest in developed countries and very high in developing countries where 92 per cent of young women workers and 87 per cent of young men workers are informally employed and 98 per cent of older women workers and 95 per cent of older men workers are informally employed. Across the regions, the difference between women and men in shares of informal employment by age are relatively small: within 2 percentage points in developed countries and from 0 to 6 percentage points in emerging and developing countries

Table 4.3 Share of Informal Employment in Total Employment by Age and Sex, 2016 (per cent)

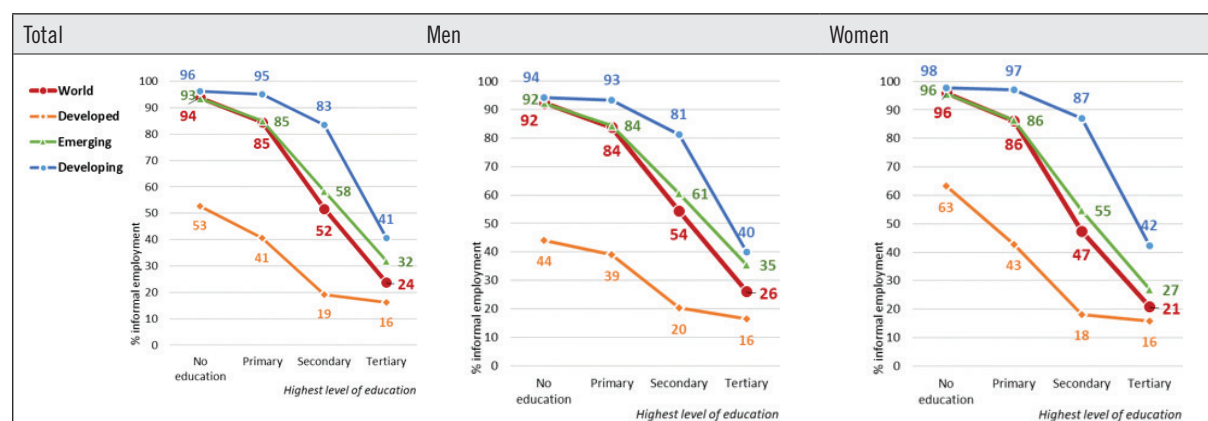
	Total				Men				Women			
	World	Developed	Emerging	Developing	World	Developed	Emerging	Developing	World	Developed	Emerging	Developing
Total	61	18	67	90	63	19	69	87	58	18	64	92
15-24	77	19	83	97	79	19	85	97	73	19	79	97
25-64	58	17	66	90	60	17	67	87	54	16	62	93
65 and over	77	38	88	96	78	39	88	95	75	37	88	98

Source: ILO calculations based on national labour force or similar household survey data (See Annex I). See Appendix C of (ILO, 2018) *Women and Men in the Informal Economy: A Statistical Picture* (Third edition) for some of the drivers of informality associated with differences by age.

Education

Everywhere and at all levels, global and regional, there is a clear link between an increase in level of education of workers and a decrease in the share of informal employment (**figure 4.1**). Globally, the rate of informal employment decreases with levels of education: from 94 per cent of those with no education, to 85 per cent among workers with primary education, to 52 per cent for those with secondary education, to 24 per cent for those with tertiary education. The differences in rates of informal employment by level of formal education are higher in developing and emerging countries than in developed countries which have a low incidence of informality.

Figure 4.1 Share of Informal Employment in Total Employment by Education and Sex, 2016 (per cent)



Source: ILO calculations based on national labour force or similar household survey data (see Annex I). See Appendix C.1 of (ILO, 2018) *Women and Men in the Informal Economy: A Statistical Picture* (Third edition) for some of the drivers of informality associated with level of education.

While globally the percentage of women in informal employment is lower than of men the opposite is true among low-educated workers. Among low-educated workers, women are more likely to be informally employed in developing, emerging and developed countries. Among women workers globally, 96 per cent with no education and 86 with only primary education are informally employed: the comparative percentages for men workers are 92 per cent and 84 per cent, respectively. Among workers who have secondary or tertiary education a lower percentage of women than men are informally employed except in developing countries

Finally, it is important to note that, while the relationship between formal education and informal employment is clear and telling, informal workers acquire knowledge and skills from informal sources, including: through family or community, at the workplace, through informal apprenticeships or “learning by doing”.

