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Room Document 17

**Revision of the 15th ICLS resolution
concerning statistics of employment in
the informal sector and the 17th ICLS
guidelines regarding the statistical
definition of informal employment**

Abbreviations and acronyms

ICLS	International Conference of Labour Statisticians
ICSaW-18	International Classification of Status at Work - 2018
ICSE-18	International Classification of Status in Employment - 2018
ICSE-18-A	International Classification of Status in Employment - 2018: hierarchy organized according to type of authority
ICSE-93	International Classification of Status in Employment - 1993
ILO	International Labour Organization
SNA	System of National Accounts
OECD	Organisation for Economic Co-operation and Development
WIEGO	Women in Informal Employment: Globalizing and Organizing
13 th ICLS resolution I	Resolution I concerning statistics of the economically active population, employment, unemployment and underemployment, adopted by the 13 th ICLS
19 th ICLS resolution I	Resolution I concerning statistics of work, employment and labour underutilization, adopted by the 19 th ICLS

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Introduction

1. More than 60 per cent of the world's employed population earn their livelihood in informal employment. Informal employment exists in countries at all levels of socio-economic development. In many developing countries, it comprises more than 85 per cent of employment (ILO, 2018a). Informal employment provides an opportunity to secure basic survival needs for many people and under some circumstances it provides opportunities for flexible jobs with relatively high earnings. At the same time, persons in informal employment obtain no contributory social security from the work relationship and are often exposed to pervasive decent work deficits, working in jobs with low wages and in dangerous working conditions.
2. The importance of measuring and understanding informality was highlighted in the 2030 Agenda for Sustainable Development. The inclusion of informal employment in the Sustainable Development Goals framework under indicator 8.3.1 points to the high relevance of this concept and the need for countries to measure, monitor and address informal employment.
3. The need to measure and monitor the informal economy was also given a high priority in Recommendation 204: Concerning the transition from the informal to the formal economy. (ILO, 2015), which specifies that countries should collect data in line with international standards on both the informal sector and informal employment, on a regular basis, in order to make it possible to monitor and evaluate countries' progress towards formalization.
4. These strong mandates for the collection of statistics on informal employment and employment in the informal sector call for the establishment of internationally harmonized statistical definitions that are coherent with the related statistical frameworks of labour market standards and the System of National Accounts, 2008 (2008 SNA). However, there are many challenges in the production of such data, including the need for methodological refinement and consistency in implementation, especially in the context of the new frameworks related to statistics on employment and work that affect their existing definitions.
5. Many countries now have data on informal employment and employment in the informal sector. However, not all of those countries (especially developed countries) collect the information with the primary objective of measuring informality or reporting on those concepts. Improvements could be made to the information collected to better align it with the international definitions of employment in the informal sector and informal employment.
6. Another challenge is that countries use different operational criteria for defining informal employment and employment in the informal sector, or if they do use the same criteria may combine them differently. This has an impact on the data outputs and the possibilities for their international comparison. In addition, many countries that measure informal employment exclude agriculture from the scope of informality because the criteria provided in the current definition cannot be easily applied to such activities.

7. Recent changes in the statistical labour standards also have important implications for the concepts of informal employment and employment in the informal sector. In 2013, the 19th International Conference of Labour Statisticians (ICLS) adopted Resolution I concerning statistics of work, employment and labour underutilization (19th ICLS Resolution I) (ILO, 2013b), which fundamentally changed the scope of labour market statistics and had an impact on all related statistical frameworks. The introduction of 19th ICLS Resolution I was one of the main drivers behind the revision of the International Classification of Status in Employment (ICSE-93), a revised version of which is expected to be adopted at the 20th ICLS. 19th ICLS Resolution I and the revised ICSE-93 will together change the basis upon which the statistical framework of informal employment and employment in the informal sector are built. This recent development calls for a revision of the statistical framework of informal employment and employment in the informal sector to align it with the latest developments in labour statistics standards.
8. The purpose of this discussion paper is to summarize the known problems with the current statistical framework of employment in the informal sector and informal employment, as well as the impact of 19th ICLS Resolution I and the revised ICSE-93. It aims to provide a factual basis, for discussion at the 20th ICLS, of the options and possibilities for revising the statistical framework to meet the strong need for better and more harmonized data that are aligned with the latest statistical standards, with a view to seeking guidance on how best to proceed.

1 History

9. Although related work was carried out earlier, the first attempts to conceptualize and define informality took place in the 1970s. Two different concepts of informality were introduced at almost the same time. In 1971, Keith Hart introduced the concept of “informal income opportunities”, which was an individual-based concept that viewed informality from the perspective of the worker. In 1972, a multi-criteria definition of the informal sector was presented in the report of an ILO employment strategy mission to Kenya, of which Richard Jolly and Hans Singer were the main authors. The conceptualization of informality reflected in that report was establishment- or enterprise-oriented in contrast to Hart’s (Charmes, 2014).
10. In 1982, the 13th ICLS adopted Resolution I concerning statistics of the economically active population, employment, unemployment and underemployment (13th ICLS Resolution I) (ILO, 1982). The resolution not only defined employment and unemployment but also initiated a consideration of informality, recommending that countries develop methodologies and data collection programmes to measure informal sector activities. In addition, the resolution states that “suitable definitions and classifications should be developed in order to identify and classify the economically active population in the urban informal sector and those engaged in the rural non-agricultural activities” (ILO, 1982, para. 33).

11. In 1993, the 15th ICLS adopted the resolution concerning statistics of employment in the informal sector (ILO, 1993a), which defines the informal sector and employment in the informal sector. This was the first time a statistical definition relating to informality was internationally agreed. The resolution defines the informal sector in terms of the characteristics of the production units and therefore represents an establishment/enterprise perspective on informality. The main objective is to improve labour market statistics and national accounts by measuring the total number of informal sector units, the production and income in such units and the total employment in such units. There is a close relationship between the defining characteristics of the informal sector and the household sector in national accounts, in which the informal sector is defined as a subset of household enterprises as provided in the 2008 System of National Accounts (2008 SNA). This creates a strong link between the 15th ICLS resolution concerning statistics of employment in the informal sector and the 2008 SNA, in which the informal sector fills a measurement void.
12. At its 90th session, in 2002, the International Labour Conference adopted the resolution concerning decent work and the informal economy (ILO, 2002a). The informal economy is at the core of the resolution, which addresses decent work deficits in the informal economy and acknowledges that in order “to promote decent work it is necessary to eliminate the negative aspects of informality while at the same time ensuring that opportunities for livelihood and entrepreneurship are not destroyed” (ILO, 2002a, para.13). The resolution defines the concept of the informal economy as “all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements” (ILO, 2002a, para. 3). Formal arrangements include labour and social security laws as well as commercial law and fiscal obligations in the country and their effective implementation. For enterprises, this becomes a question of the rights and obligations attached to the legal and administrative status of the enterprise; while for workers, it relates to the characteristics of the work relationship such as coverage by labour laws and social security laws. The term *informal economy* is used as a concept to capture all relevant components of informality, covering both production relationships and employment relationships, and it therefore has a broader scope than the term *employment in the informal sector*. The informal sector and employment in the informal sector are components of the informal economy but need to be supplemented with the additional component of informal employment in all types of enterprises (ILO, 2002b, annex).
13. As a consequence of the adoption by the International Labour Conference of the resolution concerning decent work and the informal economy, the 17th ICLS endorsed the guidelines concerning a statistical definition of informal employment (ILO, 2003a), using an operational definition of informal employment that was based on the concept of informal economy defined in the resolution. In the guidelines, informal employment comprises all informal jobs, whether carried out in a formal enterprise, an informal household market enterprise or a household enterprise producing goods exclusively for own final use. The guidelines are linked to the 15th ICLS resolution concerning statistics of employment in the informal sector and provide a conceptual framework for the informal economy based on the status in employment categories defined in ICSE-93 and their formal or informal nature. Countries were encouraged to test the conceptual framework and further develop typologies and definitions at the international and national levels.
14. In 2013, ILO published the manual *Measuring informality: A statistical manual on the informal sector and informal employment* (ILO, 2013a). The manual was produced through

the collaboration of the Expert Group on Informal Sector Statistics (the Delhi Group), the Expert Group on Informal Employment Statistics, the global network Women in Informal Employment: Globalizing and Organizing (WIEGO), and the ILO Department of Statistics. The manual is a technical guide with two main objectives: to assist countries planning to produce statistics on the informal sector and informal employment and to provide practical guidance, based on country practices, on the technical issues involved in all stages of the data production and dissemination process.

15. In ILO Recommendation No. 204, the objective is to facilitate the transition of workers and economic units from the informal to the formal economy by promoting the creation of enterprises and decent jobs while preventing the informalization of formal economy jobs (ILO, 2015, para. 1(a)-(c)). The Recommendation focuses on the informal economy as the main concept and defines it in the same way as the International Labour Conference resolution concerning decent work and the informal economy. The Recommendation also stresses the importance of statistics and states that countries should “where possible and as appropriate, collect, analyse and disseminate statistics disaggregated by sex, age, workplace, and other specific socio-economic characteristics on the size and composition of the informal economy, including the number of informal economic units, the number of workers employed and their sectors” (ILO, 2015, para. 36).

