

Resolution concerning statistics of employment in the informal sector,
adopted by the Fifteenth International Conference of Labour Statisticians
(January 1993)

The Fifteenth International Conference of Labour Statisticians,

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Recalling paragraph 33 of the resolution concerning statistics of the economically active population, employment, unemployment and underemployment (resolution I), adopted by the Thirteenth Conference (1982) and the resolution concerning the informal sector (resolution VIII), adopted by the Fourteenth Conference (1987),

Considering that statistics on employment in the informal sector are especially needed in order to improve the statistical systems of countries where informal sector activities account for a significant proportion of total employment and income generation,

Observing the development of concepts and techniques for obtaining and analysing such statistics in a number of countries,

Recognizing that although these concepts and techniques will be further improved in the light of additional experience, there is currently a need for international standards to provide technical guidelines as a basis for the development of suitable definitions and classifications of informal sector activities and the design of appropriate data collection methods and programmes, and recognizing the usefulness of such standards in enhancing the international comparability of statistics,

Adopts this twenty-eighth day of January 1993 the following resolution:

OBJECTIVES

1. Countries where the informal sector plays a significant role in employment and income generation and economic and social development should aim, where practicable, at developing a comprehensive system of statistics on employment in the informal sector to provide an adequate statistical base for the various users of the statistics, with account being taken of specific national needs and circumstances. The system to be developed should contribute to the improvement of labour statistics and national accounts as an information base for macroeconomic analysis, planning, policy formulation and evaluation, to the integration of the informal sector into the development process and to its institutionalisation. It should provide quantitative information on the contribution of the informal sector to various aspects of economic and social development, including employment creation, production, income generation, human capital formation and the mobilisation of financial resources. The system may also provide data for the design and monitoring of specific support policies and assistance programmes for the informal sector as a whole or parts thereof with a view to increasing the productive potential and employment- and income-generating capacity of informal sector units, improving the working conditions and social and legal protection of informal sector workers, developing an appropriate regulatory framework and promoting the organisation of informal sector producers and workers, and for the analysis of the economic and social situation of particular groups of informal sector workers such as women, children, rural-urban migrants or immigrants.

2. In order to fulfil the above objectives, comprehensive, detailed and reliable statistics should, as far as possible, be compiled on: (i) the total number of informal sector units, classified by various structural characteristics to provide information on the composition of the informal sector and identify particular segments; (ii) total employment in such units, including information on the number of persons engaged by socio-demographic and other characteristics and on the conditions of their employment and work; (iii) production and incomes generated through informal sector activities, derived, where possible, from data on outputs, inputs and related transactions; and (iv) other characteristics pertaining to conditions under which informal sector units are created and carry out their activities, including their relationships with other units inside and outside the informal sector.

3. In order to enhance their comparability and usefulness, statistics on the informal sector should, as far as possible, be compatible with other related economic and social statistics and with national accounts as regards the definitions, classifications and reference periods used.

4. Statistics on the informal sector should be compiled at regular intervals so that changes in the size and characteristics of the informal sector over time can be monitored adequately. The frequency of data collection may vary according to the different types of statistics mentioned in paragraph 2, survey methods required and their implications for the use of human and financial resources.

CONCEPT

5. (1) The informal sector may be broadly characterised as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at a low level of organisation, with little or no division between labour and capital as factors of production and on a small scale. Labour relations - where they exist - are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees.

(2) Production units of the informal sector have the characteristic features of household enterprises. The fixed and other assets used do not belong to the production units as such but to their owners. The units as such cannot engage in transactions or enter into contracts with other units, nor incur liabilities, on their own behalf. The owners have to raise the necessary finance at their own risk and are personally liable, without limit, for any debts or obligations incurred in the production process. Expenditure for production is often indistinguishable from household expenditure. Similarly, capital goods such as buildings or vehicles may be used indistinguishably for business and household purposes.

(3) Activities performed by production units of the informal sector are not necessarily performed with the deliberate intention of evading the payment of taxes or social security contributions, or infringing labour or other legislations or administrative provisions. Accordingly, the concept of informal sector activities should be distinguished from the concept of activities of the hidden or underground economy.

OPERATIONAL DEFINITIONS

Informal sector

6. (1) For statistical purposes, the informal sector is regarded as a group of production units which, according to the definitions and classifications provided in the United Nations System of National Accounts (Rev.4), form part of the household sector as household enterprises or, equivalently,

unincorporated enterprises owned by households as defined in paragraph 7.

