Note on the implementation of statistical standards from the 19th, 20th and 21st ICLS through household surveys

July 2024

Department of Statistics
1. Application of 19th ICLS Resolution I through household surveys

Background

The purpose of this note is to provide a short overview of the requirements to apply the definitions included in Resolution I of the 19th ICLS\(^1\) (Resolution on statistics of work, employment and labour underutilization), the 20th ICLS (Resolution concerning statistics on work relationships) and the 21st ICLS (Resolution concerning statistics on the informal economy). While the standards and definitions leave some room for interpretation and flexibility to adapt to national contexts, certain aspects should be considered essential in order to say that they have been applied.

Published ILO model questionnaires and related guidance and tools have been developed to fully apply the standards adopted by the ICLS (including the 19th, 20th and 21st ICLS). Those model questionnaires have been developed with dedicated labour force surveys (LFS) in mind, and the guidance below is primarily written with the LFS in mind. However, this guidance is also relevant to other household surveys potentially applying the standards.

19th ICLS standards

With respect to the 19th ICLS standards some key required components are discussed below.

Measurement of employment

The operational definition of persons in employment is contained in paragraphs 27 to 32 of 19th ICLS Resolution I. As stated in the standards, the reference point is engagement in activities to produce goods or provide services for pay or profit.

The standards incorporate a \textit{short reference period of seven days or one week} (paragraph 19a) for the measurement of employment. In addition, the standards include criteria to be applied to identify employment among people who are temporarily absent (paragraph 29), including that people absent for some reasons should be identified as employed without further testing, namely sick leave due to own illness or injury, public holidays, vacation or annual leave and periods of maternity or paternity leave as specified by legislation (paragraph 29b). For other reasons, additional checks of job attachment should be used including receipt of remuneration during the absence and/or duration of absence (paragraph 29c).

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\(^1\) Resolution I of the 19th ICLS was amended by Resolution II of the 20th ICLS: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_230304.pdf
**Main intended destination of production**

A particularly important change in the 19th ICLS standards relative to the standards adopted by the 13th ICLS\(^2\) was the identification of a boundary between employment and other forms of work – in particular own-use production of goods. The 13th ICLS standards stated that:

“Persons engaged in the production of economic goods and services for own and household consumption should be considered as in self-employment if such production comprises an important contribution to the total consumption of the household” (Paragraph 6).

By contrast, the 19th ICLS standards stated that employment includes “persons who work in their own economic units to produce goods intended mainly for sale or barter, even if part of the output is consumed by the household or family” (paragraph 30d).

The implication of this is that persons who are producing goods mainly intended for own final use are considered to be engaged in own-use production of goods and those activities are not considered to be employment. There is an additional recognition in paragraph 22d(i) of the particular relevance of this boundary for agriculture, fishing, hunting or gathering goods intended mainly for own-consumption– with a recognition that “a part or surplus may nevertheless be sold or bartered‘ and the activity still be considered as own-use production of goods rather than employment.

Put more simply, under the 13th ICLS standards all production of goods for own use could be identified as employment (subject to the criterion of ‘important contribution to the total consumption of the household’) while under the 19th ICLS standards the production of goods can be split between different forms of work, most notably employment and own-use production based on the main intended destination of that production.

A key group impacted by this change in definition are subsistence foodstuff producers (as defined in paragraphs 24 to 26 of the 19th ICLS standards) who would have been considered employed under the 13th ICLS standards but would now be identified as own-use producers of goods. For countries where subsistence foodstuff production is common this would be expected to lead to a reduction in estimated employment levels, and potentially a decrease in labour force participation rates and/or an increase in unemployment levels and rates. However, in practice this will depend on the existing questionnaire design (prior to the implementation of new standards).

As described further below, the new definition requires updates to questionnaire content in order to distinguish whether the destination of production is sale or own-use.

