▶ Room document: 19*

Engendering informality statistics – overview and outcomes of the project

100 years of ICLS

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Acknowledgements

1.   Introduction and background

1.   Since the adoption of the *Resolution concerning statistics of work, employment and labour underutilization* at the 19th International Conference of Labour Statisticians (ICLS) in October 2013[1], the ILO has been engaged in a process of the developing tools and guidance to support implementation of the latest statistical standards and good measurement practices, based on evidence gathered through pilot studies and country experiences. Over time this has enabled the publication of an expanding range of tools and guidance through the ILO website[2] alongside the pilot study findings[3] that have informed their development. One important feature of the tools, in particular model questionnaire content, is that it follows a modular strategy, whereby some parts of questionnaire content can be changed depending on country priorities and context. Among other things this has allowed topics to be added over time without having to significantly alter the core content, making adaptation and implementation more efficient.

2.   One of the reasons for expansion of the tools over time has been the adoption of new standards, such as the *Resolution concerning statistics on work relationships* adopted at the 20th ICLS in 2018. Collectively the ILO and countries tested different approaches to apply the standards, and notably some of this work took place in advance of the 20th ICLS, both informing the standard setting discussion and ensuring that measurement guidance and questionnaire content based on the new standards could be provided efficiently, building on the existing model questionnaires.

3.   Building on the success of that approach the ILO sought to follow a similar path in preparation for the 21st ICLS discussion on statistics on the informal economy. Following discussions during 2020 and early 2021 a project was developed in agreement with, and support from, the Bill & Melinda Gates Foundation entitled '*Engendering informality statistics'*. The initial scope of this project was to promote improved generation and use of statistics on informality, with a particular emphasis on gender. To meet this objective three overlapping workstreams were planned:

    i.   Implementation of a programme of pilot studies the broad objective of which was to update and expand existing questionnaires to enable the generation of a wider range of gender relevant data on informal employment and the informal sector.

    ii.   Providing inputs to the working group established to support the development of new statistical standards on informality for discussion at the 21st ICLS that began its work in 2019 – again with a particular focus to ensure the need for better gender data was adequately reflected in discussions.

    iii. The third stream focussed on the use of data on informality, initially reviewing the type of data required to achieve a proper understanding of informality, in particular differences in the experiences of women and men – and later looking into how the data are and can be used.

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[1] https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_230304.pdf

[2] https://ilostat.ilo.org/resources/lfs-resources/

[3] https://ilostat.ilo.org/about/lfs-research-and-development/

4. The work commenced in early 2021 and continued through until the 21st ICLS and beyond to publish the many extensive findings across various topics. The main areas of work and progress achieved, at the time of writing, are outlined further below. Other than some key highlights, the purpose of this document is not to present the findings of the studies, which are published in detail in other reports.

2.   Pilot study programme design

5.   A core element of the project was the design and implementation of a programme of pilot studies. Such studies create the opportunity to develop and try different measurement approaches. The timing of the studies allowed them to reflect the evolving proposals from working group discussions. Through feedback to the working group they also allowed reconsideration of those proposals in the light of evidence on the measurement challenges they would create.

6.   At the outset of the project the objectives identified for the testing were to:

  i.   Explore the extent to which we can identify informality in an unbiased and comprehensive way for both women and men in different types of employment.

  ii.   Reveal which questions and question sequences are most effective and efficient in collecting data on informal employment and informal enterprises.

  iii. Generate ideas for new questions that respond to changes in data needs, particularly those relevant to gender and informality.

  iv.   Produce evidence to support further development of robust standards and methods for the production of informality statistics.

7.   To address these objectives the focus of the early work under the project was threefold:

  i.   *Identify suitable countries to undertake the pilot studies:* key considerations were to undertake the work in countries where informality was prevalent and varied – plus to achieve coverage of more than one region. On this basis Uganda and Peru were identified as partner countries. The ILO would like to take this opportunity to thank all those involved in the work in both countries, including the many staff of the Uganda Bureau of Statistics and Insituto Nacional de Estadística e Informática who supported the studies. The studies could not have been successfully completed without the expertise, effort and flexibility offered generously throughout the work.

