

**17th Meeting of the Advisory Expert Group on National Accounts,
15, 16 and 19 November 2021, Remote Meeting**

Agenda item: 3.1

IE.1 Statistical Framework for the Informal Economy

This guidance note presents a coherent set of conceptual recommendations for the measurement of work and economic activity in the informal economy, focusing on the perspective of economic units. The framework redefines the informal sector; outlines how formal enterprises can engage in informal productive activities; and delineates the production of households of goods and services for own use, including informal non-profit institutions serving households (NPISH) and direct volunteering. In addition, it considers the issues of informality facilitated by digitalization, as well as informal cross border flows.

Questions:

1. Do you consider this guidance note ready for global consultation?
2. Do you agree with the definitions of informal productive activities and the informal economy?
3. Do you agree with the classification of the economy into the three domains:
 - Formal sector
 - Informal sector
 - Household own-use production
4. Do you agree with the definition of the formal sector?
5. Do you agree with the description of how formal enterprises can engage in informal productive activities?
 - Unregistered production through informal establishments of formal enterprises
 - Productive activities of informal employees in formal establishments
6. Do you agree with the definition of the informal sector?
7. Do you agree with the description of the household own-use production domain?
8. Do you agree with the types of household own use production activities excluded from the informal economy?
9. Do you agree with the description of illegal activities?
10. Do you prefer option i) or option ii) for the treatment of type a) illegal activities in the framework?

IE.1–4 Statistical Framework of the Informal Economy

SECTION I: BACKGROUND

I.1 POLICY NEEDS FOR A STATISTICAL FRAMEWORK

1. Interest in the informal economy continues to attract considerable attention. In addition, new informal types of economic activities are emerging, creating new types of jobs that could be characterized as being less formal or even informal in nature. Informal production activities provide employment and income to many people who might otherwise be unemployed. These jobs are often associated with lower and uncertain income for workers, since informal workers and enterprises are less protected against negative economic shocks. This may have broader consequences for inequality and poverty. Estimating the informal economy and deriving data on its characteristics are needed for designing, implementing, monitoring and analyzing macro-economic and social policies and to assess its impact.

2. It is a common misconception that economic activity is underestimated because it does not include the production of informal businesses. Conceptually, the System of National Accounts (SNA) includes all productive activities irrespective of whether these activities are formal or informal. While it is true, that a part of the informal economy may be considered unobserved, the framework for the informal economy outlined in this guidance note is not focusing on exhaustive measurements of production,¹ but rather on a complete presentation of the informal economy.

I.2 INFORMAL ECONOMY IN THE 2008 SNA AND THE INTERNATIONAL LABOUR ORGANIZATION (ILO) FRAMEWORK

3. An important contribution of the *System of National Accounts 2008 (2008 SNA)* was to establish the connection between the work on the informal sector, the informal economy, and their integration in the national accounts. The *2008 SNA* recognizes two separate goals for measuring that aspect of the economy that may be unregulated or activities that are not covered in statistical inquiries (*2008 SNA*, paragraph 25.1). The rationale for the first is to have a complete view of the economy that is comparable over time and across economies. The second aspect recognizes the analytical importance, especially in developing countries, of being able to measure that part of the economy that reflects the efforts of people without formal jobs to engage in some form of monetary economic activity (*2008 SNA*, paragraph 25.3), and is more closely aligned with the analytical framework of the informal economy. However, neither the *2008 SNA* nor the exiting International Labour Organization (ILO) guidelines on informality provide statistical recommendations or a comprehensive framework for the informal economy. This note therefore aims to present a consistent and coherent set of statistical concepts and definitions relating to the informal economy across all statistical datasets (in particular, national accounts, external sector statistics, and labour statistics) that are acceptable to labour statisticians and macroeconomic statisticians.

4. The update of the *2008 SNA* considers an increased focus of household production of services for own use as part of its work to better reflect issues of wellbeing in the SNA and other supplementary

¹ The OECD Handbook Measuring the Non-Observed Economy and the Eurostat Tabular Approach to Exhaustiveness provide frameworks for this issue.

presentations. Since this type of household production is not formal, it should be reflected in a complete framework for the informal economy.