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Measurement of labour underutilization

As described in the 19th ICLS standards there are three components of labour underutilization, namely:

- Time-related underemployment (paragraphs 43 to 46);
- Unemployment (paragraphs 47 to 50); and
- Potential labour force (paragraphs 51 to 53).

The definitions state various reference periods and other criteria which should be applied around availability and job-search, plus desire to work more hours (in the case of time-related underemployment) and desire to work (specifically in the case of available potential jobseekers (paragraph 51b)).

With respect to available potential jobseekers, who are often the largest part of the potential labour force, the criterion of “desire to work” is necessary to assess in order to determine that there is some degree of labour market attachment – as such assessing this criterion is necessary to accurately apply the standards.

Implications for questionnaire content and design

The full application of the standards through household surveys, and in particular the labour force survey (LFS), has a wide range of implications for questionnaire content. In order to be considered to have applied the standards, the following conditions should be met with some limited stated exceptions:

As a general requirement, all reference periods and criteria stated in the standards should be applied. Variations in reference periods can have a significant impact on estimates generated. Other deviations from the stated criteria (such as treatment of different reasons for absence from employment) can have the same effect.

With specific reference to the issue of main intended destination of production, it is necessary to assess whether the production from own-account agriculture, fishing or other primary foodstuff production activities (hunting or gathering where prevalent) is mainly for sale or mainly for own-use. Evidence from multiple countries demonstrates that questions to assess this have a significant impact on the estimates of employment (and other labour market indicators generated). This is particularly impactful in countries where own-account agriculture and own-use production of foodstuff are prevalent, thus it is essential to include dedicated questions on this in those cases. The default approach should be to include questions on the main intended destination unless evidence exists that indicates that own-account foodstuff production is very uncommon, or that it is almost universally market oriented. The inclusion of questions in the LFS is one way to gather this evidence if other sources are not available, thus allowing an assessment. It is not possible to specify a single threshold to include these questions, but a reasonable approach could be to consider if there is likely to be a statistically significant difference in key estimates (e.g. the employment-to-population ratio in rural areas).

With reference to labour underutilization, it is necessary to measure and disseminate estimates on all three components of labour underutilization (time-related
underemployment, unemployment, and the potential labour force) and/or more than one of the four proposed measures of labour underutilization (paragraph 73). The definition of these components and indicators is a key development from the 19th ICLS as it enables a wider view of labour underutilization, while also promoting improved comparability of estimates on unemployment. **Relaxed definitions of unemployment (for example not applying the requirement to search for a job) are no longer accepted, instead the use of the wider set of indicators is promoted to provide additional insights.** Of the various criteria that need to be applied to achieve this, attention is needed to ensure that only those who want to work are identified as available potential job seekers. If only availability to work is assessed, there could be an overidentification of the potential labour force. ILO model questionnaires include a dedicated question on the desire to work in order to allow this.

**Additional recommendations**

In addition, the following more general recommendations can be noted:

Care is needed to ensure that employment is captured comprehensively in the early parts of a labour force survey questionnaire. This typically requires multiple questions to identify activities in the reference week, dedicated questions on temporary absences and dedicated questions on the main intended destination of production for own-account agriculture and fishing (in settings where these are prevalent). Evidence from multiple rounds of studies have shown that certain activities are at greater risk of being missed than others, for example casual or part-time employment, and work to help in family businesses or farms, etc. These activities may be predominantly performed by women, meaning lack of adequate attention to questionnaire design can bias estimates of women's employment and gender gaps significantly (as demonstrated in studies undertaken in Sri Lanka as well as earlier studies: [https://www.ilo.org/wcmsp5/groups/public/---dqreports/---stat/documents/publication/wcms_635732.pdf](https://www.ilo.org/wcmsp5/groups/public/---dqreports/---stat/documents/publication/wcms_635732.pdf)). Attempts should be made to address these risks while at the same time trying to keep respondent burden at a reasonable level. ILO model questionnaires have been developed with this balance in mind.

