United Nations Statistical Commission
Fifty-third session
Item 3 (t) of the provisional agenda
Items for discussion and decision: informal economy statistics

Document E/CN.3/2022/24 – Report of the International Labour Organization on informal economy statistics

Statement provided by:
BPS - Statistics Indonesia

Statement:

We support the initiative of the development of new standards for statistics on the informal economy. However, there are some points to be raised:

(a) Indonesia encourages ILO and it's working group to revise informality statistics standard, such as support for sectors breakdown into more mutually exclusive (i.e: formal, informal, and households own-use & community sectors). Furthermore, there are several comments for **action (a)** "To take note of the work carried out by ILO and its working group for the revision of the standards for statistics on informality" as follows:

- Currently, BPS is classifying formal and informal employment based on employment status. Informal employment are workers who are self-employed, employers assisted by temporary workers/unpaid workers, casual workers in agriculture, casual workers in non-agriculture, and unpaid workers. While the determination of the informal and formal sectors is also based on employment status as in the flow below.

- In 2009, The BPS-Statistics Indonesia applied the mixed survey through the Asian Development Bank's (ADB) regional technical assistance (RETA) 6430: Measuring the Informal Sector. The cost-effective data collection strategy presented a workable solution for generating informal employment and informal sector statistics in two pilot provinces (Yogyakarta and Banten). ADB adopted an UNESCAP's approach, which was to use the mixed survey technique to collect data on informal employment and informal sector using the definitions and concepts established by the 15th and 17th International Conferences of Labor Statisticians (ICLS).

(b) Indonesia supports the process of developing a new set of standards for informal economy measurement, to be more aligned with the SNA concept.

(c) Moreover, the implementation of the new standard should be followed by comprehensive socialization to all stakeholders, including National Statistical Office and Government Agencies, to optimize the dissemination process.

(d) The adoption and the measurement of the new standard in each country should be provided with assistance from experts so the implementation could be under the needs.

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(e) Statistics Indonesia has tried to apply the concept regarding informal employment (ICLS 17) in the National Labor Force Survey (LFS); however, the measurement and the dissemination process are still on consideration due to the changes on indicators and lack of guidance on how to apply the concept of the informal sector.

(f) There should be guidance on how to measure the informal economy in the LFS or other surveys (for example informal economy survey). This might need to be considered because the number of variables to measure the informal economy might be a lot and the burden of current LFS.

(g) There are several comments, especially for **action (d)** "To provide guidance and views on the proposal to recommend that agriculture activities should be included in the informal sector when these activities fulfill the conditions for being considered an informal market producing unit" as follows:

- Currently, BPS has included informal activities in agriculture. Formal-informal employment data comes from the National Labor Force Survey (LFS) which is conducted twice a year (February and August). As a result, this survey is unable to capture seasonal informal activities.

- In 2009, the existing data collection strategy from National LFS was combined with 15th and 17th ICLS concepts of informal employment to identify households and unincorporated enterprises with some market outputs (HUEMs) and measure informal economy, including those in agriculture industry.

- The condition of each country related to the informal economy might be different, therefore, the concept should accommodate the country's specific condition, for example concerning agriculture in the informal sector.

(h) "Mainly produced for market" as a threshold is a good way out to achieve sectoring clear-cut, whether attributed for agriculture sectors and non-agriculture sectors. Also agree with the broad definition of informality by including household production exclusively for own use.

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