

Dissection of the Informal Sector: Measurement of Characteristics of the Informal Sector and Its Connections with the Rest of the Economy

Lourdes Ferran
Universidad Central de Venezuela

Abstract

The paper deals with the measurement of social and economic characteristics of the informal sector and its ties with the rest of the economy and society. In addition to the analysis in terms of economic units and individuals, it carries out measurements and corresponding analysis based on households in order to bring out the social aspects. In this way it departs from the usual definition of the informal sector and defines it as a sub-sector of the household sector. With this purpose the paper presents the results of two surveys carried out in Venezuela with data on a national scale and for several sub-regions based on different degrees of urbanization.

The first survey is for the year 1997, the second for 2005. Thus, the paper shows not only the situation (comparable to satellite accounts) for one and the other year, but also the development between the two dates. This information should serve the interests of policy makers.

Given its particularity, data on agricultural workers are shown separately.

The last part introduces measurements of consumption and confronts data on income with data on consumption for different classes of the universe of households under consideration. This in order to throw light on the discussion as to whether consumption is a better indicator of level of living than income.

Lourdes@ferran.net