If a country has a high prevalence of own-account agriculture and fishing, it will be important to publish estimates related to own-use production of goods (at least foodstuff) alongside estimates of employment and labour underutilization. These estimates are required to understand the differences between estimates based on the 13th and 19th ICLS standards, but also to achieve some of the key intended benefits of the changes in definitions, such as more clearly distinguishing between different forms of work, improving comparability across countries, generating comprehensive estimates of all working activities, and understanding linkages between labour force participation and engagement in different forms of work, therefore providing more useful information for targeted policy- and decision-making.

All forms of work identified in the 19th ICLS forms-of-work framework should be measured at some frequency. The ILO has developed guidance and tools for the measurement of volunteer work and own-use provision of services and other potential
2. Application of 20th ICLS Resolution I

The 20th ICLS resolution concerning statistics on work relationships includes the International Classification of Status in Employment (ICSE-18), which replaces the previous ICSE-93. ICSE-18 introduces ten detailed categories applicable to employment as defined by the 19th ICLS resolution I. In this sense, it is not possible to say ICSE-18 and the 20th ICLS Resolution I have been followed if the 19th ICLS definition of employment has not also been applied. The ICSE categories are based on the type of authority the worker has over the organization of the work and the economic unit, as well as the type of economic risk to which the worker is exposed (paragraphs 11 and 14).

Two hierarchies – type of authority and type of economic risk

While the ICSE-93 classification also considered these two dimensions, it integrated them both within the classification structure, not allowing any detailed distinction according to needs or priorities. In this sense, a new feature in ICSE-18 is that the ten detailed categories can be organized differently according to these two dimensions, creating two distinct hierarchies with different top-level dichotomies. When organized by type of authority (ICSE-18-A), the dichotomy is between independent workers and dependent workers (Paragraph 22). When organized by type of economic risk (ICSE-18-R), the dichotomy is between workers in employment for profit and workers in employment for pay. This dual-hierarchy system is a key aspect of ICSE-18, as it clarifies the boundaries between different employment status categories and relevant aggregations compared to ICSE-93.

The ten detailed categories

ICSE-18 consists of ten detailed categories of status in employment. The four detailed categories of independent workers - employers in corporations, owner-operators of corporations without employees, employers in market enterprises, and own-account workers in household market enterprises without employees - are necessary to create the two hierarchies and top-level dichotomies. The distinction of whether these workers own and operate an incorporated enterprise is essential to distinguish those who are in employment for pay (if the enterprise is incorporated) from those in employment for profit (if the enterprise if not incorporated).

Employees are divided into four detailed categories in ICSE-18 - permanent employees, fixed-term employees, short-term and casual employees, and paid apprentices, trainees, and interns - the correct category being identified based on the type of contract or agreement and its expected duration. Additionally, ICSE-18 includes two categories for contributing family workers and dependent contractors. The previous category of members of producers’ cooperatives has been removed and no longer constitutes an employment status category.
### Table 1. ICSE-18 organized according to type of authority and economic risk

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<tr>
<th>According to type of authority</th>
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<td><strong>Independent workers</strong></td>
<td><strong>Workers in employment for profit</strong></td>
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<td>Employers</td>
<td>Independent workers in household market enterprises</td>
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<td>• Employers in household market enterprises</td>
<td>• Own-account workers in household market enterprises without employees</td>
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<td>Independent workers without employees</td>
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<td>• Own-account workers in household market enterprises without employees</td>
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<td>• Paid apprentices, trainees and interns</td>
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**Dependent contractors**

*Dependent contractors* are a new employment status category introduced in ICSE-18 due to significant policy interest and they need to be identified to assign the aggregated categories in the classification. Dependent contractors are workers with commercial agreements whose work depends on another economic unit that exercises operational or economic control over their activities (paragraphs 35 and 36). By definition, dependent contractors do not engage regular employees and do not have an incorporated enterprise (Paragraph 38(c), (d)). With respect to the two hierarchies, dependent contractors are considered to be dependent workers (ICSE-18-A),
while they are also workers in employment for profit (ICSE-18-R). Identifying this group in surveys such as a labour force survey (LFS) requires multiple questions targeting those who might see themselves as business owner-operators (independent workers) as well as employees, since dependent contractors can be found in both groups.

