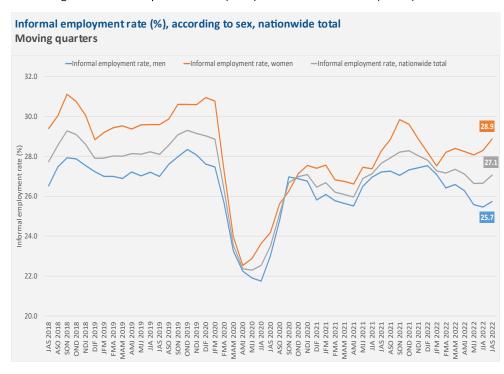


## STATISTICAL BULLETIN: LABOUR INFORMALITY<sup>1</sup>

### No. 20 / 4 November 2022

Note: This document is a translation of the original Labour Informality bulletin in Spanish, which is the official version.

- In the July-September 2022 quarter, the number of informally employed persons increased 3.7%, equivalent to a rise of 85,870 persons.
- In the same period, the informal employment rate was estimated at 27.1%, a twelvemonth decrease of 0.5 percentage points (pp).
- According to economic sector, the increase can mainly be attributed to the rises in households as employers (36.5%) and agriculture, forestry, and fishing (9.8%).
- The increase in the number of informally employed persons was influenced by the growth in wage earners of the private sector (8.2%) and domestic workers (22.8%).



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|---|-------------------|-----------------------|--|--|--|--|--|--|--|--|
| MOVING QUARTER<br>(July–September 2022)                     |                   |                       |  |  |  |  |  |  |  |  |
| Main indicators   |                   |                       |  |  |  |  |  |  |  |  |
|   | Rate              | 12-month<br>var. (pp) |  |  |  |  |  |  |  |  |
| Informal employment rate                                    | 27.1%             | -0.5                  |  |  |  |  |  |  |  |  |
| Informal employment rate, excluding the agricultural sector | 26.4%             | -0.6                  |  |  |  |  |  |  |  |  |
| Employment rate in the informal sector                      | 16.6%             | -0.8                  |  |  |  |  |  |  |  |  |
| Employe   | d persons         |                       |  |  |  |  |  |  |  |  |
|   | National<br>total | 12-month<br>var. (%)  |  |  |  |  |  |  |  |  |
| Informally employed persons                                 | 2,393,242         | 3.7                   |  |  |  |  |  |  |  |  |
| Informally employed persons, excluding the                  | 2,197,532         | 3.2                   |  |  |  |  |  |  |  |  |

1,469,943

1.0

### Informal employment rate

In the July-September 2022 quarter, the informal employment rate fell. The increase in informally employed persons was mainly driven by the 0.5 pp year on year to stand at 27.1%. The fall was a result of the slower rate of expansion in informally employed persons (3.7%) than in the total number of employed persons (6.0%).

According to sex, the expansion in informally employed persons can exclusively be attributed to the increase in women (11.2%). In the same period, the informal employment rate for women rose 0.6 pp to stand at 28.9%, and the rate for men fell 1.5 pp to stand at 25.7%.

#### Analysis by age bracket

rises in the brackets 65 years and over (25.4%) and 55-64 years (5.8%).

agricultural sector

**Employed persons in** 

the informal sector

According to sex, the decrease in informally employed men was influenced by the fall in the bracket 35-44 years (-15.0%), while the increase in informally employed women was influenced by the rise in the bracket 35-44 years (13.6%).

The highest informal employment rates of the quarter were in the brackets 65 years and over (53.5%) and 15-24 years (38.9%). These results show that informal employment is most prevalent in the highest and lowest age brackets, affecting the old and the young.

## **MOVING OUARTERS 2021–2022**

| Informal<br>employment<br>rate (%) | Jul-<br>Sep | Aug-<br>Oct | Sep-<br>Nov | Oct-<br>Dec | Nov-<br>Jan | Dec-<br>Feb | Jan-<br>Mar | Feb-<br>Apr | Mar-<br>May | Apr-<br>Jun | May-<br>Jul | Jun-<br>Aug | Jul-<br>Sep |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Nationwide                         | 27.6        | 27.9        | 28.2        | 28.3        | 28.0        | 27.8        | 27.3        | 27.2        | 27.3        | 27.1        | 26.6        | 26.7        | 27.1        |
| Women                              | 28.3        | 28.9        | 29.8        | 29.6        | 28.9        | 28.2        | 27.5        | 28.2        | 28.4        | 28.2        | 28.1        | 28.3        | 28.9        |
| Men                                | 27.2        | 27.3        | 27.0        | 27.3        | 27.4        | 27.5        | 27.1        | 26.4        | 26.6        | 26.3        | 25.6        | 25.5        | 25.7        |