  ii.   *Identify the scope of topics to cover:* some topics were evident given the focus of the project, such as questions to identify informality including payment of social contributions, business registration etc. In addition, the opportunity was taken to test questions used the identify dependent contractors as defined under ICSE-18, as a continued follow up to the 20th ICLS standards and given the strong relationship between ICSE-18 and informality. Beyond those the main consideration was to include topics which could add important information to support a deeper understanding of informality, such as the conditions involved, motivations and outputs. This selection was supported by a wide literature review and discussions with stakeholders, including a technical advisory group that was formed to guide the implementation of the project. An important consideration was that any topic chosen would fit well with a labour force survey (LFS) considering both the theme involved and response burden. Through this process a wide range of topics were initially identified as candidates and further narrowed down as the development work continued. The topics tested are described in further detail later in this document.

iii. *Design the pilot study methodology:* In broad terms it was decided to follow a similar multi-stage approach as used in previous rounds of pilot studies. The first stage involved qualitative testing (mainly cognitive) followed by quantitative testing. Under the initial proposal it was intended to undertake qualitative testing in both countries, but quantitative testing would only take place in Uganda over two rounds. However, based on resource savings made during the project it became possible to also undertake one round of quantitative testing in Peru. Split sample designs were used for the quantitative studies meaning that two different sets of questionnaire content were used for separate but similarly designed samples to enable comparisons of the outcomes. In combination these various stages of studies are designed to enable both an indepth focus on question wording and flow, but also aggregate level assessment of impacts of variations in questionnaire content on estimates. An additional feature of the quantitative testing phase was a dedicated test of proxy effects. This was not initially planned but based on feedback received from the technical advisory group it was decided to add this for the specific purpose of assessing the extent of impacts of proxy response on reporting.

3. Key topics covered

8. Following initial research and discussions the following topics were selected as a focus for the studies:

    i.   Identification of informality in line with emerging proposals from the working group

    ii.   Identification of dependent contractors (ICSE-18)

    iii.   Identification of contributing family workers (ICSE-18) plus measurement of their motivation for working in a family business

    iv.   Motivation of independent workers (as defined by ICSE-18) for operating a business

    v.   Decision making in family businesses – this is related to ICSE-18 but also relevant to the understanding of agency

    vi.   Earnings of independent workers (as defined by ICSE-18)

    vii.   Earnings of dependent workers (as defined by ICSE-18)

    viii. Asset ownership in business (types and valuation)

    ix.   ICT use in businesses (including digital platforms)

    x.   Access to finance for businesses (only tested in the quantitative test in Peru)

9. These topics were included in the tested questionnaires in addition to existing 'core' published content – namely existing questions to identify employment based on the 19th ICLS standards, questions on main and second jobs, working time, labour underutilization and own-use production of goods. In addition to allowing an assessment of content on the additional topics this also enabled further testing and refinement of already published model questionnaires, as well as ensuring that the integration of the new modules into existing model questions was also tested.

10. All the topics selected are either required to identify informality or can provide important data to characterise it, offering the potential to highlight gender gaps (for example in earnings, agency, financial or technological inclusion etc). However, these topics are not widely included in LFS, or at least there is an absence of common approaches or published guidance to promote good measurement practices or harmonisation of approaches.

4.   Qualitative testing phase

11. The complexities involved in measuring work make cognitive interviews an obvious choice for testing the development of labour force survey methodology, especially when looking for generic solutions in a cross-cultural context. Cognitive interviews combine the asking of survey questions as they would be in a real survey with a discussion between interviewer and the participant about how the questions were understood. This generates evidence on whether questions are understood as intended, whether they work to get at the information being sought from participants, and if there are any issues with the wording, response categories or question sequence that need correcting.

12. Partners were identified in each country who would manage implementation of the qualitative testing, conduct the interviews, and collate the results. In Uganda, the Centre for Basic Research (CBR) brought strong qualitative research experience and much needed local knowledge to the process. In Peru, the main partner was the household survey team at the national statistical office (Instituto Nacional de Estadística e Informática (INEI)) that conducts a regular labour force survey and uses cognitive interviewing for national questionnaire development. An independent research organization – GRADE – was engaged to support management of the project including translation and interpretation between English and Spanish.