**Implications for questionnaire content and design**

Identifying ICSE-18 in a household survey such as a labour force survey with sufficient precision necessitates the use of multiple questions to ensure accurate categorization. A single, self-declared question about the respondent's status in employment category is insufficient for a full implementation of ICSE-18. Instead, it is recommended to use a self-declared question as a first step, followed by additional questions to verify or reclassify the respondent based on detailed criteria.

In a survey such as the LFS, which is a key source for labour market statistics, it is essential to identify the aggregated categories of employees, employers, independent workers without employees, dependent contractors, and contributing family workers.

Additionally, it is necessary to create the two different hierarchies, which requires distinction between independent workers (employers and independent workers without employees) who own an incorporated enterprise and those who do not.

Differentiating between independent workers (employers and independent workers without employees) with incorporated enterprises and those owning and operating unincorporated enterprises requires identification of the legal form of the business. This can be done by first asking about the registration of the enterprise and, if registered, following up with a question about its legal form. Alternatively, a single question asking whether the business is incorporated could be used. Pilot tests by the ILO indicate that the first approach is more respondent-friendly and reduces the response burden (see for example the results from the pilot tests in Uganda and Peru https://www.ilo.org/publications/statistical-methodology-series-10-identification-icse-18-through-labour). Regardless of the approach, it is essential for countries to include national legal forms that allow for separation between incorporated and unincorporated businesses.

Full implementation of ICSE-18 requires the separate identification of detailed categories of employees, including permanent employees, fixed-term employees, short-term and casual employees, and paid apprentices, trainees, and interns. This requires information from a number of questions including those on type and duration of contract or agreement, whether the person has a minimum number of guaranteed hours and others. In a household survey such as a labour force survey, the detailed category of paid apprentices, trainees, and interns can be identified directly as part of the self-declared question without further checks or follow-up questions.

To distinguish between employers and independent workers without employees, a question about whether the person has regular employees can be asked. An approach sometimes used is to have separate categories for employers and own-account workers (without employees) directly in the self-declared question but this is likely to require extra probing by the interviewer and the ILO recommends to use a separate question.
Identifying dependent contractors in the LFS

Given the importance placed on the identification of dependent contractors, questions should be included to identify them in order to state that ICSE-18 is being applied, and that the 20th ICLS standards are being followed. While several additional questions are required in the questionnaire to apply ICSE-18, and in particular to identify dependent contractors, these can be organised to minimize the number of additional questions for any given respondent so that for many respondents only one or two additional questions may be required. This principle has been reflected in the design of the ILO model questionnaires. Specific points to note include:

Dependent contractors need to be identified among both self-declared independent workers and self-declared employees, as it cannot be predetermined whether dependent contractors perceive themselves as independent workers or employees.

Due to the complexity of the category of dependent contractors, it is not feasible to include a category of “dependent contractor” or similar in the self-declared status in employment question, as neither respondents nor interviewers can reliably categorize according to ICSE-18 definitions. An exception might arise when there is a specific type of worker within the country that clearly falls within the boundaries of dependent contractors, and this is widely recognized. In such cases, this group could be included in the self-declared status question subject to careful selection of the appropriate wording. However, additional questions would still be necessary to screen for dependent contractors among other self-declared independent workers and employees.

For self-declared independent workers, multiple steps are needed to identify dependent contractors in a manner which is consistent with the definition contained in paragraphs 38 to 42 of the resolution. This includes checking whether they have employees, whether their enterprise is incorporated, and, for those without employees and unincorporated enterprises, further checks to establish if a dependent relationship exists and control is exercised in these relationships. The recommended questions for this can be found in the ILO model questionnaire (https://ilostat.ilo.org/resources/lfs-toolkit/) or in the ICSE-18 manual (https://www.ilo.org/publications/international-classification-status-employment-icse-18-manual).