(1) As of the publication of the results of the February-April 2022 moving quarter, INE has been publishing a statistical note together with the results of the National Employment Survey (ENE). In order to provide performance and quality indicators, the note includes the main estimates and their respective disaggregations in accordance with institutional statistical quality criteria, as well as AAPOR codes. For more information, see the Statistical Note, ENE, no. 6.



#### **Main indicators**

#### Economic activity<sup>2</sup>

The twelve-month increase in informally employed persons (3.7%) can mainly be attributed to the expansion in households as employers (36.5%) and agriculture, forestry, and fishing (9.8%).

In the same period, the decrease in informally employed men (-1.7%) can mainly be attributed to the falls in commerce (-6.5%) and public administration (-28.1%). The increase in informally employed women (11.2%) was a result of the growth in households as employers (30.5%) and other service activities (34.8%).

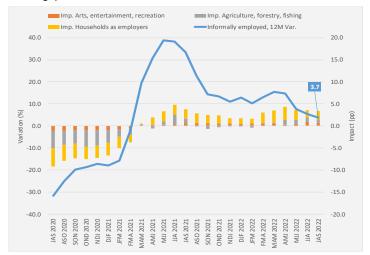
The highest informal employment rates were in households as employers (53.0%) and other service activities (50.8%).

## Analysis by occupational group<sup>3</sup>

The principal influences on the twelve-month rise in informally employed persons (3.7%) were the increases in service and sales workers (8.0%) and elementary occupations (8.3%).

According to sex, the decrease in men was influenced by the fall in professionals (-22.9%), while the increase in women was influenced by the rise in service and sales workers (13.8%).

Twelve-month variations and impacts of informally employed persons according to branch of economic activity†, nationwide totals moving quarters



† These branches had the highest positive impacts in the latest moving quarter.

The highest rates of informal employment were in agricultural and fishery workers (54.0%) and craft and related trades workers (45.8%).

#### Informally employed Persons by occupational group (CIUO 08.CL), nationwide total

July-September 2022 quarter

|  | Informal               | Informally employed | 12-month variation |       |              |  |  |  |
|--|------------------------|---------------------|--------------------|-------|--------------|--|--|--|
| Occupational category (CIUO 08.CL)         | employment<br>rate (%) | (total)             | Total              | (%)   | Impact (pp)† |  |  |  |
| Nationwide total                           | 27.1                   | 2,393,242           | 85,870             | 3.7   | -            |  |  |  |
| Managers                                   | 4.3                    | 15,822 (*)          | 3,829              | 31.9  | 0.2          |  |  |  |
| Professionals                              | 12.0                   | 170,203             | -15,823            | -8.5  | -0.7         |  |  |  |
| Technicians and associate professionals    | 11.1                   | 117,424             | -11,895            | -9.2  | -0.5         |  |  |  |
| Clerical support workers                   | 7.8                    | 37,217              | -3,358             | -8.3  | -0.1         |  |  |  |
| Service and sales workers                  | 34.5                   | 644,338             | 47,551             | 8.0   | 2.1          |  |  |  |
| Agricultural and fishery workers           | 54.0                   | 102,837             | 3,422              | 3.4   | 0.1          |  |  |  |
| Craft and related trades workers           | 45.8                   | 516,802             | 15,902             | 3.2   | 0.7          |  |  |  |
| Plant and machine operators and assemblers | 25.2                   | 176,547             | 84                 | 0.0   | 0.0          |  |  |  |
| Elementary occupations                     | 37.6                   | 599,335             | 45,700             | 8.3   | 2.0          |  |  |  |
| Unidentified                               | 1.7 (**)               | 494                 | -817               | -62.3 | 0.0          |  |  |  |
| Unclassified                               | 82.2 (**)              | 12,223 (**)         | 1,275              | 11.6  | 0.1          |  |  |  |

<sup>(†)</sup> The sum of the impacts is equal to the percentage variation and may differ if more decimals are used in the calculation.