5. Future Directions

Great strides have been made in the development and availability of statistics on informal employment and employment in the informal sector. An increasing number of countries now collect the data required to produce statistics on these concepts and have prepared public use files to disseminate the data. Data files for over 100 countries were acquired by the ILO and are the basis for the harmonized estimates presented in this Brief. The harmonized estimates produced are now part of the standard data produced by the ILO. They are included in the ILO’s main database ILOSTAT and in the ILO reporting on SDG indicator 8.3.1. Informal employment is now a core topic in the employment statistics disseminated by the ILO.

The advances made in the development and availability of these statistics at the international level build on work in countries. The previous two sets of regional estimates prepared by ILO and WIEGO were based on far fewer countries. The first edition of *Women and Men in the Informal Economy: A Statistical Picture* included estimates based on indirect and residual methods (ILO, 2002) for 25 countries in the absence of reliable data collected directly. The second edition of *Women and Men* compiled data for 47 countries based on direct measures supplied by countries from data in national surveys (ILO, 2013). This edition was accompanied by a WIEGO Working Paper, *Statistics on the Informal Economy: Definitions, Regional Estimates & Challenges* (WIEGO, 2014) with a second set of estimates of informal employment and employment in the informal sector for developing regions and sub-regions. The estimates were based on 40 countries in the ILO database with direct estimates and an additional 81 countries with indirect measures.

Since the last set of estimates were made, additional countries now have data on informal employment and employment in the informal sector and many have updated statistics. However additional work is required at the national level. First, countries which produce these estimates but do not supply the data to the ILO should be encouraged to do so. Second, many countries do not yet produce these estimates. For example, there are only limited data on these statistical concepts for the Arab States and for developed countries. The latter is a region where the concept of informal employment is only beginning to be applied. A key message conveyed in both ILO Recommendation 204 and in the UN Sustainable Development Agenda is that countries are to develop these data and use them to inform policies and programmes. Third, for a number of the countries an alternate path was used to estimate employment in the informal sector in the absence of the main criteria. Data for these countries could be improved by including questions on the main criteria for identifying the informal sector in their surveys.

In summary, there are challenges in the production of data on informal employment and employment in the informal sector to meet the strong mandates for these data to monitor changes in the informal economy. Fortunately, the 20th ICLS meeting in October of 2018 has recommended that the ILO undertake work to prepare a revision of the 15th ICLS resolution concerning statistics of employment in the informal sector and the 17th ICLS guidelines concerning a statistical definition of informal employment to be reviewed at the 21st ICLS. This will stimulate further work at the national, regional and international levels.

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Annex I National Sources: List of Household Surveys⁷