2 15th ICLS resolution concerning statistics of employment in the informal sector

16. The 15th ICLS resolution concerning statistics of employment in the informal sector describes and defines the concepts of informal sector and employment in the informal sector. The objective of the resolution is to improve labour market statistics and national accounts in countries where the informal sector plays a significant role (ILO, 1993a, para. 1).
17. In order to fulfil these objectives, statistics should be compiled on (ILO, 1993a, para. 2):
 - (a) Total number of informal sector units;
 - (b) Total employment in such units;
 - (c) Production and income in such units;
 - (d) Other characteristics.
18. The informal sector is defined in the resolution on the basis of the characteristics of its production units: “The informal sector may be broadly characterized as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes for the persons concerned. These units typically operate at a low level of organization, with little or no division between labour and capital as factors of production and on a small scale” (ILO, 1993a, para. 5(1)). In addition, they share the characteristics of household enterprises (ILO, 1993a, para. 5(2)).
19. The operational definition is a residual approach, in which different criteria are used for excluding enterprises that can be considered as formal enterprises and the residual is defined as informal household market enterprises. The operationalization can be divided into two

parts. The first part is the identification of household enterprises in the household sector, as defined in the SNA (ILO, 1993a, para. 6 (1)). The household sector consists of unincorporated enterprises without a complete set of accounts that are owned by households (ILO, 1993a, para. 7). To use household enterprises as a starting point implies that incorporated enterprises, as well as unincorporated enterprises that have a complete set of accounts (quasi-corporations in SNA terms), government units and non-profit institutions are by definition excluded from the informal sector. In addition, the criterion of some market production is required to exclude production exclusively for own final use (ILO, 1993a, para. 20). The household market enterprises distinction is the first step of the operationalization, which creates the boundary or scope of the informal sector but does not by itself define whether the production unit within that scope is informal or formal. That distinction is made in the second step of the operationalization, when either the registration status or the size of the enterprise or both criteria combined can be applied. Operational criteria include:

- (a) for defining household market enterprises:
 - is not a government unit or a non-profit organization;
 - is not an incorporated enterprise (not a separate legal entity);
 - does not have a complete set of accounts (not a quasi-corporation);
 - does have some production intended for the market;

- (b) for defining household market enterprises in the informal sector:
 - (i) for defining household market enterprises owned and operated by own-account workers in the informal sector:
 - all household market enterprises (size of the unit below a specified level of employment); or
 - non-registration of the enterprise under specific forms of national legislation;

 - (ii) for defining household market enterprises owned and operated by employers in the informal sector:
 - size of the unit below a specified level of employment; and/or
 - non-registration of the enterprise or its employees under specific forms of national legislation.

20. The first step of the operationalization limits the scope by excluding government units, non-profit institutions and incorporated enterprises, given that they are clearly covered by the legal administrative framework in the country and therefore formal. The exclusion of quasi-corporations roots the definition of the informal sector in the household sector as defined in the SNA and acknowledges that having a complete set of accounts is typically done in order to comply with the legal-administrative framework of the country.

21. The criterion of at least some market production is not explicitly mentioned in the operational definition of the informal sector, although the resolution states that production units that produce exclusively for own final use should be excluded (ILO, 1993a, para. 20). This is also supported by the conceptual definition, which emphasizes that the primary objective of units in the informal sector is to generate income and employment (ILO, 1993a, para. 5(1)).

22. The second step of the operationalization makes a distinction based on whether the household market enterprise engages employees on a continuous basis or not. Household

enterprises owned and operated by own-account workers that do not engage any employees on a continuous basis are considered as the core of the informal sector (ILO, 1993b, para. 124). The operational definition allows countries to either include all household market enterprises owned and operated by own-account workers in the informal sector or only those that are not registered under specific forms of national legislation (ILO, 1993a, para. 8 (2)). For household enterprises owned and operated by employers that employ employees on a continuous basis, either size or registration or both can be used as defining criteria.

23. Registration of the enterprise refers to “registration under factories or commercial acts, tax or social security laws, professional groups’ regulatory acts, or similar acts, laws, or regulations established by national legislative bodies” (ILO, 1993a, para. 8 (3)). Registration of employees, which is an alternative for household market enterprises that engage employees, refers to whether their contract commits the employer to pay relevant taxes and social security benefits and whether the employment relationship is subject to standard labour legislation (ILO, 1993a, para. 9 (6)).
24. The size criterion refers to all employees employed on a continuous basis, the total number of employees or the total number of workers engaged in the reference period (including contributing family workers and owners) (ILO, 1993a, para. 9 (3)). The upper size limit should be decided by the country but “may be determined on the basis of minimum size requirements as embodied in relevant national legislation ... or in terms of empirically determined norms” (ILO, 1993a, para. 9 (4)). In addition, the choice of the upper size limit should “take account of the coverage of statistical inquiries of larger units in the corresponding branches of economic activity, where they exist, in order to avoid an overlap” (ILO, 1993a, para. 9 (4)).
25. The second step of the operationalization and the criteria used to define whether the household market enterprise is formal or informal reflect two slightly different views on the informal sector, i.e. the informal sector as a particular form of production and the informal sector as containing production units that do not conform to the legal-administrative framework in the country. The two different approaches are not necessarily contradictory, but rather reflect slightly different views on how informality should be interpreted. The first perspective is represented by the use of size as a criterion. To have many employees typically requires a higher level of organization. In some countries, the size of the enterprise can be connected with the legal-administrative frame work in the country (for example, if an enterprise with fewer employees than a stated threshold is exempted from registration of the enterprise or from fiscal obligations). The latter perspective is represented by the option of using registration as a criterion. If the enterprise is registered at the national level, then the enterprise can be considered as being within the legal-administrative framework of the country and thereby protected by, for example, national commercial law.

2.1 Employment in the informal sector

26. Employment in the informal sector includes all employed persons (as defined by 13th ICLS Resolution I) who, during a given reference period, had at least one job in an informal sector unit (ILO, 1993a, para. 11(1)). Persons exclusively employed in the informal sector and persons employed in the informal sector as well as in the formal sector or in private households are recognized as important subclassifications of the population employed in the informal sector (ILO, 1993a, para. 11(2)).

2.2 Treatment of particular cases

27. Some issues were recognized as particularly challenging from a conceptual and practical point of view. The existence of multiple activities within the same household is one such issue. The resolution specifies that activities carried out by different household members can be treated as separate household enterprises but that different activities carried out by the same household member or group of household members should be regarded as one household enterprise, irrespective of the diversity of the activities carried out (ILO, 1993a, para. 12(1)-(2)).
28. The possibility for countries to exclude household enterprises engaged in agriculture activities is also referenced as a treatment of particular cases. This option is based not on conceptual reasons but on practical reasons of data collection (ILO, 1993a, para. 16). The arguments stated in the related 15th ICLS report are that the inclusion of household enterprises engaged in agriculture activities may increase the cost of conducting surveys in the informal sector and that there are other data sources, specialized in the agriculture sector, that would be better suited to covering the agriculture sector (ILO, 1993b, paras. 110-111,). The importance of including agriculture activities in the scope of informality was later stressed in the 17th ICLS guidelines concerning a statistical definition of informal employment, which stated that “Countries which exclude agriculture activities from the scope of their informal sector statistics should develop suitable definitions of informal jobs in agriculture” (ILO, 2003a, para. 7).
29. The treatment of domestic workers is also referenced as a particular case. Domestic workers should be included in or excluded from the informal sector, depending on national circumstances and the intended uses of the statistics (ILO, 1993a, para. 19). The ambiguous treatment of domestic workers is, however, clarified in the 17th ICLS guidelines concerning a statistical definition of informal employment, which defines them as employees working for household enterprises producing exclusively for own final use, i.e. outside the informal and formal sectors.

3 17th ICLS guidelines concerning a statistical definition of informal employment

30. The definition of informal employment provided in the 17th ICLS guidelines concerning a statistical definition of informal employment (ILO, 2003a) was a necessary step to enlarge the scope of informality to also include informal employment outside the informal sector, thereby creating a coherent statistical framework reflecting the concept of the informal economy as discussed in section 1 above.
31. The reference unit for informal employment is jobs and the operationalization of the definition is based on the characteristics of the job (ILO, 2003a, para. 1). A job can either be formal or informal and can be carried out in a formal enterprise, an informal household market enterprise or a household enterprises producing exclusively for own final use (ILO, 2003a, para. 3 (1)). Informal household market enterprises are defined by the 15th ICLS resolution concerning statistics of employment in the informal sector (ILO, 2003a, para. 2), which creates a link between the 15th ICLS resolution concerning statistics of employment in the informal sector and the 17th ICLS guidelines concerning a statistical definition of informal

employment. Formal enterprises are not defined as such but can be deduced on the basis of the operational criteria for the informal sector provided in the 15th ICLS resolution concerning statistics of employment in the informal sector. Household enterprises producing exclusively for own final use are defined in a footnote as “households producing goods exclusively for their own final use and households employing paid domestic workers” (ILO, 2003a, annex, footnote (b)).

32. Informal employment is not conceptually defined in the 17th ICLS guidelines concerning a statistical definition of informal employment but is operationally defined as the total number of informal jobs (ILO, 2003a, para. 3 (1)). The concept of informal jobs rests on its components as defined in the operational definition. As a result of this lack of a conceptual definition of informal jobs (and thereby the lack of an indirectly conceptual definition of informal employment), the conceptual basis of the operational criteria are not clear in the guidelines. At the time of their preparation, there was a strong need to provide guidelines for measurement as a follow-up to the 90th International Labour Conference and its adoption of the resolution concerning decent work and the informal economy. The non-statistical conceptual definition of the informal economy included in the 90th International Labour Conference resolution provides the basis for the guidelines, however, the development of a statistical resolution on informal employment, including conceptual definitions, would have required further discussions and conceptual and methodological work. The guidelines were needed to assist countries in starting to measure informal employment, on the understanding that further discussions could take place once empirical measures had been put in place by countries.
33. The operational definition of informal jobs is strongly linked to the definition of status in employment given in ICSE-93, according to which a worker can, depending on the characteristics of the job, be classified as an *employee*, *employer*, *own-account worker*, *contributing family worker*, *member of producer’s cooperative* or *employee* (ILO, 1993c, para. 4).¹ The specific status in employment determines which criteria should be used to define whether the job is informal or formal (see figure 1).
34. The operational definition of an informal job is based on the characteristics of the work relationship. When the job consists of owning and operating a household enterprise, then the employment situation can’t be clearly separated from the enterprise which they own and operates. The operational definition of an informal job among employers, own-account workers and members of producers’ cooperatives thereby rely on the characteristics of the production unit (ILO, 2003b, para. 3.1.17). The situation of employees and contributing family workers is different. Their jobs are separated from the characteristics of the enterprise for which they work and a different set of criteria are therefore used.
35. *Employers* are operationally defined as having an informal job if they are employed in their own informal household market enterprise (ILO, 2003a, para. 3 (2)(ii)). There was no recognition of employers in household enterprises producing goods for own final use in the 17th ICLS guidelines concerning a statistical definition of informal employment.

¹ ICSE-93 also includes a sixth category of workers not classifiable by status; this category is not addressed in the 17th ICLS guidelines concerning a statistical definition of informal employment.

