



International
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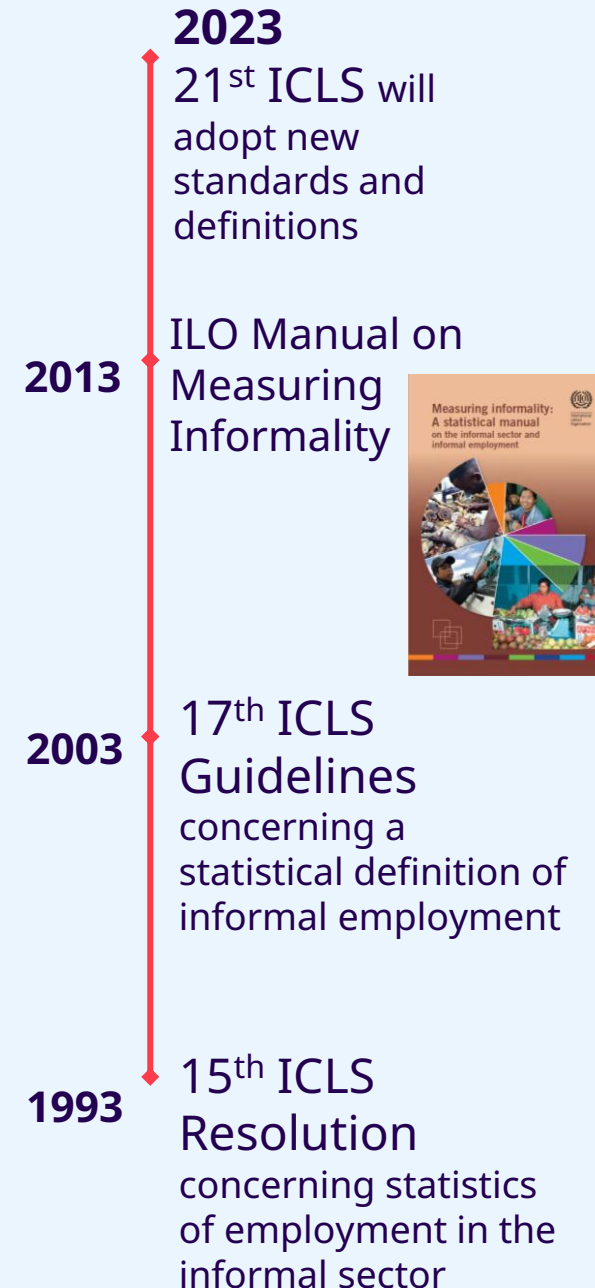


Engendering informality statistics Paragraphs 133-136 of Report I Room document 19

New statistical standard concerning statistics on the informal economy

- The importance of improving the data collection recommendations and tools was underlined at the 20th ICLS.
- The projects *Engendering Informality Statistics* and *Developing the statistics on informality in the Arab Region* forms an essential part of the methodological work.
- Running in parallel with the revision work, conducted by the ILO WG.

▶ Pilot studies and tests undertaken in parallel to working group discussions which created substantial benefits



Engendering Informality Statistics Project, objectives:

Support from Bill & Melinda Gates Foundation

1. Developing support for gender integration in new standards for measuring informality
 - Gender-sensitive tools to support implementation of the new standards
2. Produce guidance on enhancing the use of data on informality from a gender perspective
3. Evidence on what works, how to effectively measure informal employment and informal sector, how to fill gender relevant data gaps.
 - Cognitive interviews to test concept and questions (Peru and Uganda).
 - Pilot LFS studies (Peru and Uganda).
 - Analysis of the results is ongoing.
 - Expect to publish the results relating to the measurement of informality and the implementation of ICSE-18 in the near future.