Country	Year	Name of survey	Poverty analysis ⁷
Albania	2013	Labour force survey	
Albania	2012	Living Standards Measurement Survey	•
Angola	2009	Inquérito Integrado sobre o Bem-Estar da População (IBEP)	•
Argentina	2016	Encuesta Permanente de Hogares (EPH)	
Armenia	2015	Labour force survey	
Armenia	2014	Integrated Living Conditions Survey	•
Austria	2012	EU statistics on income and living conditions (EU-SILC)	•
Bangladesh	2013	Labour force survey	
Belgium	2012	EU statistics on income and living conditions (EU-SILC)	•
Benin	2011	Enquête Modulaire Intégrée sur les Conditions de Vie des ménages (EMICOV)	•
Bolivia, Plurinational State of	2014	Encuesta de Hogares (EH)	•
Bosnia and Herzegovina	2005	Living Standards and Monitoring Survey (LSMS)	
Botswana	2009	Botswana Core Welfare Indicators Survey (BCWIS)	•
Brazil	2016	Pesquisa Nacional por Amostra de Domicílios (PNAD, Q3)	•
Brunei Darussalam	2014	Labour force survey	
Bulgaria	2012	EU statistics on income and living conditions (EU-SILC)	•
Burkina Faso	2014	Enquête multisectorielle continue	•
Cabo Verde	2015	Income survey	
Cambodia	2012	Labour force survey	
Cameroon	2007	Enquête Camerounaise Aupres des Menages (ECAM 3)	•
Chad	2003	the Comprehensive Household Survey (EIM)	
Chile	2016	Labour force survey (NENE, December)	
Chile	2013	CASEN	•
China	2013	China Household Income Project (CHIP)	•
Colombia	2015	Encuesta de Calidad de Vida	•
Comoros	2004	the Comprehensive Household Survey (EIM)	
Congo	2009	Enquête sur l'Emploi et le Secteur Informel au Congo (EESIC)	
Congo, Democratic Republic of the	2005	Labour force survey	
Costa Rica	2016	Encuesta Nacional de Hogares (ENAH0)	•
Côte d'Ivoire	2016	Labour force survey	
Croatia	2012	EU statistics on income and living conditions (EU-SILC)	•
Cyprus	2012	EU statistics on income and living conditions (EU-SILC)	•
Czech Republic	2012	EU statistics on income and living conditions (EU-SILC)	•
Denmark	2012	EU statistics on income and living conditions (EU-SILC)	•
Dominican Republic	2014	Labour force survey (Encuesta de fuerza de trabajo) (ENFT)	

⁷ In the joint analysis of poverty and informality, for a number of countries (such as Albania, Chile or India), a different dataset is used and indicated in this list together with the main dataset used for the assessment of informality. For those countries, the same set of criteria to define informality was applied to the extent the relevant data were available in the survey.

Women and Men in the Informal Economy – A Statistical Brief

Country	Year	Name of survey	Poverty analysis ⁷
Ecuador	2015	Encuesta Nacional de Empleo, Desempleo y Subempleo (ENEMDU)	
Egypt	2013	Labour force survey	
El Salvador	2014	Encuesta de Hogares de Propósitos Múltiples (EHPM)	
Estonia	2012	EU statistics on income and living conditions (EU-SILC)	•
Finland	2012	EU statistics on income and living conditions (EU-SILC)	•
France	2012	EU statistics on income and living conditions (EU-SILC)	•
Gambia	2012	Labour force survey	
Germany	2013	German Socio-Economic Panel (GSOEP)	•
Ghana	2013	Ghana Living Standards Survey (GLSS)	•
Greece	2012	EU statistics on income and living conditions (EU-SILC)	•
Guatemala	2016	Encuesta Nacional de Empleo e Ingresos (ENEI, Q4)	
Honduras	2014	Encuesta de Hogares de Propósitos Múltiples (EHPM)	•
Hungary	2012	EU statistics on income and living conditions (EU-SILC)	•
Iceland	2012	EU statistics on income and living conditions (EU-SILC)	•
India	2012	Employment and unemployment survey	
India	2012	India Human Development Survey	•
Indonesia	2016	SAKERNAS (Q3)	
Iraq	2012	Household Socio-Economic Survey (IHSES)	
Ireland	2012	EU statistics on income and living conditions (EU-SILC)	•
Italy	2012	EU statistics on income and living conditions (EU-SILC)	•
Japan	2010	Japanese General Social Survey (JGSS)	•
Jordan	2010	Employment and Unemployment Survey (EUS)	
Korea, Republic of	2014	Korean Labor and Income Panel Study (KLIPS)	
Kyrgyzstan	2013	Life in Kyrgyzstan (LIK)	
Lao Peoples Democratic Republic	2010	Labour force survey	
Latvia	2012	EU statistics on income and living conditions (EU-SILC)	•
Liberia	2010	Labour force survey	
Lithuania	2012	EU statistics on income and living conditions (EU-SILC)	•
Luxembourg	2012	EU statistics on income and living conditions (EU-SILC)	•
Madagascar	2013	Enquête nationale sur le suivi des objectifs du millénaire pour le développement à Madagascar	•
Malawi	2013	Labour force survey	
Mali	2015	Enquête Permanente emploi Auprès des Ménages (EPAM)	
Malta	2012	EU statistics on income and living conditions (EU-SILC)	•
Mexico	2015	Encuesta Nacional de Ocupación y Empleo (ENOE)	
Mongolia	2015	Labour force survey	
Morocco	2010	Household and youth survey	
Myanmar	2015	Labour force survey	
Namibia	2016	Labour force survey	
Nepal	2008	Labour force survey	
Netherlands	2012	EU statistics on income and living conditions (EU-SILC)	•
Nicaragua	2014	Encuesta Nacional de Hogares para la Medición del Nivel de Vida (ENMV)	•

