

National Advocacy Workshop on the
Informal Sector and Informal Employment
3 December 2007
Castries, Saint Lucia

LIMITED
LC/CAR/L.159
28 December 2007
ORIGINAL: ENGLISH

**REPORT ON THE NATIONAL ADVOCACY WORKSHOP ON THE INFORMAL
SECTOR AND INFORMAL EMPLOYMENT**

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REPORT ON THE NATIONAL ADVOCACY WORKSHOP ON THE INFORMAL SECTOR AND INFORMAL EMPLOYMENT

Background

The Economic Commission for Latin America and the Caribbean (ECLAC) Subregional Headquarters for the Caribbean conducted a one-day National Advocacy Workshop on the Informal Sector and Informal Employment, on 3 December 2007 in Castries, Saint Lucia.

This workshop was the first component of the interregional project on the “*Measurement of the Informal Sector and Informal Employment*” which aims at increasing the availability of data on the informal sector and informal employment for the promotion of evidence-based social policies at the national, regional and international level. The objective of the workshop was to raise awareness among statistical offices and other government agencies on the importance of collecting and disseminating data on the informal sector and informal economy and incorporating it into employment and Gross Domestic Product (GDP) estimates.

The workshop was attended by full range of personnel from the Central Statistical Office, government ministries and other national stakeholders in the area of the informal sector and informal employment. A full listing of the participants is annexed.

The workshop followed the amended agenda as detailed below:

1. Welcome remarks and introductions
2. Presentation on the background, objectives and scope of the informal sector project
3. Presentation on concepts and definitions of the informal sector and informal employment
4. Presentation on the state of the informal sector and informal economy and policy implications
5. Presentation and discussion on data collection strategy
6. Presentation of instrument for Integrated Labour Force Survey
7. Presentation on project activities and timelines
8. Recommendations/ conclusions
9. Closure

Agenda item 1: Welcome remarks and introductions

Mr. Edwin St. Catherine, Director of the Saint Lucia Central Statistical Office, extended a warm welcome to all participants. In his address, he provided some background on the Labour Force Surveys conducted in Saint Lucia and the focus of his department in compiling and collating extensive data on the key labour market indicators such as employment and unemployment. He noted the interest of his department and other government offices and

statutory bodies such as the Labour Department and National Insurance Corporation in the informal sector and informal employment and thanked ECLAC for considering Saint Lucia as the pilot country for the project on the Informal Sector and Informal Employment.

Agenda item 2:

Presentation on the background, objectives and scope of the informal sector project

The Statistics Assistant at the ECLAC Subregional Headquarters for the Caribbean gave an overview of the project on the “*Measurement of the Informal Sector and Informal Employment*” which is funded by the United Nations Statistics Division and being implemented in the Caribbean by ECLAC. She provided some background on the rationale for undertaking the project and noted that its objective was to improve the availability and analyses of data on the informal sector and informal employment. She also highlighted the two main components of the project which included: (a) raising awareness among statistical offices and other government agencies of the importance of collecting and disseminating data on the informal sector and incorporating it into employment and GDP estimates; and (b) enhancing the capacity to collect, compile, analyze and disseminate informal sector and informal employment data. In addition, she disclosed some other aspects of the project which were being implemented by the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Economic and Social Commission for Western Asia (ESCWA) in their respective regions.

Agenda item 3:

Presentation on concepts and definitions of the informal sector and informal employment

In this initial presentation, the Consultant, Développement Institutions & Analyses de Long terme (DIAL) explained the main concepts and definitions of the informal sector and informal employment as they were defined within the context of the project. He noted that the concept of the informal sector as defined by the 15th International Conference of Labour Statisticians (ICLS) included household unincorporated enterprises involved in the production of outputs for barter or sale. He distinguished between the concepts of the informal sector and informal employment which were often used interchangeably, indicating that the informal sector was enterprise-based whereas informal employment was job-based. Additionally, he noted that informal employment comprised jobs in informal sector enterprises as well as jobs in the formal sector which were characterized by the following:

- (a) Employment relationship is not subject to national labour legislation, income taxation or social protection;
- (b) Casual jobs or jobs of limited duration;
- (c) Jobs for which labour regulations are not applied, enforced or complied;
- (d) Jobs with hours of work or wages below a specified threshold; and

(e) Jobs for which the employees' place of work is outside of the premises of the employer's enterprise.