5. The ILO has been working actively on developing statistics on informality. This work has led to the adoption of standards for defining the two main components of the informal economy, namely the informal sector and informal employment which was adopted at the International Conference of Labour Statisticians (ICLS) in respectively 1993 and 2003 (ILO, 1993, 2003). The standards provide conceptual and operational definitions for the two concepts thus reflecting informality from the perspective of economic units as well as workers. The ILO provides an analytical definition of the informal economy for policy purposes as all productive activities by workers and economic units that are—in law and in practice—not covered by formal arrangements (ILO, 2002). The last ICLS in 2018 agreed to update the standards on informality to clarify the conceptual framework and ensure alignment to the latest development in labour market standards. The ILO established the *Working Group for the Revision of the Standards of Statistics on Informality* in 2019 to support this work. The Working Group has made substantial progress and its work forms the basis for the framework as outlined in this guidance note.

SECTION II: PROPOSED FRAMEWORK FOR THE INFORMAL ECONOMY

6. While some of the statistical components of informality are covered by current statistical recommendations (such as the informal sector and informal employment) there is a general lack of a comprehensive framework that allows a statistical understanding of the scope of informality and how the different components relate to each other. Such a framework can contribute to a clearer understanding of what informality is, from a statistical point of view.

7. The concept of informal economy and its different components does, to some extent, overlap with other related but conceptually different statistical concepts with different objectives. This includes concepts such as the non-observed economy, underground production, or the “black economy”. These concepts are covered in greater detail in Annex I.

8. The following is a presentation of the proposed statistical framework on informality, focusing on the perspective of the economic unit and its relation to informal productive activities and the informal economy.

II.1 INFORMAL PRODUCTIVE ACTIVITIES AND THE CONCEPT OF THE INFORMAL ECONOMY

Informal Productive Activities

9. These are defined as all productive activities carried out by persons and economic units that are—in law or in practice—not covered by formal arrangements. This can be viewed as an underlying concept that contributes to a comprehensive framework recognizing the two highly linked but also slightly different perspectives of informality (i.e., the perspective of workers and the perspective of economic units). This concept has the potential to create an encompassing conceptual foundation from which the different statistical components of informality are derived.

Informal Economy

10. The overarching concept of informal economy is defined as constituting all informal productive activities carried out by workers and economic units.

II.2 THE THREE DOMAINS OF THE ECONOMY: FORMAL SECTOR, INFORMAL SECTOR, AND HOUSEHOLD PRODUCTION FOR OWN FINAL USE

11. The framework for the informal economy includes all SNA institutional units in the economy depending on their formal or recognized status and whether their production is mainly intended for the market (either market or non-market production) or mainly own-use production. For this purpose, the economy is divided in the formal sector, the informal sector, and the household own-use production domain. All formally recognized economic units are in the formal sector. Economic units that are not formally recognized are in the informal sector if their production is mainly intended for the market. Economic units that are not formalized and produce mainly for own-use are classified in the household own-use production domain (Box 1). Economic units in these domains can engage in informal productive activities as outlined below.

Box 1. The Formal and Informal Sectors and Household Own-Use Production

		Production mainly intended for the market	
		Yes	No
Formally recognized economic unit	Yes	Formal sector	Formal sector
	No	Informal sector	Household own-use production

Source ILO, 2021

Informal Productive Activities in the Formal Sector

12. The formal sector includes economic units that are formally recognized as producers of goods and services. The formal sector includes non-financial and financial corporations and quasi corporations, government units, non-profit institutions serving households (NPISHs), and household unincorporated enterprises that are registered. Productive activities carried out by economic units in the formal sector would typically be formal. However, in the context of the informal economy, it is possible to identify informal productive activities in the formal sector.