Women and Men in the Informal Economy – A Statistical Brief

Country	Year	Name of survey	Poverty analysis ⁷
Niger	2011	Living Standard and Monitoring Survey (LSMS)	•
Nigeria	2013	Nigeria General Household Survey	•
Norway	2012	EU statistics on income and living conditions (EU-SILC)	•
Occupied Palestinian Territory	2014	Labour force survey	
Pakistan	2015	Labour force survey	
Panama	2014	Labour force survey	
Paraguay	2015	Encuesta Permanente de Hogares (EPH)	
Peru	2015	Encuesta Nacional de Hogares (ENAHO)	•
Poland	2012	EU statistics on income and living conditions (EU-SILC)	•
Portugal	2012	EU statistics on income and living conditions (EU-SILC)	•
Republic of Moldova	2010	Labour force survey	
Romania	2012	EU statistics on income and living conditions (EU-SILC)	•
Russian Federation	2014	Russia Longitudinal Monitoring Survey of HSE	•
Rwanda	2014	Integrated Household Living Conditions Survey (EICV4)	•
Samoa	2012	Labour force survey	
Senegal	2015	Enquête Nationale sur l'Emploi au Sénégal (ENES)	
Serbia	2016	Labour force survey (Q4)	
Sierra Leone	2014	Labour force survey	
Slovakia	2012	EU statistics on income and living conditions (EU-SILC)	•
Slovenia	2012	EU statistics on income and living conditions (EU-SILC)	•
South Africa	2016	Labour force survey	
South Africa	2012	National Income Dynamics Study (NIDS)	•
Spain	2012	EU statistics on income and living conditions (EU-SILC)	•
Sri Lanka	2013	Labour force survey	
Sweden	2012	EU statistics on income and living conditions (EU-SILC)	•
Switzerland	2012	EU statistics on income and living conditions (EU-SILC)	•
Syrian Arab Republic	2003	Household Income and Expenditure Survey (HIES)	
Tajikistan	2009	Living Standards Monitoring Survey (LSMS)	•
Tanzania, United Republic of	2014	Integrated labour force survey	
Timor-Leste	2013	Labour force survey	
Togo	2011	Questionnaire Unifié des Indicateurs de Base du Bien-être (QUIBB)	•
Tunisia	2014	Labour market panel survey	
Turkey	2015	Labour force survey	
Uganda	2012	Labour force and child labour survey	
United Kingdom	2012	EU statistics on income and living conditions (EU-SILC)	•
United States	2013	Consumer Expenditure Interview Survey	•
Uruguay	2016	Encuesta Continua de Hogares (ECH)	•
Venezuela, Bolivarian Republic of	2012	Encuesta de Hogares por Muestreo (EHM)	
Viet Nam	2015	Labour force survey	
Viet Nam	2008	Viet Nam Household Living Standards Survey (VHLSS)	•
Yemen	2014	Labour force survey	

Country	Year	Name of survey	Poverty analysis ⁷
Zambia	2014	Labour force survey	
Zambia	2015	Living Conditions Monitoring Survey VII (LCMS)	•
Zimbabwe	2011	Labour force survey	
Zimbabwe	2011	Labour force survey	

Additional countries from ILOSTAT (for basic indicator on the size of informal employment only)

Kazakhstan	2013	ILOSTAT	
Lesotho	2008	ILOSTAT	
Macedonia, the former Yugoslav Republic of	2015	ILOSTAT	
Philippines	2013	ILOSTAT	
Thailand	2013	ILOSTAT	
Ukraine	2015	ILOSTAT	