13. Two rounds of cognitive interviewers were conducted in both countries between August and December 2021 (see table 1). The primary reason for this was to enable a wider range of topics to be covered than could have been done in one single round. The primary focus of the first round was on the questions used to identify informality and ICSE-18, while the second round widened the focus to topics such as earnings, asset ownership and motivation. Before developing the questions for testing in the second round of cognitive interviews, the Centre for Basic Research in Uganda was engaged to conduct Focus Group Discussions (FGDs) and In-Depth Interviews (IDIs) to generate evidence relevant to measuring the use of earnings and assets by owners of small informal businesses. The findings from the focus group discussions and individual interviews were used as inputs to developing the second round of questions for cognitive testing.

▶ **Table 1: Key milestones and dates for the qualitative testing**

	Uganda	Peru
Round 1 of cognitive interviews		
Training	10-16 August 2021	28-30 September 2021 (training trainers) 11-16 October 2021 (training interviewers)
Fieldwork	17-28 August 2021	18-23 October 2021
Focus Group Discussions and Individual Interviews	10-13 November 2021	Not applicable
Round 2 of cognitive interviews		
Training	25-27 November 2021	30 Nov-1 December 2021 (training trainers) 6-9 December 2021 (training interviewers)
Fieldwork	2-11 December 2021	13-19 December 2021

14. In each round of testing 40 individuals were interviewed in each country (total of 160 interviews) – targeting a similar number of women and men and a mix of respondent locations (urban/rural) and profile (e.g. self-employed, employees, different age groups etc). One point of note was that the timing – coinciding with major COVID-19 related restrictions on travel – required all training and engagement between the ILO and the other partners to be undertaken online. While this was not optimal, particularly for the in-depth training to prepare for cognitive interviewing, it did enable the processes to be completed in a timely manner and regular contact and debriefing was maintained for quality assurance purposes.

15. The qualitative testing in general proved to be very useful, as is generally the case. It allowed a thorough evaluation of question wording and flow. Key findings will be discussed in more detailed reports of the study outputs but a selection of findings of note include:

    i. It was found that comprehension of incorporation was relatively lower than comprehension of business registration – however, even where respondents misunderstood these terms the likelihood of a misclassification was low as those who were registered or incorporated were likely to understand those terms, and other respondents would say 'no' or 'don't know'.

    ii. Some comprehension issues were noted with questions on paid sick leave with possible confusion that it could refer to payment of medical expenses.

    iii. For questions on motivation for working in a family business careful wording and structuring of response categories is needed to avoid reporting of 'to make money/support the family' as the primary motivation by most if not all respondents.

    iv. In the case of earnings, as expected the topic was found to be generally sensitive. Difficulties were found in reporting amounts when the time period did not match

respondents' own circumstances – for example asking a person who has daily sales for a monthly amount required potentially complex calculations – notwithstanding that general comprehension of the concept of profits, sales and business expenses, subject to correct framing of the question.

16. The above are a very small subset of the findings from the process, all of which were fed into the preparation of the questionnaires for the quantitative testing phase.

5. Quantitative testing phase

17. Three waves of quantitative tests with a random sample of households were conducted – two waves of testing in Uganda (same households at different times (seasons) of the year) and a single wave in Peru. Similar questionnaires were tested in all three waves, differing only slightly as adjustments were made given lessons from earlier rounds and adaptations were made to national context.

18. Two questionnaires - referred to as approach A and approach B - were developed and interviewed using a split sample design of randomly selected households with both questionnaires administered in the same period to different samples of the same size and design. In Uganda, over 1,600 households were interviewed in wave 1 and roughly the same number in wave 2 (same households where possible) for simplicity of design and to allow for longitudinal observations if considered useful. The test in Peru was a smaller scale with just over 800 households interviewed.

19. The questionnaires tested all included common core content and had differences in key selected topics. The differences covered only approximately 30 questions, or 10% of the questionnaire and focused on the main topics listed earlier. Variations between the two versions generally involved altering the types or number of response categories (e.g. open text versus read out or pre-defined response categories, alternative wordings, different numbers of questions on earnings etc).

20. This design was chosen to allow detailed assessment of the impact of differences on the results generated, e.g. does one approach to measuring earnings generate a very different result to another. Another important objective was to observe, at reasonable scale, whether questions on certain topics functioned well and thereby could be reasonably used in national labour force surveys.

21. The quantitative tests took place between June and December 2022 (see table 2). Among considerations for the timing of data collection was to ensure that high periods of agricultural activity were covered in order to allow different types of agricultural work (different crops, periods of activity) to be identified.

