

Sector informal, economía informal e informalidad

Informal sector, informal economy and informality

Ana Luz Ramos Soto ¹

Universidad Autónoma "Benito Juárez" de Oaxaca, México

analuz_606@yahoo.com.mx

Resumen

El objetivo de la presente propuesta es analizar la economía informal y cómo esta participa en la generación de autoempleo en la economía mexicana. Para ello se describen los conceptos del sector informal, la informalidad y la economía informal, y se analizan diferentes indicadores que permiten medir el fenómeno de estudio. En el trabajo de campo se utilizaron fuentes de información secundaria que permitieron identificar el porcentaje de la población ocupada en este sector durante el periodo 2003-2015, constatando así que 13.5 millones de personas formaron parte del sector informal en el año 2014.

Palabras clave: informalidad, economía, población ocupada.

Abstract

The objective of the present proposal is to analyze the informal economy and how it is involved in the generation of self-employment in the Mexican economy. This describes the concepts of the informal sector, the informal economy and the informality, and different indicators that measure the phenomenon of study are analyzed. In the field work were utilized sources of secondary information that helped identify the percentage of the population

¹ Profesor de Tiempo Completo de la Universidad Autónoma "Benito Juárez" de Oaxaca (UABJO), Licenciada en Economía, Maestra en Ciencias en Planificación de Empresas y Desarrollo Regional, Doctora en Ciencias en Planificación de Empresas y desarrollo Regional; Catedrática en la Facultad de Contaduría y Administración y Escuela de Economía de la UABJO. analuz_606@yahoo.com.mx.

occupied in this sector during the period 2003-2015, noting as well that 13.5 million people were part of the informal sector in the year 2014.

Key words: informality, economy, employed population.

Fecha recepción: Octubre 2014 **Fecha aceptación:** Marzo 2015

Introduction

Within the different works of research on the topic of the role of the informal sector which have been performed (Ramos-Soto 2004, 2007), it is concluded that this has an important role in the income inequality of the population, allowing the population to supplement their income; similarly, the unemployed find a sector of the economy which can get an income to meet their basic needs. According to the policies implemented for the generation of jobs in Mexico, expected results have failed since the productive sector does not generate enough jobs to absorb the existing workforce, so the informal sector is one of the main sources of employment generation, The (ILO, 2013) mentions that it is not only important as a source of employment but also generates the production of goods and services, which contribute to the consumption by all social strata.

Informal activity is often the only source of income for people in poverty; In addition, part of this population cannot progress due precisely to these conditions. According to the statistical data reported to the International Labour Organization (ILO) (2013), it is estimated that developing countries generate more than half of non-agricultural employment: 82% in Southeast Asia; 66% in sub-Saharan Africa, 65% in East Asia and Southeast Asia, and 51% in Latin America. Had the informal employment in the agricultural sector be included, the informal employment rate would increase too.

To understand the importance of the informal sector, it is necessary to differentiate the informal employment sector. The fifteenth International Conference of Labour Statisticians (15th ICLS) considered the informal sector as a concept of policy and analysis rather than a statistical concept:

The informal sector can be described broadly as a set of units engaged in the production of goods or the provision of services with the primary objective of creating jobs and generating income for persons involved in this activity. These units typically operate on a small scale, with a rudimentary organization, in which there is little or no distinction between labour and capital as factors of production. The relations of employment -where they exist- are based rather on casual employment, kinship or personal and social relations, and not on contractual arrangements involving formal guarantees (ILO, 2013).

Persons employed in these units of production of goods or services are considered to be in informal employment.

At the International Labour Conference (ILC) informal economy the term was used to refer to "all economic activities by workers and economic units which -in the law and practice- not covered or insufficiently covered by formal arrangements are" (ILO, 2002b), hence may include companies that are part of the informal sector and employees who they hire.