(2) Within the household sector, the informal sector comprises (i) "informal own-account enterprises" as defined in paragraph 8; and (ii) the additional component consisting of "enterprises of informal employers" as defined in paragraph 9.

(3) The informal sector is defined irrespective of the kind of workplace where the productive activities are carried out, the extent of fixed capital assets used, the duration of the operation of the enterprise (perennial, seasonal or casual), and its operation as a main or secondary activity of the owner.

Household enterprises

7. According to the United Nations System of National Accounts (Rev.4), household enterprises (or, equivalently, unincorporated enterprises owned by households) are distinguished from corporations and quasi-corporations on the basis of the legal organisation of the units and the type of accounts kept for them. Household enterprises are units engaged in the production of goods or services which are not constituted as separate legal entities independently of the households or household members that own them, and for which no complete sets of accounts (including balance sheets of assets and liabilities) are available which would permit a clear distinction of the production activities of the enterprises from the other activities of their owners and the identification of any flows of income and capital between the enterprises and the owners. Household enterprises include unincorporated enterprises owned and operated by individual household members or by two or more members of the same household as well as unincorporated partnerships formed by members of different households.

Informal own-account enterprises

8. (1) Informal own-account enterprises are household enterprises (in the sense of paragraph 7) owned and operated by own-account workers, either alone or in partnership with members of the same or other households, which may employ contributing family workers and employees on an occasional basis, but do not employ employees on a continuous basis and which have the characteristics described in subparagraphs 5 (1) and (2).

(2) For operational purposes, informal own-account enterprises may comprise, depending on national circumstances, either all own-account enterprises or only those which are not registered under specific forms of national legislation.

(3) Registration may refer 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.

(4) Own-account workers, contributing family workers, employees and the employment of employees on a continuous basis are defined in accordance with the most recently adopted version of the International Classification of Status in Employment (ICSE).

Enterprises of informal employers

9. (1) Enterprises of informal employers are household enterprises (in the sense of paragraph 7) owned and operated by employers, either alone or in partnership with members of the same or other households, which employ one or more employees on a continuous basis and which have

the characteristics described in subparagraphs 5 (1) and (2).

(2) For operational purposes, enterprises of informal employers may be defined, depending on national circumstances, in terms of one or more of the following criteria:

- (i) size of the unit below a specified level of employment;
- (ii) non-registration of the enterprise or its employees.

(3) While the size criterion should preferably refer to the number of employees employed on a continuous basis, in practice, it may also be specified in terms of the total number of employees or the number of persons engaged during the reference period.

(4) The upper size limit in the definition of enterprises of informal employers may vary between countries and branches of economic activity. It may be determined on the basis of minimum size requirements as embodied in relevant national legislations, where they exist, or in terms of empirically determined norms. 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.

(5) In the case of enterprises which carry out their activities in more than one establishment, the size criterion should, in principle, refer to each of the establishments separately rather than to the enterprise as a whole. Accordingly, an enterprise should be considered to satisfy the size criterion if none of its establishments exceeds the specified upper size limit.

(6) Registration of the enterprise may refer to registration under specific forms of national legislation as specified in subparagraph 8 (3). Employees may be considered registered if they are employed on the basis of an employment or apprenticeship contract which commits the employer to pay relevant taxes and social security contributions on behalf of the employee or which makes the employment relationship subject to standard labour legislation.

(7) Employers, employees and the employment of employees on a continuous basis are defined in accordance with the most recently adopted version of the International Classification of Status in Employment (ICSE).

10. For particular analytical purposes, more specific definitions of the informal sector may be developed at the national level by introducing further criteria on the basis of the data collected. Such definitions may vary according to the needs of different users of the statistics.

Population employed in the informal sector

11. (1) The population employed in the informal sector comprises all persons who, during a given reference period, were employed (in the sense of paragraph 9 of resolution I adopted by the Thirteenth International Conference of Labour Statisticians) in at least one informal sector unit as defined in paragraphs 8 and 9, irrespective of their status in employment and whether it is their main or a secondary job.

(2) Where possible, the population employed in the informal sector should be subclassified into two categories: persons exclusively employed in the informal sector, and persons employed both in and

outside the informal sector. The latter category may be further divided into two subcategories: persons whose main job is in the informal sector, and persons whose secondary job is in the informal sector.

