



# KEY INDICATORS OF INFORMALITY BASED ON INDIVIDUALS AND THEIR HOUSEHOLD (KIIBIH) DATABASE

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# Outline

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1. Introduction to the KIIbIH
2. Added value of the KIIbIH
3. Key indicators in the KIIbIH
4. Using the KIIbIH in policymaking
5. Limitations and expansion of the KIIbIH







# 1. Introduction to the KIIbIH

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- Household surveys with labour force modules
- Panel data used where feasible
- 27 countries currently covered
- 45 indicators
  - Socio-demographic status and household characteristics
  - Economic status
  - Transitions in and out of poverty







## 1A. The KIbIH methodology

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Three steps:

1. Identification of countries with adequate survey data
  - Household survey must have a labour force component with questions pertinent to the estimation of informality
  - Ideally also a detailed expenditure and/or income module
  - Best case scenario: social protection indicators
2. Coding harmonized KIbIH indicators
3. Analysis of results to identify trends







## 1B. Regions covered by the KIIbIH

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### **Africa (10)**

- Benin
- Burkina Faso
- Cameroon
- Ghana
- Madagascar
- Niger
- Senegal
- South Africa
- Tanzania
- Zambia

### **Asia (2)**

- Indonesia
- Viet Nam

### **Europe and Central Asia (3)**

- Albania
- Armenia
- Kyrgyzstan

### **Americas (11)**

- Argentina
- Bolivia
- Brazil
- Chile
- Colombia
- Costa Rica
- El Salvador
- Honduras
- Nicaragua
- Peru
- Uruguay

\* Purple = panel survey data







## 2. Value added of the KIIbIH

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- Complements existing international databases
  - ILO statistics focuses on individual-level data, based on labour force surveys
  - Atlas of Social Protection Indicators of Resilience and Equity (ASPIRE) does not include detailed employment status disaggregation
- KIIbIH allows
  - Household-level analysis
  - Broader set of indicators







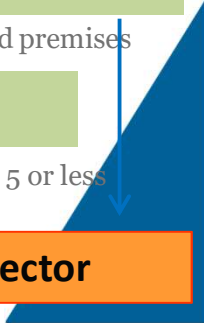
### 3. Key indicators in the KIIBIH

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- About 45 derived indicators
  - Mix of categorical, dummy and numeric variables
- Adds to existing information at the individual and household level
  - Worker-specific data
  - Individual and household level data
  - Detailed indicators of degree of informality