13. Formal economic units can engage informal workers. This includes informal employees and informal contributing family workers, as well as workers in other forms of work including unpaid trainees and workers carrying out volunteer work for the formal enterprise. All productive activities of informal workers are informal. In addition, formal economic units can also engage in informal production when part of the economic activities are undeclared. In these cases, the informal production activity of formal economic units should be separately identified as establishments.

The Informal Sector

14. This domain is a subsector of the household and comprises all informal unincorporated household enterprises with the following characteristics:

- Production mainly intended for the market.
- The units are not registered for tax purposes or similar registrations.
- The units do not engage formal workers in carrying out the production.

15. The informal sector includes agricultural production of unincorporated household enterprises as long as the above criteria are met. This is a departure from the current ILO definition of the informal sector.

16. The informal sector is a subsector of the household sector in the SNA. All production within the informal sector is part of the informal economy.

17. Informal household enterprises can engage informal workers as either, employers or own-account workers or as informal employees and informal contributing family workers. They can also workers in other forms of work including unpaid trainees and workers carrying out volunteer work for the informal enterprise.

Informal Production in the Household Own-Use Production Domain

18. This domain includes:

- Households producing goods and services mainly intended for own use.
- Informal or temporary NPISHs producing goods and services.
- Direct volunteer work.

19. The domain extends beyond the SNA production boundary by including production of services by households for own use, direct volunteering, and services produced by informal NPISHs. Housing services of owner-occupiers are excluded and classified as formal.

20. While production of households for own use without employees will mostly be informal, formal production is possible. For example, there may be some compensation from government for own-use production of services that requires registration.

21. Paid domestic staff are employed by households who are using the labour to produce goods and services for own use. This production is only informal if all paid domestic staff are informal employees.

22. Production of services of households for own use by engaging paid domestic staff is inside the SNA production boundary (2008 SNA, paragraph 6.2). Therefore, the production and employment of informal paid domestic staff should be separately identified within the household production for own-use domain of the informal economy.

23. The three domains and their link to informal work can also be viewed in Box 2 below. The links between the three domains (i.e., the formal sector, the informal sector, and household own-use production) and the institutional sectors of the SNA is presented in Box 3.

Box 2. Framework and Scope of the Informal Economy

Informal Productive Activities Within the Domains of the Economy					
	Informal Productive Activities in the Formal Sector	Informal Sector	Informal Household Own-Use Production		
	All productive activities of informal workers engaged by: formal household unincorporated enterprises, formal NPISHs, financial corporations, non-financial corporations, and general government Plus: production of informal establishments of formal sector enterprises	All production of: informal household unincorporated enterprises	Household production engaging informal employees	Informal production of: households producing for own use, informal or temporary NPISHs, direct volunteers	
Labour input:	Informal employment	Informal employment	Informal employment		
	Informal unpaid trainee work	Informal unpaid trainee work		Informal volunteer work	
	Informal volunteer work	Informal volunteer work		Own-use production work	
Relation to SNA production boundary:	Goods and Services			Goods	Services
	SNA production boundary				
	SNA general production boundary				
Informal Economy					

Informal Productive Activities of Workers						
	Work for pay or profit			Work not for pay or profit		
	Type of informal work	Informal Employment Either main or secondary informal jobs			Own-use production work, Informal unpaid trainee work, informal volunteer work including direct volunteering [Essential categories]	
Carry out the work for Economic units in:	Formal Sector	Informal Sector	Household own-use production (only informal domestic employees)	Formal Sector	Informal sector	Household own-use production
Informal Economy						

Box 3. The Formal Sector, Informal Sector, and Household Production for Own-Use and its Relation to the SNA Institutional Sectors