(3) If the total employed population is to be classified into mutually exclusive categories of persons employed in and outside the informal sector, persons employed both in and outside the informal sector should be classified as a separate category, or criteria should be established to determine their main job (e.g. on the basis of self-assessment, time spent at work or amount of remuneration received in each job).

(4) In some countries, a significant number of children below the age specified for measurement of the economically active population in population censuses or household surveys work in informal sector units and may represent a group of particular concern for labour legislation and educational and social policies. In such situations, every possible effort should be made in informal sector surveys to collect information on the work of all children irrespective of age, and children below the minimum age specified in population censuses or household surveys should be identified separately.

TREATMENT OF PARTICULAR CASES

12. (1) Different members of a household may be engaged as self-employed persons in different kinds of informal sector activities during a given reference period. In order to determine whether such activities should be regarded as separate enterprises or as parts of a single enterprise, due consideration should be given to the definitional requirements of an enterprise as specified in the International Standard Industrial Classification of All Economic Activities (ISIC, Rev.3). Where it is difficult in practice to apply these requirements, different activities carried out by different household members should be treated as separate enterprises if they are perceived as such by the household members themselves.

(2) A household member or group of household members may be engaged as self-employed persons in different kinds of informal sector activities during a given reference period. For practical purposes, all activities carried out at a time by the same household member or group of household members should be treated as parts of a single enterprise rather than as separate enterprises.

13. In the case of informal sector units which are engaged in different kinds of production activities during a given reference period, efforts should be made to collect as much separate information as possible in respect of each activity, even when the enterprises concerned need not or cannot be partitioned into establishments as defined by the International Standard Industrial Classification of All Economic Activities (ISIC, Rev.3). In particular, such separate information should be collected in respect of all activities of the enterprise which are horizontally integrated (i.e. producing different kinds of goods or services for sale or exchange and carried out parallel with each other), irrespective of their share in the total value added of the enterprise.

14. Household enterprises, which are exclusively engaged in non-market production, i.e. the production of goods or services for own final consumption or own fixed capital formation as defined by the United Nations System of National Accounts (Rev.4), should be excluded from the scope of the informal sector for the purpose of statistics of employment in the informal sector. Depending on national circumstances, an exception may be made in respect of households employing domestic workers as referred to in paragraph 19.

15. With account being taken of paragraph 14, the scope of the informal sector should include household enterprises located in urban areas as well as household enterprises located in rural areas.

However, countries which start to conduct surveys of the informal sector may initially confine data collection to urban areas. Depending upon the availability of resources and appropriate sampling frames, the coverage of the surveys should gradually be extended to cover the whole national territory.

16. For practical reasons, the scope of the informal sector may be limited to household enterprises engaged in non-agricultural activities. With account being taken of paragraph 14, all non-agricultural activities should be included in the scope of the informal sector, irrespective of whether the household enterprises carry them out as main or secondary activities. In particular, the informal sector should include secondary non-agricultural activities of household enterprises in the agricultural sector if they fulfil the requirements of paragraphs 8 or 9.

17. Units engaged in professional or technical activities carried out by self-employed persons such as doctors, lawyers, accountants, architects or engineers, should be included in the informal sector if they fulfil the requirements of paragraphs 8 or 9.

18. (1) Outworkers are persons who agree to work for a particular enterprise, or to supply a certain quantity of goods or services to a particular enterprise, by prior arrangement or contract with that enterprise, but whose place of work is not within any of the establishments which make up that enterprise.

(2) In order to facilitate data collection, all outworkers should be potentially included in the scope of informal sector surveys, irrespective of whether they constitute production units on their own (self-employed outworkers) or form part of the enterprise which employs them (employee outworkers). On the basis of the information collected, self-employed and employee outworkers should be distinguished from each other by using the criteria recommended in the United Nations System of National Accounts (Rev.4). Outworkers should be included in the informal sector, or in the population employed in the informal sector, if the production units which they constitute as self-employed persons or for which they work as employees fulfil the requirements of paragraphs 8 or 9.

(3) In situations where the number of outworkers is significant or where outworkers represent a group of particular concern for data users, self-employed outworkers should be identified as separate sub-categories of informal own-account enterprises and enterprises of informal employers or of the owners of such enterprises.

