

STATISTICAL BULLETIN: LABOUR INFORMALITY¹

No. 22 / 4 May 2023

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

- In the January–March 2023 quarter, the number of informally employed increased 3.1%, equivalent to a rise of 73,174 persons.
- In the same period, the informal employment rate was estimated at 27.4%, a twelve-month increase of 0.1 percentage points (pp).
- According to economic sector, the increase can mainly be attributed to the rises in agriculture, forestry, and fishing (11.9%) and other service activities (11.7%).
- The increase in informally employed persons was influenced by the rises in own-account workers (3.0%) and wage earners of the private sector (4.0%).

Informal employment rate (%), according to sex, nationwide total Moving quarters Informal employment rate, men Informal employment rate, women Informal employment rate, nationwide total 32 30 (%) 28.9 28.9 29.0 20.

MOVING QUARTER (January–March 2023)										
Main indicators										
Rate 12-month										
Informal employment rate	27.4%	0.1								
Informal employment rate, excluding the agricultural sector	26.4%	0.0								
Employment rate in the informal sector	16.8%	0.1								
Employe	d persons									
	Level (totals)	12-month var. (%)								
Informally employed persons	2,472,059	3.1								
Informally employed persons, excluding the agricultural sector	2,219,804	2.1								

1,511,120

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Informal employment rate

In the January–March 2023 quarter, the informal employment rate rose 0.1 pp year on year to stand at 27.4%. The increase was a result of the faster rate of expansion in informally employed persons (3.1%) than in the total number of employed persons (2.4%).

According to sex, the expansion in informally employed persons can exclusively be attributed to the increase in women (9.1%). In the same period, the informal employment rate for women rose 1.4 pp to stand at 28.9%, and the rate for men fell 0.7 pp to stand at 26.4%.

Analysis by age bracket

The increase in informally employed persons was mainly driven by the rises in the brackets 65 years and over (18.2%) and 55–64 years (7.1%).

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 (-9.7%), while the increase in informally employed women was influenced by the rise in the bracket 55–64 years (18.2%).

The highest informal employment rates of the quarter were in the brackets 65 years and over (51.4%) and 15–24 years (36.5%). These results show that informal employment is most prevalent in the highest and lowest age brackets, affecting the old and the young.

MOVING QUARTERS 2022–2023

Informal employment rate (%)	Jan- Mar	Feb- Apr	Mar- May	Apr- Jun	May- Jul	Jun- Aug	Jul- Sep	Aug- Oct	Sep- Nov	Oct- Dec	Nov- Jan	Dec- Feb	Jan- Mar
Nationwide	27.3	27.2	27.3	27.1	26.6	26.7	27.1	27.7	27.3	27.4	27.3	27.3	24.7
Women	27.5	28.2	28.4	28.2	28.1	28.3	28.9	29.1	28.3	28.5	28.4	29.0	28.9
Men	27.1	26.4	26.6	26.3	25.6	25.5	25.7	26.7	26.5	26.5	26.4	26.1	26.4

(1) Since the dissemination of the results of the National Employment Survey (ENE) for the February–April 2022 moving quarter, INE has been publishing a statistical note in order to provide performance and quality indicators on the collection of data. 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 <u>Statistical Note, ENE, no. 12</u>.



Main indicators

Economic activity²

The twelve-month increase in the informally employed (3.1%) was mainly influenced by the rises in agriculture, forestry, and fishing (11.9%) and other service activities (11.7%).

In the same period, the main influences on the fall in informally employed men (-1.4%) were the decreases in commerce (-10.9%) and construction (-2.8%), while the rise in informally employed women (9.1%) was a result of the increases in other service activities (27.5%) and health activities (25.6%).

The highest informal employment rates were in households as employers (55.8%) and other service activities (54.9%).

Analysis by occupational group³

The principal influences on the twelve-month rise in informally employed persons (3.1%) were the increases in service and sales workers (5.7%) and elementary occupations (5.1%).

According to sex, the decrease in men was influenced by the fall in craft and related trades workers (-4.3%), while the increase in women was influenced by the rise in elementary occupations (13.2%).

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 (52.2%) and craft and related trades workers (45.8%).