### Analysis by occupational category

The number of informally employed persons increased 3.7% year on year as a result of the growth in wage earners of the private sector (8.2%), domestic workers (22.8%), own-account workers (1.1%), and employers (7.3%). In contrast, decreases were observed in wage earners of the public sector (-8.0%) and unpaid family workers (-1.9%).

The increase in informally employed women (11.2%) was influenced by the rises in own-account workers (8.8%), while the decrease in informally employed men (-1.7%) was influenced by the fall in ownaccount workers (-4.1%).

Own-account workers and wage earners of the private sector represented 85.1% of the total of informally employed persons, and their informal employment rates were 67.7% and 14.7%, respectively.

The highest rates of informal employment were in own-account workers (67.7%) and domestic workers (55.0%).

<sup>(\*)</sup> Estimate of low reliability (i.e., the coefficient of variation is greater than 15% and less than or equal to 30%. In the case of ratio estimates, it does not meet the acceptance threshold associated with its standard error).

<sup>(\*\*)</sup> Unreliable estimate (i.e., the number of sample cases is below 60, the degrees of freedom below 9, or the coefficient of variation greater than 30%).

<sup>(2)</sup> The branch of economic activity refers to the sector of the economic unit that pays the wages of the employed person or to the economic unit owned by the employed person. Thus, the branch of economic activity may differ from the place of work if the employed person is subcontracted.

<sup>(3)</sup> National adaptation of the International Standard Classification of Occupations of the year 2008 (CIUO 08.CL).

## Distribution of informally employed persons, according occupational category, nationwide total Moving quarters ■ JAS 2021 ■ JAS 2022 60.0 54.0 52.6 50.0 40.0 Percentage (%) 32.5 20.0 10.0 6.3 4.4 5.2 2.5 2.4 1.6 1.6 0.0 Employers Own-account Wage earners, Wage earners, Domestic Unpaid family workers workers public private

## Informally employed persons by occupational category, nationwide total<sup>4</sup>

July-September 2022

| Occupational          | Informal               | Informally          | Twelve-month variation |      |                 |  |  |  |
|-----------------------|------------------------|---------------------|------------------------|------|-----------------|--|--|--|
| category              | employment<br>rate (%) | employed<br>(total) | Total                  | %    | Impact<br>(pp)† |  |  |  |
| Total                 | 27.1                   | 2,393,242           | 85,870                 | 3.7  | -               |  |  |  |
| Employers             | 13.4                   | 39,260              | 2,674                  | 7.3  | 0.1             |  |  |  |
| Own-account workers   | 67.7                   | 1,259,244           | 13,993                 | 1.1  | 0.6             |  |  |  |
| Wage earners, private | 14.7                   | 778,056             | 58,772                 | 8.2  | 2.5             |  |  |  |
| Wage earners, public  | 12.1                   | 134,569             | -11,626                | -8.0 | -0.5            |  |  |  |
| Domestic workers      | 55.0                   | 124,620             | 23,173                 | 22.8 | 1.0             |  |  |  |
| Unpaid family workers | 100.0                  | 57,493              | -1,116                 | -1.9 | 0.0             |  |  |  |

(†) The sum of the impacts is equal to the percentage variation and may differ if more decimals are used in the calculation.

#### Informal own-account workers

The twelve-month increase in informal own-account workers (1.1%) can be exclusively attributed to the rise in women (8.8%). By economic activity, the growth in informal own-account workers was led by increases in manufacturing (10.1%) and transportation (9.1%).

## Informal wage earners

The twelve-month increase in informal wage earners (5.4%) can be exclusively attributed to the rise in wage earners of the private sector (8.2%) because the number of wage earners of the public sector decreased 8.0% during the period. By economic activity, the increase in informal wage earners of the private sector can be attributed to the rises in construction (13.8%) and agriculture and fishing (15.1%).

# Twelve-month variation and impact of informal wage earners, nationwide total

Moving quarters



For women, the informal employment rate outside the informal sector rose 0.5 pp year on year to stand at 12.9%. For men, this rate fell 0.1 pp to stand at 8.8%.

Meanwhile, the employment rate in the informal sector decreased 0.8 pp year on year to stand at 16.6%.