(4) For purposes of distinction between employment on a continuous basis and employment on an occasional basis, and in application of the definition of registered employees according to paragraph 9(6), employee outworkers should be treated in the same way as other employees. Where relevant, employee outworkers may be identified as a separate sub-category of informal sector employees.

19. Domestic workers are persons exclusively engaged by households to render domestic services for payment in cash or in kind. Domestic workers should be included in or excluded from the informal sector depending upon national circumstances and the intended uses of the statistics. In either case, domestic workers should be identified as a separate sub-category in order to enhance international comparability of the statistics.

20. Activities excluded from the scope of the informal sector, such as domestic services, non-market production and agricultural activities, may be identified as separate categories outside the distinction between the informal and formal sectors.

DATA COLLECTION PROGRAMME AND METHODS

21. (1) The collection of data on the informal sector should be integrated into the regular national statistical system. The data collection programme should provide both for (a) the current monitoring, if possible once a year, of the evolution of employment in the informal sector and (b) the in-depth examination, if possible every five years, of informal sector units with respect to their numbers and characteristics, in particular, their organisation and functioning, their production activities and levels of income generation, as well as their constraints and potentials.

(2) The data collection programme with regard to the broad objective (a) should preferably be based on a household survey approach, with households as reporting units and individual household members as observation units. With regard to the broad objective (b), the data collection programme should preferably be based on an establishment survey approach or a mixed household and enterprise survey approach, or a combination of both, with the informal sector units themselves and their owners as observation and reporting units.

(3) Other measurement methods can also be considered, such as methods of indirect macroeconomic estimation or the comparative analysis of data from different sources.

Household surveys for monitoring informal sector employment

22. (1) Existing surveys of the economically active population and similar household surveys provide a useful and economical means of collecting data on employment in the informal sector in terms of the number and characteristics of the persons concerned and the conditions of their employment and work.

(2) For this purpose, questions pertaining to the definition of the informal sector should be incorporated into the survey questionnaire and asked in respect of all persons employed during the reference period of the survey, irrespective of their status in employment.

(3) Special care should be taken in the survey design and operations to ensure comprehensive coverage of the population employed in the informal sector as defined in paragraph 11(1) above. In particular, special efforts should be made in the sample design to ensure appropriate representativeness of areas where persons engaged in informal sector activities tend to live. It is also important to collect data on secondary activities of household members in the same detail as on the main activity, including the criteria used for defining the informal sector. Special probings may be needed with respect to informal sector activities that would otherwise go unreported, such as unpaid work in family enterprises or activities carried out by women on their own account at or from home. To obtain comprehensive data on children working in the informal sector, it may also be necessary to lower the minimum age normally used in the survey for measuring characteristics of the economically active population.

(4) The data collected should be analysed in conjunction with other relevant information obtained from the same survey. In particular, a mutually exclusive breakdown may be made of the economically active population by employment in and outside the informal sector and unemployment. Depending on national circumstances and data needs, information on various forms of atypical or precarious employment outside the informal sector may be obtained along with data on the different forms of employment in the informal sector. For this purpose, all employed persons, whether working in the informal sector or outside, should be classified by status in employment at an appropriate level of disaggregation.

(5) In order to monitor trends in informal sector employment over time, questions on

employment in the informal sector should be included, if possible, once a year in existing infra-annual surveys of the economically active population or similar household surveys. Surveys conducted at less frequent intervals (e.g., annually or quinquennially) should include questions on employment in the informal sector in every survey round, if possible.

Establishment surveys of informal sector units

23. It may be possible to collect data on informal sector units through various kinds of establishment surveys depending on the measurement objectives, the intended uses of the data, the calendar and structure of the national statistical system, and the availability of sampling frames and resources.

24. (1) In conjunction with an establishment or economic census or using the latest economic census as an area sampling frame, special surveys of informal establishments may be conducted to collect specific data on employment, production, income generation and other characteristics of informal sector units and their owners.

(2) For this purpose, the economic census should, in principle, contain the required items for identifying the informal sector units according to the definition set forth in paragraph 6. However, as the observation unit in economic censuses is typically the establishment, the reconstitution of informal sector enterprises on the basis of the available information may not be easy to achieve in practice.

(3) Unless particular measures are taken, the coverage of such surveys of informal sector establishments is limited by the scope of the economic census on which they are based. In particular, coverage typically excludes informal sector units which do not operate in fixed premises designated for the purpose of carrying out production activities or which are not identifiable as such from the outside during the listing operation.

