The Informal Economy and the ILO: a Legal Perspective

Claire La Hovary (University of Glasgow)
ILC 2002 understanding of the informal economy

“The term “informal economy” refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements. Their activities are not included in the law, which means that they are operating outside the formal reach of the law; or they are not covered in practice, which means that – although they are operating within the formal reach of the law, the law is not applied or not enforced; or the law discourages compliance because it is inappropriate, burdensome, or imposes excessive costs”

ILO, Resolution concerning decent work and the informal economy, ILC 2002, paragraph 3.