#### Analysis according to type of production unit

The informal employment rate outside the informal sector rose 0.2 pp year on year to stand at 10.5%. This indicator consists both of the number of informally employed persons in formal economic units (formal sector), which decreased 0.3 pp to stand at 8.6%, and of the number of informally employed persons in the sector households as employers, which increased 0.5 pp to stand at 1.9%.

<sup>(4)</sup> An extended version of this table, disaggregated by sex, can be found in the appendix of the bulletin.

#### Informality according to units of production, a national adaptation of the Hussmanns Matrix, nationwide total

Percentage over the total of employed persons

July-September 2022 quarter

| Employed persons  |        |          |             |          |                   |                          |          |                         |          |                  |          |          |          |
|-------------------|--------|----------|-------------|----------|-------------------|--------------------------|----------|-------------------------|----------|------------------|----------|----------|----------|
|                   |        | Independ | ent workers |          | Unpaid            | Unpaid Dependent workers |          |                         |          |                  |          |          |          |
|                   | Own-   | account  | Employer    |          | family<br>workers | Wage earners,<br>private |          | Wage earners,<br>public |          | Domestic workers |          | Subtotal |          |
|                   | Formal | Informal | Formal      | Informal | Informal          | Formal                   | Informal | Formal                  | Informal | Formal           | Informal | Formal   | Informal |
| Formal sector     | 6.8    |          | 2.9         |          | 0.4               | 50.5                     | 6.8      | 11.1                    | 1.5      |                  |          | 71.2     | 8.6      |
| Informal sector   |        | 14.2     |             | 0.4      | 0.3               | 0.1                      | 1.6      |                         |          |                  |          | 0.1      | 16.5     |
| Households sector |        |          |             |          |                   | 0.5                      | 0.5      |                         |          | 1.2              | 1.4      | 1.7      | 1.9      |
| Total(†)          | 6.8    | 14.2     | 2.9         | 0.4      | 0.7               | 51.1                     | 8.8      | 11.1                    | 1.5      | 1.2              | 1.4      | 72.9     | 27.1     |

Note: The empty cells refer to occupations for which, by definition, there is no type of production unit.

(†) The total of each category may differ because the numbers are rounded.

## Hours usually worked

#### Hours usually worked

According to the number of hours usually worked, the increase in informally employed persons was influenced by rises in the brackets 46 hours and over (15.0%), 45 hours (6.7%), and 31–44 hours (2.5%).

Of the informally employed persons who worked under 45 hours, 71.0% worked part time (30 hours or less per week). Of this group, 28.5% worked part time involuntarily and 67.7% worked part time voluntarily.

According to hours usually worked, formally employed persons worked an average of 10.8 hours more than informally employed persons. By occupational category, the greatest difference in average hours worked between formally and informally employed persons was in own-account workers (12.0 hours) and domestic workers (11.7 hours).

# 

Own-account Wage earners, Wage earners,

private

public

workers

Average number of hours normally worked, according to occupation-

## Total number of informally employed persons according to hours normally worked, nationwide total

July-September 2022 quarter

| Bracket of hours | Informal -      | Informally employed |                        |               |  |  |  |  |  |  |
|------------------|-----------------|---------------------|------------------------|---------------|--|--|--|--|--|--|
| worked per week  | employment rate | Total               | Percentage over total  | 12-month      |  |  |  |  |  |  |
| worked per week  | employment rate | IUlai               | of informally employed | variation (%) |  |  |  |  |  |  |
| Total            | 27.1            | 2,393,242           | 100.0                  | 3.7           |  |  |  |  |  |  |
| 1-30†            | 65.9            | 1,120,211           | 46.8                   | -0.4          |  |  |  |  |  |  |
| VPT++            | 64.2            | 758,570             | 67.7                   | 8.3           |  |  |  |  |  |  |
| IPT+++           | 69.9            | 318,948             | 28.5                   | -12.5         |  |  |  |  |  |  |
| Unclassified     | 70.7            | 42,692              | 3.8                    | -28.7         |  |  |  |  |  |  |
| 31–44            | 23.5            | 458,440             | 19.2                   | 2.5           |  |  |  |  |  |  |
| 45               | 9.9             | 375,913             | 15.7                   | 6.7           |  |  |  |  |  |  |
| 46 and over      | 31.2            | 422,260             | 17.6                   | 15.0          |  |  |  |  |  |  |
| No data          | 51.2 (*)        | 16,418 (*)          | 0.7                    | 2.0           |  |  |  |  |  |  |

