

Delhi Group on Informal Sector –Contribution and Present Status

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Abstract

Informal Sector contributes significantly to employment generation and national income in developing economies, such as India. The unorganized sector (enterprises outside general government and corporations) accounts for 93% of total employment including agriculture and 82.4% of employment in non-agricultural economic activities in India as per the survey on employment and unemployment carried out in the year 2004-05. This sector contributed 57.1% to the net domestic product (NDP) and 49% in non-agricultural NDP in 2007-08.

The attempt to measure employment and value added in “informal sector” in the developing countries led to a research agenda for identifying a set of enterprises/ establishments coming under the purview of informal nature of carrying out the economic activities and measuring their employment and output. The proceedings of 15th ICLS on informal sector (1993) and its mentioning in the System of National Accounts 1993 were some of the initial documents, which have called for further work on informal sector. Subsequently, the “Expert Group on Informal Sector Statistics” commonly known as the “Delhi Group” was set up in 1997 as one of the city Groups of United Nations Statistical Commission (UNSC) to address various methodological issues involved in the treatment of the informal sector. The Delhi Group held so far 10 meetings since its inception and made significant contributions.

This paper puts together the work done by the ILO and the Delhi Group so far on the informal sector and informal employment. The experience of India in measuring the employment informal sector is also presented in the paper.