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

January-March 2023 quarter

Occupational category (CIUO 08.CL)	Informal employment	Informally employed	12-month variation					
	rate (%)	(total)	Total	(%)	Impact (pp)†			
Nationwide total	27.4	2,472,059	73,174	3.1	-			
Managers	5.0	20,554 (*)	5,323	35.0	0.2			
Professionals	12.0	174,151	18,362	11.8	0.8			
Technicians and associate professionals	11.9	131,314	7,333	5.9	0.3			
Clerical support workers	8.3	41,158	5,697	16.1	0.2			
Service and sales workers	34.9	657,069	35,715	5.7	1.5			
Agricultural and fishery workers	52.2	105,190	-7,784	-6.9	-0.3			
Craft and related trades workers	45.8	495,285	-13,350	-2.6	-0.6			
Plant and machine operators and assemblers	26.8	187,501	-1,488	-0.8	-0.1			
Elementary occupations	39.5	651,803	31,772	5.1	1.3			
Unidentified	2.3 (**)	675	-569	-45.7	0.0			
Unclassified	69.1 (**)	7,359 (**)	-7,838	-51.6	-0.3			

^(†) 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 year-on-year growth in informally employed persons (3.1%) can be attributed to the increases in own-account workers (3.0%), wage earners of the private sector (4.0%), wage earners of the public sector (4.0%), and unpaid family workers (2.2%). In contrast, decreases were observed in domestic workers (-1.8%) and employers (-4.2%).

The increase in informally employed women (9.1%) was influenced by the rise in own-account workers (9.6%), while the decrease in informally employed men (-1.4%) was influenced by the fall in own-account workers (-1.6%).

Own-account workers and wage earners of the private sector represented 85.9% of the total of informally employed persons, and their informal employment rates were 69.0% and 15.7%, respectively.

The highest rates of informal employment were in own-account workers (69.0%) and domestic workers (54.1%).

^(*) 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%).

⁽²⁾ The branch of economic activity refers to the sector of the economic unit that pays the wages of employed persons or to the economic unit owned by them. Thus, the branch of economic activity may differ from employed persons' place of work when they are subcontracted.

 $^{(3) \} National \ adaptation \ of \ the \ International \ Standard \ Classification \ of \ Occupations \ of \ 2008 \ (CIUO \ 08.CL).$

Distribution of informally employed persons, according occupational category, nationwide total moving quarters ■ JFM 2022 ■ JFM 2023 60 51.5 51.5 50 40 34.0 Percentage (%) 30 20 10 1.7 0 Own-account Wage earners. Wage earners Domestic Unpaid family Employers workers private public workers

Informally employed persons by occupational category, nationwide total⁴

January-March 2023

Occupational	Informal	Informally	Twelve-month variation					
category	employment rate (%)	employed (total)	Total	%	Impact (pp)†			
Total	27.4	2,472,059	73,174	3.1				
Employers	14.0	39,684	-1,738	-4.2	-0.1			
Own-account workers	69.0	1,273,181	37,204	3.0	1.6			
Wage earners, private	15.7	849,278	33,022	4.0	1.4			
Wage earners, public	11.8	140,513	5,456	4.0	0.2			
Domestic workers	54.1	110,593	-2,053	-1.8	-0.1			
Unpaid family workers	100.0	58,810	1,284	2.2	0.1			

(†) 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 (3.0%) can be exclusively attributed to the rise in women (9.6%). By sector, the increase was led by the growth in administrative and support services (30.6%) and health activities (58.1%).

Informal wage earners

The year-on-year increase in informal wage earners (4.0%) was influenced by the variations in wage earners of the private sector (4.0%) and wage earners of the public sector (4.0%). By economic sector, the increase can be attributed to the rises in accommodation and food service (33.7%) and agriculture and fishing (8.2%).

Twelve-month variation and impact of informal wage earners, nationwide total moving quarters Impact informal wage earners, private Impact informal wage earners, public informal wage earners, 12M Var. 20 20 10 /ariation (%) 0 -10 -10 -20 -20 -30 -30

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 10.8%. This indicator consists of the percentage of informally employed persons in formal economic units (formal sector), which increased 0.2 pp to stand at 9.2%, and of the percentage of informally employed persons in the sector of households as employers, which stood at 1.6%, showing no year-on-year variation.