	SNA Institutional Sectors									
	a) Non-financial corporations and b) Financial corporations		c) General government	d) NPISHs	e) Households					
Type of SNA institutional unit	Corporations	Quasi-corporations	Government units	NPISH	Households					
Main type of production	Market production	Market production	Non-market production	Non-market production	Market production	Market production	Own-use production			
							Housing services of owner-occupiers	Production of households for own use with employees	Production of Households for own use without employees. Including informal and temporary NPISHs and direct volunteers.	
Operational definition as part of identifying the formal status	Incorporated enterprise	Have a complete set of account for tax purposes; registered for tax or similar	Always formally recognized	Registration	Unincorporated enterprise: registered or engages formal employees.	Unincorporated enterprise: not registered; does not engage formal employees.	Always formal	Production is informal if all employees are informal employees	Always informal	
Within SNA production boundary	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Goods Yes	Services No
Domain of the economy	Formal Sector 1	Formal Sector 2	Formal Sector 3	Formal Sector 4	Formal Sector 5	Informal Sector	Household own-use production			
Productive activities are part of informal economy	Partly*	Partly*	Partly*	Partly*	Partly*	Yes	No	Yes, if employees are informal. No otherwise.	Yes	

*By informal workers and informal production activity of establishments of formal sector enterprises.

SECTION III: THE TREATMENT OF DEPENDENT CONTRACTORS²

24. Dependent contractors constitute a new employment status category, introduced in the revised International Classification of Status in Employment (ICSE-18) adopted by the Twentieth International Conference of Labour Statisticians (ICLS). Dependent contractors have contractual arrangements of a commercial nature (but not a contract of employment) to provide goods or services for or through another economic unit; are paid by commercial transactions and do not have an incorporated enterprise. They are (i) in employment for profit and are usually responsible for arranging their own social insurance and income tax; and (ii) do not employ one or more persons as an employee and are operationally and/or economically dependent on another entity that exercises control over their productive activities and directly benefits from the work performed by them.

25. From a macroeconomic statistics perspective, the preferred treatment would be to classify all dependent contractors as owners and operators of unincorporated household enterprises. This economic unit would then be part of the informal sector if it is not registered for tax or similar purposes and in the formal sector otherwise.

SECTION IV: ILLEGAL ACTIVITIES

26. The 2008 SNA states, "...illegal actions that fit the characteristics of transactions are treated the same way as legal actions." The production or consumption of certain goods or services, such as narcotics, may be illegal but market transactions in such goods and services have to be recorded in the accounts. Thus, some illegal activities fall within the scope of production in that they satisfy the characteristic that there is mutual agreement between the parties. If the purpose is to generate income, then the illegal nature of the activity may not be a precluding factor.

27. There are two kinds of illegal production (2008 SNA, paragraph 6.43):

- a) The production of goods or services whose sale, distribution, or possession is forbidden by law;
- b) Production that is usually legal but becomes illegal when carried out by unauthorized producers.

28. Most illegal productive activities would be part of the informal economy if the principles of informality are applied. However, from a policy perspective the aim is to stop Type (a) illegal activities, while information on other informal productive activities is used for different policy goals, for example, to formalize economic units or to decrease the vulnerability of workers in informal employment. To serve these diverging policy needs, Type (a) illegal productive activities should ideally be separately identified from other informal activities.

² The statistical treatment of dependent contractors is currently being discussed in the ILO Working Group for the Revision of the Standards for Statistics on Informality.

29. Type (a) illegal production could be treated in two ways in the context of the informal economy:
- i) When economic units engaging in illegal production comply strictly to the principles of informality, include Type (a) illegal production in the informal economy and identify illegal production within the economy in an indicator; or
 - ii) Exclude Type (a) illegal productive activities from the informal economy by convention and supplement statistics on informality with measures of Type (a) illegal productive activities.
30. The lack of authorization to undertake Type (b) illegal production constitutes a lack of formality and therefore, by convention, all Type (b) illegal production is informal as these activities, from a policy perspective, can be transformed into formal production arrangements.
31. It should be noted, however, that it may be difficult for compilers to separate Type (a) illegal activities from other informal productive activities, for the following reasons:
- Compiling estimates of illegal activities requires more assumptions than for the informal and formal economy.
 - The statistical approach used to compile estimates of illegal activities, based on limited source data, modelling, and data confrontation, is different to the approach used for other informal activities where direct measurement is possible. However, the separation could be challenging when indirect methods such as modelling is used.
 - Part of the output of illegal activities may be included in the data collected on the informal economy for two reasons: Firstly, units may attempt to legitimize the income from these activities; and secondly, the activity may be on the borderline between legal and illegal.