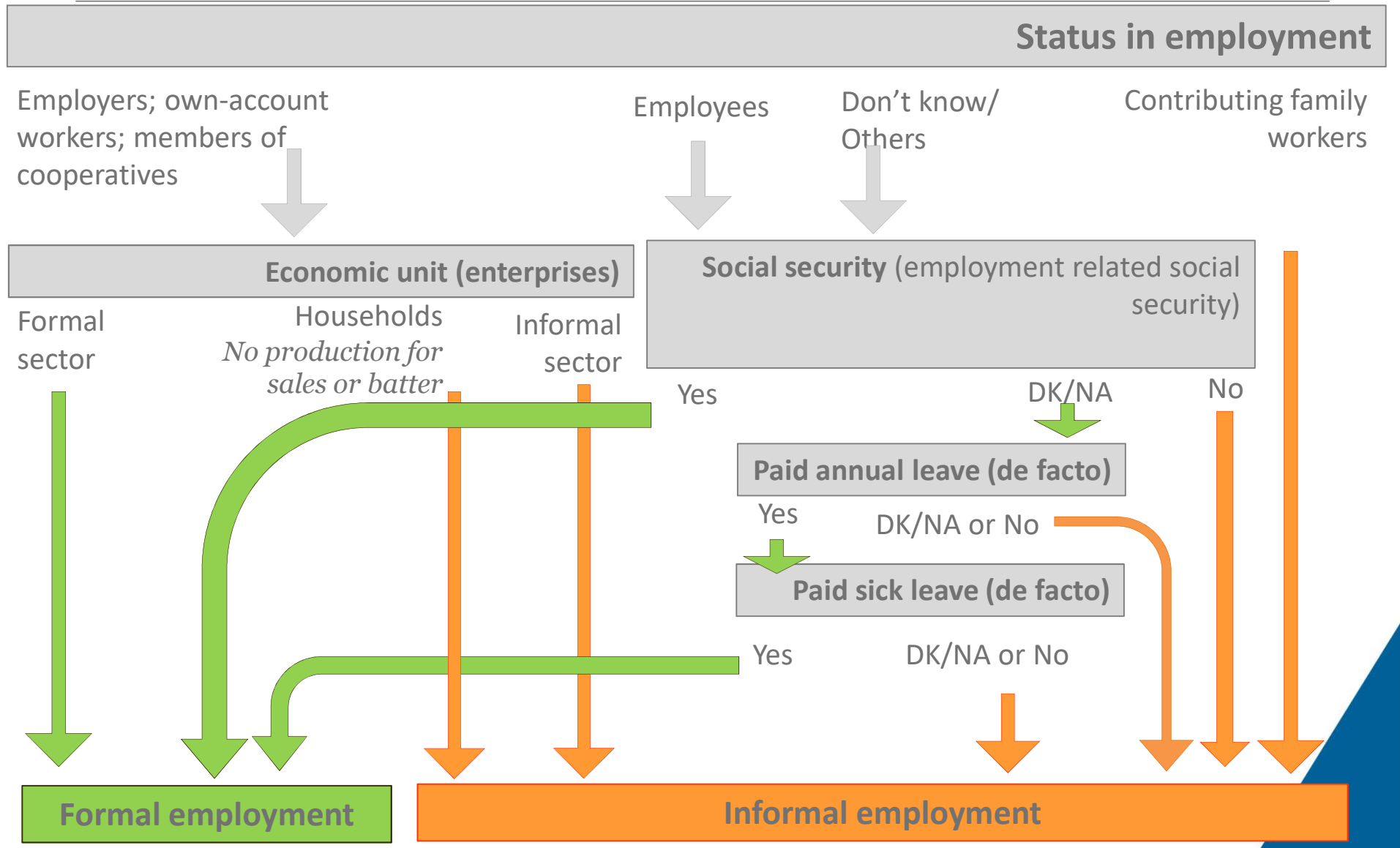








# Informal employment







### 3. Key indicators: Worker/individual level

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#### **Socio-demographic and economic status**

- Level of education
  - ISCED classification: No education, primary, secondary, tertiary, other
- Age groups
- Gender
- Employment status (type, informal vs. Formal)
- Firm size and sector
- Number of hours worked
- Job satisfaction
- Transitions in/out of informality
  - Informal/Formal/Unemployment/Inactive/Out of employment
- Transitions of informal workers in/out of poverty
  - At national and international poverty lines (\$1.90/\$3.10 per day)







### 3. Key indicators: Household level

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- Household informality composition
  - Informal (100% workers employed in informal work)
  - Formal (100% workers employed in formal work)
  - Mixed (1+ informally employed **and** 1+ formally employed worker)
- Gender and household dependents composition
  - Gender of HHH
  - Child, elderly (and potentially disabled) household dependency ratios







### 3. Key indicators: Household level

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- Location of households with informal workers
  - Urban/rural
- Composition of household spending
  - Food, non-food, health
  - Food security
- Magnitude of household income, and the share of informal workers income
  - Informal workers by quintile of per capita or household income/consumption
- Relative and absolute poverty status
  - At national and international lines (\$1.90/\$3.10 per day)







### 3. Key indicators: Social Protection coverage

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#### **Coverage and eligibility at the individual and/or household level**

- Direct and indirect SP beneficiaries
  - Social assistance
  - Social insurance
  - Labour market activation programmes
- Health insurance/eligibility for subsidized healthcare
- Pension receipt/contributions
- Capacity to contribute to SP schemes – food security







## 4. Using the KIIbIH in policymaking

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- **Measuring risks and other vulnerabilities** faced by informal workers
  - Direct vulnerabilities can be identified:
    - Prevalence and vulnerability to poverty
    - Uninsured population; health spending
  - Also, indirect or interacting vulnerabilities:
    - Gender, educational status, location (urban/rural), wage, and informal work
- Data to help **design policy interventions** targeted toward informal workers
- **Informality-poverty nexus** is especially important, where **social protection** has a large role to play







## 5. Limitations and expanding the KIIbIH

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- Currently, looking at **expanding** the dataset **for sub-Saharan Africa and Asia**
- Country-specific studies (following Zambia example)
- Panel data analysis
- Develop user-friendly online interface
- Ultimately, need for **harmonised survey questionnaires** to have best-case scenario comparability between countries

