

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:

Mexico-INEGI

Statement:

Mexico is fully aware and recognizes the relevance of this group, since nowadays informality is not only a phenomenon of pre-modern forms of production and labour insertion but also may encompass new modalities of labour operating with new technologies and associated to extreme and asymmetrical forms of labour flexibility. We are also aware that any International Conference of Labour Statisticians (ICLS) resolution that predates both the nineteenth and twentieth ICLS should be updated and aligned as is the case of the current guidelines regarding informality going back to 2003 (informal employment) and 1993 (Informal sector). That's the reason why Mexico has been actively participating in the working group since its first round of feedback, ideas exchange and discussion.

Mexico strongly supports ILO's effort in this regard and have full confidence in the ILO's team coordinating the group, due to its openness, clarity on the problems to solve, challenges ahead and sense of direction. We understand the relevance of a conceptual frame that encompasses all forms of work identifying within it the core conceptual subsets so to start the statistical task. We see that the conceptual frame so far constructed charts the map not only for present or more urgent issues but also to the future ones when more attention might be placed in non-market ways of producing goods and services in line to measure progress beyond GDP.

Mexico believes it is clear that the framework so far built has an umbrella/encompassing concept of informal productive activities where any informal labour input provided that is not covered by formal arrangements, in principle furnishes the production of goods and services of the informal economy. The latter not only takes place inside the SNA's production boundary, but also extends to the general one as well. Within the umbrella concept takes place the core concept of informal market economy in turn mainly supported in the informal employment; however, not exclusively if the statistical system detects informal hours of work furnished by formal works (e.g. pseudo part-time workers). This means that either formal, informal sector or the household sector might be engaged. Mexico considers that the architecture is sound insofar the parts are not conflated with the whole that is the informal market economy with the overarching concepts informal economy and informal production.

Mexico also thinks the adjustments to make considering the new conceptual frame are attainable. We understand that in case other forms of work are regulated, such as non-paid domestic services and voluntary work, we should distinguish the formal and informal components within. However, even if that were the case, we must be clear that informal market economy and informal employment remains as goals by themselves and should be disseminated as such with more frequency and upfront

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

and not subordinate this to the moment when the statistical system is ready to reach the final conceptual frontier of informality.

Mexico considers that the challenge of incorporating agriculture specifically in the informal sector is twofold: First, surveys should distinguish market oriented from not marked oriented agriculture or production of staples. Second, and regarding market- oriented agriculture, there is a situation in many countries (Mexico included) when insofar this activity is conducted in a small- scale income, tax is exempted. However, at least in theory, this small-scale market-oriented activity should declare either low income or cero income to tax authorities. If it doesn't do so, it is a clear signal that the activity is not registered and thus cannot participate of commercial contracts with other economic units; putting it in the same footing alongside other non-farm, small and market oriented economic units in the informal sector. In other words, it makes it not visible in the radar of the economic transaction realm. Along these lines, we can think that income tax exempted market activities can be included in the informal sector insofar tax exemption does not mean register exemption. Basically, this is the take Mexico will adopt in the incoming discussions in the group on regard this issue.

Submitted on:

Click or tap to enter a date.