Indicators measuring informality

Companies are ranked according to their economic activity, and informal sector workers who work on their own or having informal employers. It also takes into account the workplace (if fixed or not), its geographic location (rural-urban), the number of employed persons, type of ownership (individual ownership, household ownership, business partnership with members of another home), relationships with other companies (independent producers, or working with other companies) (ILO, 2013).

The type of information to be gathered for the informal sector according to the recommendations of the 15th. ICLS is: sociodemographic characteristics (sex, age, education, working conditions: working hours, type of contract, workplace, income). According Trejo (2004), the methodology for estimating employment in the informal sector through employment surveys frame is made by estimating and characterizing the employment in this sector, being selected variables: branch of activity, size of the company, business name or company, workplace, position at work, type of contract, type of benefits and type of business.

The population employed in this sector includes: self-employed economic activities in manufacturing up to fifteen employees and non-manufacturing activities up to five

employees; Employers in manufacturing economic activities up to fifteen employees and up to five non-manufacturing workers whose companies operate without name or registration and its activity is carried on a local or small or local workshops; unpaid workers in fifteen manufacturing activities and non-manufacturing workers of five workers whose companies operate without name or registration activities up to fifteen manufacturing and non-manufacturing workers of five workers whose companies operate with any name or registration and activity is carried out without a local or local small or workshops; salaried workers includes those working with contract up to two months, workers employed under a contract of two to six months, wage workers with no written contract and no benefits working in manufacturing activities up to fifteen employees and non-manufacturing up to five workers whose companies operate without name or registration, manufacturing of fifteen economic activities and non-manufacturing workers of five workers whose companies operate with any name or registration and its activity is carried out without a local or small or local workshops. To Trejo (2004), the informal sector or the informal not understand the employed population working in non-agricultural micro business partners to households, except domestic services, which are not registered with the authorities and busy that even when working in micro registered and established businesses lack a contract and social security.

Ramos Soto (2007) mentions that INEGI (2000) the employers and workers who work on their own part of the informal sector; also, notes that are included the underground economy, illegal activities such as piracy, production and drug trafficking, usury, resale lockers, hawkers of goods and food, artisans, carriers, providers of home services all kinds, as well as sex workers. So for this sector creates an index that incorporates indicators such as occupied people without medical services, employed population that does not receive salary, people working with family without receiving any income, and self-employed. The aim of this index is to include the different concepts that mention the International Labour Organisation (ILO) and the Regional Employment Programme for Latin America and the Caribbean (PREALC).

$$ISI = \Sigma (x_1 + X_0)/S_1 + (X_2 + X_0)/S_2 + (X_3 + X_0)/S_3 + (X_4 + X_0)/S_4$$

ISI = Informal Sector Index

X_1 = occupied population without medical services

X₂= occupied population receives no salary reports

X₃= people working with family and receives no salary

X₄= population who are self-employed

One of the first analyzes of the informal economy in Mexico was by the Ministry of Labor and the International Labor Organization (ILO) in 1975. For this they were based on the 1970 census and taken as reference to workers whose income they were under the minimum wage for domestic workers and workers whose jobs were not well specified. In 1970 they estimated that the economically active population (EAP) in non-agricultural sectors with incomes below the minimum wage reached 25% nationwide and 29% in the metropolitan area of Mexico City. Similarly, another pioneer in the measurement of the informal economy was the Ministry of Planning and Budget (SPP) in 1976 with a survey of informal activities in urban areas, taking place in the cities of Guadalajara, Monterrey and Federal District comprises 42 municipalities and more than 100 thousand inhabitants. The survey took into account the lower the minimum wage as a focal point to identify participants in the informal economy income, but in this case the indicator combined with other income related to the legal conditions of employment attributes: for employees lack of medical services and benefits, event at work, lack of contract, not being unionized; for the self-employed, income combined with the lack of an employers union membership, operating without a license, not having access to credit, including family workers who work without monetary compensation. By 1980, the Department of Labor issued new estimates to the census of that year (Jaime Campos and Iglesias, 2002).