SECTION V: OTHER ISSUES TO CONSIDER WHEN ADDRESSING COVERAGE OF THE INFORMAL ECONOMY

32. Other issues that need to be addressed include, but are not limited to, (i) Digitalization, (ii) Informal cross-border flows, including tourism services for non-residents, and remittances of informal workers transmitted through formal and informal money transfer channels and of formal workers through informal channels due to lack of access to formal means of money transfer.

V.1 DIGITALIZATION

33. Digitalization has penetrated many aspects of economic activity and the rapid pace of digitalization has led to concerns about the possible mismeasurement of economic activity. New types of economic activities—some of which are informal—have arisen that make use of digital technologies. Many of the types of jobs facilitated by digitalization are dependent contractors as outlined above.

34. The dependent contractors facilitated by digitalization usually rely on large formal enterprises that provide a digital intermediation service. These enterprises may exercise some control over the productive activities of these dependent contractors and can facilitate some formality on their behalf.

35. Digitalization also facilitates household participation in production activities that are part of the informal sector/informal economy, for example, through digital marketplaces. The classification of

households participating in the sale of goods and services on these marketplaces as informal sector enterprises depends on: (i) whether the sale of goods and services constitutes production;³ (ii) whether the production is done in a household unincorporated enterprise; (iii) whether the production is mainly intended for the market; and (iv) whether the enterprise is informal.

V.2 INFORMAL CROSS BORDER FLOWS

36. A leading cause of imperfections in international trade statistics is the omission of cross-border transactions that are outside the scope of the regular statistical inquiries and data collection systems. However, whereas some of this may be related to activities in the informal economy, others may be related to activities of registered corporations and government units. For instance, merchandise trade statistics based on customs records may not include shuttle trade (undertaken by small informal traders that bypass customs recording) but it may also not include international trade in mobile assets (aircraft, ships).

37. Informal economy productive activities may also be directly related to cross-border transactions, mainly in the current account. Some of the cross-border transactions carried out informally across the borders may also include hidden or illegal transactions, for instance, shuttle trade and smuggling.

38. The framework for the informal economy presented in this note relates to the production of goods and services in the domestic economy. It is therefore possible to extend the framework to account for the relationship between domestic production in the informal economy and external transactions. This production may be directly related to cross-border transactions through the exchange of goods and services. For instance, shuttle trade and smuggling represent cross-border activities generally undertaken by informal units. Likewise, households may produce a range of tourism services for non-residents, including vacation rental services (such as Airbnb) to non-residents, and operating small eating establishments that cater to non-residents. Remittances may also be transmitted through informal channels by workers who may not have financial access. For instance, the informal “hawala” system predominantly used in the Middle East and South Asia, represents one form of informal money transfer. These workers may also be engaged in informal employment because they may not have the appropriate employment permits.

39. We may also consider the relationship between the income arising from production in the informal economy and external transactions. Workers in informal employment may transmit the remittances through formal money transfer channels. Income derived from the informal economy may generate imports of consumer goods and imports of services, such as tourism

40. These flows all pose challenges to data collection and estimation because they represent transactions undertaken by small units and households that may not be covered by the regular data collection programmes used for external sector statistics.

V.3 ILLICIT FINANCIAL FLOWS

41. Illicit financial flows should be distinguished from cross-border informal economy flows. The Conceptual Framework for the Statistical Measurement of Illicit Financial Flows (UNODC and UNCTAD,

³ The sale of second-hand goods without a trade margin is not considered production.

2020) identifies illicit financial flows as activities considered as criminal offences, but also some behaviours related to tax and commercial practices. This Framework identifies four main types of activities that can generate IFFs:

- i. tax and commercial activities
- ii. illegal markets
- iii. corruption; and
- iv. exploitation-type activities and financing of crime and terrorism.