36. *Own-account workers* are treated according to whether they have some market production or are producing exclusively for own final use. The criterion of market production becomes essential in order to establish whether the production unit in which the person is employed should be defined as a household enterprise producing goods exclusively for own final use, an informal household market enterprise or a formal enterprise. If there is no market production, then the production unit is defined as a household enterprise producing exclusively for own final use and the job of the own-account worker would by definition be informal. If it does have market production, then the enterprise can either be in the informal sector or the formal sector, depending on the characteristics of the production unit, and the job would hence be defined as either informal or formal. For own-account workers, there is therefore a need to separate between:
- (a) Own-account workers who produce goods or services with the intention to sell or barter some of them. Similar to the situation for employers, this group is considered to have an informal job if their enterprise is defined as being an informal household market enterprise (ILO, 2003a, para. 3(2)(i)). The same criteria for defining whether the enterprise is in the informal sector are therefore used to define whether the job is informal;
 - (b) Own-account workers who exclusively produce goods for own final use. The group have by definition an informal job (ILO, 2003a, para. 3 (2) (vi)). At the same time, they are outside the scope of the informal sector and are therefore placed in a third type of enterprise i.e. household enterprises producing exclusively for own final use. The recognition of household enterprises producing exclusively for own final use expands the scope of informality to also include household enterprises that produce goods exclusively for own final use and domestic workers employed by households in the concept of informal employment. (ILO, 2003a, annex, footnote (b))
37. *Contributing family workers* by definition have an informal job (ILO, 2003a, para. 3(2)(iii)). This follows from the view that contributing family workers seldom have a formal work agreement and are typically not covered by labour legislation, social security regulations etc. The operationalization does thereby not rely on the characteristics of the enterprise and contributing family workers can have an informal job in a formal enterprise as well as in an informal household market enterprise.
38. *Employees* can have an informal job or a formal job in a formal enterprise or an informal household market enterprise or as a domestic worker employed by a household enterprise producing exclusively for own final use. The job of the employee is defined as informal if “their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severance pay, paid annual or sick leave, etc.)” (ILO, 2003a, para. 5). This definition closely reflects the legal-administrative view of informality and the concept of the informal economy but does not specify which criteria countries should use and how they should be combined. This should be viewed from the perspective that there was little empirical evidence at the time of preparation of the guidelines that could be used to identify whether some criteria had a better explanatory value than others.
39. The relationships between status in employment, informal and formal jobs and the type of enterprise for which work is carried out are illustrated in figure 1.

Figure 1. Conceptual framework: informal employment

Production units by type	Status in employment (ICSE-93)									
	Employers		Own-account workers		Members of producers' cooperatives		Employees		Contributing family workers	
	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal
Formal sector enterprise	Dark grey	Light blue	Dark grey	Light blue	Dark grey	Light blue	Red hatched	Light blue	Red hatched	Dark grey
Informal sector enterprise	Red hatched	Dark grey	Red hatched	Dark grey	Red hatched	Dark grey	Red hatched	Light blue	Red hatched	Dark grey
Households ^(a)	Dark grey	Dark grey	Red hatched	Dark grey	Dark grey	Dark grey	Red hatched	Light blue	Dark grey	Dark grey

Source: ILO, 2003a, annex.

(a) Household enterprises producing exclusively for own final use and households employing paid domestic workers.

Dark grey	By definition not a possible combination
Red hatched	Informal employment
Light blue	Formal employment

4 Country practices

40. Many countries now have data on informal employment and employment in the informal sector. The ILO recently processed microdata for more than 100 countries representing more than 90 per cent of the world's employed population aged 15 years and older to produce global and regional estimates of informal employment and employment in the informal sector (ILO, 2018a). Not all of these countries include the collection of such data as measurement objectives and improvements of the information collected could be made to better align it with the international definitions of employment in the informal sector and informal employment. Nor do all of them report data on these concepts. Nevertheless, they have the data needed to estimate informal employment and employment in the informal sector.
41. The microdata is based on different types of household surveys, such as labour force surveys, income and living conditions surveys between 2003 and 2016 (ILO, 2018, appendix A.2). An assessment of the availability of criteria for the 112 countries for which estimates could be produced points at a gap of criteria to define informal household market enterprises. All countries included the aspect of institutional sector (i.e. whether the work is carried out for the government, a public enterprise, a non-governmental organization, a private sector enterprise or a private household). The criteria of registration were included by nearly half of the countries surveyed and a complete set of accounts by one fourth of them. The criteria concerning the definition of informal jobs among employees were more frequently included. All countries, with the exception of two, had included employer's contributions to social security and more than half of the countries had information on entitlements or benefits from annual paid leave. Information about paid sick leave could be provided by less than 40 per cent of the 112 countries considered (ILO, 2018a, appendix A.3, p. 83).

42. The processing of the microdata was based on applying a common set of operational criteria to define informal employment and employment in the informal sector. The method used was a residual approach: a sequence of criteria was applied step by step to identify the formal cases, eventually leaving a residual that is defined as informal (for further details, see annex 1). The use of a common set of criteria in combination with a residual approach creates a more harmonized output for international comparison and deals with the issue that not all criteria were covered in all surveys. The same approach is used by the ILO in the harmonized series on informal employment and the informal sector at ILOSTAT.² Both allow for comparison across countries and regions but may differ from national estimates where they exist.
43. In order to review country practices, the ILO circulated a questionnaire in 2018 to establish the data coverage and criteria used by countries to define employment in the informal sector and informal employment. Of the 107 countries that responded, 67 stated that informality had been measured to some extent at least once in the last 10 years, while 2 stated that the measurement had been carried out indirectly by combining administrative sources with labour force surveys although no direct measurement had taken place. Household surveys are the most frequently used survey type for collecting this information. Only 3 countries stated that they had used another source, such as a mixed survey or an establishment survey, in the most recent measurement.

44. **Table 1. Direct measurement of informal employment in the last 10 years**

Region	Have measured	Have not measured	Total
Africa	17	2	19
Americas	18	4	22
Arab States	5	1	6
Asia and the Pacific	10	6	16
Europe and Central Asia	17	27	44
Total	67	40	107
OECD	5	16	21

45. The direct measurement of informal employment is especially low among developed countries, as reflected by the fact that only 5 of the 21 Organisation for Economic Co-operation and Development (OECD) countries that responded to the questionnaire stated that they had measured informality directly in the last 10 years. As noted above, some countries do collect information that can be used to estimate informal employment and employment in the informal sector even though its primary objective is not to measure informality. This is especially common among developed countries, suggesting that informality is also relevant in those countries.
46. The coverage of informality and of what is included and excluded differs across countries, as shown in table 2. In particular, the exclusion of agriculture activities and the activities of subsistence workers from the scope of informality limits the possibilities for analysing, assessing and understanding informality.

² <http://www.ilo.org/ilostat>

47. **Table 2. Scope of measurement of informal employment**

Included	Africa	Americas	Arab States	Asia and the Pacific	Europe and Central Asia	Total
Informal employment among self-employed	17	17	4	10	15	63
Informal employment among employees	13	14	4	9	14	54
Contributing family workers	14	16	4	9	14	57
Agriculture activities	9	13	4	6	14	46
Subsistence workers	5	6	3	6	4	24
Total countries	17	18	5	10	17	67

48. Most countries include registration as a criterion when defining the informal sector; only 9 countries used *size of the economic unit* without also including registration, while only 1 country uses *having a complete set of accounts* without also including *registration* in the operational definition.

Table 3. Criteria used to define informal sector/informal employment for self-employed

Criteria	Africa	Americas	Arab States	Asia and the Pacific	Europe and Central Asia	Total
Registration	17	12	2	8	12	51
Institutional sector	9	11	3	9	10	42
Size of enterprise	8	13	2	8	8	39
Complete set of accounts	11	8	2	9	6	36
Unincorporated	6	10	2	6	8	32
Additional criteria	2	4	1	3	1	11
Total countries	17	17	4	10	15	63

49. Countries use multiple criteria to define the informal sector. The residual approach implies that the more relevant criteria that are used to identify formal enterprises, the more accurate their identification will be and the lower the risk of incorrectly identifying formal enterprises as informal enterprises. Typically, from two to six criteria are used to define the informal sector and only 9 countries use a single criterion. It has not yet been assessed how this impacts on the size of the informal sector, but it may be expected that the number of criteria used and its combination do have some impact on cross-country comparison.
50. Based on countries' answers to the questionnaire, 54 countries have measured informal employment among employees. Among these countries, *employer's contribution to social protection* is the most frequent criterion, followed by *existence of a written contract* and *paid annual leave*. *Paid sick leave* is used by almost half of the countries and 15 countries also use additional criteria.

Table 4. Criteria used for the definition of informal employees

Criteria	Africa	Americas	Arab States	Asia and the Pacific	Europe and Central Asia	Total
Social security	13	13	2	8	10	46
Written contract	12	7	3	7	11	40
Paid annual leave	10	8	2	8	10	38
Paid sick leave	10	5	2	8	10	35
Additional criteria	7	5		3		15
Total number of countries	13	14	4	9	14	54

51. *Employer's contribution to social protection, paid annual leave and paid sick leave* are in line with the recommendations given in the manual on measuring informality (see para 14 above). The frequent use of *written contract* as a criterion may be more problematic. The absence of a written contract may indicate informality but the opposite may not be the case: not all contracts indicate effective coverage by labour laws and social protection. The choice of criteria for defining an informal job for employees was guided by the intent to capture effective access to protections/ benefits or effective compliance with fiscal obligations. In this respect, having an employment contract may be a necessary condition for obtaining effective access but may sometimes not be sufficient to ensure such access.
52. The operational definition of informal employment among employees is, similar to the operational definition of informal sector, based on a residual approach. A combination of criteria is necessary to exclude formal jobs and to minimize the risk of defining a formal job informal. There is a high degree of variation among countries in the combination of criteria that are collected. Most countries combine three or four different criteria in their operationalization of informal employment among employees; 6 countries use a single criterion and 7 countries use five or more different criteria in their operationalization.
53. One dimension is the set of criteria that countries collect; another dimension is how they choose to combine those criteria. Two countries that use the same criteria, e.g. *employer's contribution to social protection, paid annual leave and paid sick leave*, can combine those criteria in different ways (ILO, 2016). One approach is that all criteria have to apply for an employee to be defined as having a formal job; another approach is that it is sufficient that one criterion applies for the person to have a formal job; a third approach is to combine the three criteria, giving priority to one or more criteria. The last approach is used in the harmonized approach, in which *employer's contribution to social protection* is given priority over the two others (see annex 1). Different approaches yield different outcomes and will have an impact on the level of employees with informal jobs. In addition, the treatment of respondents who are not able to provide the relevant information needs a clear strategy, especially when defining the informal sector for employees and in the case of proxy interviews. To collect further information on country practices in combining the different criteria would provide an important input to future discussions. Some work has been carried out in relation to the Working Group for the Revision of the International Classification of Status in Employment (ILO, 2016), but a more extensive mapping would provide valuable information.