Annex II Income and Regional Groupings

Developed countries

Australia	France	Lithuania	Slovakia
Austria	French Polynesia	Luxembourg	Slovenia
Bahamas	Germany	Macau, China	Spain
Bahrain	Greece	Malta	Sweden
Barbados	Guam	Netherlands	Switzerland
Belgium	Hong Kong, China	New Caledonia	Taiwan, China
Brunei Darussalam	Hungary	New Zealand	Trinidad and Tobago
Canada	Iceland	Norway	United Arab Emirates
Channel Islands	Ireland	Oman	United Kingdom
Chile	Israel	Poland	United States
Cyprus	Italy	Portugal	United States Virgin Islands
Czech Republic	Japan	Puerto Rico	Uruguay
Denmark	Korea, Republic of	Qatar	
Estonia	Kuwait	Saudi Arabia	
Finland	Latvia	Singapore	

Developing and emerging countries: Regional grouping

Asia and the Pacific	Africa	Africa (cont.)	Middle East and North
Southern Asia	Southern Africa	<i>Emerging</i>	Africa
<i>Developing</i>	<i>Emerging</i>	Angola	<i>Emerging</i>
Afghanistan	Botswana	Cabo Verde	Algeria
Nepal	Lesotho	Cameroon	Egypt
<i>Emerging</i>	Namibia	Congo	Iraq
Bangladesh	South Africa	Côte d'Ivoire	Jordan
Bhutan	Swaziland	Djibouti	Lebanon
India		Equatorial Guinea	Libya
Iran, Islamic Republic of	Rest of sub-Saharan Africa	Gabon	Morocco
Maldives	<i>Developing</i>	Ghana	Occupied Palestinian Territory
Pakistan	Benin	Kenya	Sudan
Sri Lanka	Burkina Faso	Mauritania	Syrian Arab Republic
	Burundi	Mauritius	Tunisia
East and South-Eastern Asia	Central African Republic	Nigeria	Western Sahara
<i>Developing</i>	Chad	Sao Tome and Principe	Yemen
Korea, Democratic Peoples Republic of	Comoros	Zambia	
<i>Emerging</i>	Congo, Democratic Republic		
Cambodia	Eritrea	Latin America and the	Eastern Europe and Central
China	Ethiopia	Caribbean	Asia
Fiji	Gambia	<i>Developing</i>	<i>Emerging</i>
Indonesia	Guinea	Haiti	Albania
Lao Peoples Democratic Republic	Guinea-Bissau	<i>Emerging</i>	Armenia
Malaysia	Liberia	Argentina	Azerbaijan
Mongolia	Madagascar	Belize	Belarus
Myanmar	Malawi	Bolivia, Plurinational State of	Bosnia and Herzegovina
Papua New Guinea	Mali	Brazil	Bulgaria
Philippines	Mozambique	Colombia	Croatia
Samoa	Niger	Costa Rica	Georgia
Solomon Islands	Rwanda	Cuba	Kazakhstan
Thailand	Senegal	Dominican Republic	Kyrgyzstan
Timor-Leste	Sierra Leone	Ecuador	Macedonia, the former Yugoslav
Tonga	Somalia	El Salvador	Republic of
Vanuatu	Tanzania, United Republic of	Guatemala	Moldova, Republic of
Viet Nam	Togo	Guyana	Montenegro
	Uganda	Honduras	Romania
	Zimbabwe	Jamaica	Russian Federation
		Mexico	Serbia
		Nicaragua	Tajikistan
		Panama	Turkey
		Paraguay	Turkmenistan
		Peru	Ukraine
		Saint Lucia	Uzbekistan
		Saint Vincent and the Grenadines	
		Suriname	
		Venezuela, Bolivarian Republic of	

About WIEGO: Women in Informal Employment: Globalizing and Organizing is a global network focused on securing livelihoods for the working poor, especially women, in the informal economy. We believe all workers should have equal economic opportunities and rights. WIEGO creates change by building capacity among informal worker organizations, expanding the knowledge base about the informal economy and influencing local, national and international policies. Visit www.wiego.org.



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