42. The framework further notes that IFFs can generally emerge at two different stages:

- Illicit income generation, which includes the set of cross-border transactions that are either performed in the context of the production of illicit goods and services or generate illicit income for an actor during a non-productive illicit activity.
- Illicit income management, which refers to cross-border transactions that use illicit income to invest in financial and non-financial assets or to consume goods and services.

43. Illicit financial flows should be distinguished from illegal transactions. The latter are treated no different from legal transactions and are included in balance of payments statistics frameworks. Nevertheless, Illicit financial flows are broad and may include illegal transactions at some point along their cycle. However, not all illicit financial flows are transactions; therefore, not all the flows would be recorded in macroeconomic statistics. Flows arising from exploitation-type activities are transactions and are therefore excluded from the balance of payments statistics. These flows are not derived as a result of mutual agreement between parties as they involve an involuntary transfer of resources.

Annex I. Non-Observed Economy, Underground Production, and Undeclared Production

Non-Observed Economy

44. This covers activities that are not captured in regular statistical enquiries. The non-observed economy is therefore a pragmatic term that describes all activities that are not regularly measured and included in the SNA. The types of activities within the non-observed economy will vary between countries. The inclusion of non-observed economy activities in the broad concept of informal economy and the more restricted concept of informal sector for a given economy would depend on the data collection practices and statistics produced in the economy. For example, if an economy compiles estimates for the informal sector on a regular basis—using a consistent data collection program—then the informal sector, from an SNA perspective, would not be part of the non-observed economy.

Underground Production

45. This includes productive activities **that are legal** but are deliberately concealed from the authorities to avoid payment of taxes, social security contributions, meeting legal standards or complying with administrative procedures. The concept of the informal economy, and in particular informal employment and the informal sector, includes to some extent the concept of underground production. However, the statistical concepts of informal economy and its different components are fundamentally different concepts in essence and in scope and go beyond underground production. There might be several different reasons why a specific type of production takes place in the informal sector. For example, because the production is at such a low scale that registration is not required, or because the producers are unable to comply with existing regulations as this would impose an impossible economic burden. It can be due to tradition and culture or the fact that the regulatory system in a country is limited, irrelevant or bureaucratic and expensive.

Undeclared Production

46. This includes all production of goods and services that is deliberately concealed from the authorities to avoid payment of taxes, social security contributions, or other laws. Undeclared production includes underground production as well as illicit and illegal production and work. The non-illicit production and work that are undeclared would to some extent overlap with the informal market economy. An employee that carries out work for an enterprise, if the work is not declared for taxes, and the employer pays no social insurance contributions, is an informal employee and carries out undeclared work. However, the concepts of undeclared production and work do still differ from the concept of informality. Undeclared production also includes tax evasion, which affects the amount of value added of market transactions, either by understating the value of the transaction or by overstating associated costs of the production.

Annex II. Glossary of Relevant Reference Concepts

Work as Classified in ILO Classifications

A *job or work activity* is defined as a set of tasks and duties performed, or meant to be performed, by one person for a single economic unit. The term *job* is used in reference to employment. When relating to own-use production work, unpaid trainee work, and volunteer work is referred as *work activity*.

Independent workers own the economic unit for which they work and control its activities. They make the important strategic and operational decisions about the economic unit for which their work is performed and the organization of their work, are not accountable to or supervised by other persons, nor are they dependent on a single other economic unit or person for access to the market, raw materials, or capital items. They may work on their own account or in partnership with other independent workers and may or may not provide work for others.

Dependent workers are workers who do not have complete authority or control over the economic unit for which they work. If they are in employment for profit, they have no employees and do not make the most important decisions about the activities of the economic unit for which they work.

Workers in *employment for profit* are employed persons whose remuneration is directly and entirely dependent on the profit or loss made by the economic unit in which they are employed, including remuneration in cash or in kind by way of a commercial transaction for goods produced or services provided. They do not receive a wage or salary in return for time worked. Workers in *employment for pay* are employed persons who receive, or expect to receive, remuneration in cash or in kind, in return for time worked or for each piece or service produced.

