

## Informal Economy Consultancy Service



**Need NOT Greed: helping to understand and harness informal economic activity in deprived areas**

## Ensuring evidence-based policy making

Our informal economy consultancy service builds on Community Links' 30 years first hand experience of working with people in the informal economy. Partners can draw on our specialist research, policy and campaigning work to understand the dynamics of informal paid work, and supporting more people into the formal economy and out of poverty.



This unique service provides robust research, coupled with a strategy and planning service which enables Local Authorities and Regional Development Agencies to understand their local economy, the hidden as well as the recorded; to identify and address the issues; and in doing so harness the skills of the local workforce enabling them to build their own ladders out of poverty.

Visit our dedicated website: [www.neednotgreed.org.uk](http://www.neednotgreed.org.uk)

## Why should Local Authorities address their informal economies?

The harsh economic climate is leading to job losses across the country. Unemployment is expected to rise for at least the next two quarters, leading many people into the benefit system and its inherent traps. It is anticipated that the UK will experience a corresponding rise in informal paid work and an increasingly vibrant and growing informal economy, as people find alternate ways of providing for their families. Local Authorities and Regional Development Agencies must be bold and recognise, understand then formalise these activities, turning job losses into job creation. This in turn will strengthen the formal economy.

### What is the informal economy?

We have adopted the definition most commonly used:

*'Informal work involves the paid production and sale of goods or services which are unregistered by, or hidden from the state for tax, benefit and/ or labour law purposes, but which are legal in all other respects.'* EU (1998)

Illegal or criminal activities such as drug dealing or prostitution have been excluded, as has the exchanges of unpaid work.

### Did You Know?

The informal economy is known by many names:

**Cash-in-hand work**  
**Ghosts**

**Hidden economy**  
**Working off-the-books**

**Grey markets**  
**Moonlighting**

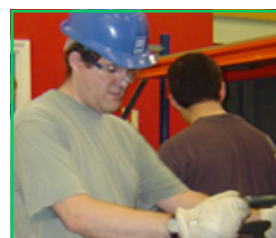
## Our experience of the Informal Economy

Since 2000 linksUK, the national team of Community Links, has taken a particular interest in the informal economic activities of the self-employed, small businesses and employees. This is because the informal economy has a significant impact on the lives of the people we work with, and plays an integral role in their experience of poverty.

We have found that whilst informal paid work may take people out of 'absolute' poverty enabling them to pay the rent or the debt collector knocking on their door it may trap them in 'relative' poverty. Workers outside of the 'mainstream' do not have access to the national minimum wage, holiday or sick pay, or legal protection. Our research also shows that informal paid work can have a positive role in peoples' lives, developing confidence and skills, and building social capital whilst keeping them from poverty.

## What we can do for you

Evidence-based policy making is the route to success. We provide a tried and tested consultancy service, which generates robust and rigorous evidence to enable you to take informed decisions about the most appropriate course of action for you to address your local informal economy.



### **Our service includes:**

Preparation: getting up to speed with the informal economy

- ▶ Briefing papers
- ▶ Literature and policy reviews
- ▶ Training
- ▶ Talks and discussion groups for staff and stakeholders

Gathering the evidence

- ▶ Measure the size and scale of local informal economies at SOA-level (quantitative)
- ▶ Workshops and one-to-one interviews with 'real' people: Uncovering local best practice and developing future practical plans (qualitative)
- ▶ Local economic analysis using traditional planning techniques, e.g. Location Quotient and Shift-Share Analysis, to contextualise the local economy in the light of informal economy evidence

Evidence-based policy making

- ▶ Refine existing economic development and regeneration strategies and policies, in response to the informal economy evidence
- ▶ Develop practical plans and programmes which will support more people into formal paid work

Support implementation

- ▶ On-going support and advice
- ▶ Evaluation and impact measurement support
- ▶ Connect you to others delivering informal economy programmes in the UK and abroad

We offer a competitive and affordable price structure, based on how the service is tailored to meet your local requirements.

## What people say:

*“Community Links produced an invaluable, qualitative study of the informal economy in the London Borough of Haringey, in 2006/7. We commissioned this study because we wanted to supplement official statistics with an understanding of the cash-in-hand economy. This was vital so that we could develop employment, skills and and business policies that are relevant and helpful to the reality of people and businesses in our most economically disadvantaged communities.”*

**Liz Holford, former Regeneration Manager, London Borough of Haringey**

*“Community Links demonstrate an understanding that tailored policies, according to sector, locality and an individuals situation, are needed to really address the challenges presented by informal working.”*

**Dr Mel Evans and Dr Stephen Syrett, Middlesex University**

*“Community Links are an excellent starting point for an increased understanding of the informal economy. I think that quite modest public and private policy initiatives could be very beneficial for many people in this country, in addressing aspects of the informal economy.”*

**Sir David Walker, former Chairman, Morgan Stanley International**

*“The modernisation of welfare has to take account of the fact that thousands of people find themselves working ‘off the books’ without ever having meant to defraud the system. Community Links has thought carefully about how to help them to declare their work and continuing moving from benefits to employment. Undeclared work is wide open to exploitation and abuse, so this is an opportunity for sensible far-reaching reform.”*

**Brendan Barber, General Secretary, Trade Union Congress**

*“Community Links show the value of embedding policy towards the informal sector in workers everyday experiences rather than supposition.”*

**Professor Colin C Williams, University of Sheffiled**

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**linksUK**  
sharing experience from the ground up