5 Impact of 19th ICLS Resolution I on the 15th ICLS resolution concerning statistics of employment in the informal sector

54. 19th ICLS Resolution I has a limited impact on the concept of the informal sector (for an overview of 19th ICLS Resolution I, see annex 2). The concept and the operational definition of the informal sector is based on the characteristics of the production unit rather than the form of work that is carried out in that production unit.
55. 19th ICLS Resolution I states that work can take place in any type of economic unit. The resolution divides household enterprises into unincorporated household market enterprises and households that produce goods or services mainly for own final use (ILO, 2013b, para. 6 (c)). This is in line with the definition of market producer in the 2008 SNA, according to which market producers are establishments in which all or most of the output is market production (European Commission et al., 2008, para. 6.133). This implies that the informal sector, as currently defined, goes beyond market units, as defined in 19th ICLS Resolution I and the 2008 SNA, to also include a subset of economic units defined as household enterprises that mainly, but not exclusively, produce for own final use, as noted in the 2008 SNA (European Commission et al., 2008, para. 25.51).
56. The inclusion of household enterprises with some market production within the scope of the informal sector, as well as the exclusion from the informal sector of non-market units exclusively producing for own final use, should probably be viewed from the perspective that own-use production of goods was part of employment as previously defined in 13th ICLS Resolution I. The need to exclude from the informal sector household enterprises producing goods exclusively for own final use follows logically from the concept of the informal sector as having the primary objective of generating income and employment (ILO, 1993a, paras.5 (1) and 14).
57. It could be argued, however, that if the main characteristic of economic units in the informal sector is to generate income, then the boundary of market production in relation to the informal sector should also rely on whether the production is mainly intended for own final use or for sale and barter. This would align the definition of the informal sector with the 19th ICLS Resolution I and the 2008 SNA without changing the conceptual content of the informal sector.
58. Although the impact of 19th ICLS Resolution I on the concept of the informal sector is limited, it does have an impact on the concept of employment in the informal sector. Employment, unpaid trainee work, volunteer work and own-use production of goods with some intended market production are all work activities that can be carried out in an informal household market enterprise. All those activities were previously part of the concept of employment as defined in 13th ICLS Resolution I but are now recognized as different forms of work. To maintain the boundary set by employment in the informal sector as defined in the 15th ICLS resolution concerning statistics of employment in the informal sector would require the introduction of the different forms of work in the informal sector.

59. An additional issue is whether work activities defined as own-use provision of services can take place in the informal sector or not. This depends on whether own-use provision of services by definition excludes all provision of services that are intended for the market or whether some market production can take place. This issue is not clearly addressed in 19th ICLS Resolution I.

6 Impact of 19th ICLS Resolution I on the 17th ICLS guidelines concerning a statistical definition of informal employment

60. The adoption of 19th ICLS Resolution I changed the foundation of the 17th ICLS guidelines concerning a statistical definition of informal employment, which are based on the 13th ICLS Resolution I definition of employment. The introduction of the concept of work and the five forms of work - *own-use production work, employment, unpaid trainee work, volunteer work* and *other work activities* - broadens the scope of labour statistics and highlights the different forms of unpaid work (for an overview of 19th ICLS Resolution I, see annex 2). At the same time, employment as a concept is now narrower and more attached to remuneration.
61. The previous concept of employment as defined in 13th ICLS Resolution I included all productive activities within the SNA production boundary (ILO, 1982, para. 5). This implies, at least conceptually, that the SNA production boundary also defines the scope of informal employment. However, from an operational point of view countries have been focusing on paid employment and own-use production of goods when measuring informality and less effort has been made to capture other forms of unpaid work within the SNA production boundary.
62. *Employment* as a concept is well imbedded in the 17th ICLS guidelines concerning a statistical definition of informal employment and there is a clear structure for the operational definition of informal employment. Employment as defined in the 19th ICLS resolution I consists of work activities to produce goods or provide services for pay and profit (2013b, para. 27); it therefore excludes unpaid work activities that were previously included in the 13th ICLS Resolution I definition of employment and thereby also included in the concept of informal employment. However, there are no conceptual reasons why the current recommendation of using status in employment as a basis for the operationalization cannot be retained for work activities defined as employment in 19th ICLS Resolution I.
63. *Own-use production work* is partly integrated within the 17th ICLS guidelines concerning a statistical definition of informal employment. Own-use production of goods was considered as employment according to 13th ICLS Resolution I and is thereby integrated in the operationalization of informal employment. The structure used for this approach could be retained and applied to own-use production of goods. This would imply that own-use production of goods would by definition be informal work activities and could take place in the informal sector (if there is some market production) or in a household enterprise producing exclusively for own-final use (if it is exclusively for own-final use).

64. Own-use production work as defined in the 19th ICLS also includes the provision of household services, which is not within in the scope of informal employment since those activities are outside the SNA production boundary. The relationship between provision of household services for own-final use and informality has not yet been addressed.
65. *Unpaid trainee work* consists of unpaid work activities that are carried out to acquire workplace experience or skills in a trade or profession (ILO, 2013b, para. 33). Unpaid trainee work was conceptually part of employment as defined in 13th ICLS Resolution I and thus also within the scope of informal employment. It is unclear, however, to what extent countries actually have included unpaid trainee work in employment and thereby potentially in informal employment. In practice, this probably differs between countries. Since unpaid trainee work is recognized as its own form of work in 19th ICLS Resolution I, it would be necessary to explicitly address this category.
66. *Volunteer work* consists of activities that are carried out without remuneration and are non-compulsory in order to produce goods and services for others (ILO, 2013b, para. 37). Conceptually, direct volunteer work producing goods and organization-based volunteer work are included in the 13th ICLS Resolution I definition of employment. However, as for unpaid trainee work, it is unclear to what extent countries have actually included these work activities in employment. Volunteer work as defined in 19th ICLS Resolution I also goes beyond the scope of employment as defined in 13th ICLS Resolution I by including volunteer work providing services for households. As for own-use provision of services, this type of activity is outside the SNA production boundary but within the general production boundary and hence haven't been addressed from the perspective of informality.
67. *Other work activities* include all activities within the general production boundary that are not defined as being one of the four forms of work that are explicitly defined. Other work activities potentially include a diverse set of activities, but for example could include unpaid community service or compulsory military service. If the activity is within the SNA production boundary, then it is conceptually part of informal employment.
68. The introduction of the concept of work and the narrower definition of employment in 19th ICLS Resolution I have a direct impact on the concept of informal employment as defined in the 17th ICLS guidelines concerning a statistical definition of informal employment. Specifically, the concept of informal employment are not aligned with the concept of employment as defined in 19th ICLS Resolution I. Informal employment, as currently defined, is at the same time too broad a concept to reflect the new definition of employment and too narrow a concept to reflect the concept of work. A key issue that needs to be further discussed is how the different forms of work as defined in 19th ICLS Resolution I should be addressed in the framework of informality.

7 Impact of a revised ICSE-93 on the 15th ICLS resolution concerning statistics of employment in the informal sector

69. A final review of the implications will not be possible until after the 20th ICLS and the expected adoption of the Resolution concerning statistics on work relationships. However, it is still prudent to assess the consequences on the basis of the proposed resolution concerning statistics on work relationship in order to start the discussion.
70. The current revision of ICSE-93 has a limited impact on the definition of the informal sector. The informal sector is defined by the characteristics of the production unit and not by the characteristics of the work relationship, which are the focus of ICSE-93.
71. It is worth noting that the condition of an activity taking place in an unincorporated economic unit is one of the key criteria for defining dependent contractors. In addition, incorporation is used for the subclassification of employers and independent workers without employees (for an overview of the ICLS draft resolution concerning statistics on work relationships, see annex 3). An incorporated enterprise is by definition in the formal sector, which implies that the categories *11 Employers in corporations* and *21 Owner-operators of corporations without employees* (see annex 3, box 1) are by definition owners of enterprises in the formal sector.

8 Impact of a revised ICSE-93 on the 17th ICLS guidelines concerning a statistical definition of informal employment

72. ICSE-93 is deeply imbedded within the 17th ICLS guidelines concerning a statistical definition of informal employment since the definition of informal employment is built around status in employment as defined in ICSE-93. The ICLS draft resolution concerning statistics on work relationships (see annex 3) still includes the core elements of ICSE-93. In ICSE-18, *Own-account workers* (proposed to be called independent workers without employees), *employers*, *employees* and *contributing family workers* can still be identified as second-level categories in the proposed framework. The definitions of these different categories have been refined, but from a conceptual point of view are similar to the definitions in ICSE-93. The main difference is that these categories in ICSE-18 only refer to employment as defined in 19th ICLS Resolution I.
73. One important implication of ICSE-18 is the introduction of *dependent contractors*. This is a new category that needs to be integrated within the framework of informal employment. Dependent contractors are conceptually owner operators of a household enterprise but they are defined as dependent workers due to their dependency on another entity. They are therefore on the borderline between two categories and it is not entirely clear on what basis a definition should build on. As for other independent workers, with regard to dependent contractors it is difficult to distinguish between the characteristics of the production unit and the job, which would be an argument to use similar criteria to those used for independent workers. At the same time, some persons who are defined as employees in ICSE-93 will be defined as *dependent contractors* in ICSE-18. The characteristics of their job will typically

more closely resemble the characteristics of employees. This would be an argument to use similar criteria to those used for defining whether employees have an informal job or not. The borderline situation of *dependent contractors*, a main reason the category is proposed to be introduced, is a challenge to the current operational definition of informal jobs among workers that owns and operates a household market enterprise.