For women, the informal employment rate outside the informal sector rose 0.6 pp year on year to stand at 12.9%. For men, this rate fell 0.2 pp to stand at 9.2%.

In the same period, the employment rate in the informal sector increased 0.1 pp year on year to stand at 16.8%.

⁽⁴⁾ The appendix shows an extended version of this table, disaggregated according to sex.

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

Percentage over the total of employed persons

January-March 2023 quarter

Employed persons														
		Independ	ent workers		Unpaid	Unpaid Dependent workers								
	Own-	account	Employer		family workers	Wage earners, private		Wage earners, public		Domestic worke		workers Subtot		
	Formal	Informal	Formal	Informal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	
Formal sector	6.4		2.7		0.3	50.5	7.3	11.7	1.6			71.2	9.2	
Informal sector		14.1		0.4	0.3	0.1	1.8					0.1	16.7	
Households sector						0.2	0.3			1.0	1.2	1.2	1.6	
Total(†)	6.4	14.1	2.7	0.4	0.7	50.7	9.4	11.7	1.6	1.0	1.2	72.6	27.4	

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 (10.1%), 45 hours (7.1%), and 31–44 hours (3.2%).

Of the informally employed persons who worked under 45 hours, 69.7% worked part time (between one and 30 hours per week). Of this group, 27.4% worked part time involuntarily and 68.5% worked part time voluntarily.

In regard to hours usually worked, formally employed persons worked an average of 10.0 hours more than informally employed persons. According to occupational category, the greatest difference was between formal and informal domestic workers (14.1 hours) and formal and informal own-account workers (12.8 hours).

Average number of hours normally worked per week, according to occupational category, nationwide total



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

January-March 2023 quarter

Bracket of hours	Informal	Informally employed							
worked per week	employment rate	Total	Percentage over total	L2-month variation					
Worked per week	employment rate	IVlai	of informally employed	(%)					
Total	27.4	2,472,059	100.0	3.1					
1-30†	67.2	1,102,329	44.6	-0.2					
VPT++	64.6	755,015	68.5	1.6					
IPT+++	73.7	301,528	27.4	-4.9					
Unclassified	73.4	45,787	4.2	4.1					
31-44	23.1	479,503	19.4	3.2					
45	10.8	412,506	16.7	7.1					
46 and over	31.9	459,721	18.6	10.1					
No data	48.1 (*)	17,999 (*)	0.7	-33.8					

- (\dagger) 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).

Appendix 1: Informally employed persons according to occupational category

Informally employed persons by occupational category, nationwide total

January-March 2023

	Both sexes						Men					Women				
Occupational	Informal	Informally	12-mc	onth varia	ation	Informal	Informally	12-mo	onth varia	ition	Informal	Informally	12-m	onth varia	ation	
category	employment rate (%)	employed (total)	Total	%	Impact pp(†)	employment rate (%)	employed (total)	Total	%	Impact pp(†)	employment rate (%)	employed (total)	Total	%	Impact pp(†)	
Total	27.4	2,472,059	73,174	3.1	-	26.4	1,369,307	-18,940	-1.4	-	28.9	1,102,751	92,114	9.1	-	
Employers	14.0	39,684	-1,738	-4.2	-0.1	15.5	34,296	6,793	24.7	0.5	8.7	5,387 (**)	-8,531	-61.3	-0.8	
Own-account workers	69.0	1,273,181	37,204	3.0	1.6	68.2	719,075	-11,323	-1.6	-0.8	70.0	554,106	48,527	9.6	4.8	
Wage earners, private sector	15.7	849,278	33,022	4.0	1.4	15.8	533,930	-10,393	-1.9	-0.7	15.5	315,348	43,415	16.0	4.3	
Wage earners, public sector	11.8	140,513	5,456	4.0	0.2	10.9	54,398	-597	-1.1	0.0	12.4	86,115	6,054	7.6	0.6	
Domestic workers	54.1	110,593	-2,053	-1.8	-0.1	28.5 (**)	2,052 (**)	-3,274	-61.5	-0.2	55.0	108,540	1,221	1.1	0.1	
Unpaid family workers	100.0	58,810	1,284	2.2	0.1	100.0	25,555	-146	-0.6	0.0	100.0	33,255	1,430	4.5	0.1	

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



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^(**) 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%).