Among self-declared employees, it is also necessary to distinguish between employees and dependent contractors. Relevant information for identifying dependent contractors in this group includes the type of remuneration (wage or salary), formal recognition of the job as an employee by the employer, the type of agreement (commercial or employment), and the type of taxes paid. The exact information used should reflect national circumstances such as the systems in place for taxation, etc.

Additional recommendations

In addition, the following general recommendations to apply ICSE-18 should be noted:

In countries with a significant share of contributing family workers, it is strongly recommended to test the boundaries of this category. In a labour force survey, this would involve adding questions on whether the person, self-declared as a contributing
family worker, participates in essential decision-making related to the business. If they do, the person should be reclassified as an independent worker (or dependent contractor) depending on other job characteristics. This boundary is crucial to control for, as there tends to be a strong gender bias where women are often defined as contributing family workers despite participating in business decisions, thus more accurately being described as business co-operators. This has been demonstrated through a series of studies including studies organised by the ILO in Uganda and Peru during 2022.

The level of detail of ICSE-18 implementation will depend on the specific statistical source. In an LFS, full implementation is expected (i.e. all 10 detailed categories identified). However, a more limited implementation might be relevant for other statistical sources such as for a population and housing census. Additionally, there might be limitations in statistical sources that prevent full identification of ICSE-18, such as when using administrative data or in establishment surveys that only include enterprises above a certain size. In these situations, it is recommended to align with ICSE-18 to the extent possible, considering the source's limitations.

Additional information regarding ICSE-18, including definitions and measurements, can be found in the ICSE-18 Manual.

3. Application of 21st ICLS Resolution I

The 21st ICLS resolution concerning statistics on the informal economy supersedes the two previous statistical standards related to informality: the 15th ICLS resolution on employment statistics in the informal sector and the 17th ICLS guidelines on the statistical definition of informal employment. This new resolution introduces a comprehensive statistical framework that outlines the various components of the informal economy. It also provides enhanced conceptual and operational definitions for the key concepts of the informal sector and informal employment, along with stronger recommendations for implementation.

As a general point, it must be noted that the definitions in the 21st ICLS Resolution I are directly based on those in Resolutions I from the 19th and 20th ICLS as described above. As such, while it is in principle possible to include additional questionnaire content on informality without applying the 19th ICLS definition of employment, or ICSE-18, this would not be sufficient to say that the 21st ICLS standards have been applied.

Main changes in relation to the previous definition of the informal sector

The resolution provides three distinct, mutually exclusive definitions for the formal sector, informal sector, and household own-use production and community sector (HOC sector) based on the formal status of the economic unit in relation to the legal administrative system of the country and the intended destination of the production. The operational definition of the three sectors and the operational criteria to use reflect these two dimensions. While most of the operational criteria for defining these sectors were already part of the 15th ICLS resolution, they have been strengthened with stricter recommendations for implementation.
A significant change in the new resolution is the prioritization of registration over enterprise size (i.e., the number of employees or workers) in defining the formal or informal status of an enterprise. Enterprise size is no longer considered a main criterion. In some countries, enterprise size is embedded in national legislation, creating a strong link, but this is not common. Small enterprises might be registered and pay taxes, while large enterprises might not be registered. Operationally, using a size threshold is arbitrary and affects the measured size of the informal sector.

A new criterion has also been introduced to identify the formal sector, stating that engaging a formal employee defines an enterprise as formal. This eliminates the possibility of having formal employees in the informal sector and facilitates the easier identification of the sector for formal employees.

