

**Comments on draft SNA chapter:  
Chapter 25: Informal aspects of the economy**

**Deadline for comments: 30 September 2008  
Send comments to: [sna@un.org](mailto:sna@un.org)**

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Submission date:	29 September 2008

This template allows you to record your comments on draft SNA chapter 25 “Informal aspects of the economy” and, at the same time, makes it easy for us to use your comments in considering revisions to the draft chapter. You may complete any or all parts of the template.

There is no file comparing existing text with draft text for this chapter because there is no equivalent chapter in the 1993 SNA.

Save this template and send it as an attachment to the following e-mail address:  
[sna@un.org](mailto:sna@un.org)

**Part I: General comments**

In the space below, please provide any general comments. This may cover e.g. the structure of the chapter, issues missing and (lack of) consistency with other chapters of the 2008 SNA.

*General comments:*

General comment	<p>The Chapter appears more as a discussion paper (putting together all underlying issues in compiling economic accounts for informal sector enterprises), rather than as an SNA Chapter meant to guide the compilers of national accounts on how and what accounts (of current, accumulation and balance sheets) the countries should compile or attempt to compile on informal sector enterprises.</p> <p>Section G of the Chapter, to some extent, guides the countries on how to derive data on the informal economy from the SNA accounts, but this Section is too brief and needs to be elaborated on how to sub-sectorise the household sector to accommodate the informal sector enterprises.</p> <p>The Delhi Group and the International Labour Organisation will bring out a “Manual on Surveys of Informal Employment and Informal Sector” (henceforth referred as Manual), expectedly in 2009. Besides providing guidance on informal sector surveys, the Manual will include a chapter (Chapter 10) on “Use of Data for the preparation of National Accounts: Labour Input matrices and the Production Approach”. It is presumed that consistency would be maintained between the SNA Chapter 25 and Chapter 10 of the Manual, in terms of definitions, concepts and procedures on informal sector</p>
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	<p>accounts.</p> <p>The terminology issues between the ICLS and SNA have been sorted out to a large extent in Section D of Chapter 25, but it is preferable to adopt similar terminologies in both the SNA Chapter and the Manual.</p> <p>The title of the Chapter 25, “Informal aspects of the economy” does not appear to suit the structure of SNA. It looks more as an abstract term than as a reference to a sub-group of unincorporated enterprises, which are being referred to as informal sector.</p>

## Part II: Comments on specific draft paragraphs and sections

All comments on specific draft paragraphs are welcome. They can be about e.g. scope, content and clarity. Proposing a concrete alternative text or table is also possible. For the paragraphs in separate sections, separate forms are used for providing and collecting comments (see below).

### A. Introduction (paragraphs 25.1-25.13)

General comment	<p>The references to informal sector (or informal economy) have been clubbed with other aspects of non-observed economy (illegal and underground production), which to some extent dilutes the purpose of measuring separately the informal sector. In any case, the illegal and underground production does not refer specifically to household or informal sector.</p> <p>The 15<sup>th</sup> ICLS is also clear about clubbing of different aspect of NOE, as quoted here, “Activities performed by production units of the informal sector are not necessarily performed with the deliberate intention of evading the payment of taxes or social security contributions, or infringing labour or other legislations or administrative provisions. Accordingly, the concept of informal sector activities should be distinguished from the concept of activities of the hidden or underground economy”.</p> <p>Even in the OECD manual, Non Observed Economy, the informal sector was dealt with separately. It is only in the context of exhaustiveness of GDP measures, all these aspects are dealt together, not exclusively for the household sector in SNA.</p>
25.1	Click here and start typing.
*	Click here and start typing.

\* Insert rows in this Word table for each paragraph on which you wish to comment.