- (†) This bracket represents those who work part time as defined in the Labour Code in article 40 bis.
- (††) Voluntary part-time Employed persons. Percentage of participation (%) over the total number of part-time employed persons.
- (+++) Involuntary part-time employed persons. Percentage of participation (%) over the total number of formal and informal part-time employed persons.
- (\*) Estimate of low reliability (i.e., the coefficient of variation is greater than 15% and less than or equal to 30%. In the case of ratio estimates, it does not meet the acceptance threshold associated with its standard error).
- (\*\*) Unreliable estimate (i.e., the number of sample cases is below 60, the degrees of freedom below 9, or the coefficient of variation greater than 30%).

25.0

20.0

15.0

5.0

0.0

10.0

8.0

4.0

2.0

0.0

## Appendix 1: Informally employed persons according to occupational category

### Informally employed persons by occupational category, nationwide total

July-September 2022

| Both sexes                   |                        |                                |                    |      |                 | IV                     | len                            |                    | Women |                 |                                    |                                |         |      |                 |
|------------------------------|------------------------|--------------------------------|--------------------|------|-----------------|------------------------|--------------------------------|--------------------|-------|-----------------|------------------------------------|--------------------------------|---------|------|-----------------|
| category emp                 | Informally             |                                | 12-month variation |      | Informal        | Informally             | <b>12-m</b> c                  | 12-month variation |       |                 | Informally                         | 12-month variation             |         |      |                 |
|                              | employment<br>rate (%) | employed<br>persons<br>(total) | Total              | %    | Impact<br>pp(†) | employment<br>rate (%) | employed<br>persons<br>(total) | Total              | %     | Impact<br>pp(†) | Informal<br>employment<br>rate (%) | employed<br>persons<br>(total) | Total   | %    | Impact<br>pp(†) |
| Total                        | 27.1                   | 2,393,242                      | 85,870             | 3.7  | -               | 25.7                   | 1,311,867                      | -23,361            | -1.7  | -               | 28.9                               | 1,081,374                      | 109,231 | 11.2 | -               |
| Employers                    | 13.4                   | 39,260                         | 2,674              | 7.3  | 0.1             | 13.4                   | 29,166                         | -1,959             | -6.3  | -0.1            | 13.5                               | 10,094(**)                     | 4,632   | 84.8 | 0.5             |
| Own-account workers          | 67.7                   | 1,259,244                      | 13,993             | 1.1  | 0.6             | 66.2                   | 708,880                        | -30,605            | -4.1  | -2.3            | 69.8                               | 550,363                        | 44,598  | 8.8  | 4.6             |
| Wage earners, private sector | 14.7                   | 778,056                        | 58,772             | 8.2  | 2.5             | 14.9                   | 493,034                        | 23,830             | 5.1   | 1.8             | 14.4                               | 285,022                        | 34,943  | 14.0 | 3.6             |
| Wage earners, public sector  | 12.1                   | 134,569                        | -11,626            | -8.0 | -0.5            | 11.3                   | 51,964                         | -13,916            | -21.1 | -1.0            | 12.6                               | 82,605                         | 2,291   | 2.9  | 0.2             |
| Domestic workers             | 55.0                   | 124,620                        | 23,173             | 22.8 | 1.0             | 66.7(**)               | 5,647(**)                      | 2,097              | 59.1  | 0.2             | 54.6                               | 118,972                        | 21,076  | 21.5 | 2.2             |
| Unpaid family workers        | 100.0                  | 57,493                         | -1,116             | -1.9 | 0.0             | 100.0                  | 23,175                         | -2,807             | -10.8 | -0.2            | 100.0                              | 34,317                         | 1,691   | 5.2  | 0.2             |

<sup>(†)</sup> The sum of the impacts is equal to the percentage variation and may differ if more decimals are used in the calculation.



Morandé 801, piso 22, Santiago, Chile Telephone (56) 23246 1137 prensa.ine@ine.cl - www.ine.cl



<sup>(\*)</sup> Estimate of low reliability (i.e., the coefficient of variation is greater than 15% and less than or equal to 30%. In the case of ratio estimates, it does not meet the acceptance threshold associated with its standard error).

<sup>(\*\*)</sup> Unreliable estimate (i.e., the number of sample cases are below 60, the degrees of freedom below 9, or coefficient of variation greater than 30%).