Additionally, the threshold for market production has changed. Instead of requiring some production, it now requires that production be mainly intended for the market with the intention to generate pay or profit. This change implies that own-use production of goods and services, as defined by the 19th ICLS resolution, is excluded from the informal sector and placed in the household own-use and community (HOC) sector.

Another important update is the inclusion of agriculture within the potential coverage of the informal sector. The previous option to exclude agriculture (i.e. with statistics on informality only being generated for employment excluding agriculture) has been removed, now defining that both agricultural and non-agricultural activities can be in the informal sector (or formal sector if fulfilling the criteria).

**Main changes in relation to the previous definition of informal employment**

Informal employment, as defined in the 21st ICLS resolution, aligns with the definition of employment from the 19th ICLS resolution. Consequently, production mainly for own final use, i.e., own-use production work, is excluded from informal employment and is instead classified as informal (or potentially formal) own-use production work, that takes place within the HOC sector. Therefore, the only persons in informal employment within the HOC sector are domestic employees.

A significant change in the resolution is the integration of ICSE-18, which now provides specific definitions of informal and formal employment for dependent contractors (with criteria and recommended measurement approaches slightly differing from other ICSE-18 categories). This means that a comprehensive measurement of informal employment requires the identification of informal and formal jobs across all employment status categories, including dependent contractors.

The resolution also strengthens the definitions of informal and formal jobs for employees by providing clearer criteria and stronger recommendations for how to combine those criteria. Employers’ contributions to social insurance are considered a prioritized criterion; if such contributions are made, the job is considered formal. Access to paid annual leave and paid sick leave are additional criteria that further support the operational definition. While countries may use additional national criteria, if necessary, the expectation is to include these three main criteria as part of the operational definition.

Regarding contributing family workers (CFW), the 21st ICLS resolution allows countries with formal arrangements for CFW to define these jobs as formal if the family business is formal, the job is registered, and social insurance contributions are made. In countries without such
arrangements, which likely comprise the majority, these jobs can be defined as informal by default.

**Implications for questionnaire content and design**

Implementing the 21st ICLS resolution, which includes definitions of informal employment and the three sectors, requires adherence to the definitions established in the 19th ICLS resolution. This is particularly important regarding the market production threshold used in the 19th ICLS resolution to distinguish between own-use production work and employment. This threshold must also be applied when identifying informal employment and distinguishing between the informal sector and the HOC sector.

Additionally, aligning the concept of informal employment with the definition in the 21st ICLS resolution requires implementation of ICSE-18. Specifically, it must be possible, at a minimum, to differentiate between independent workers, dependent contractors, employees, and contributing family workers, as the specific operational definitions of formal and informal jobs rely on the employment status categories defined by ICSE-18.

For the measurement of informal employment, a full implementation of the 21st ICLS resolution requires identification and provision of estimates of informal and formal jobs for the different aggregated ICSE-18-A categories i.e., employers, independent workers without employees, dependent contractors, employees and contributing family workers following the operational definitions in the resolution.

In countries that have not yet implemented ICSE-18 or, in statistical sources such as censuses with limited measurement of ICSE-18, a partial alignment with the definition provided in the 21st ICLS resolution is still recommended. This includes following the latest standards to the extent possible regarding the definitions of formal and informal jobs for independent workers, employees, and contributing family workers.

Whether an economic unit is registered in a nationally established register is a key operational criterion for determining the informal or formal status of private enterprises and farms. As a minimum, the criterion needs to be applied to independent workers and dependent contractors to determine the informal or formal status of their enterprise and, consequently, the informal or formal status of their jobs. The size of the enterprise in terms of the number of employees or workers may not, according to the 21st ICLS resolution, replace the criterion of registration. The registration(s) used for operationalizing this criterion must be adapted to the national registration system.