▶ **Table 2: Key milestones and dates for the quantitative testing**

	Uganda Round 1	**Uganda Round 2**	**Peru**
Training	27 June – 4 July 2022	26-29 September 2022	17-23 October 2022
Fieldwork	5 July – 23 August 2022	2-31 October 2022	25 October – 5 December 2022
Final dataset ready for analysis	September 2022	December 2022	January 2023

2. The total number of households interviewed across the process was 4,110 and 11,343 individual interviews of people of working age were completed (see table 4). The distribution of interviews across approach A and B were very similar.

▶ **Table 3: Achieved samples, number of households, household size and respondents of working age**

	Number of households			Average household size	Percentage of households with a female reference person	Average age of reference persons	Proportion of respondents in working age	Number of respondents in working age
	Approach A	Approach B	Total					
Uganda Round 1	824	830	1,654	4.6	0.30	45.4	0.61	4,680
Uganda Round 2	850	786	1,636	4.8	0.27	45.2	0.58	4,529
Peru	407	413	820	3.6	0.55	48.0	0.71	2,134
Total	2,081	2,029	4,110	4.5	0.34	45.9	0.61	11,343

22. Analysis showed the samples to be quite well balanced by key characteristics across the questionnaires, but to lower the impact of any differences on the results a basic weighting procedure was implemented, benchmarking to a common population representing the average of the two questionnaires. This was not designed to make the results representative of the wider population as the objective of the pilots was not to generate representative estimates but to test the efficiency of the questions.

23. Data was processed to apply standard definitions and derivations, e.g. for employment, unemployment, ICSE-18, informality (as defined in the draft resolution concerning statistics on the informal economy to be discussed at the 21st ICLS) etc. Relatively limited data cleaning was undertaken, beyond ensuring categorical data fell within acceptable values. For example, reported estimates of earnings were not trimmed or otherwise treated initially as extreme values could actually be of interest to the study – suggesting some difficulty in understanding or reporting of the data.

24. Given that the focus of the testing was on assessing how well the different questionnaire content worked in the field, an important element of the process was the feedback received from the interviewers. This highlighted important issues which may not have been visible based on quantitative analysis of the microdata, for example sensitivity, social desirability biases etc. This feedback was organized and compiled by UBoS and INEI.

25. The quantitative tests have generated a substantial volume of data, with some parts already processed and analysed, while others are under current scrutiny and anticipated for publication after the 21st ICLS. In a broader sense, these findings will enhance data collection tools and will place countries in an even better position to provide data on informality, alongside supplementary insights for better contextualizing and understand the situation of informal workers and enterprises. Already at this stage, it's evident that the outcomes of these quantitative tests will influence recommended data collection methods and tools. For example, in relation to identifying informal employment and informal enterprises the results indicates that the questions in general work well, however, the results emphasize that designing questions for employees to identifythat

they are working in the informal sector given that this requires knowledge of the economic unit for which they work. This is clearly more challenging than identifying that their employment is informal which relies on information about the persons job and working conditions. In such cases, alternative approaches gathering additional information become crucial, particularly for respondents uncertain about whether the enterprise they work for is registered and the types of accounts kept. The proposal in the draft resolution concerning statistics on informal economy, which defines enterprises with formal employees as formal, aligns with these findings, putting relatively greater weight on the criteria for determining the informal and formal status of the job than the informal and formal status of the enterprise for employees.

26. Furthermore, the tests advocate for question modifications and sequencing adjustments that can contribute to a more effective data collection by reducing the response burden. For instance, when identifying dependent contractors, establishing whether control is exercised by another economic unit becomes essential. Here, testing a concise question with broader response options yielded similar results to a more detailed version, pointing at the possibility to use the more simplified question, and thuso reduce response burden. Similarly, when categorizing the informal and formal sector, reversing the order of questions about enterprise incorporation (relative to existing published model questionnaires) and registration appears effective. Prioritizing registration before incorporation, and thereby restricting the question of incorporation to only those that work for a registered enterprise, seems to not only eases response burden but also improves data quality. This built on findings from the quantitative stage that respondents were generally more familiar with the concept of registration than incorporation.

27. Considering other topics, including earnings, asset ownership in businesses, ICT usage, access to finance and motivation are in the process of being analysed and all findings will be published in the months following the ICLS, along with updates to published tools and guidance.