74. That *members of producer's cooperatives* do not constitute a unique category in the proposed ICSE revision probably has a limited impact on the definition of informal employment. Whether their job is defined as informal or formal would follow the operationalization of the specific status in employment that they are assigned.
75. From the perspective of the proposed ICSE-18, there are no strong conceptual arguments against maintaining the current approach used to define informal employment. This would imply that independent workers in employment would continue to have an operational definition of informal employment based on the characteristics of the production unit, while dependent workers in employment would in general have an operational definition based on criteria that are independent on the characteristics of the enterprise. The specific treatment of dependent contractors in this structure needs further considerations.
76. It is worth noting that whether the establishment is incorporated or not is a key criterion for the subclassification of *employers* and *independent workers without employees*. This implies that the two subcategories *employers in corporations* and *owner-operators of corporations without* will by definition have a formal job.
77. It is also worth noting that *job-related social protection*, *access to paid annual leave* and *access to paid sick leave* are proposed to be cross-cutting variables in the draft ICLS resolution concerning statistics on work relationships, partly because they are the most frequently used variables for defining informal employment among employees and partly because they provide relevant information regarding the economic risk to which the worker is exposed.
78. The broader framework of the International Classification of Status at Work (ICSaW-18) proposed in the ICLS draft resolution refers to all work activities as defined in 19th ICLS Resolution I. It will be important to further explore if and how the broader framework of ICSaW-18 and its dichotomy between independent workers and dependent workers can be used as a conceptual starting point to determine on what basis operational definitions should be established for the different forms of unpaid work. This would be especially relevant for unpaid forms of work that have not yet been addressed in the context of informality if it is to be included.

9 Possible options for a revised statistical framework of informality

79. A number of possible scenarios may be envisaged for an update of the statistical framework of informality. The current structure of having two separate frameworks could be

maintained, or alternatively a single resolution could be devised to include all relevant concepts. The objective of a review could be either to create a revised framework that includes all activities defined as work within the scope of informality or to create a more restricted framework that includes a limited set of work activities. These strategic decisions will determine how the revision should be organized and structured, and will also influence the conceptual definitions and their operationalization, as well as data measurement and data output.

80. The outlines of possible structures provided below do not attempt to answer these questions but rather illustrate the different forms and scope that a revised framework could take. It is more a structural and conceptual discussion than a discussion about what exact criteria should be used for operationalization.

9.1 One single framework

81. One key issue to be discussed is whether the current structure of having two separate frameworks should be maintained or whether a revision should aim to create a coherent framework in which both the informal sector and informal employment rest on the same conceptual foundation. A coherent framework would use the same starting point for a conceptual definition of the informal sector and informal employment, respectively.
82. The concept of the informal economy could be used as a starting point for defining a common statistical concept. The informal economy is not a statistical concept but a concept for policy purposes that embodies the sum of all parts of informality. The concept has been recognized in the International Labour Conference resolution concerning decent work and the informal economy (ILO, 2002a) and in ILO Recommendation No. 204 (ILO, 2015). To use the definition of informal economy as a starting point for a common statistical concept that can be used to conceptually define the informal sector as well as to introduce a conceptual definition of informal employment would create a clear link between the statistical measurement of informality and the policy purpose of measuring it.
83. Based on the conceptual definition of the informal economy, informal employment and the informal sector would consist of employment relationships (jobs) and enterprises that are not covered or are insufficiently covered by formal arrangements in the country. For enterprises, this would recognize the legal rights and protections related to the characteristics of the enterprise independent of the owner, allowing for engagement in commercial contracts and obtaining access to property, finances, markets, etc. For workers, this relates to the characteristics of the work relationship covered by labour laws and social security laws and would ensure their implementation for effective access to benefits. The coverage of formal arrangements should be in law as well as in practice. This implies that workers or enterprises that are not covered due to a lack of enforcement, or that are exempted from coverage due to characteristics such as size of enterprise, type of sector, a limited number of hours of work or a limited income, are still considered informal.
84. The concept of the informal economy is already embedded in the current conceptual definition of employment in the informal sector and in the operational definition of informal employment. A common statistical concept based on the non-statistical definition of the informal economy, from which the concepts of the informal sector and informal employment could be derived, would allow the development of a coherent framework by further

clarifying the concept of the informal sector and introducing a conceptual definition of informal employment. This would create a better understanding of what these statistical concepts aim to measure and would clarify their statistical operationalization.

85. The concept of informal work would also need to be introduced if the framework is extended to some or all forms of unpaid work as defined in 19th ICLS Resolution I. Informal employment would then be one component of the concept of informal work. Informal work could also be conceptually defined on the basis of a common statistical concept derived from the definition of the informal economy. It would then be work relationships that are not covered or insufficiently covered by formal arrangements. The definition would need to be adapted to the type of unpaid work activities that are to be included
86. Whether the objective is to create a coherent framework or to maintain two separate frameworks, there will be a need to revise the 15th ICLS resolution concerning statistics of employment in the informal sector and 17th ICLS guidelines concerning a statistical definition of informal employment in order to align them both with the latest labour statistics standards.

9.2 Revising the 15th ICLS resolution concerning statistics of employment in the informal sector

87. The current revision of ICSE-93 and the 19th ICLS resolution I have a limited impact on the definition of the informal sector. However, a number of issues could be addressed to further clarify the current operational definition.
88. It would be feasible to explicitly define the three different types of enterprises, i.e. formal enterprises, informal household market enterprises and household enterprises producing (exclusively or mainly, depending on boundary set) for own final use. This would create three different, mutually exclusive sectors – a formal sector, an informal sector and an own-use production sector – thus adding clarity to the framework.
89. The exclusion of quasi-corporations creates a strong link between the informal sector and the SNA household sector. However, this exclusion is less straightforward from the point of view of informality. It can be argued that quasi-corporations behave like corporations and that keeping a complete set of accounts is typically done to comply with national laws (to be able to report revenues, taxes etc.) and that there is therefore a strong correlation between having a complete set of accounts and being registered. However, from a “legal-administrative approach” an unregistered household enterprise with a complete set of accounts may or may not be recognized and covered by the administrative and legal framework in a country. This calls for discussion of whether the criterion of “having a complete set of accounts” should be made slightly stricter. This could for example be done by replace it with the criterion “submitted a complete set of accounts”. The criterion would then more clearly reflect that the enterprise is within the administrative and legal framework in the country. Alternatively, the criterion could be more strictly linked with registration, and acknowledge as a proxy for registration.
90. The possibility to use either registration or size as a stand-alone criterion in the second step of the operationalization of the informal sector is an additional issue that should be further discussed. There was no clear agreement at the 15th ICLS on which of the two approaches were preferable (ILO, 2013a, p.18); it represented the first attempt to create international

standards and there was little empirical evidence on how to measure the informal sector directly. Creating space for countries to use size or registration or both as defining criteria should be viewed in that context. However, country practices seem to indicate a strong preference for using registration in combination with other criteria and size as a stand-alone criterion is seldom used. This could be a reason to align the operational definition more clearly with country practices.

91. Another issue is the boundary between informal household market enterprises and household enterprises producing for own final use, which is currently whether there is any market production. That conceptual threshold could be retained or it could be aligned with the 2008 SNA and 19th ICLS Resolution I, i.e., whether the production is mainly intended for the market or not. This would reflect the distinction that enterprises mainly producing output for sale or barter have a different objective than enterprises only producing some output for the market. The former aim to generate income, while the latter are more closely related to survival mechanisms. Such a change would reduce the scope of the informal sector.
92. 19th ICLS Resolution I does have an impact on the concept of employment in the informal sector, which is one of the main indicators in the resolution. Employment in the informal sector as currently defined is a broader concept than the concept of employment as defined in 19th ICLS Resolution I. Not only employment but also different forms of unpaid work as defined in 19th ICLS Resolution I can take place in the informal sector. A way to accommodate this would be to supplement employment in the informal sector with the different forms of unpaid work that can take place in the informal sector.

9.3 Revising the 17th ICLS concerning a statistical definition of informal employment

9.3.1 Employment

93. The relationship between informality and employment is already well established. The proposed ICSE-18-A creates a dichotomy between independent workers (employers and independent workers without employees) and dependent workers (employees, dependent contractors, and contributing family workers), which in general is well aligned with the operationalization of informal employment. The current structure of the operational definition can still be applied for employers in employment, independent workers without employees in employment, contributing family workers and employees; however, some further adjustments could be considered.
94. The operational definition of informal jobs for employees identifies a number of possible criteria without clearly specifying which criteria countries should use and how they should be combined. As for the definition of the informal sector, this reflects the lack of empirical evidence at that time that could be used for identifying whether some criteria had a better explanatory value than others. The criteria were based on conceptual considerations rather than empirical evidence and it was therefore important to create space for countries to adopt a relevant operationalization within the national context. For that reason, as in the operational definition of the informal sector, the operational definition of informal jobs for employees can be viewed as a residual approach. Jobs that are clearly covered by formal arrangements can be excluded by using a number of criteria and the jobs left are defined as informal. Based on country practices, there seems to be a preference among countries to

use employer's contribution to social insurance, in combination with other criteria such as access to paid annual leave and paid sick leave, to identify informal employees. Those criteria also clearly reflect the concept of informal economy and whether the work relationships of employees are covered by labour and social security laws in law as well as in practice. This might call for the operational definition to be adjusted to align it more closely with country practices and to improve consistency between countries. It would be essential, however, to retain a degree of flexibility for countries to continue to adapt the measurement to the national context.

95. Contributing family workers currently by definition have an informal job since their work agreements seldom have a formal character and are typically not covered by labour legislation, social security regulations, etc. At the same time, contributing family workers are dependent workers as defined in ICSE-18 and it could be argued that the same criteria used to define an informal job for employees also should be used for contributing family workers. This could clarify the conceptual basis for informality among contributing family workers, while recognizing that there might be cases (though probably not many) of contributing family workers in formal employment.
96. The possibility for employees to have a formal job in an informal household market enterprise seems contradictory. This assumes that the employment relationship of the employee is embedded in the legal administrative framework of the country but that the enterprise for which the work is carried out is not. Situations like this might exist but should be rare and it is difficult to interpret the conceptual meaning of this group. Such situations could be addressed by defining household market enterprises as formal if the employee has a formal job. It would mostly be relevant where the primary objective is to measure informal employment and where there is an additional need to define whether the employee works for a formal enterprise, an informal household market enterprise or a household enterprise that produces own final use exclusively.
97. The introduction of dependent contractors as a category of dependent workers in ICSE-18 challenges the current approach of using a different operational basis for independent workers and dependent workers, respectively. Dependent contractors are not a homogenous group but include workers who to a large extent share similarities with employees, as well as workers who might be more closely related to independent workers in household market enterprises without employees. The category dependent contractor will include work relationships that would have been previously defined as informal jobs and formal jobs held by employees as well as by own-account workers.
98. Due to this heterogeneity, it is not conceptually obvious how dependent contractors should be related to the dichotomy of informal/formal jobs. It could be argued that an operational definition should rely on the characteristics of the economic unit as it does for independent workers or that a different set of criteria should be used as is the case for employees. In addition, the status of the economic unit on which the dependent contractor is dependent might be of relevance.
99. On what basis informality should be defined for dependent contractors and which criteria should be used will be one of the key issues in revising the 17th ICLS concerning a statistical definition of informal employment. For all other status in employment categories as defined

in the proposed ICSE-18, the current approach may be retained with the possibility of further refining their operationalization.