As part of defining informal and formal jobs for employees, employer contributions to job-related statutory social insurance should be regarded as a prioritized criterion. The specific social protection scheme(s) used for operationalizing this criterion must be adapted to the national social protection system. In countries where the criterion of employer's social insurance contributions might not be relevant due to a very limited social protection system, the existence of a universal social protection system, or documented significant challenges and quality problems with collecting this information, access to paid annual leave and paid sick leave could be used as replacement criteria.
Additional recommendations

It is important that the registration used for operationalizing the criterion of enterprise registration should be linked to the national registration(s) used for granting benefits, such as deducting value added tax (VAT), obtaining a legal identity, and carrying obligations, such as tax payment and keeping accounts.

Additionally, countries are encouraged to complement the criterion of registration with the criterion of keeping accounts for tax purposes to further support the definition of sectors and informal employment. Enterprises keeping accounts for tax purposes would be a strong indication that the enterprise is registered and formal.

Given the importance of categorizing sectors (informal sector, formal sector, HOC sector) for both informal and formal employment, countries are recommended to include questions that enable the categorization of the three sectors for each employed respondent's main job.

As employer contributions to social insurance on behalf of the employee are a prioritized criterion for defining informal and formal jobs among employees, countries should carefully consider how this criterion is operationalized, taking the national social protection system into account. The specific type of social insurance used in the question for operationalization needs to be job-specific and statutory, not universal or private insurance. In many countries, contributions to a pension fund would be relevant; however, other types of insurance could also be used depending on the country.

If countries choose to add additional criteria, these need to be job-related, i.e., linked to holding the specific job, and should reflect formal recognition of the job by the employer in relation to the governmental system, not just the relationship between the employer and the employee.

If countries use additional criteria, care should be taken in how these are integrated into the questionnaire and combined. For example, while the absence of a written contract may strongly indicate that the job held by the employee should be considered informal in some countries, the existence of a written contract does not necessarily define the job as formal. This would depend on whether the employee has access to formal arrangements such as social protection and employment benefits. Other criteria would therefore be necessary to define the job as informal or formal in alignment with the resolution.

In relation to defining informal and formal jobs for dependent contractors, countries need to assess their specific systems to determine how to effectively operationalize the definition. It is particularly important to establish whether workers in employment for profit (including dependent contractors) can register to pay tax on profits without registering an enterprise, and whether being registered provides access to formal arrangements such as social protection. If it is possible to register for tax purposes without registering an enterprise, both registration types need to be collected for dependent contractors as being either registered in one or the other would categorize the dependent contractor in the formal sector. In order to establish if the dependent contractor has a formal job it is necessary to also establish (in addition to registration) if formal arrangements such as social protection are in place. If registration does not
come with mandatory fees or taxes that provide access to formal arrangements such as social insurance, countries need to add a question on whether the dependent contractor contributes to a separate and voluntary social protection scheme on their own behalf.

Countries should assess whether contributing family workers have the possibility to register their jobs and thereby receive access to formal arrangements such as social insurance. If that is not possible, then contributing family workers within the country can be defined as having informal jobs by default.

For secondary jobs, a minimized approach can be taken in relation to informality. This could include only identifying formal and informal employment (without establishing the three sectors) and relying on the core criteria of registration and access to social insurance. If response burden is a significant concern, it would be possible to restrict the measurement of informality to the main job only.

In countries where subsistence foodstuff producers and/or unpaid trainees constitute significant groups, countries should produce estimates on these workers to complement the statistics on informal employment and provide a better view of the structure of informality within the country. For specific indicators to produce, see 21st ICLS resolution paragraph 135.

Countries are encouraged to further explore informality in relation to forms of work other than employment, such as volunteer work, own-use production work, and unpaid trainee work, taking into consideration data needs for policy-making and the costs and benefits of comprehensively measuring these.

Another key new feature of the 21st ICLS resolution is that it allows for the identification and measurement of partially informal activities, meaning workers with only part of their working time or pay or output covered by formal arrangements. Countries are encouraged to further explore this too, taking into consideration labour market trends perceived and data needs for policy-makers.