### B. Characteristics of units in the informal economy (paragraphs 25.14-25.23)

General comment	<p>The Delhi Group concluded that informal sector manifests itself in different ways in different countries. Therefore, national definitions of the informal sector can not be fully harmonised. It recommended that international agencies should disseminate informal sector data according to the national definitions used. In order to enhance the international comparability of informal sector statistics the Delhi Group made separate recommendations.</p> <p>These aspects need to be inbuilt into the Chapter while recommending compilation of accounts for the sub-sector of informal enterprises under household sector.</p>
25.14	Click here and start typing.
*	Click here and start typing.

\* Insert rows in this Word table for each paragraph on which you wish to comment.

**C. The non-observed economy (paragraphs 25.24-25.30)**

General comment	This is aimed more towards achieving GDP exhaustiveness than for presenting separate accounts for informal sector enterprises, which should be the focus of the Chapter.
25.24	Click here and start typing.
*	Click here and start typing.

\* Insert rows in this Word table for each paragraph on which you wish to comment.

**D. The informal sector as defined by the ILO (paragraphs 25.31-25.42)**

General comment	Click here and start typing.
25.31	Click here and start typing.
*	Click here and start typing.

\* Insert rows in this Word table for each paragraph on which you wish to comment.

**E. Informal employment (paragraphs 25.43-25.48)**

General comment	Click here and start typing.
25.43	Click here and start typing.
*	Click here and start typing.

\* Insert rows in this Word table for each paragraph on which you wish to comment.

**F. Work of the Delhi Group (paragraphs 25.49-25.51)**

General comment	Click here and start typing.
25.49	Click here and start typing.
*	Click here and start typing.

\* Insert rows in this Word table for each paragraph on which you wish to comment.

**G. Deriving data on the informal economy from the SNA accounts (paragraphs 25.52-25.61)**

General comment	In para 25.54, it is mentioned that all remaining households (from the units mentioned in para 25.53) may be considered informal. This group of enterprises is almost the same as household sector or all unincorporated enterprises in the economy. We may have to debate as to whether this is the intention of the 15 <sup>th</sup> ICLS when they provided an operational definition of informal sector, although according to this definition the informal sector would comprise unincorporated enterprises owned by households.
25.52	Click here and start typing.
*	Click here and start typing.

\* Insert rows in this Word table for each paragraph on which you wish to comment.

**H. Approaches to measuring activities undertaken in the informal economy (paragraphs 25.62-25.69)**

General comment	The Chapter is too brief and does not provide much guidance, although these aspects would be covered in the ILO-Delhi Group Manual. Perhaps, the experiences of the project, “The Interregional Cooperation on the Measurement of Informal Sector and Informal Employment (ICMISIE) project” could be included here.
25.62	Click here and start typing.
*	Click here and start typing.

\* Insert rows in this Word table for each paragraph on which you wish to comment.

**I. Studies and handbooks on the informal sector (paragraph 25.70)**

General comment	Click here and start typing.
25.70	Click here and start typing.

### Part III. Other specific comments

You are welcome to make other specific comments. To assist you in doing so, the following points are provided as a guide to the types of points on which you might wish to comment. Note, though, that you are not restricted to commenting on only these points.

1. Is the description of the non-observed economy (NOE) and “exhaustiveness” sufficient given the existence of manuals devoted to the subject?
2. Is the concept of the “informal sector” as defined by the ILO clear?
3. Is the definition of informal employment clear and sufficient?
4. Are the suggestions in section G to identify the units of interest sufficiently clear?
5. Do you have any comments on the data collections descriptions in section H?
6. Are there any other references you think should be added to the last section?

*Specific comments:*

Specific comments	Click here and start typing.
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You are also welcome to comment directly on the PDF file of the draft chapter. Please do so by using Adobe Acrobat Version 6 or 7.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make detailed comments, please send a message to [sna@un.org](mailto:sna@un.org) requesting a version of the draft chapter that permits you to comment. To optimize your commenting tools, please download Adobe Reader 7.0 for free from <http://www.adobe.com/products/acrobat/readstep2.html>