



## PROJECT NOTIFICATION

Reference No.: 431

<b>Date of Issue</b>	2 July 2024
<b>Project Code</b>	24-RC-11-GE-RES-A
<b>Title</b>	Research on Raising Informal-sector Productivity
<b>Timing</b>	8 July 2024–31 December 2024
<b>Hosting Country(ies)</b>	Not Applicable
<b>Venue City(ies)</b>	Not Applicable
<b>Modality</b>	Online
<b>Implementing Organization(s)</b>	APO Secretariat
<b>Participating Country(ies)</b>	All member countries
<b>Overseas Participants</b>	Not Applicable
<b>Local Participants</b>	Not Applicable
<b>Closing Date</b>	17 September 2024
<b>Remarks</b>	The closing date is the deadline for submission of proposals by research institutions. Please refer to the implementation procedures for information.

<b>Objectives</b>	Study the effects of the informal sector on productivity in APO member economies, identify trends in and determinants of informal-sector productivity and impacts on national economies, and examine policy interventions to manage the informal sector to improve productivity growth and achieve better socioeconomic outcomes.
<b>Rationale</b>	The informal sector is characterized by low productivity while posing challenges for inclusive growth. It employs a vast share of the labor force in APO members. Multicountry analysis allows hypotheses about informal-sector effects on economies to be tested, enabling identification of factors, determinants, and policy implications.
<b>Background</b>	<p>Informal-sector employment shares range from over 80% in some developing APO members, including numerous women, to 26% in the ROK (ILO data). Informal-sector enterprises suffer from low economies of scale and lack of access to finance, undermining their productivity. Countries with larger informal sectors fare less well in inclusive development with lower productivity, fiscal resources, financial deepening, capital accumulation, institutional quality, empowerment of women, and social security coverage. However, informal sectors encourage entrepreneurship and digital technology use, providing secondary jobs in times of high inflation.</p> <p>While the APO publication “Issues and Challenges on the Productivity Performance of the Informal Sector in Selected APO Members” (2023) provides descriptive case studies of informal sectors in developing members, the objective of this research is integrated multicountry analysis to test, measure, and provide insights on inclusive growth.</p>
<b>Topics</b>	Measuring informal-sector productivity in APO members and reference economies; Multicountry analysis of informal-sector productivity; Characteristics of informality; Determinants of informality; Effects of informality on inclusive development; and Policy recommendations.
<b>Outcome</b>	A report on the impact of the informal sector on productivity in APO members and reference economies with integrated multicountry data analysis using econometric approaches; insights into causes, effects, and characteristics of informal sectors in APO members; and policy recommendations.
<b>Qualifications</b>	Research institutions specialized in informal-sector issues, productivity measurements of national economies and sectoral approaches, inclusive economic growth, and multicountry studies on current socioeconomic trends in the Asia-Pacific region, with a track record of publications in English.

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



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