Phenomenon of informality

Structuralist theory in their research has tried to explain the phenomenon of informality, analyzing the factors that maintain or generate the gap between supply and demand for labor, so that the population is unemployed or surplus generating their own employment (Garcia Bermudez & Yellow Urbina, 2015). The World Bank says that the simple fact of using multiple measures of informality that capture different approaches to the phenomenon, suggests that no one knows what it is or what it should look, it is likely that several distinct phenomena designated by this general term are addressed, that although it is convenient it is

not helpful. Sees informality as a manifestation of relations between the economic operators and the State, since this plays an important role in mitigating market failures; likewise identifies it as a "multidimensional phenomenon since agents interact with the state in some dimensions and not others, so that a large gray area between the ends of full compliance and non-compliance with laws created" (Banco Mundial, 2007).

Paul Bairoch said the social phenomenon of informality is the result of hyper-urbanization followed by a hyper-outsourcing (Jaime Campos and Churches, 2002), ie, that rural migrants found no place in the modern urban industry They used independently or in commercial activities that offer low productivity, recognized as informal sector. The Regional Employment Program for Latin America and the Caribbean of the UN (PREALC), based on studies on the subject, argues that it is individuals who are frustrated aspirations to join the modern sector who make the informal sector. Not that they choose to belong to the informal sector, but rather that they have no choice.

For its part, the INEGI (2000) believes that merges informality with open unemployment as conceptually is not valid because unemployment is a phenomenon of the occupation. Being self-employed does not mean being in a labor market, so that the informal sector in Mexico is engaged in irregular activities, especially in the cities, so it is very common to see in semi-urban areas in the positions public road. Similarly, family homes become places where they offer or sell goods of all kinds, so these businesses generally do not meet the requirements of a formal setting such as taxes, licenses, permits, or benefits labor. That is why it is called informal economy or informal sector of the economy, while informality refers to the way it is conducted a production unit.

The concept of the underground economy including money laundering, drug trafficking, prostitution. To the tax evasion it is common in informal activities, although there is a major difference background. The informal sector meets three characteristics that identify it, is first formed by micro businesses or small-scale operations, second goods and services generated or trades are ordinary in the legal sense, ie they are not driven by law and Finally, heritage and business expenses as such are indistinguishable from those of the person driving it is, the business does not have its own independent status of the owner (INEGI, 2002).

Statistical data

The Mexican economy in the last twenty years has presented low economic dynamics, averaging 2.6% annually and generating the production system does not generate the jobs needed to absorb the existing workforce, so the population not having a jobIt has generated the strategy of joining the ranks of informality, creating their own employment

Table 1. Participation in the informal economy component of the Gross Domestic Product (PIB) 2003-2013

Año	Economía informal	Sector informal	Otras modalidades de la informalidad
2003	27.2	11.8	15.4
2004	26.5	11.3	15.2
2005	26.3	11.3	15.0
2006	25.6	10.7	14.9
2007	25.5	10.4	15.1
2008	25.3	9.5	15.8
2009	26.8	12.3	14.5
2010	26.2	11.7	14.6
2011	25.7	11.7	14.0
2012 ^R	25.4	11.2	14.2
2013 ^P	24.8	11.3	13.5

Source: <http://www.inegi.org.mx/est/contenidos/proyectos/cn/informal/>

Table 1 shows that in 2003 the informal sector participated in GDP 27.2% of the Mexican economy, a decade later in 2013 decreased to 2.4%, representing a stake of 24.8%. The population of the informal economy participated more in 2008 with 15.4% in 2008 to 15.8% in 2013 and then decreased to 13.5% its stake, there can be observed uniformity of 11.7% in that sector, while in 2008 decreased to 9.5 %.

INEGI (2014) reported that seven out of ten Mexicans were recently incorporated in the period 2014 to informal activities, in the second quarter the population of the country grew by one million 34 thousand 531 jobs, of which 722 000 500 corresponded to a increase in the number of people who earn a monetary income in informal activities.