(4) While it is generally preferable to cover all types of informal sector activities through a single survey, branch-specific surveys or a series of such surveys may be considered if the measurement objectives are limited to particular kinds of informal sector activities, or if the scale of a single survey is considered too large to be manageable in practice.

(5) In a branch-specific survey, the listing operation should be such as to identify all and only those informal sector units that fall within the scope of the survey. Rules need to be established for informal sector units also engaged in other activities, particularly if some of these activities fall outside the scope of the survey.

(6) When the intention is to cover all types of informal sector activities through a series of branch-specific surveys rather than a single survey, the data collection programme should be designed to ensure a comprehensive coverage of informal sector units without omission or duplication between surveys. The timing of the surveys and the methodology to obtain overall aggregates should be carefully planned.

Mixed household and enterprise surveys

25. (1) The basic principle of mixed household and enterprise surveys is to construct a sampling frame of informal sector enterprises through a household survey operation, prior to the informal sector survey itself. The household survey component, if appropriately designed, makes it possible to

identify informal sector enterprises rather than establishments, and to cover virtually all informal sector units irrespective of size, kind of activity, and type of workplace.

(2) Mixed household and enterprise surveys are based on area sampling and conducted in two phases: (i) informal sector enterprises and their working owners are identified during the first phase through a household listing or interviewing operation (household survey component); (ii) all or a sample of the business owners thus identified are interviewed during the second phase to obtain information on the characteristics of their enterprises (enterprise survey component).

26. (1) The time interval between the two phases should be kept as short as possible, to minimise loss rates of units.

(2) Informal sector enterprises should be identified on the basis of own-account workers and employers who are members of the sample households. Identification based on employees of informal sector units should be avoided.

(3) In order to avoid omissions, the household survey component must be targeted to all employers and own-account workers in the sample who are potentially included in the informal sector. The informal sector units are then subsequently identified on the basis of the information obtained from the enterprise survey component.

(4) While information during the first phase of the survey may often have to be obtained from proxy respondents, it is highly desirable in the second phase that the business owners themselves are interviewed. Where relevant, these interviews should preferably be conducted at the place of work rather than the place of residence of the household member.

27. (1) Since informal sector enterprises may be owned and operated by members of different households in business partnership, and such partnerships may differ significantly from other units in their characteristics, an appropriate procedure should be adopted, at the selection stage of the informal sector units, or, preferably, at the stage of assigning the sampling weights, to ensure that the resulting statistics are representative of the total survey universe. The sampling weights should be determined with great care.

(2) For a comprehensive coverage, all informal sector enterprises and their operators in the sample areas or in the sample households should be identified in the first phase of the survey. In particular, businesses operated as secondary activities of household members should be identified on the same basis as businesses operated as main activities. Special probing may also be necessary to identify women and children engaged in informal sector activities on their own account.

28. If information on seasonal variations of informal sector activities is to be obtained and annual estimates of the main aggregates are to be produced, data collection should be spread over a period of a whole year by dividing the sample into independent subsamples for different quarters or months of the year.

29. The nature and efficiency of the survey design of a mixed household and enterprise survey will depend on whether the survey is conceived as (i) an independent survey, (ii) an attachment to an existing household survey, or (iii) part of an integrated survey designed to meet several objectives.

30. (1) In an independent survey, the sampling scheme may be designed to satisfy the specific requirements of informal sector measurement and to ensure an adequate representation of different types of informal sector activities or units in the sample.

(2) A sufficiently stratified sample at the first stage of selection helps avoid the need for differential last stage sampling rates for different categories of informal sector units and facilitates survey implementation in the field. Using the latest population census or other available information, an area sampling frame for the household survey component should be constructed so as to consist of area units of the desired size, stratified as far as possible according to the concentration of households that operate informal sector units. Provided data are available from the population census and retrievable at a sufficient level of geographical detail, the stratification of area units may be based on the concentration of own-account workers and employers by broad industry group, and, if possible, by type of location of the workplace and, for employers, by number of their employees. Where such data are not available, provision should be made to obtain them from the next population census.

(3) The household survey component of an independent mixed survey may be restricted to a household listing operation in the selected area units, in which information is obtained on the composition of the household and, in respect of each household member of working age, whether the person operated, as main or secondary activity, any informal sector business during a specified reference period. Basic information on the type of workplace, its location, branch of economic activity, and, if possible, number of employees should also be obtained.

