



PROJECT NOTIFICATION

Reference No.: 138

Date of Issue	6 June 2023
Project Code	23-RC-12-GE-RES-A
Title	Research on the Informal Economy and Productivity Growth
Timing	15 June 2023–31 December 2023
Hosting Country(ies)	Not Applicable
Venue City(ies)	Not Applicable
Modality	Online
Implementing Organization(s)	APO Secretariat
Participating Country(ies)	All Member Countries
Overseas Participants	Not Applicable
Local Participants	Not Applicable
Closing Date	31 August 2023
Remarks	The above deadline is for nomination of national experts.

Objectives	Examine the status of informal economy business activities and their statistics in national accounts; analyze the impact of informal-sector business activities on productivity growth; and draw implications for policy on the informal economy and productivity enhancement.
Rationale	The informal economy constitutes a large share of employment and output in most APO economies. Businesses operating in the informal economy are typically unproductive and stagnant. Their presence, despite the various forms and situations across countries, may hinder aggregate productivity growth and lock an economy into a low economic development stage.
Background	<p>The informal economy has grown over the years to become a source of livelihood for billions of people in middle-income economies (World Bank, 2022). In the Asia-Pacific, informal-sector business is estimated to account for almost half of economic activities and represents a significant 60% employment share (ILO, 2020). The expansion of informal business activities poses a critical concern for long-term economic development and an increasing competitive pressure on the performance and innovation of formal firms. Additionally, as among the hardest hit by the COVID-19 pandemic, the expansion of informal-sector firms has heightened the social impact and threats to inclusive growth agendas.</p> <p>This study analyzes the situation and estimates the impact of informal economy businesses on productivity and inclusive development in APO members. Recommendations for policies to reduce the vulnerability of workers in informal businesses, mitigate the negative impact of informal business on formal sectors, and enhance aggregate productivity growth will be made.</p>
Topics	Informal economy business activities; Informal-sector employment and output statistics in national accounts; Impact of informal-sector business on formal-sector labor productivity; Inclusive economic growth; Policies on informal-sector formalization; Labor market policies; and Social protection policies.
Outcome	Harmonized statistics on informal-sector business; enhanced findings on the impact of informal-sector business on productivity; and strengthened evidence-based policy implications for labor, social protection, and inclusive productivity growth policies.
Qualifications	Policy analysts or academic researchers specializing in the informal economy and productivity policy with a track record of experience, three or more years in the position, and excellent English writing and presentation skills.

Please refer to the implementation procedures circulated with this document for further details.



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