In the Mexican economy, the employed population in the same period of study (2014) of 50 million 336 thousand 88 people (ENOE, 2014), of which 29 million 99 thousand 830 people

are in the informal economy, which is that of the total population in Mexico 57.8% work in informal activities. The informal labor reporting rate stood at 58.79% of the population in the first month of this year, while in the same month a year earlier was established in 59.48% (INEGI, 2015).

For 2015 data, 52 million economically active population (EAP) in the country are reported, which represented 59.2% of the population aged 15 years and older; of which 49.8% were occupied.

ENOE results indicate that in the first quarter of 2015, all forms of informal employment amounted to 28.7 million people, an increase of 0.8% compared to the same period of 2014 and represented 57.6% of the employed population. In detail, 13.5 million formed specifically employment in the informal sector, a figure which represents a decrease of (-) 1% per year and constituted 27.1% of the employed population (employment rate in the Informal Sector 1); 2.3 million correspond to paid domestic service; 5.8 million to the agricultural area, and 7.1 million other companies, government and institutions (INEGI, 2015).

The working population in recent years can be seen in the following chart:

Figure 1. Employment 2011-2015



Source: Elaborado con datos de INEGI 2011-2015

In the graph 1 it shows that in 2011, 46% of the population was occupied; for 2012 increased to 47.7% in 2013 2l 48.4; 2014 to 49.1% in 2015 and 49.8% is reported; within each of the years of study there were slight decreases quarters but later recovered.

Conclusions

The informal sector consists of businesses, activities and workers who operate outside the legal framework governing economic activities, under the concept of legal and illegal informal activities are integrated, but the research of the World Bank, ECLAC and other researchers They focus on the legal informal activities aside illegal activities by the lack of accessibility to information given primary sources that are violent markets.

According to the concept of the informal sector, this measurement is not easy as it is seen as a variable which is not as accurate and complete but it is impossible to approach through the indicators involved in the sector.

But according to data obtained by INEGI, shows that 58% of the working population is involved in the informal sector of the economy, each year the number of people of working age and the productive apparatus of the Mexican economy is creating the jobs needed to absorb this labor, so is latent informality as a sponge that attracts unemployed and economic growth occurs.

Bibliography

- BANCO-MUNDIAL. (2007). *Informalidad: Excape y Exclusión*. Washington, D.C.: Banco Mundial. Recuperado el 14 de Julio de 2015, de http://siteresources.worldbank.org/INTLACINSPANISH/Resources/SP_lacf_Overview.pdf
- García-Bermúdez, K. J., y Amarillas Urbina, V. Á. (2015). Determinación de la informalidad laboral en el estado de Oaxaca 2013. En F. R. Ana Luz Ramos-Soto, *Competitividad y Desarrollo Comunitario Sustentable de la Región Centro, Sur, Sureste de México*, p. 235. México: Gasca.
- INEGI. (2002). *Guía de conceptos, uso e interpretación de la Estadística sobre la Fuerza Laboral en México*. Aguascalientes, Ags. México: Instituto Nacional de Estadística.
- INEGI. (15 de Mayo de 2015). Resultados de la encuesta nacional de ocupación y empleo, cifras durante el primer trimestre 2015. Obtenido de Boletín de prensa No. 198/15: http://www.inegi.org.mx/saladeprensa/boletines/2015/enoe_ie/enoe_ie2015_05.pdf
- INEGI. (2015). *Agenda del desarrollo social*. Aguascalientes, Ags. México: INEGI.
- Jaime, E., Campos, P. e Iglesias, N. (2002). *Informalidad y (sub)desarrollo*. México: Ediciones Cal y Arena.
- OIT, O. I. (2013). *La medición de la Informalidad: Manual estadístico sobre el sector informal y el empleo informal*. Turín, Italia: Centro Internacional de Formación de la OIT.
- Ramos-Soto, A. (2007). *Distribución del Ingreso y Sector Informal en las Principales Ciudades del Estado de Oaxaca*. Oaxaca: UABJO.
- Trejo, J. (2004). *La ocupación en el sector informal 1995-2003*. México: INEGI.