31. (1) If the enterprise survey component of a mixed survey is conceived as an attachment to an existing household survey (e.g. a labour force survey or a household income and expenditure survey) efforts should be made to make up for the limitations resulting from the design and selection of the base survey sample.

(2) The effective sample size of the enterprise survey component may be increased by selecting the sample of informal sector units on the basis of all households identified during the listing operation of the base survey rather than only those selected for the base survey sample. Alternative procedures would be to add, if resources are available, appropriately chosen supplementary areas to the base survey sample, or, if the base survey is of a continuing nature, to cumulate the subsamples of informal sector units over several rounds.

32. In developing integrated surveys for the collection of data on the informal sector and other topics (e.g. labour force, household economic activities), the requirements of informal sector measurement can be incorporated, to a greater or lesser extent, into the overall design of the survey, through appropriate methods of sample allocation and selection. The major requirement of the informal sector component is adequate representation of the different types of informal sector activities and units in the sample.

ITEMS OF DATA COLLECTION

33. (1) The type of data to be collected on the informal sector depends largely upon the specific circumstances in each country, methods of data collection, the intended uses of the statistics and the practical feasibility of data collection. For determination of the items of data collection, the main users of the statistics should be consulted and the results of previous surveys analysed or pilot surveys conducted.

(2) In order to enhance the usefulness of informal sector statistics for joint analysis with other related economic and social statistics and for the purposes of international comparison, the definitions and classifications of the items of data collected should, as far as possible, be compatible with those used in other national surveys or censuses and correspond to the most recently adopted versions of relevant international recommendations and standard classifications.

34. The statistics obtained should include, as a minimum, the number of persons engaged in informal sector units by status in employment and by kind of economic activity and, if possible, the number of informal sector enterprises by kind of economic activity and by type (i.e. informal own-account enterprises, enterprises of informal employers).

35. (1) In addition, data may be collected in more or less detail and with appropriate frequencies on any one or more of the following topics:

- (i) Employment and working conditions: number of persons engaged in informal sector units during the reference period by sex, age, migration characteristics, school attendance, educational attainment, kind of vocational training received, occupation, time spent at work and, where possible, other jobs held in or outside the informal sector taking account of the categories and subcategories mentioned in paragraph 11(2); number of employees by nature of employment (continuous, casual; registered, not registered); compensation of employees and its components (wages and salaries in cash or in kind, employers' social contributions), frequency and mode of remuneration, entitlement to paid annual or sick leave, etc.
- (ii) Production, income generation and fixed capital: frequency of operation (perennial, seasonal, casual); duration of operation during the reference period; quantity and value of outputs produced during the reference period; total amount of sales; intermediate consumption; taxes paid on production and subsidies received, if any; property income received and property charges payable in connection with business activities; characteristics of loans taken for business activities; fixed assets owned by the units; fixed capital formation during the reference period; etc.
- (iii) Conditions of business operation: legal organisation of the units; type of accounts kept; type of ownership (individual ownership, household ownership, business partnership with members of other households); number of business partners from other households, if any; location (urban versus rural areas); type of workplace: workshop, shop, etc., fixed market or street stall, home of the enterprise owner, no fixed place (e.g. homes of clients, construction sites, mobile); type and number of customers, or proportion of output sold to different types of customers; extent and terms of work performed for other enterprises under subcontracting arrangements; sources of capital for the acquisition of fixed assets; origin of the main goods used for further processing or resale (importation, informal sector, other); type of registration or licensing of units; availability of public utilities at the place of work; participation in informal sector support programmes and kind of assistance received, if any; membership in associations or cooperatives of informal sector producers; problems faced in the creation of enterprises and constraints on their operation or expansion; year of creation and evolution of enterprises; etc.
- (iv) Enterprise owners: sex; age; marital status; place or country of origin; period of residence in the present area; previous place of residence, if any; educational attainment; acquisition of skills needed to conduct the business (formal versus informal kinds of training); present occupation; time spent at work in the business during the reference period; engagement in other economic activities; characteristics of other economic activities, if any, and main source of income of enterprise owners; reasons for working in the informal sector; characteristics of previous employment in or outside the informal sector, if any; plans for the future

regarding business development or alternative employment; etc.

- (v) Households of the enterprise owners: other household members by sex, age, marital status, relationship to the reference person and activity status; employment characteristics of other household members employed in or outside the informal sector; amount and sources of income of the households; etc.