He concluded by highlighting countries within the region in which surveys of the informal sector had been conducted as well as the outcomes of those surveys.

**Agenda item 4:
Presentation on the state of the informal sector and informal economy and policy implications**

In his presentation, the representative of the Central Statistical Office of Saint Lucia underscored the importance of measuring the informal sector and indicated the use of such measurements in constructing good estimates of GDP, promoting more evidence-based policy making, facilitating greater international comparability and increasing the credibility of Saint Lucia's national accounts. He lamented the weakness of GDP estimates published annually by his office in capturing informal economic activities. The inadequacy of national resources for producing data on the informal sector/informal employment and inconsistencies in the concepts and definitions related to the informal sector were cited as the main factors contributing to the exclusion of informal sector activity in Saint Lucia's national accounts.

**Agenda item 5:
Presentation and discussion on data collection strategy**

In his presentation, the Consultant provided some background on the classical approach and mixed the 1-2 survey used for collecting data on the informal sector and informal employment. He elaborated on the inefficiencies of the classical approach which stemmed primarily from the use of a sampling frame derived from a costly and lengthy census of establishments. He provided an explanation of principles of the 1-2 approach to be used under the project. This approach entailed the use of the Labour Force Survey which included modules for identifying informal employment and household unincorporated enterprises for market (HUEMs) in phase 1 followed by the administration of the enterprise survey on the sub-sample of HUEMs identified in phase 1. The characteristics used for identifying HUEMs in phase 1 included:

- (a) Own account workers or employers above 15 years old;
- (b) Engaged in non-agricultural activities;
- (c) Engaged in outputs for market production;
- (d) Enterprise and its employees are not registered.

In conclusion, he noted the shortfalls of the 1-2 approach which included bias due to delays between phase 1 and 2, the failure of the survey to capture informal activities which are in certain geographical areas and the risks of misclassification.

**Agenda item 6:
Presentation of instrument for Integrated Labour Force Survey and Informal Sector Survey**

The Consultant released the two instruments which would be used in phases 1 and 2 of the integrated survey. For phase 1, he identified the questions included in the Labour Force Survey as a means of identifying:

- (a) The HUEMS;
- (b) Jobs in the informal sector and;
- (c) Persons engaged in informal employment

He also explained the items on the listing form which has been prepared for identifying the sub-sample of HUEMS to whom the phase 2 Informal Sector Survey would be administered.

**Agenda item 7:
Presentation on project activities and timelines**

The Statistics Assistant at the ECLAC Subregional Headquarters for the Caribbean provided participants with details on the project activities to be conducted in Saint Lucia and the Caribbean region over the lifetime of the project. She noted that six key activities would be executed between 2007 - 2009 and those included: (i) advocacy; (ii) statistical capacity-building; (iii) data collection; (iv) data analysis; (v) data dissemination; and (vi) knowledge management. A concise timeline of the project activities was disclosed.

**Agenda item 8:
Recommendations/conclusions**

- Participants raised concerns about the length of the questionnaire to be administered to the HUEMS identified in phase 1 of the survey. Participants cited that a questionnaire of that length would contribute to respondent fatigue and proposed the following as a means of averting that problem:
 - (a) Reduce the length of the questionnaire and limit it to questions based on only the HUEMS main activity;

- (b) Provide incentives (monetary or otherwise) as a means of encouraging respondents to partake in the survey especially given that the survey would be conducted on the HUEMS time.
- Participants articulated the critical need to engage field staff in some extensive training in preparation for conducting the surveys. This was advanced on the grounds of the nature of the survey and the sensitivity of the data being collected.

Agenda item 9:

Closure

ECLAC thanked all participants for their support as evidenced by their attendance and invaluable contributions at the workshop. The workshop ended with the usual exchange of courtesies.