28. An important overarching conclusion that must be retained in all cases is the feasibility to attach questions on these topics to the LFS. Thus far this has almost universally been concluded to be the case although further work would certainly be important for some topics such as earnings and digital platform work among others.

6.   Dedicated test of proxy effect

29. As mentioned earlier, one of the review mechanisms used for the project was a technical advisory group. During early meetings with the group, while discussing objectives and coverage of the studies, an important topic was the impact of proxy reporting on measurement i.e., the impact of gathering information through a household member other than the desired respondent rather than directly.

30. Approaches to proxy interviewing can differ somewhat across countries and surveys, in particular with respect to the amount of resources dedicated to ensuring as many respondents as possible are directly interviewed. Unsurprisingly this leads to very substantial differences in rates of proxy response, the impact of which is potentially considerable but for which relatively few dedicated experimental studies have been implemented4.

31. Of the limited available evidence on impacts some research has shown that proxy response can lead to the underreporting of women's employment, for whom gender roles tend to blur the boundary between employment and other forms of work5. Misreporting by proxy respondents might stem from a lack of knowledge about the target respondent's work activities. Proxy respondents may not know the details of employment other household members are engaged in, particularly detailed information like working hours, type of contract or arrangement, and the legal status of the economic unit where they are employed. Differences in proxy versus self-reports can also be a product of social norms, such as men being unaware of women's paid work activities or unwilling to report them, or women reporting men as employed when they are not, due to social desirability.

32. To attempt to provide additional evidence on proxy effects it was decided to undertake a dedicated experimental study of proxy effect using the same questionnaires as the quantitative tests. The general approach chosen was an interview/re-interview method whereby both a direct and a proxy interview would be completed for some respondents – allowing comparison of the reported information, for example to see if proxy responses were different to a greater extent for some topics and questions than others.

33. Testing for proxy effect is methodologically complex. To isolate proxy effects requires considerable effort in the way the survey is administered – for example isolating the proxy and direct respondents when the interviewing is taking place so one is not influenced by the answers of the other. Also, identical questionnaires need to be used so that any differences can, to the extent possible, be connected to the proxy effect alone. Reflecting these complexities proxy effect tests can be very burdensome to organize and difficult to integrate with other survey activities.

34. The proxy effect test was implemented during the second round of quantitative data collection in Uganda and also during the one round in Peru. A convenience approach was decided upon

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4 As one example of a dedicated study see the MEXA methodological study implemented under the Evidence and Data for Gender Equality (EDGE) programme: https://unstats.un.org/edge/pilot/uganda/mexa-uganda.cshtml

5 See : Desiere, S. and Costa, V. 2019. Employment Data in Household Surveys: Taking Stock, Looking Ahead. World Bank Group, Policy Research Working Paper 8882.

whereby for each household visited all interviews were completed as normal (using the standard approach in the country to proxy interviewing), and then for any household where at least two direct interviews had taken place the interviewer was prompted to do an additional proxy interview.

35. Practically the approach involved asking to speak to the household reference person again when all the individual interviews were completed and asking if they would provide information for one of the other household members who had already been directly interviewed. Interviewers were trained to explain the process to try to achieve as high a level of cooperation with the process as possible. The proxy test was built into the CSPro application on the interviewers' tablets – allowing them to select the relevant respondent for the additional interview and capture the data as normal.

36. It must be recognized that there was no ability to control the selection of individuals or households for which the test would be applied. For example, the test would not be undertaken in any household with only one household member or any household where only one direct interview had been achieved. As such no representativity could be designed in. In total 570 additional interviews were completed in Uganda (out of 1,636 households in round 2) and 527 in Peru (out of 820 households). The relatively higher proportion of households where this was done in Peru reflects a much lower proxy rate during the main quantitative test there meaning in most households at least two direct interviews were completed.

37. Like the qualitative and quantitative tests, the findings of this process are presented in other reports but as a very general reflection the test does indeed show that inconsistency of response between direct and proxy interviews clearly occurs at reasonable frequency, and to greater extent for some variables than others. For example, unsurprisingly a greater proportion of 'Don't know' responses were received through proxy interviewing for questions related to the identification of the informal sector (registration of business, book-keeping). Also, in general there was some tendency that proxy respondents would report less activity than direct respondents (e.g. may not report some employment activities or report less hours) thereby shifting their labour force status from employment to either unemployment or outside the labour force. However, depending on the topic there were some balancing effects (i.e. inconsistent reporting in different directions) meaning aggregate level impacts were not always substantial. Work will continue in analysing the outcomes from this test to present more thorough findings.

