Sessions 9: Informal Sector  
26.10.2017  
(Questions and answers)

1. How to classify the own account production of agricultural products by a household where part of the output is sold?

According to the 2008 SNA the whole output is within the production boundary.
If agriculture is included in the definition of informal sector then the whole production of the household will be in the informal sector.

2. How to estimate the accounts of the informal sector in years where there are no surveys?

In years where survey data is not available, the Statistics Office will need to look for potential indicators to extrapolate the base year values. For example agricultural production for the whole country may be available. The trend may be used for extrapolation assuming that the production growth for both formal and informal sector is the same.

3. Please explain the treatment of informal employment in the formal sector?

The phenomenon of outsourcing of services has contributed to the development of more casual arrangements between owners of enterprises and those contributing labour services in the form of informal employment.

Informality of employment is characterized by absence of contracts, social protection, entitlement to certain employment benefits and not being subject to labour legislation or taxation. Broadly, informal employment comprises informal jobs both in formal and informal enterprises and in households.

A person can simultaneously have two or more formal and/or informal jobs. Due to the existence of such multiple job holding, jobs rather than employed persons are taken as the observation units for employment.

The concept of informal sector refers to production units as observation units, while the concept of informal employment refers to jobs as observation units.

Where they exist, employees holding formal jobs in informal sector enterprises should be excluded from informal employment.