The International Classification of Status in Employment (ICSE-18) classifies jobs in employment for pay or profit into ten detailed categories. They include subcategories of *Employers*, *Independent workers without employees*, *Dependent contractors*, *Employees*, and *Contributing family workers*.⁴

Other Reference Concepts

Informal or temporary NPISHs are defined in the 2008 SNA (paragraphs 23.42 and 4.168) as groups of households that pool resources of knowledge and volunteer labour to serve their local community whose output should be treated as own-account production. Their output is part of the household institutional sector. Services provided by informal or temporary NPISHs are outside of the SNA production boundary.

Direct volunteering is defined in the Handbook *Satellite Account on Non-profit and Related Institutions and Volunteer Work* as volunteer work performed outside organizations and is treated as an activity in the household institutional sector. Services provided by direct volunteers are outside of the SNA production boundary.

⁴ All are defined in the Twentieth International Conference of Labour Statisticians Resolution concerning statistics on work relationship.

Informal Employment

Employers and Independent workers without employees are and only are in *informal employment* if they are workers who operate and own or co-own an informal household enterprise.

Dependent contractors are in informal employment if:

- i) If they operate and own or co-own an informal household market enterprise; and
- ii) are not registered for tax; or
- iii) are registered for tax but are not registered for or do not contribute to statutory social insurance.

Employees are in *informal employment* if their employment relationship is not in practice formally recognized by the employer in relation to the legal administrative framework of the country and not associated with effective access to formal arrangements such as labour legislation, social protection, income taxation, or entitlement to employment benefits. They include:

- a) Permanent employees,
- b) Fixed-term employees,
- c) Short-term and casual employees,
- d) Paid apprentices, trainees and interns,

who do not have access to effective formal arrangements such as statutory social insurance, access to paid annual leave, and paid sick leave.

Contributing family workers are considered to have informal jobs if their job is not in practice formally recognized in relation to the legal administrative framework. This includes contributing family workers:

- a) who carry out work for an informal sector enterprise.
- b) whose job is not registered for job-related statutory social insurance, or for whom contributions are not made to job-related statutory social insurance.

Informality in Forms of Work other than Employment

Direct volunteering is always informal.

Organization-based volunteer work is informal if the work is carried out:

- a) For an informal NPISH or an informal sector enterprise; or
- b) For or through a formal economic unit when the volunteer is not covered by formal arrangements that aim to protect the worker and regulate and facilitate the activities carries out.

Unpaid trainee work is informal if it is not effectively covered by formal arrangements aiming to protect the worker and facilitate and regulate the work carried out by worker.

Own-use production work is informal if it is not effectively covered by formal arrangements that aim to promote or facilitate the work and protect and regulate the actions and functions of the worker.

Annex III. Resources

Reports of the *BOPCOM Task Force on the Informal Economy: [Phase I Report](#); [Phase II Report](#)*

BOPCOM Task Force on Informal Economy [Informal Economy Data: Compilation Practices](#)

IMF, 2021, "[Measuring the Informal Economy](#)", IMF Occasional Paper

International Labour Organization, 1993, "[Resolution Concerning Statistics of Employment in the Informal Sector, Adopted by the 15th International Conference of Labour Statisticians \(15th ICLS resolution on Informality\)](#)".

International Labour Organization, 2003, "[Guidelines Concerning a Statistical Definition of Informal Employment](#)"

International Labour Organization, 2013, "[Measuring Informality: A Statistical Manual on the Informal Sector and Informal Employment](#)".

[15th ICLS Resolution Concerning statistics of Employment in the Informal Sector](#)

[17th ICLS Resolution Concerning a Statistical Definition of Informal Employment](#)

[Conceptual Framework for Statistics on Informal Economy \(Draft 31-01-2021\)](#)

[Measuring the Non-observed Economy: A Handbook](#) (OECD, CIS STAT, IMF, ILO 2002)

[Eurostat Tabular Approach to Exhaustiveness](#)