(2) For the purposes of national accounting, the collection of data on the production and incomes generated by informal sector units should aim at providing the elements needed for the estimation of gross output, value added and mixed income (operating surplus) as defined in the United Nations System of National Accounts (Rev.4).

(3) Since production activities of informal sector units often overlap with consumption activities of the households of the enterprise owners, efforts should be made in the collection of data on intermediate consumption, property charges and fixed assets to separate usage for business purposes from usage for household consumption. If a clear distinction is not possible, the expenditures concerned should at least be allocated approximately in proportion to the use for business purposes.

(4) In the case of informal sector units engaged in several different kinds of production activities, inputs into production in the form of labour, capital, goods or services, which cannot be clearly allocated to a specific kind of activity, should be distributed in an appropriate way over all activities for which they are used.

(5) The collection of data on characteristics of the households of the enterprise owners enables informal sector activities to be analysed in the context of households as a whole. Such analyses may include studies of the role of other household members in providing additional income to households and the impact of the household situation on the activities of women in the informal sector.

SUB-CLASSIFICATIONS

36. (1) In order to provide information on the composition of the informal sector and to identify more homogeneous groups for analytical purposes, as targets for social and economic policies and informal sector support programmes, and as basis for comparisons of statistics over time and between countries, informal sector units should be sub-classified by various characteristics on the basis of the information collected.

(2) Enterprises of informal employers, when included in statistics of the informal sector, should be identified separately from informal own-account enterprises.

(3) Useful sub-classifications of informal own-account enterprises and enterprises of informal employers, both for the analysis of informal sector statistics at the national level and international comparison, include distinctions according to the following characteristics:

- (i) kind of economic activity;
- (ii) type of workplace: home of enterprise owner, other fixed premises, no fixed place;
- (iii) location: urban areas, rural areas;

- (iv) number of persons engaged;
- (v) type of ownership: individual ownership, household ownership, business partnership with members of other households;
- (vi) relation with other enterprises: independent producers, producers working under subcontracting arrangements for other enterprises.

(4) In addition, it may be useful to sub-classify informal own-account enterprises according to the composition of their workforce, distinguishing one-person units from two-and-more person units and, among the latter, users of occasional hired labour from non-users of such labour.

(5) Depending on the needs of data users and the size of samples, two or more of these characteristics may be combined into more complex classification schemes.

(6) For the purpose of international comparisons, the classification by kind of economic activity should adhere to or be convertible into the International Standard Industrial Classification of All Economic Activities (ISIC, Rev.3). For international reporting of the statistics, data should be provided at the level of ISIC tabulation categories, except for category "Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods" which should be subdivided appropriately. For other purposes, data classified according to kind of economic activity may be required in as much detail as is supported by the size of the samples. To reflect the diversity of informal sector activities, it may be necessary to develop appropriate further sub-divisions of some of the groups which the activity classification commonly used provides at its most detailed level. To ensure the comparability of informal sector statistics with other statistics, any such sub-divisions should be so defined that the data can be aggregated to higher level categories of the classification without cutting across their boundaries. Units engaged in more than one activity during the reference period should be classified according to their main activity which may be defined as that with the largest value added.

(7) The size intervals used for the sub-classification by number of persons engaged should be consistent with the standard size intervals recommended for the 1983 World Programme of Industrial Statistics, i.e. 1-4, 5-9, 10-19, etc. persons engaged. Depending upon the intended uses of the statistics, these intervals may be further subdivided.

FURTHER ACTION

37. (1) In view of the particular characteristics of informal sector units and their owners, special efforts should be made in the design and operations of informal sector surveys to increase response rates and obtain the required information as accurately as possible.

(2) Countries collecting data on the informal sector should share their experiences with the International Labour Office.

38. (1) The International Labour Office should follow the developments in designing and implementing informal sector surveys, as well as surveys of household economic activities, disseminate and evaluate information about the lessons being learned from this experience for discussion at the next International Conference of Labour Statisticians, prepare a manual to provide technical guidelines on the contents of this resolution which reflects such improvements in concepts and techniques and, if necessary, arrange for a review of this resolution by a future International Conference of Labour Statisticians.

(2) The International Labour Office should cooperate, as far as possible, with countries in the development of statistics of employment in the informal sector in providing technical assistance and training.