▶ 4. General related recommendations (all standards)

The standards adopted by the 19th, 20th and 21st ICLSs are interrelated and the latter resolutions are directly based on those adopted in the earlier conferences. As such it cannot be said that the latter resolutions have been followed if the earlier ones have not. For example, it will not be possible to say that the 20th ICLS standards have been applied if the 19th ICLS definition of employment has not been applied. Similarly, if seeking to measure work relationships in forms of work other than employment (20th ICLS resolution) then the definitions of forms of work from the 19th ICLS resolution must have been applied. The definitions in the 21st ICLS resolution on the informal economy make direct reference to the definition of employment from the 19th ICLS, as well as the other forms of work, and the different categories within ICSE-18.

Application of the standards is not, on its own, sufficient to generate high quality estimates. Various elements of survey methodology, including but not limited to careful questionnaire design, are necessary to generate statistics of sufficiently high quality. Studies by ILO and others demonstrate that what may seem like small differences in
question wording or questionnaire content can lead to significant differences in results (see for example evidence from a joint ILO and World Bank study in Sri Lanka: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_818313.pdf).

This does not however mean that identical questionnaires must be used to generate comparable results. The identification of appropriate questionnaire content should be built upon rigorous testing and development processes where possible. The ILO has gone through several rounds of testing of published model questionnaires and recommends that any countries or agencies wishing to apply the standards should make reference to those questionnaires and related materials in designing their labour force survey.

The ILO LFS toolkit includes documentation to support the generation of high-quality estimates based on the latest statistical standards. These include, for example, model questionnaire content, a national adaptation guide providing detailed information on each question, a variable derivation guide to ensure the criteria from the standards are correctly applied (as captured in the model questionnaire), and sample Stata code with other syntax to be added (e.g. R, SPSS).

Countries need to consider how to apply the standards comprehensively over time. For example, the forms-of-work framework identifies multiple forms of work, all of high relevance to enable a complete understanding of the world of work. All should be measured at some frequency, even if not all through the same survey at one time. The ILO model questionnaire content is built on a modular design approach, whereby modules can be included at different times, or potentially for different subsamples of the total sample of the LFS. It is recommended to develop a strategy to cover all forms of work and the full detail of the 20th and 21st ICLS resolutions at some frequency, even if in the first instance the focus may be on key labour market indicators.

Translation of questionnaires to different languages needs to be managed carefully. Literal translation may not yield appropriate results and the intention of the question must be borne in mind. Locally appropriate language and examples should be selected to ensure the widest range of respondents possible will understand questions as intended.

Sufficient time and resources need to be allowed for development and testing of questionnaires before field implementation. Depending on the type of testing approach, this can require the process of developing the new questionnaire to begin a year in advance of the intended implementation - or even earlier if multiple rounds of testing are planned. Using published ILO model questionnaires with limited adaptation is one way to reduce this development and testing period, but the process still needs to be well planned and implemented.

A good communications strategy is required to prepare key users and stakeholders, as well as the general public, for changes in the standards applied, or more generally in major changes in estimates generated for methodological reasons. In general, this involves communicating the intended benefits and implications of the changes in advance of their introduction and a good dissemination approach for the new estimates.
A general trend in more recently adopted standards is that they promote the publication of a more extensive set of indicators. Users may be accustomed to focussing on a limited set of indicators, or even one, for example the unemployment rate. Part of the motivation for the development of updated standards since 2013 has been a recognition that the labour market and the world of work are too complicated to be described by a very limited set of indicators, even if key indicators will inevitably remain important for monitoring. As one example, with reference to the 19th ICLS, four labour underutilization indicators are proposed and the ILO recommends that they are not presented as competing with each other, but rather that they provide a complementary view of people with different degrees of labour market attachment and for whom different policy responses may be relevant.

The ILO’s Global Technical Team for statistics is available to provide capacity building and technical assistance to support countries in their efforts to apply the latest standards and good measurement practices.