Approved by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan

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**Methodology for the formation of indicators of informal employment of the population**

**Chapter 1. General provisions**

1. Methodology for the formation of indicators of informal employment of the population (hereinafter - Methodology) refers to the statistical methodology, formed in accordance with international standards and approved in accordance with the [Law](http://adilet.zan.kz/rus/docs/Z100000257_#z0) of the Republic of Kazakhstan dated March 19, 2010 "On State Statistics".

2. This Methodology defines the main aspects in the field of statistical measurement of indicators of informal employment of the population.

3. This Methodology is applied by the structural subdivisions of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan in the formation of labor market indicators.

**Chapter 2 . Features of statistics of informal employment of the population**

4. The informal sector includes organizations engaged in the production of goods and services for the purpose of providing employment and income to the individuals involved, and having the characteristics of households.

The informal sector is defined on the basis of the characteristics of the organizations that carry out activities.

5. Informal sector organizations have the following features:

lack of state registration of the organization;

low level of organization and small scale of activity;

are not separate legal entities , established and separate from the household or its members ;

fixed assets and other assets do not belong to organizations, but to their owners;

do not enter into transactions or other contractual relationships with other organizations and do not assume obligations on their own behalf;

the owners organize the production activities and are liable without limitation for all obligations related to the production process;

labor relations are not based on contracts with formal observance of guarantees, but on the basis of an oral agreement on employment, or family and personal relationships;

entrepreneurial activity is carried out with the involvement of unpaid family members or one or several employees;

fixed assets used for production and personal purposes;

no access or limited access to organized markets, credit institutions, modern technology, vocational training and others;

activities are carried out, without permanent premises or at home .

6 . The informal sector consists of two subgroups of organizations:

1) not attracting employees on a permanent basis (organizations of households and organizations that are not registered);

2) attracting employees on a permanent basis or organizations of informal employers that meet the following criteria:

small size of the organization in terms of employment;

lack of state registration of the organization.

7. According to the formation of indicators of informal employment, organizations are divided into the following groups:

formal sector organizations;

informal sector organizations;

household organizations.

8. Formal sector entities are corporations, non-profit organizations, governments, and household organizations that produce goods and services for sale or exchange that are not part of the informal sector.

9. Informal sector organizations are organizations of households or organizations owned by households that produce goods and services for sale on the market and do not have the status of a legal entity.

10. Household organizations are organizations engaged in the production of goods and services that are not independent legal structures. Organizations are created exclusively within the household, are owned by its members and do not have a complete set of accounts.

11. Informal employment includes the total number of jobs existing in formal sector organizations, the informal sector or households during the reporting period.

12. Informal employment by status in employment (employees, self-employed workers, employers, members of production cooperatives, helping (unpaid) family workers) includes the following types of jobs:

self-employed workers or employers who own organizations in the informal sector;

members of production cooperatives in the informal sector;

helping (unpaid) family workers working for formal or informal sector organizations;

employees who occupy jobs in organizations of the formal and informal sector, with individual individuals or in peasant (farmer) households, if their job meets one of the following criteria:

taken on the basis of an oral agreement;

the employer does not transfer contributions to social insurance;

there is no payment of social benefits for temporary disability for the period of illness;

there is no annual paid vacation.

13. Contributing (unpaid) employees of family enterprises who are employed and do not have a written employment contract occupy informal jobs.

Contributing (unpaid) family workers who have employment contracts are considered employees.

**Chapter 3. Assessment of informal employment of the population**

14. Evaluation of informal employment is carried out on the basis of data from a sample survey of employment of the population.

15. Attribution of an organization to the informal sector is carried out on the basis of questions of statistical observation:

state registration of the organization;

activity status of the interviewed natural person;

the size of the organization;

place of work.

The key criterion for determining the organization of the informal sector is the state registration of the organization.

16. Individuals performing work on a personal farmstead related to the production of agricultural products are distributed according to the purposes of consumption:

only for own consumption;

partially for consumption, exchange (resale);

only for exchange (sale).

17. Individuals performing household work related to the production of agricultural products for partial consumption and exchange and (or) resale (only for sale or exchange) belong to the informal or formal sector, depending on state registration.

18. The measurement of employment in the informal sector and informal employment includes the following provisions:

employment in the informal sector,includes individuals employed during the reporting period on their main activity in organizations of the informal sector, regardless of their status in employment;

informal sector organizations include unregistered household organizations engaged in the market production of goods and services;

19. Individuals employed in households do not belong to the informal sector. Households producing agricultural products for sale or exchange are included in the informal or formal sector, depending on state registration .

20. Employment in the formal sector includes:

registered self-employed workers;

employers working for formal sector organizations;

members of production cooperatives in the formal sector;

hired workers hired under an employment contract; having the right to pay social benefits for temporary disability for the period of illness and paid labor leave, for which the employer transfers social insurance contributions;

individuals, regardless of their status in employment, employed during the reporting period in the main activity of organizations in the formal sector.