9.3.2 Unpaid forms of work

100. Another key issue in revising the 17th ICLS guidelines concerning a statistical definition of informal employment will be how the different forms of unpaid work as defined in 19th ICLS Resolution I should be related to the revised framework. Should a concept of informal employment based on the definition in 19th ICLS Resolution I be supplemented with other unpaid work activities, which would introduce the concept of informal work? If so, should all unpaid work activities be included or only a restricted set of work activities, and if the latter then where should the boundary be drawn? The policy perspective is essential in this discussion, i.e., which work activities are considered relevant to be targeted in policy measures that aim at formalization.
101. If the framework includes unpaid work activities, then it will be necessary to provide operational definitions for defining whether the work activity is informal or formal. The current structure used for employment, in which for independent workers in employment the definition of an informal job is based on the characteristics of the enterprise, while for dependent workers it is based on criteria unrelated to the characteristics of the enterprise, could be used as a conceptual starting point for this discussion.

9.3.2.1 *Own-use production work*

102. Own-use production work includes the provision of services as well as the production of goods. Due to the differences between own-use production of goods (inside the SNA production boundary) and the provision of services (outside the SNA production boundary), it would be conceptually relevant to subdivide the two different types of activities. This division is also recognized in the proposed ICSaW-18, which has separate categories for workers in own-use production of goods and own-use provision of services.
103. Own-use production of goods includes activities from which some output may be intended for the market and some is intended exclusively for own final use. Own-use production of goods, especially subsistence work, is significant in some countries and would be of high policy interest from an informality perspective. Subsistence work is typically not embedded within the legal administrative framework and subsistence workers are often found in vulnerable situations and exposed to high economic risk. The work activities are already included in the current framework of informality. Own-use production of goods with market production are currently within the boundaries of the informal sector, while own-use production of goods exclusively for own final use is defined as work carried out for a household enterprise producing for own final use. Both types of activities are currently defined as informal employment in the 17th ICLS guidelines concerning a statistical definition of informal employment.
104. Own-use provision of services is outside the SNA production boundaries and is therefore not addressed in the 17th ICLS guidelines concerning a statistical definition of informal employment. Own-use provision of services, like the own-use production of goods, is typically outside the legal administrative framework of the country and would also not be

covered by formal arrangements relating to labour and fiscal laws in the country. As for own-use production of goods, it follows that own-use provision of services would by definition be informal work activities. To include them in the revised framework would significantly increase the scope of informal work compared to the current boundaries set by informal employment. Moreover, almost all persons of working age provide services for own-final use to some extent and there might be little or no interest in formalizing such work activities as a whole. Information about the volume and burden of unpaid care for household members, however, is of high policy interest and is needed to assess the balance between formal and informal care work.

9.3.2.2 *Volunteer work*

105. Volunteer work has not yet been explicitly addressed in the statistical framework of informality. However, the relationship between volunteer work and informality is mentioned in the manual on the measurement of volunteer work, which recognizes that volunteer work is a component of informal work and that measuring volunteer work will capture an often overlooked part of the unpaid informal work (ILO, 2011, para 2.2(c)).
106. Volunteer work would typically not be covered by formal arrangements in the country and would therefore to a large extent be defined as informal work activities. As with own-use provision of services, however, there might be limited policy interest in formalizing volunteer work by including it in a framework of informal work. It would typically be of little or no interest to formalize volunteer work by including such activities in the full set of labour and fiscal laws and regulations in the country, whereas there would be interest, for example, in measuring the contribution of direct volunteering to informal care work.
107. If volunteer work were to be included in a framework of informal work, then an operational definition could be based on the division in ICSaW-18 between direct volunteers (independent workers) and organization-based volunteering (independent workers). Direct volunteer work would by definition be informal work activities since the production is carried out by an unregistered household enterprise. Organization-based volunteer work would either by definition be informal work activities or, if possible, some relevant criteria could be identified to define those work activities as either formal or informal.

9.3.2.3 *Unpaid trainee work*

108. Unpaid trainee work can take place in more or less formalized arrangements. It ranges from a person carrying out unpaid work in an enterprise in the formal sector who is granted an internship as part of his or her formal education to a person working unpaid in a small informal enterprise in order to gain experience in that specific profession. Some unpaid trainees might receive an allowance and gain access to health insurance and social protection, while others might lack all forms of economic and social protection. Unpaid trainee work could be interesting from a policy perspective and could be a target group for formalization.
109. Paid trainee work is defined as employment and paid trainees are defined as employees. This implies that the work activity for paid trainees is defined as formal or informal, using the criteria for employees. The only difference between paid trainee work and unpaid trainee work is the lack of remuneration, which puts persons in unpaid trainee work in an even more vulnerable position. The similarities between unpaid trainee work and paid trainee work

could be an argument for basing the operational definition on the same criteria as for paid trainee work, i.e. employees. Alternatively, all unpaid trainee work could be defined as informal work activities similar to the current treatment of contributing family workers. This would rest on the assumption that while there might be some unpaid trainees whose work could be defined as formal, that group would be insignificant.

9.3.2.4 *Other work activities*

110. Other work activities is a residual that includes all work activities that are not defined as being one of the other four forms of work that are explicitly defined in the 19th ICLS resolution I. Other work activities includes potentially a diverse set of activities, some of which might be of policy interest for formalization while others would not typically be of interest. The relevance of including such work activities in the revised framework would depend on the specific activity.

9.3.3 *The scope of informal work activities*

111. The introduction of the concept of work has changed the boundaries of labour market statistics and a key issue will be how the concept of informality should be related to the broad boundaries set by the concept of work. The different approaches should not be viewed as absolutely distinct but rather as examples of different ways to define the scope of what should be considered as informal work. The policy perspective is essential to bear in mind, i.e. for which forms of work formalization is deemed to be relevant.

9.3.3.1 *The broad approach*

112. The broad approach applies the dichotomy of informal/formal work to all forms of work. The objective of the broad approach would not be to create a single indicator of informal work. This would not be a feasible or a relevant variable. Instead, it would be an overarching concept that would consist of its components. The concept of informal work would consist of the concept of informal own-use production work, informal volunteer work, informal unpaid trainee work, informal employment and other forms of work that are defined as informal. Each component could be further disaggregated to create relevant indicators. Informal employment would be the main component and then countries could add components, depending on national needs and policy interest.

113. From a conceptual point of view, this would be a direct way of integrating 19th ICLS Resolution I into a framework of informal work. However, the usefulness from a policy perspective of such an encompassing framework may be questionable. The approach would include work activities such as volunteer work and own-use provision of services that are of little or no interest to formalize as a whole.

9.3.3.2 *Maintaining the current boundaries*

114. An alternative to the broad approach would be to maintain the SNA production boundaries for defining the scope of informal work. This would create a concept of informal work that has the same scope as the concept of informal employment currently defined in the 17th ICLS guidelines concerning a statistical definition of informal employment.
115. Employment, unpaid trainees and other work activities would be within the scope of informal work. However, the boundary would cut across own-use production work and

volunteer work: the own-use production of goods, organization-based volunteer work and direct volunteer work producing goods would be included in the scope of informal work, whereas the own-use provision of services and direct volunteer work providing services would be excluded. This division would be difficult to motivate from a policy perspective and would be a challenge from a data measurement perspective.

9.3.3.3 *Introducing new boundaries*

116. Another possibility is to introduce a new boundary that is more restrictive than the SNA production boundary. Such a boundary could be set to target the forms of work that are most relevant from a policy perspective and most suitable for formalization, such as employment, subsistence work and unpaid trainee work. Work activities that are typically of less interest to formalize would be excluded, such as volunteer work, own-use provision of services and own-use production of goods for recreational purposes. It would be challenging to identify a conceptual boundary that restricts the scope of informal work to these work activities. However, they are all work activities that can put workers in a vulnerable position with a high exposure to economic risk if they are not covered in law as well as in practice by proper formal arrangements.
117. The boundary would conceptually be more restrictive than the current concept of informal employment due to the exclusion of a subpart of own-use production of goods and volunteer work. However, it would not cut across volunteer work, all of whose activities would be outside its scope, or unpaid trainee work, which would be within its scope.
118. From a data measurement perspective, a new boundary would have the advantage that the most essential activities relating to informality could be measured regularly using the same source. Employment and subsistence work are all activities that many countries have experience in measuring and that could be measured in a labour force survey, for example. This would enable essential informality indicators to be regularly provided to policy makers and other users.

9.3.3.4 *Employment as a boundary*

119. An even more restrictive approach would be to retain employment as the boundary. The concept of informal employment would be retained as the sole work-related informality concept but would reflect the boundaries set by the definition of employment in the 19th ICLS resolution I. To use employment as a boundary for informality would create a transparent framework that would be relatively straightforward to communicate to users. Countries would also be able to provide data with the same frequency as employment.
120. To restrict informality to employment would reduce the level of informal employment compared to the current situation. Previous groups of workers that do have a high interest from an informality perspective, such as subsistence workers producing goods mainly for own final use, would be excluded from the scope of informality. They would not be part of the informal sector (if they produce exclusively for own final use) and would not be part of informal employment either. This could be compensated by identifying such groups using essential supplementary variables.