- Managed by ILO Department of Statistics
- Technical advisory group established and met four times (so far)
- Strong collaboration with partners in Uganda and Peru
 - Centre for Basic Research in Uganda
 - Grupo de Análisis para el Desarrollo (GRADE) – Peru
 - Uganda Bureau of Statistics
 - Instituto Nacional de Estadística e Informática Peru

► Developing the statistics on informality in the Arab Region, objectives:

1. Contribute to increased harmonization in the region
 - Report of countries state of play in relation to measuring informal employment and social protection coverage with a focus on gender gaps.
 - Developing gender-sensitive tools and recommendations for data collection.
2. Evidence on what works, how to effectively measure informal employment and informal sector, how to fill data gaps.
 - Cognitive interviews to test concepts and questions (Lebanon and Egypt)
 - Tests ongoing
3. Create the basis for a regional discussion regarding a harmonized operational definition based on the latest statistical standards.

► Strong synergy between the two projects

► Similar focus in both projects

- Testing the identification of informal employment and informal sector in LFS based on the definitions proposed in the draft resolution.
- To fill important data gaps, explore additional topics that has importance for women and men in informality.
- Both projects have a strong gender component.

► But at the same time, differences

- The project *Developing the statistics on informality in the Arab Region*
 - Has a clear focus on developing questions taking into account the context and language of the region
- Engendering informality project:
 - Has a global scope and tests have been carried out in two different regions
- Different additional topics explored (e.g. social protection coverage)
- **The differences in timeline is an advantage**
- The results from the *Engendering informality project* has been fed into the *Developing the statistics on informality in the Arab Region*

► Pilot study design Uganda and Peru



► Issues for testing

Concepts and definitions related to informality

Criteria for identifying informal enterprises and informal employment

- Registration systems
- Types of social protection
- Keeping accounts for taxation purposes
- Access to paid annual and sick leave

Understanding of questions

Interpretation of concepts

Ability to recall information (e.g. on enterprise registration)

Approaches to data collection

Separation and alignment of household versus individual information

Alternative question sequences

Proxy versus direct reporting

How testing was conducted in Uganda and Peru

		Respondents	Methods	Outputs
2021 →	Qualitative testing	Two countries (Uganda and Peru); women and men of varying ages working in informal in agriculture and non-agricultural sectors; urban and rural areas	160 cognitive interviews; potentially also focus group discussions and in-depth interviews to validate and deepen understanding of gender and informality	Evidence to inform the concepts and questions used to accurately identify and understand informality
2022 →	Quantitative testing	Uganda and Peru; Uganda: random sample of 1,000 households per round in different regions; urban and rural areas Peru: Random sample of 400 households per questionnaire in different districts	Uganda: Field testing of two questionnaires in two waves (interview same households in both waves); 4,000 households in total Peru: One wave of testing of two questionnaires	Data for analysis of labour force status, type of jobs, status in employment, identifying and contextualizing informality; feedback from enumerators and supervisors in the field



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Qualitative testing of labour force survey questions in Peru and Uganda



160 Cognitive interviews
4 Focus group discussions
8 Individual interviews

Existing questions to identify informality
Existing questions to identify dependent contractors
New questions to independent workers:

Motivation for running the enterprise
Use of ICTs and digital platforms
Earnings and costs
Assets

New questions on earnings for employees

■ Location of tests

Peru

Uganda

CENTRE for BASIC RESEARCH



Example of findings - Identifying informality

Summary

- While there was low understanding of some of the concepts due to the high degree of informality, the questions worked to test the criteria used to define informal and formal jobs
- Tests have generated recommendations for rewording, adjusting sequencing, adding examples, and elaborating the explanatory notes
- No gender differences observed

6 questions tested

Questions on incorporation, business registration, accounts for taxation purposes

- Low awareness of concepts (particularly among employees)
- No evidence of false positives or false negatives
- Questions worked to accurately identify informality and formality based on the criteria subject to appropriate derivation
- More difficult for employees to answer this about their employers' enterprise
- Could reverse order of questions on incorporation and registration

Employers' contribution to social security

- Low awareness of the concept, particularly in Uganda
- Worked to get accurate information – no false positives

Access to paid sick leave

- Evidence of false positives – confusion with payment of medical expenses
- Reformulated question tested in quantitative stage

Access to paid annual leave

- Worked effectively

Quantitative testing phase



Quantitative testing phase - design

Two alternative labour force survey questionnaires

- Approach A vs Approach B
- Differ for only about 30 (10%) of the questions
 - Focus on informality and ICSE-18 plus topics for which no standard measurement approaches exist and coverage is low
- Updates made based on findings from the qualitative phase