38. It should be noted that a general assumption underlying the analysis is that a direct respondent will give a more accurate answer than a proxy respondent. The lack of external benchmarks make this assumption difficult to validate but it will inevitably remain a recommendation that efforts should be made the maximize direct response to the extent possible. It also remains inevitable that in most countries, for reasons of cost and efficiency of survey operations, proxy response will remain important so further work to develop guidance should be undertaken, perhaps indicating topics where proxy response should be particularly discouraged as well as other guidance to support its management.

7. Inputs to the working group developing the new standards

39. The working group for the development of the new statistical standards on informality continued its work throughout the period of the project. This included working group meetings in late 2021 and late 2022, followed by a tripartite meeting of experts in early 2023. During each of these meetings updates were given on the progress of the work, while ongoing discussions were also noted to inform the design of the pilot studies. For example, the emerging proposals on the identification of informality were used as an input in deciding on the questionnaire content for testing, while the data generated from the studies will be used to illustrate the use of the proposed indicator framework.

40. During the meeting of experts an extended dedicated presentation was given on the completed work, presenting some initial findings and seeking feedback from the experts. This proved to be a very useful consultation mechanism and provided valuable insights in preparation for the analysis of the collected data.

41. The project also enabled specific gender relevant inputs to be provided to the working group at different points. For example, a dedicated paper on the issue of the identification of informality among contributing family workers was developed by the project manager and submitted to the working group. This contributed to the proposed standards in this area that will be discussed at the 21st ICLS, including the proposal to move from a situation whereby contributing family workers were considered informal by default, to a situation whereby formality could be acknowledged to exist if relevant systems such as work-related social security schemes covering contributing family workers existed in given countries. Given that contributing family workers are predominantly women in most countries this possibility, subject to adoption by the ICLS, offers the possibility to enhance understanding of the extent and outreach of formal arrangements, as well as to advocate for their extension.

8.   Reviews of required data and data use

42. With inputs from an external expert funded by the project the ILO published a working paper entitled "Engendering informality statistics: gaps and opportunities"6. This working paper presented an overview of the currently available data on informality and how this related to the demand for data on informality, with a particular focus on gender data needs. As well as looking at current needs and availability the paper attempts to outlines some anticipated high priority topics for the future, many of which ultimately informed the selection of priority topics for the pilot studies such as ICT use, access to economic resources, participation in decision making and others. The importance of the measurement of unpaid domestic and care work, and the relationship of informality to unpaid work were also identified as important topics, reflected in the development of standards and other ongoing methodological studies.

43. The working paper also looked at a range of methodological issues and measurement challenges highly relevant to ensure good coverage of informality from a gender perspective. Among other things this includes the need to measure place of work (e.g. to identify home-based workers, street vendors, domestic workers) which has now been integrated among the indicators in the draft resolution concerning statistics on the informal economy, as well as implementing ICSE-18 and ensuring proper sample coverage of labour force surveys to cover those in the most vulnerable employment.

44. In previous rounds of methodological work, relatively little focus was dedicated to the issue of the use of the data – beyond its immediate use to generate conclusions on questionnaire content. ILO reports on the potential gender relevance of the 19th ICLS standards7,8, as well as one from Data2x9, illustrate how data based on the latest standards could be used to highlight various gender gaps, or gender relevant messages. These reports demonstrate how information on participation and volume of work in different forms of work defined within the 19th ICLS standards expose significant gender gaps in work, in a way not enabled under previous statistical standards. For example, this highlighted that while focusing on employment indicated that males contributed the majority of working time, this was reversed when additional forms of work, such as own-use provision of services, were also measured. However, these reports indicate potential use, rather than actual use.

45. Through the Engendering Informality Statistics project efforts were made to review actual use by policy makers and others at national level as a way to gain insight on what works (or does not) and any barriers to use. The review found that the extent of data use is very mixed. While all countries covered (Mexico, Nepal and South Africa) made use of key labour market indicators to track progress in a general sense, some of which is documented, it tended to take the form of general target setting for the most part – e.g. target employment to population ratio or other key indicator.