Annex**List of Participants**

Sherma Beroo-Joseph, Statistician, Central Statistics Office, Chreiki Building, Micoud Street, Castries, Saint Lucia. E-mail: shermab@stats.gov.lc

Rhikkie Alexander, Projects Officer, Ministry of Labour, Information and Broadcasting, Green Building, Barnard Hill, Castries, Saint Lucia. E-mail: naturesconsultancy@hotmail.com

Alton Auguste, Empowerment Consultants, Trouya Road, Gros Islet, Saint Lucia. E-mail: alton.auguste@gmail.com

Mervin Bertin, Research Officer, National Workers Union, Bourbon Street, Castries, Saint Lucia. E-mail: Natwork3@hotmail.com

Albert Cenac, Statistics and Research Manager, National Insurance Corporation, Francis Compton Building, Waterfront, Castries, Saint Lucia. E-mail: Albert_Cenac@yahoo.com

Myrtene Cenac, Statistician, Corporate Planning Unit, Ministry of Education and Culture, Sir Francis Compton Building, Waterfront, Castries, Saint Lucia. E-mail: mcenac20b@hotmail.com

Claudius Peto Francis, Managing Director, Empowerment Consultants Ltd., Trouya Road, Gros Islet, Castries, Saint Lucia. E-mail: empowerc@gmail.com

Joseph Grantley Charlemagne, Assistant Director – Statistics, Central Statistics Office, Chreiki Building, Micoud Street, Castries, Saint Lucia. E-mail: grantley@stats.gov.lc

Euphemia Edmund, Statistician, Central Statistics Office, Chreiki Building, Micoud Street, Castries, Saint Lucia. E-mail: euphemiae@gmail.com

Jacinta Francis, Tourism Officer, Ministry of Tourism, Sir Stanlislaus James Building, Waterfront, Castries, Saint Lucia. E-mail: jfrancis@gosl.gov.lc

Richard Harris, Statistician, Central Statistics Office, Chreiki Building, Micoud Street, Castries, Saint Lucia. E-mail: richard@stats.gov.lc

Lisa James, Community Liaison Officer, Basic Needs Trust Fund, Leslie Land Road, Castries, Saint Lucia. E-mail: bntfproj@candw.lc

Marcellus Joseph, General Manager, BELFUND Inc., 31 Leslie Land Road, Castries, Saint Lucia. E-mail: belfund@candw.lc

Martha Joseph, Statistical Clerk, Central Statistics Office, Chreiki Building, Micoud Street, Castries, Saint Lucia. E-mail: togoodtobe71@hotmail.com

Maureen Joseph, Statistician, Central Statistics Office, Chreiki Building, Micoud Street, Castries, Saint Lucia. E-mail: maureenj@stats.gov.lc

Paul Kallicharan, Statistician, National Insurance Corporation, Francis Compton Building, Castries, Saint Lucia. E-mail: pjkalli@yahoo.com

Rufus Leandre, Chief Extension Officer, Ministry of Agriculture, Fisheries and Forestry, Sir Stanislaus James Building, Waterfront, Castries, Saint Lucia. E-mail: Aoe@slumaffe.org

Majella Louis, Statistician III, Central Statistics Office, Chreiki Building, Micoud Street, Castries, Saint Lucia. E-mail: jmlouis@gmail.com

Sebastien Merceron, Statistician, DIAL, Paris, France. E-mail: mercaron@dial.prd.fr

Julia Mitille, Director (Ag.), Small Enterprise and Development Unit, Heraldine Rock Building, Waterfront, Castries, Saint Lucia. E-mail: mitillej@yahoo.com

Ray Narcisse, Labour Officer III, Department of Labour Relations, Ministry of Labour, Broadcasting and Information, Barnard Hill, Castries, Saint Lucia. E-mail: narcisse_ar@yahoo.com

Edwin St. Catherine, Director of Statistics, Central Statistics Office, Chreiki Building, Micoud Street, Castries, Saint Lucia. E-mail: edwins@stats.gov.lc

Merlicia Williams, Statistical Assistant, Central Statistics Office, Micoud Street, Castries, Saint Lucia. E-mail: merliciaw@hotmail.com

Cynthia Spencer, Job Employment Officer (Youth), Department of Labour Relations, Ministry of Labour, Broadcasting and Information, Barnard Hill, Castries, Saint Lucia. E-mail: cindy40slu@yahoo.com

Economic Commission for Latin America and the Caribbean

Subregional Headquarters for the Caribbean, 1 Chancery Lane, Port-of-Spain, Trinidad and Tobago, Tel: (868) 623-5595; Fax: (868) 623-8485

Sylvan Roberts, Statistician, E-mail: sylvan.roberts@eclac.org

Sinovia Moonie, Statistical Assistant, E-mail: sinovia.moonie@eclac.org