10 Summary of main issues to be addressed

121. On the basis of this discussion, the main issues that would need to be addressed in revising the 15th ICLS concerning statistics of employment in the informal sector and 17th ICLS concerning a statistical definition of informal employment are outlined below.
122. A choice would need to be made as to whether the current structure of two separate frameworks should be maintained or whether a revision should aim to create a single coherent framework, in which the concepts of the informal sector and informal employment, as well as the concept of informal work (if the framework is to be extended beyond employment), are derived from the same conceptual foundation. The non-statistical concept of informal economy could be used as a starting point for identifying a common statistical concept that can be used to conceptually define the informal sector as well as to introduce a conceptual definition of informal employment and potentially also informal work.
123. Should the revised resolution include all work activities (including own-use production, unpaid trainee work, volunteer work and other worker activities), should it continue to cover the same work activities as the current resolutions (i.e. within the SNA production boundary), should it cover only work activities that are deemed to be essential from a formalization perspective, or should it cover only employed workers as defined by 19th ICLS Resolution I?
124. The dichotomy of independent and dependent workers that can be applied for all forms of work in ICSaW-18 could be used as a conceptual starting point for creating operational definitions if forms of work other than employment are to be included in the statistical framework of informality. However, there is a need for further discussion about whether such a division would be relevant to the operationalization of the different specific categories in the different forms of unpaid work and whether different or additional criteria are needed.
125. The introduction of dependent contractors is a challenge to the current operational definition of informal employment. A discussion of the basis on which dependent contractors should be defined as having an informal or a formal job and the identification of relevant criteria to be used for identifying informality among this group will be essential.
126. On the basis of country experiences, a number of issues could be addressed in order to adapt the operationalization of the measurement of employment in the informal sector and informal employment to align them with current practices. This could create a clearer framework and increase international harmonization. In particular:
 - (a) Current practices indicate that there are relatively few countries that use size without combining it with other criteria when measuring employment in the informal sector. In addition, size as a criterion is not reflected in the concept of informal economy unless it is embodied in a country's national labour and fiscal law. This could call for an adjustment of the operational definition of the informal sector to better reflect country practices;
 - (b) The operational definition of informal jobs among employees reflects the need for a definition that would allow countries to adapt measurement to the national

context. However, current practices indicate a strong preference for employer's contribution to social protection, in combination with other criteria such as access to paid annual leave and paid sick leave. Such criteria also clearly reflect the dimension of lack of coverage or insufficient coverage by formal arrangements in law or in practice. This could form the basis for an adjustment of the operational definition of informal jobs among employees to align the definition with country practices and provide clearer guidelines on recommended criteria to use in applying the definition. In this regard, it would be essential to map country practices of combining different criteria in order to provide further input to this discussion.

127. The possibility for employees to have a formal job in an informal household market enterprise seems contradictory. This could be addressed by defining household market enterprises as formal if the employee has a formal job. This would be mostly relevant if the primary objective is to measure informal employment but there is the additional need to define whether the employee works for a formal enterprise, an informal household market enterprise or a household enterprise that produces for own final use.
128. The boundary between household enterprises that produce for own final use and households with market production is currently defined as any market production. This could be aligned with 19th ICLS Resolution I and the 2008 SNA concept of market production, for which mainly intended for the market is used as the threshold.
129. The identification of five different forms of work in 19th ICLS Resolution I implies that there will be workers in the informal sector that are no longer included in the concept of employment. The concept of employment in the informal sector could be supplemented with unpaid trainee work, volunteer work and own-use production of goods in the informal sector.
130. The need for three different types of enterprises – formal enterprises, informal market enterprises and household enterprises producing (mainly or exclusively, depending on boundary) for own final use – could be explicitly defined in the framework. This would create a more coherent framework that is better adapted to the concept of informal employment.
131. Unregistered quasi-corporations are currently conceptually excluded from the informal sector. This creates a strong link between the household sector as defined in the SNA and the concept of informal sector in which the household sector is used as the starting point for the definition of the informal sector. However, unregistered household enterprises having a complete set of accounts may or may not be within the legal-administrative framework of the country. The treatment of this group could be further discussed as part of a revision.

11 Process for revision

132. If mandated by the 20th ICLS to prepare a revision of the 15th ICLS concerning statistics of employment in the informal sector and 17th ICLS guidelines concerning a statistical definition of informal employment, then the ILO will further develop one or more options in the light of the guidance provided by the ICLS and with the support of relevant national and international experts. It is likely that there will need to be one or more rounds of consultation

with national statistical agencies in all member States, as well as some testing of the proposals in national contexts. The ILO would then prepare a draft resolution or resolutions to supersede the 15th ICLS concerning statistics of employment in the informal sector and the 17th ICLS guidelines concerning a statistical definition of informal employment.

133. The ICLS draft resolution or resolutions would be considered by a tripartite meeting of experts on labour statistics. The ILO could then refine the draft or drafts for consideration at the 21st ICLS.
134. It would be important for the ILO to establish a relatively small reference group of individuals with relevant technical expertise to provide guidance on, and support for, its work on updating the current statistical framework of informal employment and employment in the informal sector. One proposal would be to establish a technical working group to advance the work. The technical working group could regularly report on the development of its work to the Delhi city group.
135. In view of the importance of the informal sector in economic statistics, especially as an input to the SNA, it would be important to ensure that specialists on economic statistics and labour statistics are included in the working group.
136. Advice on the revision of 15th ICLS resolution concerning statistics of employment in the informal sector and 17th ICLS guidelines concerning a statistical definition of informal employment will be sought from the 20th ICLS during a session that will be held after the discussion of the ICLS draft resolution concerning statistics on work relationships. Advice will be sought in particular on the following issues:
 - (a) recognition of the need for further improvement of statistics on informality to support international harmonization and data coverage across countries, including developed countries;
 - (b) whether the current structure of two separate frameworks for the informal sector and informal work, respectively, should be retained, or whether a single conceptually coherent framework that would cover the breadth of the informal economy should be developed;
 - (c) how the scope of a concept of informal work should be defined in order to align the conceptual framework of informality with 19th ICLS Resolution I and the proposed resolution concerning statistics on work relationships, while ensuring coherence with policy objectives, taking into consideration the issues and options presented in the room document;
 - (d) whether participants think that the ILO work related to revising the 15th ICLS resolution concerning statistics of employment in the informal sector and 17th ICLS guidelines concerning a statistical definition of informal employment should be carried out with a view to presenting new standards during the 21st ICLS, in 2023, and whether establishing an expert working group is the most efficient mechanism to facilitate the formal adoption of new standards on this topic, taking into account its complexity.

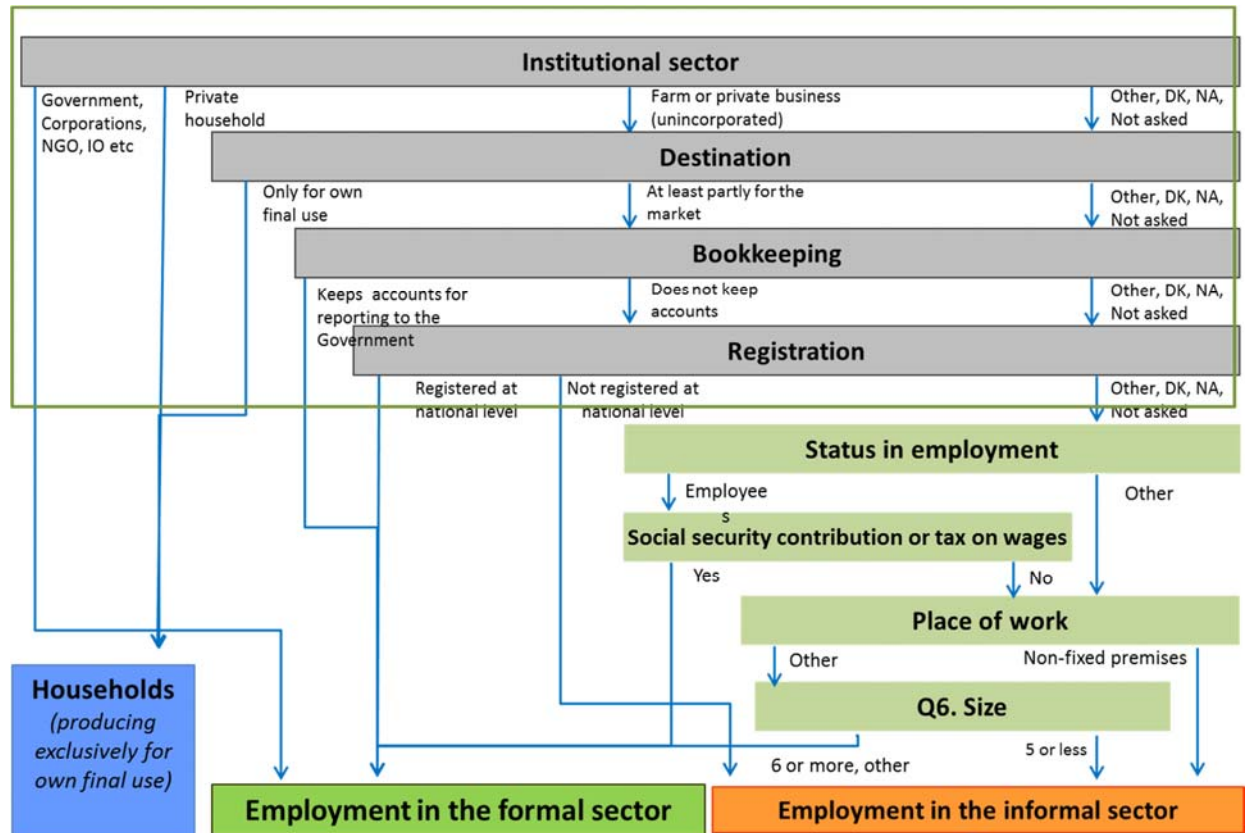
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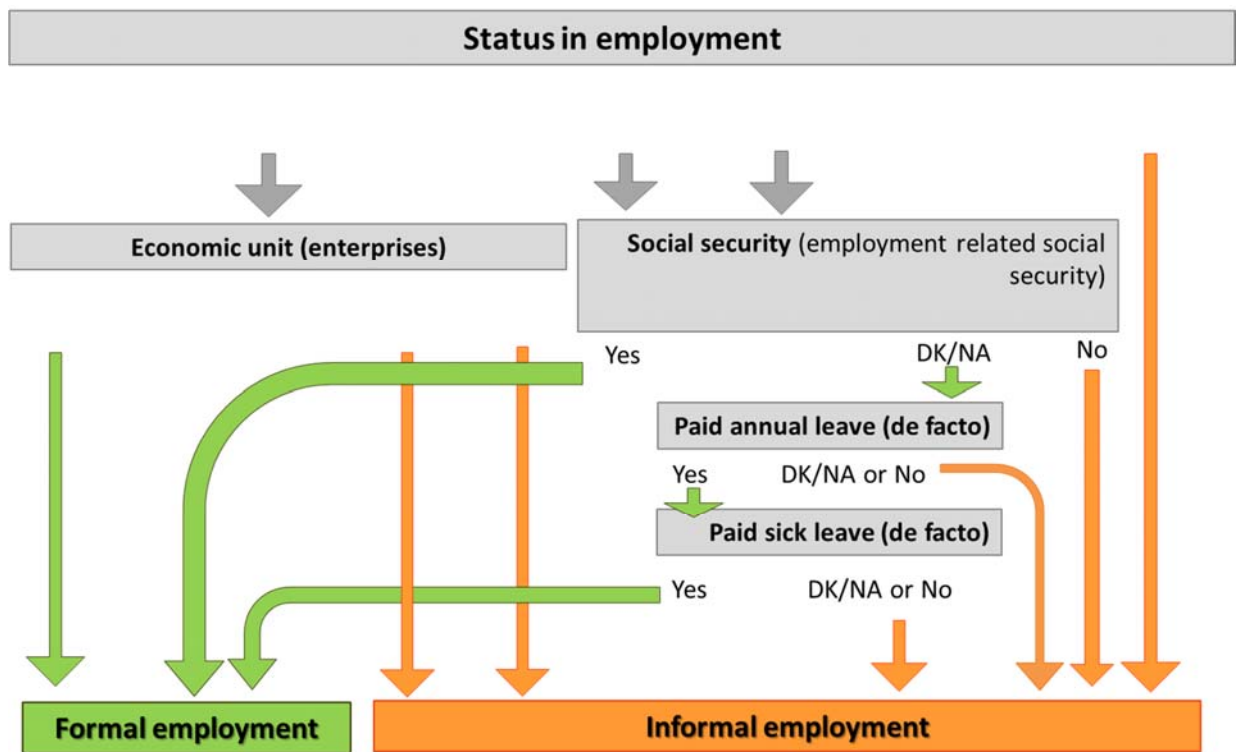
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ANNEX 1. Common operational definitions of informality