6 https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_861882.pdf

7 See : https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_757969.pdf

8 See : https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_757964.pdf

9See: https://data2x.org/wp-content/uploads/2020/11/MakingWomensWorkVisibleReport_FINAL.pdf

Some more targeted uses were found for Mexico (targets for formalisation of informal jobs and enterprises) and it was also found that in all countries member-based organisations heavily made use of statistics to advocate for change.

46. The clearest case of extensive documented informality data use was described for Nepal and this emanated from a coordinated and multi-year process of engagement between the ILO and the national government, building on the implementation of an updated LFS in 2017/8 (the first in 10 years and based on the latest statistical standards and ILO guidance) This was followed by intensive engagement to support an informality diagnostic that involves a holistic approach to coordinate activities and raise awareness across key stakeholders following a 10 step diagnostic approach of which 4 steps involve a detailed assessment of existing data quantifying and describing informality. The subsequent steps involved consultative discussions to formulate policy, also identifying target metrics for evaluation. Within this process the 2017/8 LFS data was fundamental – for example the baseline share of informal establishments was estimated at just under 50% and the plan targeted a reduction of this by 10 percentage points by 2023/4 through a mix of policies to promote registration and formalisation of informal businesses. The progress towards this goal would be monitored through a subsequent LFS. A broad range of follow up activities have been identified and ILO continues to provide in-depth support to this process.

47. The example of Nepal and the informality diagnostic approach show how a coordinated and holistic data to policy use process can be designed. Early awareness raising is key, and structure and cross agency/stakeholder involvement is evidently crucial – connecting policy makers with data producers and other stakeholders. Doing this in a structured way as embedded in the 10 step diagnostic approaches enables the process to be documented and monitored, including ultimately the tracking of policy impact through data.

48. The challenge in designing and implementing such a joined-up approach cannot be underestimated. Substantial resources, both from national partners and the ILO, were required to manage the various processes. Extensive work was required to build the political support to follow the process through to actual policy development and implementation. The true effectiveness of this can only be judged over time but it offers something of a roadmap for how good data use can be planned for and followed through – as opposed to measuring and then attempting to create linkages to specific policies or convince others of the need to use the data.

9. Remaining work and conclusions

49. At the time of writing of this room document the analytical and report writing work was continuing. Reports of findings are being prepared on a thematic/topic-based approach covering the main priority topics listed in section 3.

50. In addition to the reports of findings guidance notes will be produced summarising the measurement recommendations arising from the studies, including a note focussed on the key recommendations to achieve coverage of informality from a gender perspective, i.e. topics that can be covered that can highlight key differences in work performed or working conditions of women and men, and key lessons learned from the studies on how to achieve good data quality.

51. Another major component of the outputs will be updates to the set of published ILO tools, including model questionnaires. Core existing content will be refined in various ways, such as the questions used to identify informal employment and the informal sector, questions to identify dependent contractors and various others. New modules will be added to the existing content on the additional topics covered in the studies with related guidance to support their use by countries. This fits with the general strategy of the ILO to expand available guidance on a modular basis, enabling easier implementation by countries and some degree of flexibility in the topics to be covered reflecting national priorities.

52. While detailed findings presented in the reports are an important basis for the selection of preferred questionnaire content, as reflected in published tools and guidance, an important objective of the studies was to prove that the target topics could indeed be covered within an LFS. After all, the starting point of the studies is that the topics involved, while clearly relevant, are not widely covered and no standard measurement approaches are available. With this objective in mind it is important to state that, in general, this was found to be the case even though it is clear that further work is required on some topics. For example, while much was learned about the measurement of earnings and assets it remains clear that the reporting of amounts is sensitive for respondents and for earnings in particular, further work would be highly beneficial. Also the questions used to identify digital platform employment were not ultimately adequate for that purpose for a variety of reasons meaning they will not be included in the published tools at this point, subject to further development study in collaboration with countries.

53. With new content now included within the published ILO tools and guidance, the ILO will promote and support measurement through the usual mechanisms of advocacy at country level, technical support and capacity building. The outputs are being highlighted at the 21st ICLS, and will be published and publicised through multiple channels including through the LFS resources page on the ILOSTAT website. The ILO encourages countries to make reference to the published guidance and related standards in designing or updated labour force or related surveys. The ILO welcomes opportunities for collaboration and further testing on key selected topics, or on application at full scale of the accumulated guidance and tools to allow further refinement of approaches, and the opportunity to support and study the use of the data as a means to maximize the impact of the work.

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