Dedicated test of proxy effects

- Additional data collection to test proxy effect introduced in Uganda Round 2 & Peru

Topic coverage - 25 modules in the questionnaire

1. Household roster and demographics (DEM)
2. Household sources of livelihood (HLL)
3. Household agriculture (HAL)
4. Household businesses (HHL)
5. Respondent status (RSP)
6. Employed, at work (ATW)
7. Temporary absence from employment (ABS)
8. Agricultural work and market orientation (AGF)
- 9. Main job – core job characteristics (MJJ)**
- 10. Main job – core characteristics of the economic unit (MJU)**
11. Main job – tenure (MJT)
- 12. Main job – legal organization of economic unit (MJL)**
- 13. Main job – independent worker relationship (MJI)**

- 14. Main job – use of information and communication technologies (ICT)**
- 15. Main job – earnings for independent workers (EARI)**
- 16. Main job – assets used in business or activity (EAS)**
17. Main job – core contract characteristics (MJC)
- 18. Main job – informal employment of employees (MIE)**
- 19. Main job – earnings of employees (EARE)**
20. Second job – core job characteristics (SJJ)
21. Working time in employment (WKT)
22. Inadequate employment situations (WKI)
23. Job search and availability (SRH)
24. Own use production of crops (OPC)
25. Own use production of non-crop foodstuff (OPF)

Designed for CAPI – implemented in CSPro using existing published model questionnaires

► Issues for testing example: Earnings

Independent workers:

- **Lessons from cognitive testing**
- Asking about appropriate reference period crucial
- Good to separate seasonal from non-seasonal earnings but needs to be done carefully
- **Alternative approaches to measurement of profits of independent workers and earnings of dependent workers**
- **Objective – low burden approach for integration in LFS with good quality**
- Potential to measure earnings for different time periods (hour, month, year) in one sequence
- Adapted to respondent context depending on status in employment

► Test of proxy effect

- Additional data collection introduced in Uganda Round 2 and Peru
- Support analysis of how collecting data by proxy impacts the quality of gender and informality related data

Data for testing proxy effect

- Obtain direct interviews where possible (business as usual)
- In households where two or more direct interviews have been achieved, conduct an additional proxy interview for one respondent
- Supported by CAPI tool and interviewer training
- Cases for analysis (what the person reported for themselves versus what the proxy respondent reported)
- Differential proxy effects by question/topic
 - General pattern – less activity and less formal

	Uganda Round 2	Peru
Households in sample	1,643	820
Number of working age (14+)	5,048	2,135
Number of additional proxy interviews conducted		
Female	303	270
Male	291	157
Total	594	427



Findings

Findings

- Findings to be published incrementally topic by topic
- First reports – application of ICSE-18 and informality (after ICLS)
- Additional reports on other topics – proxy effects, earnings, asset ownership, ICT usage, motivation in family businesses etc. in coming months
- Key issue – feasibility to collect information on topics with reasonable burden within LFS
- Key focus on gender – i.e. ensuring questionnaires identify key differences between women and men (gender intentional design, not gender biased in implementation)

Other outputs

- Working paper on gaps and opportunities published in November 2022: https://www.ilo.org/global/publications/working-papers/WCMS_861882/lang--en/index.htm
- Thematic reports on findings
- Dedicated report(s) on engendering measurement of informality and data use
- Model questionnaire and materials being updated
- Related guidance - e.g. proxy effects
- Capacity building to be updated (e.g. informality course in Turin)
- Additional communication materials
- Other materials (e.g. informality manual to be updated?)

Reflections

- Pilot testing is incredibly useful and should continue selectively
- Using the process to input to standard setting also very useful
- Need to leverage country based testing and country expertise
- Topics covered did generally work well within the LFS
- More reflection and testing needed in some cases
 - Earnings of independent workers
 - Asset ownership (balance between sensitivity, burden and quality)
 - Digital platform work
- Need to consolidate and focus on dissemination/outreach

► **Thank you.**