A. Criteria and sequence used in the common operational definition of the informal sector



B. Criteria and sequence used in the common operational definition of informal employment

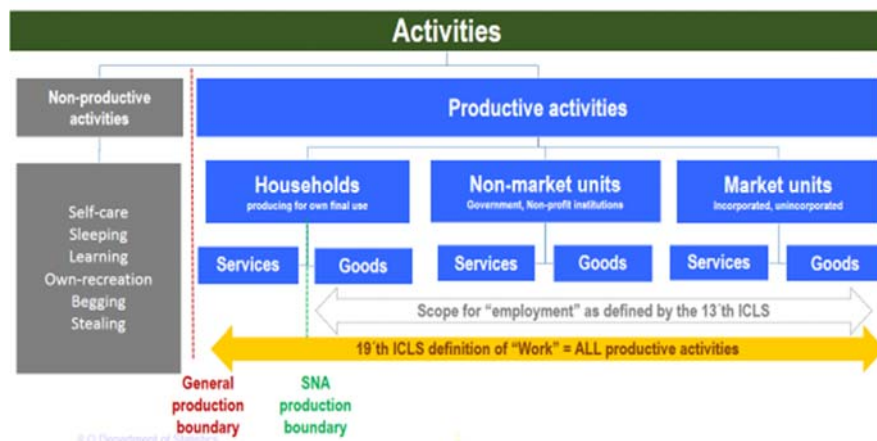


ANNEX 2

Overview of 19th ICLS Resolution I

1. Resolution I concerning statistics of work, employment and labour underutilization was adopted by the 19th ICLS in 2013 (ILO, 2013b). It replaced the previous standard, i.e. Resolution I concerning statistics of the economically active population, employment, unemployment and underemployment adopted by the 13th ICLS in 1982 (ILO, 1982).
2. 19th ICLS Resolution I includes the first internationally agreed statistical definition of work, which is defined as “Any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use ... irrespective of its formal or informal character or the legality of the activity”(ILO, 2013b, para. 6).
3. The concept of work is aligned with the general production boundary as defined in the 2008 SNA and can be performed in any kind of economic unit. The concept of economic unit is aligned with the 2008 SNA and can be categorized as (ILO, 2013b, para.6):
 - I. Market units (i.e. corporations, quasi-corporations and household unincorporated market enterprises);
 - II. Non-market units (i.e. government and non-profit institutions serving households);
 - III. Households that produce for own final use.
4. It is further noted that household unincorporated market enterprises contain, as a subset, informal sector units (ILO, 2013b, footnote 2).
5. The 19th ICLS concept of work is broader than the previous 13th ICLS concept of employment, which was aligned with the SNA production boundary, because the 19th ICLS definition includes a household’s provision of services for own consumption as well as direct volunteer work providing services, thereby including all activities within the general production boundary.

SNA boundaries and work activities



6. 19th ICLS Resolution I identifies five different forms of work. The intended destination of the production (mainly for own final use or mainly for use by others) and the type of transaction (with remuneration or without remuneration) are used as a conceptual starting point for the identification of the five forms of work.
7. *Own-use production work* is defined as the production of goods and services for own final use (ILO, 2013b, para. 7(a)), where *own final use* is operationally defined as “production where the intended destination of the output is *mainly* for final use by the producer” (ILO, 2013b, para. 22 (d)). This implies that activities with some market production (i.e. intended for sale or barter) will be defined as own-use production work if the production is *mainly* intended for own final use. The term *mainly* is not further defined in the resolution. This creates flexibility for operational purposes regarding how the concept should be quantified (e.g. based on value added, time spent etc.) or which activity level it should be assessed at (e.g. as a share of total production, at the level of activity clusters or at the level of a specific activity/goods).
8. Own-use production work includes the production of goods and the provision of services. The inclusion of services in own-use production work is one of the major elements which makes the scope of the concept of work broader than the previous concept of employment as defined in 13th ICLS Resolution I.
9. *Employment* under the new standards is defined as “all those of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit” (ILO, 2013b, para. 27). The new definition of employment has a stronger relationship with remuneration compared to the previous definition in 13th ICLS Resolution I, thus narrowing the scope of the concept of employment. The definition in 19th ICLS Resolution I excludes different forms of unpaid activities, such as own-use production of goods (including subsistence work), volunteer work producing goods, organization-based volunteering and unpaid trainee work, which were previously included in the concept of employment. The relationship between employment and the SNA production boundaries are therefore no longer maintained.
10. In addition to *own-use production work* and *employment*, 19th ICLS Resolution I identifies three other forms of unpaid work: *unpaid trainee work*, *volunteer work* and *other work activities*. *Unpaid trainee work* is defined as “work performed for others without pay to acquire workplace experience or skills” (ILO, 2013b, para. 7(c)). *Volunteer work* is defined as “non-compulsory work performed for others without pay” (ILO, 2013b, para. 7(d)). *Other work activities* is not defined but is a residual that completes the framework; for example, it could include unpaid community service or compulsory military service ordered by the court.

ANNEX 3

Overview of ICLS draft resolution concerning statistics on work relationships

1. The following text builds on the ICLS draft resolution concerning statistics on work relationships (ILO, 2018b).
2. The proposed International Classification of Status at Work (ICSaW-18) contained in the ICLS draft resolution is based on two dimensions: the *type of authority* the worker is able to exercise and the *type of economic risk* to which the worker is exposed. The first dimension creates a dichotomy between independent workers and dependent workers.

Box 1 Classification of Status at Work (ICSaW-18)	
Independent workers	
1.	Employers*
	11 – Employers in corporations*
	12 – Employers in household market enterprises*
	13 – Employers in own-use provision of services
	14 – Employers in own-use production of goods
2.	Independent workers without employees*
	21 – Owner-operators of corporations without employees*
	22 – Own-account workers in household market enterprises without employees*
	23 – Independent workers in own-use provision of services without employees
	24 – Independent workers in own-use production of goods without employees
	25 – Direct volunteers
Dependent workers	
3.	Dependent contractors*
	30 – Dependent contractors*
4.	Employees*
	41 – Permanent employees*
	42 – Fixed-term employees*
	43 – Short-term and casual employees*
	44 – Paid apprentices, trainees and interns*
5.	Family helpers
	51 – Contributing family workers*
	52 – Family helpers in own-use provision of services
	53 – Family helpers in own-use production of goods
6.	Unpaid trainee workers
	60 – Unpaid trainee workers
7.	Organization-based volunteers
	70 – Organization-based volunteers
9.	Other unpaid workers
	90 – Other unpaid workers

(Source: ILO, 2018b, para. 58)

*Categories included in ICSE-18-A.

3. ICSaW-18 allows a classification of all forms of work and can be viewed as an extension of the International Classification of Status in Employment (ICSE-18). The categories marked with an asterisk in box 1 are categories included in ICSE-18.
4. The current ICSE-93, which includes employers, own-account workers, contributing family workers and employees, has a similar structure to the proposed ICSE-18 classifications. In addition, a new category of dependent contractors has been introduced; owner operators of corporations is singled out as a subcategory of employers and independent workers without employees (called own-account workers in ICSE-93); employees have four different subcategories; and members of producers' cooperatives no longer constitutes a separate category.
5. *Dependent contractors* are a new category on the borderline between being employees and own-account workers in household market enterprises without employees. For statistical purposes, they are defined as workers employed for profit who are dependent on another entity that exercises explicit or implicit control over their activities and that benefits from the work. The control can be operational as well as economic (ILO, 2018b, para. 37).
6. The borderline situation of dependent contractors is also reflected in the draft resolution, which recognizes that two subgroups can be identified among dependent contractors: those who primarily provide labour to others and those who have committed significant financial or material assets to the unincorporated enterprise which they own and operate (ILO, 2018b, para. 40). The first group would more likely share characteristics with other employees, while the latter would typically be closer to own-account workers in household market enterprises without employees.
7. The proposal also consists of a set of cross-cutting variables that are required in order to define the status in employment or are essential or recommended analytical variables. *Job-dependent social protection coverage*, *access to paid sick leave* and *access to paid annual leave* are three essential cross-cutting variables that are important in their own right and also to informal employment.
8. *Job-dependent social protection* is defined as "whether the person is entitled to social protection as the result of employment in a particular job. It therefore excludes 'universal' protection schemes that are not dependent on holding a job" (ILO, 2018b, para. 119).
9. *Access to paid annual leave* is defined as "the worker's entitlement and ability to take paid time off granted by the employer or to be compensated for unused annual leave ... It is not sufficient to have a legal right to paid annual leave if the worker does not have access to it in practice" (ILO, 2018b, para. 122).
10. *Access to paid sick leave* is defined as "the worker's entitlement and ability to take paid leave from employment due to personal sickness or injury. The paid sick leave should be dependent on the worker's job and therefore excludes schemes that are not related to having a particular job ... It is not sufficient to have a legal right to paid sick leave if the worker does not have access to it in practice" (ILO, 2018b, para. 122).